REFERENCE TITLE: schools; statewide assessment

State of Arizona Senate Fifty-third Legislature First Regular Session 2017

SB 1098

Introduced by Senator Allen S

AN ACT

AMENDING SECTIONS 8-521, 15-183, 15-211, 15-701, 15-704, 15-720.01, 15-741, 15-743, 15-746, 15-763, 15-792.02, 15-977 AND 15-1805.01, ARIZONA REVISED STATUTES; RELATING TO PUPIL ASSESSMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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 Be it enacted by the Legislature of the State of Arizona: Section 1. Section 8-521, Arizona Revised Statutes, is amended to read:

8-521. <u>Independent living program; conditions; eligibility;</u> rules; case management unit; reports

- A. The department or a licensed child welfare agency may establish an independent living program for youths who are the subject of a dependency petition or who are adjudicated dependent and are all of the following:
- 1. In the custody of the department, a licensed child welfare agency or a tribal child welfare agency.
 - 2. At least seventeen years of age.
 - Employed or full-time students.
- B. The independent living program may consist of a residential program of less than twenty-four hours' HOURS a day supervision for youths under the supervision of the department through a licensed child welfare agency or a foster home under contract with the department. Under the independent living program, the youth is not required to reside at a licensed child welfare agency or foster home.
- C. The director or the director's designee shall review and approve any recommendation to the court that a youth in the custody of the department be ordered to an independent living program.
- D. For a youth to participate in an independent living program, the court must order such a disposition pursuant to section 8-845.
- E. The department of child safety, a licensed child welfare agency or a tribal child welfare agency having custody of the youth shall provide the cost of care as required by section 8-453, subsection A, paragraph 9, subdivision (b), item (iii) for each child placed in an independent living program pursuant to this section, except that the monthly amount provided shall not exceed the average monthly cost of purchased services for the child in the three months immediately preceding placement in an independent living program.
- F. The department shall adopt rules pursuant to title 41, chapter 6 to carry out this section.
- G. The department shall provide quarterly progress reports to the court and to local foster care review boards for each youth participating in the independent living program.
- H. The local foster care review boards shall review at least once every six months the case of each youth participating in the independent living program.
- I. The department shall establish an educational case management unit within the division consisting of two case managers to develop and coordinate educational case management plans for youths participating in the independent living program and to assist youths in the program to do the following:

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- 1. Graduate from high school.
- 2. Pass the Arizona instrument to measure standards test STATEWIDE ASSESSMENT PURSUANT TO SECTION 15-741.
 - 3. Apply for postsecondary financial assistance.
 - 4. Apply for postsecondary education.
- J. The department shall prepare a report on or before March 1 of each year that contains the following information for the previous calendar year:
 - 1. The number of children in the program.
 - 2. The number of children in the program by age and grade.
 - 3. The number of children in the program by county of residence.
- 4. The number of children in the program who graduated from high school.
- 5. The number of children in the program who received a general equivalency diploma.
- 6. The number of children in the program enrolled in postsecondary education.
- K. The department shall submit a copy of the report prescribed in subsection J of this section to the governor, the president of the senate, the speaker of the house of representatives and the secretary of state.
- Sec. 2. Section 15-183, Arizona Revised Statutes, is amended to read:

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15-183. Charter schools; application; requirements; immunity; exemptions; renewal of application; reprisal; fee: funds; annual reports
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- A. An applicant seeking to establish a charter school shall submit a written application to a proposed sponsor as prescribed in subsection C of this section. The application, application process and application time frames shall be posted on the sponsor's website and shall include the following, as specified in the application adopted by the sponsor:
 - 1. A detailed educational plan.
 - 2. A detailed business plan.
 - 3. A detailed operational plan.
 - 4. Any other materials required by the sponsor.
- B. The sponsor of a charter school may contract with a public body, private person or private organization for the purpose of establishing a charter school pursuant to this article.
- C. The sponsor of a charter school may be either the state board of education, the state board for charter schools, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts, subject to the following requirements:
- 1. An applicant may not submit an application for sponsorship to any person or entity other than those prescribed in this subsection.

