

GOODALE FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1447
(Reference to Senate engrossed bill)

1 Page 1, strike lines 4 through 44

2 Strike pages 2 through 10

3 Page 11, strike lines 1 through 13, insert:

4 "15-183. Charter schools; application; requirements; immunity;
5 exemptions; renewal of application; reprisal; fee;
6 funds

7 A. An applicant seeking to establish a charter school shall submit a
8 written application to a proposed sponsor as prescribed in subsection C of
9 this section. The application, application process and application time
10 frames shall be posted on the sponsor's website and shall include the
11 following, as specified in the application adopted by the sponsor:

- 12 1. A detailed educational plan.
- 13 2. A detailed business plan.
- 14 3. A detailed operational plan.
- 15 4. Any other materials required by the sponsor.

16 B. The sponsor of a charter school may contract with a public body,
17 private person or private organization for the purpose of establishing a
18 charter school pursuant to this article.

19 C. The sponsor of a charter school may be either a school district
20 governing board, the state board of education, the state board for charter
21 schools, a university under the jurisdiction of the Arizona board of regents,
22 a community college district with enrollment of more than fifteen thousand
23 full-time equivalent students or a group of community college districts with
24 a combined enrollment of more than fifteen thousand full-time equivalent
25 students, subject to the following requirements:

- 26 1. For charter schools that submit an application for sponsorship to a
27 school district governing board:

1 (a) An applicant for a charter school may submit its application to a
2 school district governing board, which shall either accept or reject
3 sponsorship of the charter school within ninety days. An applicant may
4 submit a revised application for reconsideration by the governing board. If
5 the governing board rejects the application, the governing board shall notify
6 the applicant in writing of the reasons for the rejection. The applicant may
7 request, and the governing board may provide, technical assistance to improve
8 the application.

9 (b) In the first year that a school district is determined to be out
10 of compliance with the uniform system of financial records, within fifteen
11 days of the determination of noncompliance, the school district shall notify
12 by certified mail each charter school sponsored by the school district that
13 the school district is out of compliance with the uniform system of financial
14 records. The notification shall include a statement that if the school
15 district is determined to be out of compliance for a second consecutive year,
16 the charter school will be required to transfer sponsorship to another entity
17 pursuant to subdivision (c) of this paragraph.

18 (c) In the second consecutive year that a school district is
19 determined to be out of compliance with the uniform system of financial
20 records, within fifteen days of the determination of noncompliance, the
21 school district shall notify by certified mail each charter school sponsored
22 by the school district that the school district is out of compliance with the
23 uniform system of financial records. A charter school that receives a
24 notification of school district noncompliance pursuant to this subdivision
25 shall file a written sponsorship transfer application within forty-five days
26 with the state board of education, the state board for charter schools or the
27 school district governing board if the charter school is located within the
28 geographic boundaries of that school district. A charter school that
29 receives a notification of school district noncompliance may request an
30 extension of time to file a sponsorship transfer application, and the state
31 board of education, the state board for charter schools or a school district
32 governing board may grant an extension of not more than an additional thirty
33 days if good cause exists for the extension. The state board of education
34 and the state board for charter schools shall approve a sponsorship transfer
35 application pursuant to this paragraph.

1 (d) A school district governing board shall not grant a charter to a
2 charter school that is located outside the geographic boundaries of that
3 school district.

4 (e) A school district that has been determined to be out of compliance
5 with the uniform system of financial records during either of the previous
6 two fiscal years shall not sponsor a new or transferring charter school.

7 2. The applicant may submit the application to the state board of
8 education or the state board for charter schools. The state board of
9 education or the state board for charter schools may approve the application
10 if the application meets the requirements of this article and may approve the
11 charter if the proposed sponsor determines, within its sole discretion, that
12 the applicant is sufficiently qualified to operate a charter school and that
13 the applicant is applying to operate as a separate charter holder by
14 considering factors such as whether:

15 (a) The schools have separate governing bodies, governing body
16 membership, staff, facilities, and student population.

17 (b) Daily operations are carried out by different administrators.

18 (c) The applicant intends to have an affiliation agreement for the
19 purpose of providing enrollment preferences.

20 (d) The applicant's charter management organization has multiple
21 charter holders serving varied grade configurations on one physical site or
22 nearby sites serving one community.

23 (e) It is reconstituting an existing school site population at the
24 same or new site.

25 (f) It is reconstituting an existing grade configuration from a prior
26 charter holder with at least one grade remaining on the original site with
27 the other grade or grades moving to a new site.

28 The state board of education or the state board for charter schools may
29 approve any charter schools transferring charters. The state board of
30 education and the state board for charter schools shall approve any charter
31 schools transferring charters from a school district that is determined to be
32 out of compliance with the uniform system of financial records pursuant to
33 this section, but may require the charter school to sign a new charter that
34 is equivalent to the charter awarded by the former sponsor. If the state
35 board of education or the state board for charter schools rejects the
36 preliminary application, the state board of education or the state board for
37 charter schools shall notify the applicant in writing of the reasons for the

1 rejection and of suggestions for improving the application. An applicant may
2 submit a revised application for reconsideration by the state board of
3 education or the state board for charter schools. The applicant may request,
4 and the state board of education or the state board for charter schools may
5 provide, technical assistance to improve the application.

6 3. The applicant may submit the application to a university under the
7 jurisdiction of the Arizona board of regents, a community college district or
8 a group of community college districts. A university, a community college
9 district or a group of community college districts may approve the
10 application if it meets the requirements of this article and if the proposed
11 sponsor determines, in its sole discretion, that the applicant is
12 sufficiently qualified to operate a charter school.

13 4. Each applicant seeking to establish a charter school shall submit a
14 full set of fingerprints to the approving agency for the purpose of obtaining
15 a state and federal criminal records check pursuant to section 41-1750 and
16 Public Law 92-544. If an applicant will have direct contact with students,
17 the applicant shall possess a valid fingerprint clearance card that is issued
18 pursuant to title 41, chapter 12, article 3.1. The department of public
19 safety may exchange this fingerprint data with the federal bureau of
20 investigation. The criminal records check shall be completed before the
21 issuance of a charter.

22 5. All persons engaged in instructional work directly as a classroom,
23 laboratory or other teacher or indirectly as a supervisory teacher, speech
24 therapist or principal shall have a valid fingerprint clearance card that is
25 issued pursuant to title 41, chapter 12, article 3.1, unless the person is a
26 volunteer or guest speaker who is accompanied in the classroom by a person
27 with a valid fingerprint clearance card. A charter school shall not employ a
28 teacher whose certificate has been surrendered or revoked, unless the
29 teacher's certificate has been subsequently reinstated by the state board of
30 education. All other personnel shall be fingerprint checked pursuant to
31 section 15-512. Before employment, the charter school shall make documented,
32 good faith efforts to contact previous employers of a person to obtain
33 information and recommendations that may be relevant to a person's fitness
34 for employment as prescribed in section 15-512, subsection F. The charter
35 school shall notify the department of public safety if the charter school or
36 sponsor receives credible evidence that a person who possesses a valid
37 fingerprint clearance card is arrested for or is charged with an offense

1 listed in section 41-1758.03, subsection B. Charter schools may hire
2 personnel that have not yet received a fingerprint clearance card if proof is
3 provided of the submission of an application to the department of public
4 safety for a fingerprint clearance card and if the charter school that is
5 seeking to hire the applicant does all of the following:

6 (a) Documents in the applicant's file the necessity for hiring and
7 placement of the applicant before receiving a fingerprint clearance card.

8 (b) Ensures that the department of public safety completes a statewide
9 criminal records check on the applicant. A statewide criminal records check
10 shall be completed by the department of public safety every one hundred
11 twenty days until the date that the fingerprint check is completed.

12 (c) Obtains references from the applicant's current employer and the
13 two most recent previous employers except for applicants who have been
14 employed for at least five years by the applicant's most recent employer.

15 (d) Provides general supervision of the applicant until the date that
16 the fingerprint card is obtained.

17 (e) Completes a search of criminal records in all local jurisdictions
18 outside of this state in which the applicant has lived in the previous five
19 years.

20 (f) Verifies the fingerprint status of the applicant with the
21 department of public safety.

22 6. A charter school that complies with the fingerprinting requirements
23 of this section shall be deemed to have complied with section 15-512 and is
24 entitled to the same rights and protections provided to school districts by
25 section 15-512.

26 7. If a charter school operator is not already subject to a public
27 meeting or hearing by the municipality in which the charter school is
28 located, the operator of a charter school shall conduct a public meeting at
29 least thirty days before the charter school operator opens a site or sites
30 for the charter school. The charter school operator shall post notices of
31 the public meeting in at least three different locations that are within
32 three hundred feet of the proposed charter school site.

33 8. A person who is employed by a charter school or who is an applicant
34 for employment with a charter school, who is arrested for or charged with a
35 nonappealable offense listed in section 41-1758.03, subsection B and who does
36 not immediately report the arrest or charge to the person's supervisor or
37 potential employer is guilty of unprofessional conduct and the person shall

1 be immediately dismissed from employment with the charter school or
2 immediately excluded from potential employment with the charter school.

3 9. A person who is employed by a charter school and who is convicted
4 of any nonappealable offense listed in section 41-1758.03, subsection B or is
5 convicted of any nonappealable offense that amounts to unprofessional conduct
6 under section 15-550 shall immediately do all of the following:

7 (a) Surrender any certificates issued by the department of education.

8 (b) Notify the person's employer or potential employer of the
9 conviction.

10 (c) Notify the department of public safety of the conviction.

11 (d) Surrender the person's fingerprint clearance card.

12 D. An entity that is authorized to sponsor charter schools pursuant to
13 this article has no legal authority over or responsibility for a charter
14 school sponsored by a different entity. This subsection does not apply to
15 the state board of education's duty to exercise general supervision over the
16 public school system pursuant to section 15-203, subsection A, paragraph 1.

17 E. The charter of a charter school shall do all of the following:

18 1. Ensure compliance with federal, state and local rules, regulations
19 and statutes relating to health, safety, civil rights and insurance. The
20 department of education shall publish a list of relevant rules, regulations
21 and statutes to notify charter schools of their responsibilities under this
22 paragraph.

23 2. Ensure that it is nonsectarian in its programs, admission policies
24 and employment practices and all other operations.

25 3. Ensure that it provides a comprehensive program of instruction for
26 at least a kindergarten program or any grade between grades one and twelve,
27 except that a school may offer this curriculum with an emphasis on a specific
28 learning philosophy or style or certain subject areas such as mathematics,
29 science, fine arts, performance arts or foreign language.

30 4. Ensure that it designs a method to measure pupil progress toward
31 the pupil outcomes adopted by the state board of education pursuant to
32 section 15-741.01, including participation in the Arizona instrument to
33 measure standards test and the nationally standardized norm-referenced
34 achievement test as designated by the state board and the completion and
35 distribution of an annual report card as prescribed in chapter 7, article 3
36 of this title.

1 5. Ensure that, except as provided in this article and in its charter,
2 it is exempt from all statutes and rules relating to schools, governing
3 boards and school districts.

4 6. Ensure that, except as provided in this article, it is subject to
5 the same financial and electronic data submission requirements as a school
6 district, including the uniform system of financial records as prescribed in
7 chapter 2, article 4 of this title, procurement rules as prescribed in
8 section 15-213 and audit requirements. The auditor general shall conduct a
9 comprehensive review and revision of the uniform system of financial records
10 to ensure that the provisions of the uniform system of financial records that
11 relate to charter schools are in accordance with commonly accepted accounting
12 principles used by private business. A school's charter may include
13 exceptions to the requirements of this paragraph that are necessary as
14 determined by the district governing board, the state board of education or
15 the state board for charter schools. The department of education or the
16 office of the auditor general may conduct financial, program or compliance
17 audits.

18 7. Ensure compliance with all federal and state laws relating to the
19 education of children with disabilities in the same manner as a school
20 district.

21 8. Ensure that it provides for a governing body for the charter school
22 that is responsible for the policy decisions of the charter school.
23 Notwithstanding section 1-216, if there is a vacancy or vacancies on the
24 governing body, a majority of the remaining members of the governing body
25 constitute a quorum for the transaction of business, unless that quorum is
26 prohibited by the charter school's operating agreement.

27 9. Ensure that it provides a minimum of one hundred ~~seventy-five~~
28 **EIGHTY** instructional days before June 30 of each fiscal year unless it is
29 operating on an alternative calendar approved by its sponsor. The
30 superintendent of public instruction shall adjust the apportionment schedule
31 accordingly to accommodate a charter school utilizing an alternative
32 calendar.