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- 2. The applicant may submit the application to the state board of education or the state board for charter schools. Notwithstanding any other law, neither the state board for charter schools nor the state board of education shall grant a charter to a school district governing board for a new charter school that begins initial operations after June 30, 2013 or for the conversion of an existing district public school to a charter school that begins initial operations after June 30, 2013. The state board of education or the state board for charter schools may approve the application if the application meets the requirements of this article and may approve the charter if the proposed sponsor determines, within its sole discretion, that the applicant is sufficiently qualified to operate a charter school and that the applicant is applying to operate as a separate charter holder by considering factors such as whether:
- (a) The schools have separate governing bodies, governing body membership, staff, facilities and student population.
 - (b) Daily operations are carried out by different administrators.
- (c) The applicant intends to have an affiliation agreement for the purpose of providing enrollment preferences.
- (d) The applicant's charter management organization has multiple charter holders serving varied grade configurations on one physical site or nearby sites serving one community.
- (e) It is reconstituting an existing school site population at the same or new site.
- (f) It is reconstituting an existing grade configuration from a prior charter holder with at least one grade remaining on the original site with the other grade or grades moving to a new site. The state board of education or the state board for charter schools may approve any charter schools transferring charters. If the state board of education or the state board for charter schools rejects the preliminary application, the state board of education or the state board for charter schools shall notify the applicant in writing of the reasons for the rejection and of suggestions for improving the application. An applicant may submit a revised application for reconsideration by the state board of education or the state board for charter schools. The applicant may request, and the state board of education or the state board for charter schools may provide, technical assistance to improve the application.
- 3. The applicant may submit the application to a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts. A university, a community college district or a group of community college districts shall not grant a charter to a school district governing board for a new charter school that begins initial operations after June 30, 2013 or for the conversion of an existing district public school to a charter school that begins initial operations after June 30, 2013. A university, a community college district or a group of community college districts may approve the

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application if it meets the requirements of this article and if the proposed sponsor determines, in its sole discretion, that the applicant is sufficiently qualified to operate a charter school.

- 4. Each applicant seeking to establish a charter school shall submit a full set of fingerprints to the approving agency for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. If an applicant will have direct contact with students, the applicant shall possess a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. The criminal records check shall be completed before the issuance of a charter.
- All persons engaged in instructional work directly as classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist or principal shall have a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1, unless the person is a volunteer or guest speaker who is accompanied in the classroom by a person with a valid fingerprint clearance card. A charter school shall not employ a teacher whose certificate has been surrendered or revoked, unless the teacher's certificate has subsequently reinstated by the state board of education. All other personnel shall be fingerprint checked pursuant to section 15-512, or the charter school may require those personnel to obtain a fingerprint clearance card issued pursuant to title 41, chapter 12, article 3.1. Before employment, the charter school shall make documented, good faith efforts to contact previous employers of a person to obtain information and recommendations that may be relevant to a person's fitness for employment as prescribed in section 15-512, subsection F. The charter school shall notify the department of public safety if the charter school or sponsor receives credible evidence that a person who possesses a valid fingerprint clearance card is arrested for or is charged with an offense listed in section 41-1758.03, subsection B. Charter schools may hire personnel that WHO have not yet received a fingerprint clearance card if proof is provided of the submission of an application to the department of public safety for a fingerprint clearance card and if the charter school that is seeking to hire the applicant does all of the following:
- (a) Documents in the applicant's file the necessity for hiring and placement of the applicant before receiving a fingerprint clearance card.
- (b) Ensures that the department of public safety completes a statewide criminal records check on the applicant. A statewide criminal records check shall be completed by the department of public safety every one hundred twenty days until the date that the fingerprint check is completed or the fingerprint clearance card is issued or denied.