33 F. A charter school shall keep on file the resumes of all current and
34 former employees who provide instruction to pupils at the charter school.
35 Resumes shall include an individual's educational and teaching background and
36 experience in a particular academic content subject area. A charter school
37 shall inform parents and guardians of the availability of the resume

1 information and shall make the resume information available for inspection on
2 request of parents and guardians of pupils enrolled at the charter school.
3 This subsection does not require any charter school to release personally
4 identifiable information in relation to any teacher or employee, including
5 the teacher's or employee's address, salary, social security number or
6 telephone number.

7 G. The charter of a charter school may be amended at the request of
8 the governing body of the charter school and on the approval of the sponsor.

9 H. Charter schools may contract, sue and be sued.

10 I. The charter is effective for fifteen years from the first day of
11 the fiscal year as specified in the charter, subject to the following:

12 1. At least eighteen months before the expiration of the charter, the
13 sponsor shall notify the charter school that the charter school may apply for
14 renewal and shall make the renewal application available to the charter
15 school. A charter school that elects to apply for renewal shall file a
16 complete renewal application at least fifteen months before the expiration of
17 the charter. A sponsor shall give written notice of its intent not to renew
18 the charter school's request for renewal to the charter school at least
19 twelve months before the expiration of the charter. The sponsor shall make
20 data used in making renewal decisions available to the school and the public
21 and shall provide a public report summarizing the evidence basis for each
22 decision. The sponsor may deny the request for renewal if, in its judgment,
23 the charter holder has failed to do any of the following:

24 (a) Meet or make sufficient progress toward the academic performance
25 expectations set forth in the performance framework.

26 (b) Meet the operational performance expectations set forth in the
27 performance framework or any improvement plans.

28 (c) Complete the obligations of the contract.

29 (d) Comply with this article or any provision of law from which the
30 charter school is not exempt.

31 2. A charter operator may apply for early renewal. At least nine
32 months before the charter school's intended renewal consideration, the
33 operator of the charter school shall submit a letter of intent to the sponsor
34 to apply for early renewal. The sponsor shall review fiscal audits and
35 academic performance data for the charter school that are annually collected
36 by the sponsor, review the current contract between the sponsor and the
37 charter school and provide the qualifying charter school with a renewal

1 application. On submission of a complete application, the sponsor shall give
2 written notice of its consideration of the renewal application. The sponsor
3 may deny the request for early renewal if, in the sponsor's judgment, the
4 charter holder has failed to do any of the following:

5 (a) Meet or make sufficient progress toward the academic performance
6 expectations set forth in the performance framework.

7 (b) Meet the operational performance expectations set forth in the
8 performance framework or any improvement plans.

9 (c) Complete the obligations of the contract.

10 (d) Comply with this article or any provision of law from which the
11 charter school is not exempt.

12 3. A sponsor shall review a charter at five-year intervals using a
13 performance framework adopted by the sponsor and may revoke a charter at any
14 time if the charter school breaches one or more provisions of its charter or
15 if the sponsor determines that the charter holder has failed to do any of the
16 following:

17 (a) Meet or make sufficient progress toward the academic performance
18 expectations set forth in the performance framework.

19 (b) Meet the operational performance expectations set forth in the
20 performance framework or any improvement plans.

21 (c) Comply with this article or any provision of law from which the
22 charter school is not exempt.

23 4. At least sixty days before the effective date of the proposed
24 revocation, the sponsor shall give written notice to the operator of the
25 charter school of its intent to revoke the charter. Notice of the sponsor's
26 intent to revoke the charter shall be delivered personally to the operator of
27 the charter school or sent by certified mail, return receipt requested, to
28 the address of the charter school. The notice shall incorporate a statement
29 of reasons for the proposed revocation of the charter. The sponsor shall
30 allow the charter school at least sixty days to correct the problems
31 associated with the reasons for the proposed revocation of the charter. The
32 final determination of whether to revoke the charter shall be made at a
33 public hearing called for such purpose.

34 J. The charter may be renewed for successive periods of twenty years.

35 K. A charter school that is sponsored by the state board of education,
36 the state board for charter schools, a university, a community college
37 district or a group of community college districts may not be located on the

1 property of a school district unless the district governing board grants this
2 authority.

3 L. A governing board or a school district employee who has control
4 over personnel actions shall not take unlawful reprisal against another
5 employee of the school district because the employee is directly or
6 indirectly involved in an application to establish a charter school. A
7 governing board or a school district employee shall not take unlawful
8 reprisal against an educational program of the school or the school district
9 because an application to establish a charter school proposes the conversion
10 of all or a portion of the educational program to a charter school. For the
11 purposes of this subsection, "unlawful reprisal" means an action that is
12 taken by a governing board or a school district employee as a direct result
13 of a lawful application to establish a charter school and that is adverse to
14 another employee or an education program and:

15 1. With respect to a school district employee, results in one or more
16 of the following:

17 (a) Disciplinary or corrective action.

18 (b) Detail, transfer or reassignment.

19 (c) Suspension, demotion or dismissal.

20 (d) An unfavorable performance evaluation.

21 (e) A reduction in pay, benefits or awards.

22 (f) Elimination of the employee's position without a reduction in
23 force by reason of lack of monies or work.

24 (g) Other significant changes in duties or responsibilities that are
25 inconsistent with the employee's salary or employment classification.

26 2. With respect to an educational program, results in one or more of
27 the following:

28 (a) Suspension or termination of the program.

29 (b) Transfer or reassignment of the program to a less favorable
30 department.

31 (c) Relocation of the program to a less favorable site within the
32 school or school district.

33 (d) Significant reduction or termination of funding for the program.

34 M. Charter schools shall secure insurance for liability and property
35 loss. The governing body of a charter school that is sponsored by the state
36 board of education or the state board for charter schools may enter into an
37 intergovernmental agreement or otherwise contract to participate in an

1 insurance program offered by a risk retention pool established pursuant to
2 section 11-952.01 or 41-621.01 or the charter school may secure its own
3 insurance coverage. The pool may charge the requesting charter school
4 reasonable fees for any services it performs in connection with the insurance
5 program.

6 N. Charter schools do not have the authority to acquire property by
7 eminent domain.

8 O. A sponsor, including members, officers and employees of the
9 sponsor, is immune from personal liability for all acts done and actions
10 taken in good faith within the scope of its authority.

11 P. Charter school sponsors and this state are not liable for the debts
12 or financial obligations of a charter school or persons who operate charter
13 schools.

14 Q. The sponsor of a charter school shall establish procedures to
15 conduct administrative hearings on determination by the sponsor that grounds
16 exist to revoke a charter. Procedures for administrative hearings shall be
17 similar to procedures prescribed for adjudicative proceedings in title 41,
18 chapter 6, article 10. Except as provided in section 41-1092.08, subsection
19 H, final decisions of the state board of education and the state board for
20 charter schools from hearings conducted pursuant to this subsection are
21 subject to judicial review pursuant to title 12, chapter 7, article 6.

22 R. The sponsoring entity of a charter school shall have oversight and
23 administrative responsibility for the charter schools that it sponsors. In
24 implementing its oversight and administrative responsibilities, the sponsor
25 shall ground its actions in evidence of the charter holder's performance in
26 accordance with the performance framework adopted by the sponsor. The
27 performance framework shall be publicly available, **SHALL BE** placed on the
28 sponsoring entity's website and shall include:

29 1. The academic performance expectations of the charter school and the
30 measurement of sufficient progress toward the academic performance
31 expectations.

32 2. The operational expectations of the charter school, including
33 adherence to all applicable laws and obligations of the charter contract.

34 3. Intervention and improvement policies.

35 S. Charter schools may pledge, assign or encumber their assets to be
36 used as collateral for loans or extensions of credit.

1 T. All property accumulated by a charter school shall remain the
2 property of the charter school.

3 U. Charter schools may not locate a school on property that is less
4 than one-fourth mile from agricultural land regulated pursuant to section
5 3-365, except that the owner of the agricultural land may agree to comply
6 with the buffer zone requirements of section 3-365. If the owner agrees in
7 writing to comply with the buffer zone requirements and records the agreement
8 in the office of the county recorder as a restrictive covenant running with
9 the title to the land, the charter school may locate a school within the
10 affected buffer zone. The agreement may include any stipulations regarding
11 the charter school, including conditions for future expansion of the school
12 and changes in the operational status of the school that will result in a
13 breach of the agreement.

14 V. A transfer of a charter to another sponsor, a transfer of a charter
15 school site to another sponsor or a transfer of a charter school site to a
16 different charter shall be completed before the beginning of the fiscal year
17 that the transfer is scheduled to become effective. An entity that sponsors
18 charter schools may accept a transferring school after the beginning of the
19 fiscal year if the transfer is approved by the superintendent of public
20 instruction. The superintendent of public instruction shall have the
21 discretion to consider each transfer during the fiscal year on a case by case
22 basis. If a charter school is sponsored by a school district that is
23 determined to be out of compliance with this title, the uniform system of
24 financial records or any other state or federal law, the charter school may
25 transfer to another sponsoring entity at any time during the fiscal year. A
26 charter holder seeking to transfer sponsors shall comply with the current
27 charter terms regarding assignment of the charter. A charter holder
28 transferring sponsors shall notify the current sponsor that the transfer has
29 been approved by the new sponsor.

30 W. Notwithstanding subsection V of this section, a charter holder on
31 an improvement plan must notify parents or guardians of registered students
32 of the intent to transfer the charter and the timing of the proposed
33 transfer. On the approved transfer, the new sponsor shall enforce the
34 improvement plan but may modify the plan based on performance.

35 X. Notwithstanding subsection Y of this section, the state board for
36 charter schools shall charge a processing fee to any charter school that
37 amends its contract to participate in Arizona online instruction pursuant to

1 section 15-808. The charter Arizona online instruction processing fund is
2 established consisting of fees collected and administered by the state board
3 for charter schools. The state board for charter schools shall use monies in
4 the fund only for the processing of contract amendments for charter schools
5 participating in Arizona online instruction. Monies in the fund are
6 continuously appropriated.

7 Y. The sponsoring entity may not charge any fees to a charter school
8 that it sponsors unless the sponsor has provided services to the charter
9 school and the fees represent the full value of those services provided by
10 the sponsor. On request, the value of the services provided by the sponsor
11 to the charter school shall be demonstrated to the department of education.

12 Z. Charter schools may enter into an intergovernmental agreement with
13 a presiding judge of the juvenile court to implement a law related education
14 program as defined in section 15-154. The presiding judge of the juvenile
15 court may assign juvenile probation officers to participate in a law related
16 education program in any charter school in the county. The cost of juvenile
17 probation officers who participate in the program implemented pursuant to
18 this subsection shall be funded by the charter school.

19 AA. The sponsor of a charter school shall modify previously approved
20 curriculum requirements for a charter school that wishes to participate in
21 the board examination system prescribed in chapter 7, article 6 of this
22 title.

23 BB. If a charter school decides not to participate in the board
24 examination system prescribed in chapter 7, article 6 of this title, pupils
25 enrolled at that charter school may earn a Grand Canyon diploma by obtaining
26 a passing score on the same board examinations.

27 CC. Notwithstanding subsection Y of this section, a sponsor of charter
28 schools may charge a new charter application processing fee to any applicant.
29 The application fee shall fully cover the cost of application review and any
30 needed technical assistance. Authorizers may approve policies that allow a
31 portion of the fee to be returned to the applicant whose charter is approved.

32 DD. A CHARTER SCHOOL MAY CHOOSE TO PROVIDE A PRESCHOOL PROGRAM FOR
33 CHILDREN WITH DISABILITIES PURSUANT TO SECTION 15-771.

1 Sec. 2. Section 15-185, Arizona Revised Statutes, is amended to read:
2 15-185. Charter schools; financing; civil penalty;
3 transportation; definitions

4 A. Financial provisions for a charter school that is sponsored by a
5 school district governing board are as follows:

6 1. The charter school shall be included in the district's budget and
7 financial assistance calculations pursuant to paragraph 3 of this subsection
8 and chapter 9 of this title, except for chapter 9, article 4 of this title.
9 The charter of the charter school shall include a description of the methods
10 of funding the charter school by the school district. The school district
11 shall send a copy of the charter and application, including a description of
12 how the school district plans to fund the school, to the state board of
13 education before the start of the first fiscal year of operation of the
14 charter school. The charter or application shall include an estimate of the
15 student count for the charter school for its first fiscal year of operation.
16 This estimate shall be computed pursuant to the requirements of paragraph 3
17 of this subsection.