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- (c) Obtains references from the applicant's current employer and the two most recent previous employers except for applicants who have been employed for at least five years by the applicant's most recent employer.
- (d) Provides general supervision of the applicant until the date that the fingerprint card is obtained.
- (e) Completes a search of criminal records in all local jurisdictions outside of this state in which the applicant has lived in the previous five years.
- (f) Verifies the fingerprint status of the applicant with the department of public safety.
- 6. A charter school that complies with the fingerprinting requirements of this section shall be deemed to have complied with section 15-512 and is entitled to the same rights and protections provided to school districts by section 15-512.
- 7. If a charter school operator is not already subject to a public meeting or hearing by the municipality in which the charter school is located, the operator of a charter school shall conduct a public meeting at least thirty days before the charter school operator opens a site or sites for the charter school. The charter school operator shall post notices of the public meeting in at least three different locations that are within three hundred feet of the proposed charter school site.
- 8. A person who is employed by a charter school or who is an applicant for employment with a charter school, who is arrested for or charged with a nonappealable offense listed in section 41-1758.03, subsection B and who does not immediately report the arrest or charge to the person's supervisor or potential employer is guilty of unprofessional conduct and the person shall be immediately dismissed from employment with the charter school or immediately excluded from potential employment with the charter school.
- 9. A person who is employed by a charter school and who is convicted of any nonappealable offense listed in section 41-1758.03, subsection B or is convicted of any nonappealable offense that amounts to unprofessional conduct under section 15-550 shall immediately do all of the following:
- (a) Surrender any certificates issued by the department of education.
- (b) Notify the person's employer or potential employer of the conviction.
 - (c) Notify the department of public safety of the conviction.
 - (d) Surrender the person's fingerprint clearance card.
- D. An entity that is authorized to sponsor charter schools pursuant to this article has no legal authority over or responsibility for a charter school sponsored by a different entity. This subsection does not apply to the state board of education's duty to exercise general

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 supervision over the public school system pursuant to section 15-203, subsection A, paragraph 1.

- E. The charter of a charter school shall do all of the following:
- 1. Ensure compliance with federal, state and local rules, regulations and statutes relating to health, safety, civil rights and insurance. The department of education shall publish a list of relevant rules, regulations and statutes to notify charter schools of their responsibilities under this paragraph.
- 2. Ensure that it is nonsectarian in its programs, admission policies and employment practices and all other operations.
- 3. Ensure that it provides a comprehensive program of instruction for at least a kindergarten program or any grade between grades one and twelve, except that a school may offer this curriculum with an emphasis on a specific learning philosophy or style or certain subject areas such as mathematics, science, fine arts, performance arts or foreign language.
- 4. Ensure that it designs a method to measure pupil progress toward the pupil outcomes adopted by the state board of education pursuant to section 15-741.01, including participation in the Arizona instrument to measure standards test STATEWIDE ASSESSMENT and the nationally standardized norm-referenced achievement test as designated by the state board and the completion and distribution of an annual report card as prescribed in chapter 7, article 3 of this title.
- 5. Ensure that, except as provided in this article and in its charter, it is exempt from all statutes and rules relating to schools, governing boards and school districts.
- 6. Ensure that, except as provided in this article, it is subject to the same financial and electronic data submission requirements as a school district, including the uniform system of financial records as prescribed in chapter 2, article 4 of this title, procurement rules as prescribed in section 15-213 and audit requirements. The auditor general shall conduct a comprehensive review and revision of the uniform system of financial records to ensure that the provisions of the uniform system of financial records that relate to charter schools are in accordance with commonly accepted accounting principles used by private business. A school's charter may include exceptions to the requirements of this paragraph that are necessary as determined by the university, the community college district, the group of community college districts, the state board of education or the state board for charter schools. The department of education or the office of the auditor general may conduct financial, program or compliance audits.
- 7. Ensure compliance with all federal and state laws relating to the education of children with disabilities in the same manner as a school district.
- 8. Ensure that it provides for a governing body for the charter school that is responsible for the policy decisions of the charter school.

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Notwithstanding section 1-216, if there is a vacancy or vacancies on the governing body, a majority of the remaining members of the governing body constitute a quorum for the transaction of business, unless that quorum is prohibited by the charter school's operating agreement.