18 2. A school district is not financially responsible for any charter
19 school that is sponsored by the state board of education, the state board for
20 charter schools, a university under the jurisdiction of the Arizona board of
21 regents, a community college district or a group of community college
22 districts.

23 3. A school district that sponsors a charter school may:

24 (a) Increase its student count as provided in subsection B, paragraph
25 2 of this section during the first year of the charter school's operation to
26 include those charter school pupils who were not previously enrolled in the
27 school district. A charter school sponsored by a school district governing
28 board is eligible for the assistance prescribed in subsection B, paragraph 4
29 of this section. The soft capital allocation as provided in section 15-962
30 for the school district sponsoring the charter school shall be increased by
31 the amount of the additional assistance. The school district shall include
32 the full amount of the additional assistance in the funding provided to the
33 charter school.

34 (b) Compute separate weighted student counts pursuant to section
35 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter
36 school pupils in order to maintain eligibility for small school district
37 support level weights authorized in section 15-943, paragraph 1 for its

1 noncharter school pupils only. The portion of a district's student count
2 that is attributable to charter school pupils is not eligible for small
3 school district support level weights.

4 4. If a school district uses the provisions of paragraph 3 of this
5 subsection, the school district is not eligible to include those pupils in
6 its student count for the purposes of computing an increase in its revenue
7 control limit and district support level as provided in section 15-948.

8 5. A school district that sponsors a charter school is not eligible to
9 include the charter school pupils in its student count for the purpose of
10 computing an increase in its capital outlay revenue limit as provided in
11 section 15-961, subsection C, except that if the charter school was
12 previously a school in the district, the district may include in its student
13 count any charter school pupils who were enrolled in the school district in
14 the prior year.

15 6. A school district that sponsors a charter school is not eligible to
16 include the charter school pupils in its student count for the purpose of
17 computing the revenue control limit which is used to determine the maximum
18 budget increase as provided in chapter 4, article 4 of this title unless the
19 charter school is located within the boundaries of the school district.

20 7. If a school district converts one or more of its district public
21 schools to a charter school and receives assistance as prescribed in
22 subsection B, paragraph 4 of this section, and subsequently converts the
23 charter school back to a district public school, the school district shall
24 repay the state the total additional assistance received for the charter
25 school for all years that the charter school was in operation. The repayment
26 shall be in one lump sum and shall be reduced from the school district's
27 current year equalization assistance. The school district's general budget
28 limit shall be reduced by the same lump sum amount in the current year.

29 B. Financial provisions for a charter school that is sponsored by the
30 state board of education, the state board for charter schools, a university,
31 a community college district or a group of community college districts are as
32 follows:

33 1. The charter school shall calculate a base support level as
34 prescribed in section 15-943, except that section 15-941 does not apply to
35 these charter schools.

1 2. Notwithstanding paragraph 1 of this subsection, the student count
2 shall be determined initially using an estimated student count based on
3 actual registration of pupils before the beginning of the school year. After
4 the first one hundred days or two hundred days in session, as applicable, the
5 charter school shall revise the student count to be equal to the actual
6 average daily membership, as defined in section 15-901, of the charter
7 school. Before the one hundredth day or two hundredth day in session, as
8 applicable, the state board of education, the state board for charter
9 schools, the sponsoring university, the sponsoring community college district
10 or the sponsoring group of community college districts may require a charter
11 school to report periodically regarding pupil enrollment and attendance, and
12 the department of education may revise its computation of equalization
13 assistance based on the report. A charter school shall revise its student
14 count, base support level and additional assistance before May 15. A charter
15 school that overestimated its student count shall revise its budget before
16 May 15. A charter school that underestimated its student count may revise
17 its budget before May 15.

18 3. A charter school may utilize section 15-855 for the purposes of
19 this section. The charter school and the department of education shall
20 prescribe procedures for determining average daily membership.

21 4. Equalization assistance for the charter school shall be determined
22 by adding the amount of the base support level and additional assistance.
23 The amount of the additional assistance is one thousand six hundred
24 fifty-four dollars forty-one cents per student count in **PRESCHOOL PROGRAMS**
25 **FOR CHILDREN WITH DISABILITIES**, kindergarten programs and grades one through
26 eight and one thousand nine hundred twenty-eight dollars nineteen cents per
27 student count in grades nine through twelve.

28 5. The state board of education shall apportion state aid from the
29 appropriations made for such purposes to the state treasurer for disbursement
30 to the charter schools in each county in an amount as determined by this
31 paragraph. The apportionments shall be made as prescribed in section 15-973,
32 subsection B.

33 6. The charter school shall not charge tuition for pupils who reside
34 in this state, levy taxes or issue bonds. A charter school may admit pupils
35 who are not residents of this state and shall charge tuition for those pupils
36 in the same manner prescribed in section 15-823.

1 7. Not later than noon on the day preceding each apportionment date
2 established by paragraph 5 of this subsection, the superintendent of public
3 instruction shall furnish to the state treasurer an abstract of the
4 apportionment and shall certify the apportionment to the department of
5 administration, which shall draw its warrant in favor of the charter schools
6 for the amount apportioned.

7 C. If a pupil is enrolled in both a charter school and a public school
8 that is not a charter school, the sum of the daily membership, which includes
9 enrollment as prescribed in section 15-901, subsection A, paragraph 1,
10 subdivisions (a) and (b) and daily attendance as prescribed in section
11 15-901, subsection A, paragraph 5, for that pupil in the school district and
12 the charter school shall not exceed 1.0, ~~except that if the pupil is enrolled
13 in both a charter school and a joint technical education district and resides
14 within the boundaries of a school district participating in the joint
15 technical education district, the sum of the average daily membership for
16 that pupil in the charter school and the joint technical education district
17 shall not exceed 1.25.~~ If a pupil is enrolled in both a charter school and a
18 public school that is not a charter school, the department of education shall
19 direct the average daily membership to the school with the most recent
20 enrollment date. ~~Upon ON validation of actual enrollment in both a charter
21 school and a public school that is not a charter school and if the sum of the
22 daily membership or daily attendance for that pupil is greater than 1.0, the
23 sum shall be reduced to 1.0 and shall be apportioned between the public
24 school and the charter school based on the percentage of total time that the
25 pupil is enrolled or in attendance in the public school and the charter
26 school, except that if the pupil is enrolled in both a charter school and a
27 joint technical education district and resides within the boundaries of a
28 school district participating in the joint technical education district, the
29 sum of the average daily membership for that pupil in the charter school and
30 the joint technical education district shall be reduced to 1.25 and shall be
31 apportioned between the charter school and the joint technical education
32 district based on the percentage of total time that the pupil is enrolled or
33 in attendance in the charter school and the joint technical education
34 district.~~ The uniform system of financial records shall include guidelines
35 for the apportionment of the pupil enrollment and attendance as provided in
36 this section.

1 D. Charter schools are allowed to accept grants and gifts to
2 supplement their state funding, but it is not the intent of the charter
3 school law to require taxpayers to pay twice to educate the same pupils. The
4 base support level for a charter school or for a school district sponsoring a
5 charter school shall be reduced by an amount equal to the total amount of
6 monies received by a charter school from a federal or state agency if the
7 federal or state monies are intended for the basic maintenance and operations
8 of the school. The superintendent of public instruction shall estimate the
9 amount of the reduction for the budget year and shall revise the reduction to
10 reflect the actual amount before May 15 of the current year. If the
11 reduction results in a negative amount, the negative amount shall be used in
12 computing all budget limits and equalization assistance, except that:

13 1. Equalization assistance shall not be less than zero.

14 2. For a charter school sponsored by the state board of education, the
15 state board for charter schools, a university, a community college district
16 or a group of community college districts, the total of the base support
17 level and the additional assistance shall not be less than zero.

18 3. For a charter school sponsored by a school district, the base
19 support level for the school district shall not be reduced by more than the
20 amount that the charter school increased the district's base support level,
21 capital outlay revenue limit and soft capital allocation.

22 E. If a charter school was a district public school in the prior year
23 and is now being operated for or by the same school district and sponsored by
24 the state board of education, the state board for charter schools, a
25 university, a community college district, a group of community college
26 districts or a school district governing board, the reduction in subsection D
27 of this section applies. The reduction to the base support level of the
28 charter school or the sponsoring district of the charter school shall equal
29 the sum of the base support level and the additional assistance received in
30 the current year for those pupils who were enrolled in the traditional public
31 school in the prior year and are now enrolled in the charter school in the
32 current year.

33 F. Equalization assistance for charter schools shall be provided as a
34 single amount based on average daily membership without categorical
35 distinctions between maintenance and operations or capital.

1 G. At the request of a charter school, the county school
2 superintendent of the county where the charter school is located may provide
3 the same educational services to the charter school as prescribed in section
4 15-308, subsection A. The county school superintendent may charge a fee to
5 recover costs for providing educational services to charter schools.

6 H. If the sponsor of the charter school determines at a public meeting
7 that the charter school is not in compliance with federal law, with the laws
8 of this state or with its charter, the sponsor of a charter school may submit
9 a request to the department of education to withhold up to ten per cent of
10 the monthly apportionment of state aid that would otherwise be due the
11 charter school. The department of education shall adjust the charter
12 school's apportionment accordingly. The sponsor shall provide written notice
13 to the charter school at least seventy-two hours before the meeting and shall
14 allow the charter school to respond to the allegations of noncompliance at
15 the meeting before the sponsor makes a final determination to notify the
16 department of education of noncompliance. The charter school shall submit a
17 corrective action plan to the sponsor on a date specified by the sponsor at
18 the meeting. The corrective action plan shall be designed to correct
19 deficiencies at the charter school and to ensure that the charter school
20 promptly returns to compliance. When the sponsor determines that the charter
21 school is in compliance, the department of education shall restore the full
22 amount of state aid payments to the charter school.

23 I. In addition to the withholding of state aid payments pursuant to
24 subsection H of this section, the sponsor of a charter school may impose a
25 civil penalty of one thousand dollars per occurrence if a charter school
26 fails to comply with the fingerprinting requirements prescribed in section
27 15-183, subsection C or section 15-512. The sponsor of a charter school
28 shall not impose a civil penalty if it is the first time that a charter
29 school is out of compliance with the fingerprinting requirements and if the
30 charter school provides proof within forty-eight hours of written
31 notification that an application for the appropriate fingerprint check has
32 been received by the department of public safety. The sponsor of the charter
33 school shall obtain proof that the charter school has been notified, and the
34 notification shall identify the date of the deadline and shall be signed by
35 both parties. The sponsor of a charter school shall automatically impose a
36 civil penalty of one thousand dollars per occurrence if the sponsor
37 determines that the charter school subsequently violates the fingerprinting

1 requirements. Civil penalties pursuant to this subsection shall be assessed
2 by requesting the department of education to reduce the amount of state aid
3 that the charter school would otherwise receive by an amount equal to the
4 civil penalty. The amount of state aid withheld shall revert to the state
5 general fund at the end of the fiscal year.

6 J. A charter school may receive and spend monies distributed by the
7 department of education pursuant to section 42-5029, subsection E and section
8 37-521, subsection B.

9 K. If a school district transports or contracts to transport pupils to
10 the Arizona state schools for the deaf and the blind during any fiscal year,
11 the school district may transport or contract with a charter school to
12 transport sensory impaired pupils during that same fiscal year to a charter
13 school if requested by the parent of the pupil and if the distance from the
14 pupil's place of actual residence within the school district to the charter
15 school is less than the distance from the pupil's place of actual residence
16 within the school district to the campus of the Arizona state schools for the
17 deaf and the blind.

18 L. Notwithstanding any other law, a university under the jurisdiction
19 of the Arizona board of regents, a community college district or a group of
20 community college districts shall not include any student in the student
21 count of the university, community college district or group of community
22 college districts for state funding purposes if that student is enrolled in
23 and attending a charter school sponsored by the university, community college
24 district or group of community college districts.

25 M. The governing body of a charter school shall transmit a copy of its
26 proposed budget or the summary of the proposed budget and a notice of the
27 public hearing to the department of education for posting on the department
28 of education's website no later than ten days before the hearing and meeting.
29 If the charter school maintains a website, the charter school governing body
30 shall post on its website a copy of its proposed budget or the summary of the
31 proposed budget and a notice of the public hearing.