- 9. Ensure that it provides a minimum of one hundred eighty instructional days before June 30 of each fiscal year unless it is operating on an alternative calendar approved by its sponsor. The superintendent of public instruction shall adjust the apportionment schedule accordingly to accommodate a charter school utilizing an alternative calendar.
- F. A charter school shall keep in the personnel file of all current employees who provide instruction to pupils at the charter school information about the employee's educational and teaching background and experience in a particular academic content subject area. A charter school shall inform parents and guardians of the availability of the information and shall make the information available for inspection on request of parents and guardians of pupils enrolled at the charter school. This subsection does not require any charter school to release personally identifiable information in relation to any teacher or employee, including the teacher's or employee's address, salary, social security number or telephone number.
- G. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor.
 - H. Charter schools may contract, sue and be sued.
- I. The charter is effective for fifteen years from the first day of the fiscal year as specified in the charter, subject to the following:
- 1. At least eighteen months before the expiration of the charter, the sponsor shall notify the charter school that the charter school may apply for renewal and shall make the renewal application available to the charter school. A charter school that elects to apply for renewal shall file a complete renewal application at least fifteen months before the expiration of the charter. A sponsor shall give written notice of its intent not to renew the charter school's request for renewal to the charter school at least twelve months before the expiration of the charter. The sponsor shall make data used in making renewal decisions available to the school and the public and shall provide a public report summarizing the evidence basis for each decision. The sponsor may deny the request for renewal if, in its judgment, the charter holder has failed to do any of the following:
- (a) Meet or make sufficient progress toward the academic performance expectations set forth in the performance framework.
- (b) Meet the operational performance expectations set forth in the performance framework or any improvement plans.
 - (c) Complete the obligations of the contract.

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- (d) Comply with this article or any provision of law from which the charter school is not exempt.
- 2. A charter operator may apply for early renewal. At least nine months before the charter school's intended renewal consideration, the operator of the charter school shall submit a letter of intent to the sponsor to apply for early renewal. The sponsor shall review fiscal audits and academic performance data for the charter school that are annually collected by the sponsor, review the current contract between the sponsor and the charter school and provide the qualifying charter school with a renewal application. On submission of a complete application, the sponsor shall give written notice of its consideration of the renewal application. The sponsor may deny the request for early renewal if, in the sponsor's judgment, the charter holder has failed to do any of the following:
- (a) Meet or make sufficient progress toward the academic performance expectations set forth in the performance framework.
- (b) Meet the operational performance expectations set forth in the performance framework or any improvement plans.
 - (c) Complete the obligations of the contract.
- (d) Comply with this article or any provision of law from which the charter school is not exempt.
- 3. A sponsor shall review a charter at five-year intervals using a performance framework adopted by the sponsor and may revoke a charter at any time if the charter school breaches one or more provisions of its charter or if the sponsor determines that the charter holder has failed to do any of the following:
- (a) Meet or make sufficient progress toward the academic performance expectations set forth in the performance framework.
- (b) Meet the operational performance expectations set forth in the performance framework or any improvement plans.
- (c) Comply with this article or any provision of law from which the charter school is not exempt.
- 4. In determining whether to renew or revoke a charter holder, the sponsor must consider making sufficient progress toward the academic performance expectations set forth in the sponsor's performance framework as one of the most important factors.
- 5. At least sixty days before the effective date of the proposed revocation, the sponsor shall give written notice to the operator of the charter school of its intent to revoke the charter. Notice of the sponsor's intent to revoke the charter shall be delivered personally to the operator of the charter school or sent by certified mail, return receipt requested, to the address of the charter school. The notice shall incorporate a statement of reasons for the proposed revocation of the charter. The sponsor shall allow the charter school at least sixty days to correct the problems associated with the reasons for the proposed

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 revocation of the charter. The final determination of whether to revoke the charter shall be made at a public hearing called for such purpose.