32 N. The governing body of a charter school shall collaborate with the
33 private organization that is approved by the state board of education
34 pursuant to section 15-792.02 to provide approved board examination systems
35 for the charter school.

1 O. If permitted by federal law, a charter school may opt out of
2 federal grant opportunities if the charter holder or the appropriate
3 governing body of the charter school determines that the federal requirements
4 impose unduly burdensome reporting requirements.

5 P. For the purposes of this section:

6 1. "Monies intended for the basic maintenance and operations of the
7 school" means monies intended to provide support for the educational program
8 of the school, except that it does not include supplemental assistance for a
9 specific purpose or title VIII of the elementary and secondary education act
10 of 1965 monies. The auditor general shall determine which federal or state
11 monies meet the definition in this paragraph.

12 2. "Operated for or by the same school district" means the charter
13 school is either governed by the same district governing board or operated by
14 the district in the same manner as other traditional schools in the district
15 or is operated by an independent party that has a contract with the school
16 district. The auditor general and the department of education shall
17 determine which charter schools meet the definition in this subsection.

18 Sec. 3. Title 15, chapter 1, article 8, Arizona Revised Statutes, is
19 amended by adding section 15-185.01, to read:

20 15-185.01. Charter school pupils attending joint technical
21 education districts; average daily membership
22 calculation

23 NOTWITHSTANDING SECTION 15-185, SUBSECTION C, IF A PUPIL IS ENROLLED IN
24 BOTH A CHARTER SCHOOL AND A JOINT TECHNICAL EDUCATION DISTRICT AND RESIDES
25 WITHIN THE BOUNDARIES OF A SCHOOL DISTRICT PARTICIPATING IN THE JOINT
26 TECHNICAL EDUCATION DISTRICT, THE AVERAGE DAILY MEMBERSHIP FOR THAT PUPIL
27 SHALL BE CALCULATED IN THE SAME MANNER PRESCRIBED FOR A PUPIL WHO IS ENROLLED
28 IN BOTH THE MEMBER SCHOOL DISTRICT AND A JOINT TECHNOLOGICAL EDUCATION
29 DISTRICT PURSUANT TO SECTION 15-393."

30 Renumber to conform

31 Page 19, between lines 3 and 4, insert:

32 "Sec. 6. Section 15-771, Arizona Revised Statutes, is amended to read:

33 15-771. Preschool programs for children with disabilities;
34 definition

35 A. Each school district shall make available an educational program
36 for preschool children with disabilities who reside in the school district
37 and who are not already receiving services that have been provided through

1 the department of education. A CHARTER SCHOOL MAY CHOOSE TO MAKE AVAILABLE
2 AN EDUCATIONAL PROGRAM FOR PRESCHOOL CHILDREN WITH DISABILITIES. The state
3 board of education shall prescribe rules for use by school districts in the
4 provision of educational programs for preschool children with disabilities.
5 School districts are required to, AND CHARTER SCHOOLS MAY, make available
6 educational programs for ~~and~~, PRESCHOOL CHILDREN WHO MEET THE DEFINITION OF
7 ONE OF THE CONDITIONS PRESCRIBED IN PARAGRAPHS 1 THROUGH 5 OF THIS
8 SUBSECTION. For the purposes of calculating average daily membership, SCHOOL
9 DISTRICTS AND CHARTER SCHOOLS may count only those preschool children who
10 meet the definition of one of the following conditions:

- 11 1. Hearing impairment.
- 12 2. Visual impairment.
- 13 3. Developmental delay.
- 14 4. Preschool severe delay.
- 15 5. Speech/language impairment.

16 B. The state board of education shall annually distribute to school
17 districts AND CHARTER SCHOOLS THAT CHOOSE TO PROVIDE PRESCHOOL PROGRAMS
18 PURSUANT TO THIS SECTION at least ten per cent of the monies it receives
19 under 20 United States Code section 1411(c)(2) for preschool programs for
20 children with disabilities. The state board shall prescribe rules for the
21 distribution of the monies to school districts AND CHARTER SCHOOLS.

22 C. The governing board of a school district OR THE APPROPRIATE
23 APPROVING BODY OF A CHARTER SCHOOL may submit a proposal to the state board
24 of education as prescribed by the state board to receive monies for preschool
25 programs for children with disabilities as provided in this section. A
26 school district ~~which~~ THAT receives monies as provided in this section shall
27 include the monies in the special projects section of the budget as provided
28 in section 15-903, subsection F.

29 D. All school districts shall cooperate, if appropriate, with
30 community organizations that provide services to preschool children with
31 disabilities in the provision of the district's preschool program for
32 children with disabilities.

33 E. A school district OR CHARTER SCHOOL may not admit a child to a
34 preschool program for children with disabilities unless the child is
35 evaluated and recommended for placement as provided in sections 15-766 and
36 15-767.

1 F. For the purpose of allocating monies pursuant to 20 United States
2 Code section 1419(g)(1)(B)(i), "jurisdiction" includes high school pupils
3 whose parents reside within the boundaries of a common school district. The
4 common school district shall ensure such high school pupils are not counted
5 by any other school district.

6 G. For the purposes of this section, "preschool child" means a child
7 who is at least three years of age but who has not reached the age required
8 for kindergarten. A preschool child is three years of age as of the date of
9 the child's third birthday. The governing board of a school district **OR THE**
10 **APPROPRIATE APPROVING BODY OF A CHARTER SCHOOL** may admit otherwise eligible
11 children who are within ninety days of their third birthday, if it is
12 determined to be in the best interest of the individual child. Children who
13 are admitted to programs for preschool children ~~prior to~~ **BEFORE** their third
14 birthday are entitled to the same provision of services as if they were three
15 years of age."

16 Renumber to conform

17 Page 41, between lines 27 and 28, insert:

18 "Sec. 11. Section 15-922, Arizona Revised Statutes, is amended to
19 read:

20 **15-922. Duties of the school district; definition**

21 A. Each school district shall within twelve days after the first one
22 hundred days or two hundred days in session, as applicable, certify to the
23 superintendent of public instruction, in an electronic format as prescribed
24 by the department of education, the following:

25 1. The daily route mileage of the school district in the current year.
26 The route mileage shall not include more than twenty miles each way to and
27 from the school of attendance or to and from a pickup point on a regular
28 transportation route to transport eligible students who reside in nonadjacent
29 school districts.