- J. The charter may be renewed for successive periods of twenty years.
- K. A charter school that is sponsored by the state board of education, the state board for charter schools, a university, a community college district or a group of community college districts may not be located on the property of a school district unless the district governing board grants this authority.
- L. A governing board or a school district employee who has control over personnel actions shall not take unlawful reprisal against another employee of the school district because the employee is directly or indirectly involved in an application to establish a charter school. A governing board or a school district employee shall not take unlawful reprisal against an educational program of the school or the school district because an application to establish a charter school proposes the conversion of all or a portion of the educational program to a charter school. For the purposes of this subsection, "unlawful reprisal" means an action that is taken by a governing board or a school district employee as a direct result of a lawful application to establish a charter school and that is adverse to another employee or an education program and:
- 1. With respect to a school district employee, results in one or more of the following:
 - (a) Disciplinary or corrective action.
 - (b) Detail, transfer or reassignment.
 - (c) Suspension, demotion or dismissal.
 - (d) An unfavorable performance evaluation.
 - (e) A reduction in pay, benefits or awards.
- (f) Elimination of the employee's position without a reduction in force by reason of lack of monies or work.
- (g) Other significant changes in duties or responsibilities that are inconsistent with the employee's salary or employment classification.
- 2. With respect to an educational program, results in one or more of the following:
 - (a) Suspension or termination of the program.
- (b) Transfer or reassignment of the program to a less favorable department.
- (c) Relocation of the program to a less favorable site within the school or school district.
- (d) Significant reduction or termination of funding for the program.
- M. Charter schools shall secure insurance for liability and property loss. The governing body of a charter school that is sponsored by the state board of education or the state board for charter schools may enter into an intergovernmental agreement or otherwise contract to

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

- N. Charter schools do not have the authority to acquire property by eminent domain.
- O. A sponsor, including members, officers and employees of the sponsor, is immune from personal liability for all acts done and actions taken in good faith within the scope of its authority.
- P. Charter school sponsors and this state are not liable for the debts or financial obligations of a charter school or persons who operate charter schools.
- Q. The sponsor of a charter school shall establish procedures to conduct administrative hearings on determination by the sponsor that grounds exist to revoke a charter. Procedures for administrative hearings shall be similar to procedures prescribed for adjudicative proceedings in title 41, chapter 6, article 10. Except as provided in section 41-1092.08, subsection H, final decisions of the state board of education and the state board for charter schools from hearings conducted pursuant to this subsection are subject to judicial review pursuant to title 12, chapter 7, article 6.
- R. The sponsoring entity of a charter school shall have oversight and administrative responsibility for the charter schools that it sponsors. In implementing its oversight and administrative responsibilities, the sponsor shall ground its actions in evidence of the charter holder's performance in accordance with the performance framework adopted by the sponsor. The performance framework shall be publicly available, shall be placed on the sponsoring entity's website and shall include:
- 1. The academic performance expectations of the charter school and the measurement of sufficient progress toward the academic performance expectations.
- 2. The operational expectations of the charter school, including adherence to all applicable laws and obligations of the charter contract.
 - 3. Intervention and improvement policies.
- S. Charter schools may pledge, assign or encumber their assets to be used as collateral for loans or extensions of credit.
- T. All property accumulated by a charter school shall remain the property of the charter school.
- U. Charter schools may not locate a school on property that is less than one-fourth mile from agricultural land regulated pursuant to section 3-365, except that the owner of the agricultural land may agree to comply with the buffer zone requirements of section 3-365. If the owner agrees in writing to comply with the buffer zone requirements and records the

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 agreement in the office of the county recorder as a restrictive covenant running with the title to the land, the charter school may locate a school within the affected buffer zone. The agreement may include any stipulations regarding the charter school, including conditions for future expansion of the school and changes in the operational status of the school that will result in a breach of the agreement.