30 2. The route mileage of the school district in the current year
31 transporting eligible students for ~~an~~ extended school year services in
32 accordance with section 15-881.

33 3. The number of eligible students transported during the current
34 year.

1 ~~B. Each school district shall on or before July 15 of the current year~~
2 ~~certify to the superintendent of public instruction the following:~~

3 ~~1. For each bus operated by the school district, the following:~~

4 ~~(a) The odometer reading as of the end of the current year.~~

5 ~~(b) An inventory of each school bus owned by the school district~~
6 ~~including:~~

7 ~~(i) Manufacturer of the bus.~~

8 ~~(ii) Date of purchase.~~

9 ~~(iii) Purchase price.~~

10 ~~(iv) Capacity for passengers.~~

11 ~~(v) Type of fuel used.~~

12 ~~2. The total bus mileage during the current year.~~

13 ~~3. The road conditions upon which eligible students are transported~~
14 ~~reported in a format specified by the superintendent of public instruction.~~

15 ~~4. The total bus mileage for the current year for academic and career~~
16 ~~and technical education and vocational education and athletic trips reported~~
17 ~~in a format specified by the superintendent of public instruction.~~

18 ~~C.~~ B. A school district shall meet the requirements of this section
19 to receive state aid. The superintendent of public instruction may withhold
20 a school district's apportionment of state aid if it is determined by the
21 superintendent of public instruction that the school district is not
22 complying with the requirements of this section.

23 ~~D.~~ C. For the purposes of this article and section 15-901, "school
24 bus" or "bus" means a bus as defined in section 28-101, except that the
25 passenger capacity standards prescribed in that section do not apply.

26 Sec. 12. Section 15-945, Arizona Revised Statutes, is amended to read:

27 15-945. Transportation support level

28 A. The support level for to and from school for each school district
29 for the current year shall be computed as follows:

30 1. Determine the approved daily route mileage of the school district
31 for the fiscal year prior to the current year.

32 2. Multiply the figure obtained in paragraph 1 of this subsection by
33 one hundred eighty, or for a school district that elects to provide two
34 hundred days of instruction pursuant to section 15-902.04, multiply the
35 figure obtained in paragraph 1 of this subsection by two hundred.

1 3. Determine the number of eligible students transported in the fiscal
2 year prior to the current year.

3 4. Divide the amount determined in paragraph 1 of this subsection by
4 the amount determined in paragraph 3 of this subsection to determine the
5 approved daily route mileage per eligible student transported.

6 5. Determine the classification in column 1 of this paragraph for the
7 quotient determined in paragraph 4 of this subsection. Multiply the product
8 obtained in paragraph 2 of this subsection by the corresponding state support
9 level for each route mile as provided in column 2 of this paragraph.

<u>Column 1</u>	<u>Column 2</u>
Approved Daily Route	State Support Level per
Mileage per Eligible	Route Mile for
<u>Student Transported</u>	<u>Fiscal Year 2012-2013</u>
0.5 or less	2.42
More than 0.5 through 1.0	1.97
More than 1.0	2.42

17 6. Add the amount spent during the prior fiscal year for bus tokens
18 and bus passes for students who qualify as eligible students as defined in
19 section 15-901.

20 B. The support level for academic education, career and technical
21 education, vocational education and athletic trips for each school district
22 for the current year is computed as follows:

23 1. Determine the classification in column 1 of paragraph 2 of this
24 subsection for the quotient determined in subsection A, paragraph 4 of this
25 section.

26 2. Multiply the product obtained in subsection A, paragraph 5 of this
27 section by the corresponding state support level for academic education,
28 career and technical education, vocational education and athletic trips as
29 provided in column 2, 3 or 4 of this paragraph, whichever is appropriate for
30 the type of district.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
Approved Daily Route	District Type	District Type	District Type
Mileage per Eligible	District Type	District Type	District Type

1	<u>Student Transported</u>	<u>02 or 03</u>	<u>04</u>	<u>05</u>
2	0.5 or less	0.15	0.10	0.25
3	More than 0.5 through 1.0	0.15	0.10	0.25
4	More than 1.0	0.18	0.12	0.30

5 For the purposes of this paragraph, "district type 02" means a unified school
6 district or an accommodation school that offers instruction in grades nine
7 through twelve, "district type 03" means a common school district not within
8 a high school district, "district type 04" means a common school district
9 within a high school district or an accommodation school that does not offer
10 instruction in grades nine through twelve and "district type 05" means a high
11 school district.

12 C. The support level for extended school year services for pupils with
13 disabilities is computed as follows:

14 1. Determine the sum of the following:

15 (a) The total number of miles driven by all buses of a school district
16 while transporting eligible pupils with disabilities on scheduled routes from
17 their residence to the school of attendance and from the school of attendance
18 to their residence on routes for extended school year services in accordance
19 with section 15-881.

20 (b) The total number of miles driven on routes approved by the
21 superintendent of public instruction for which a private party, a political
22 subdivision or a common or a contract carrier is reimbursed for bringing an
23 eligible pupil with a disability from the place of the pupil's residence to a
24 school transportation pickup point or to the school facility of attendance
25 and from the school transportation scheduled return point or from the school
26 facility to the pupil's residence for extended school year services in
27 accordance with section 15-881.

28 2. Multiply the sum determined in paragraph 1 of this subsection by
29 the state support level for the district determined as provided in subsection
30 A, paragraph 5 of this section.

31 D. The transportation support level for each school district for the
32 current year is the sum of the support level for to and from school as
33 determined in subsection A of this section, the support level for academic
34 education, career and technical education, vocational education and athletic
35 trips as determined in subsection B of this section and the support level for
36 extended school year services for pupils with disabilities as determined in
37 subsection C of this section.

1 E. The state support level for each approved route mile, as provided
2 in subsection A, paragraph 5 of this section, shall be adjusted by the growth
3 rate prescribed by law, subject to appropriation.

4 F. SCHOOL DISTRICTS MUST PROVIDE THE ODOMETER READING FOR EACH BUS AS
5 OF THE END OF THE CURRENT YEAR AND THE TOTAL BUS MILEAGE DURING THE CURRENT
6 YEAR."

7 Renumber to conform

8 Amend title to conform

DORIS GOODALE

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