- V. A transfer of a charter to another sponsor, a transfer of a charter school site to another sponsor or a transfer of a charter school site to a different charter shall be completed before the beginning of the fiscal year that the transfer is scheduled to become effective. An entity that sponsors charter schools may accept a transferring school after the beginning of the fiscal year if the transfer is approved by the superintendent of public instruction. The superintendent of public instruction shall have the discretion to consider each transfer during the fiscal year on a case by case CASE-BY-CASE basis. A charter holder seeking to transfer sponsors shall comply with the current charter terms regarding assignment of the charter. A charter holder transferring sponsors shall notify the current sponsor that the transfer has been approved by the new sponsor.
- W. Notwithstanding subsection V of this section, a charter holder on an improvement plan must notify parents or guardians of registered students of the intent to transfer the charter and the timing of the proposed transfer. On the approved transfer, the new sponsor shall enforce the improvement plan but may modify the plan based on performance.
- X. Notwithstanding subsection Y of this section, the state board for charter schools shall charge a processing fee to any charter school that amends its contract to participate in Arizona online instruction pursuant to section 15-808. The charter Arizona online instruction processing fund is established consisting of fees collected and administered by the state board for charter schools. The state board for charter schools shall use monies in the fund only for the processing of contract amendments for charter schools participating in Arizona online instruction. Monies in the fund are continuously appropriated.
- Y. The sponsoring entity may not charge any fees to a charter school that it sponsors unless the sponsor has provided services to the charter school and the fees represent the full value of those services provided by the sponsor. On request, the value of the services provided by the sponsor to the charter school shall be demonstrated to the department of education.
- Z. Charter schools may enter into an intergovernmental agreement with a presiding judge of the juvenile court to implement a law related LAW-RELATED education program as defined in section 15-154. The presiding judge of the juvenile court may assign juvenile probation officers to participate in a law related LAW-RELATED education program in any charter school in the county. The cost of juvenile probation officers who

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 participate in the program implemented pursuant to this subsection shall be funded by the charter school.

- AA. The sponsor of a charter school shall modify previously approved curriculum requirements for a charter school that wishes to participate in the board examination system prescribed in chapter 7, article 6 of this title.
- BB. If a charter school decides not to participate in the board examination system prescribed in chapter 7, article 6 of this title, pupils enrolled at that charter school may earn a Grand Canyon diploma by obtaining a passing score on the same board examinations.
- CC. Notwithstanding subsection Y of this section, a sponsor of charter schools may charge a new charter application processing fee to any applicant. The application fee shall fully cover the cost of application review and any needed technical assistance. Authorizers may approve policies that allow a portion of the fee to be returned to the applicant whose charter is approved.
- DD. A charter school may choose to provide a preschool program for children with disabilities pursuant to section 15-771.
- EE. Pursuant to the prescribed graduation requirements adopted by the state board of education, the governing body of a charter school operating a high school may approve a rigorous computer science course that would fulfill a mathematics course required for graduation from high school. The governing body may approve a rigorous computer science course only if the rigorous computer science course includes significant mathematics content and the governing body determines the high school where the rigorous computer science course is offered has sufficient capacity, infrastructure and qualified staff, including competent teachers of computer science.
- FF. A charter school may permit the use of school property, including school buildings, grounds, buses and equipment, by any person, group or organization for any lawful purpose, including a recreational, educational, political, economic, artistic, moral, scientific, social, religious or other civic or governmental purpose. The charter school may charge a reasonable fee for the use of the school property.
- GG. A charter school and its employees, including the governing body, or chief administrative officer, are immune from civil liability with respect to all decisions made and actions taken to allow the use of school property, unless the charter school or its employees are guilty of gross negligence or intentional misconduct. This subsection does not limit any other immunity provisions that are prescribed by law.
- HH. Sponsors authorized pursuant to this section shall submit an annual report to the auditor general on or before October 1. The report shall include:
- 1. The current number of charters authorized and the number of schools operated by authorized charter holders.

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- 2. The academic and operational performance of the sponsor's charter portfolio as measured by the sponsor's adopted performance framework.
- 3. For the prior year, the number of new charters approved, the number of charter schools closed and the reason for the closure.
- 4. The sponsor's application, amendment, renewal and revocation processes, charter contract template and current performance framework as required by this section.
- II. The auditor general shall prescribe the format for the annual report required by subsection HH of this section and may require that the annual report be submitted electronically. The auditor general shall review the submitted annual reports to ensure that the reports include the required items in subsection HH of this section and shall make the annual reports available upon ON request. If the auditor general finds significant noncompliance or if a sponsor fails to submit the annual report required by subsection HH of this section, on or before December 31 of each year the auditor general shall report to the governor, the president of the senate, the speaker of the house of representatives and the chairs of the senate and house education committees or their successor committees, and the legislature shall consider revoking the sponsor's authority to sponsor charter schools.
- Sec. 3. Section 15-211, Arizona Revised Statutes, is amended to read:

15-211. <u>K-3 reading program; receipt and use of monies:</u> additional funding; program termination

- A. The department of education shall administer a K-3 reading program to improve the reading proficiency of pupils in kindergarten programs and grades one, two and three in the public schools of this state.
- B. Each school district and charter school shall submit to the department of education a plan for improving the reading proficiency of its pupils in kindergarten programs and grades one, two and three. The plan shall include baseline data on the reading proficiency of its pupils in kindergarten programs and grades one, two and three and a budget for spending monies from both the K-3 support level weight and the K-3 reading support level weight established in section 15-943. Each school district and charter school shall annually submit to the department of education on or before October 1 an updated K-3 reading program plan that includes data on program expenditures and results, except that beginning in fiscal year 2016-2017, a school district or charter school that is assigned a letter grade of A or B pursuant to section 15-241 shall submit this plan only in odd-numbered years.
- C. School districts and charter schools shall use monies generated by the K-3 reading support level weight established in section 15-943 only on reading programs for pupils in kindergarten programs and grades one,

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two and three with particular emphasis on pupils in kindergarten programs and grades one and two.

- D. Each school district and charter school that is assigned a letter grade of C, D or F pursuant to section 15-241 or that has more than ten percent of its pupils in grade three reading far below the third grade level according to the reading portion of the Arizona instrument to measure standards test, or a successor test, STATEWIDE ASSESSMENT shall receive monies generated by the K-3 reading support level weight established in section 15-943 only after the K-3 reading program plan of the school district or charter school has been reviewed and recommended for approval by the department of education and approved by the state board of education.
- E. Pupils in a charter school that is in its first year of operation and that is sponsored by the state board of education, the state board for charter schools, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts are eligible for the K-3 reading support level weight.
- F. The department of education shall solicit gifts, grants and donations from any lawful public or private source in order to provide additional funding for the K-3 reading program.
- G. The state board of education may establish rules and policies for the K-3 reading program, including:
- 1. The proper use of monies in accordance with subsection ${\tt C}$ of this section.
- 2. The distribution of monies by the department of education in accordance with subsection B of this section.
- 3. The compliance of reading proficiency plans submitted pursuant to subsection B of this section with section 15-704.
- H. The program established by this section ends on July 1, 2022 pursuant to section 41-3102.
- Sec. 4. Section 15-701, Arizona Revised Statutes, is amended to read:
 - 15-701. Common school; promotions; requirements; certificate; supervision of eighth grades by superintendent of high school district; high school admissions; academic credit; definition
 - A. The state board of education shall:
- 1. Prescribe a minimum course of study, as defined in section 15-101 and incorporating the academic standards adopted by the state board of education, to be taught in the common schools.
- 2. Prescribe competency requirements for the promotion of pupils from the eighth grade and competency requirements for the promotion of pupils from the third grade incorporating the academic standards in at least the areas of reading, writing, mathematics, science and social

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studies. Notwithstanding section 15-521, paragraph 4, the competency requirements for the promotion of pupils from the third grade shall include the following:

- (a) A requirement that a pupil not be promoted from the third grade if the pupil obtains a score on the reading portion of the Arizona instrument to measure standards test, or a successor test, STATEWIDE ASSESSMENT that demonstrates that the pupil's reading falls far below the third grade level or the equivalent as established by the board. A pupil may not be retained if data regarding the pupil's performance on the Arizona instrument to measure standards test, or a successor test, STATEWIDE ASSESSMENT is not available before the start of the following academic year. A pupil who is not retained due to the unavailability of test data must receive intervention and remedial strategies pursuant to subdivision (c) of this paragraph if the third grade assessment data subsequently demonstrates that the pupil's reading ability falls far below the third grade level or the equivalent.
- (b) A mechanism to allow a school district governing board or the governing body of a charter school to promote a pupil from the third grade who obtains a score on the reading portion of the Arizona instrument to measure standards test, or a successor test, STATEWIDE ASSESSMENT that demonstrates that the pupil's reading falls far below the third grade level for any of the following:
- (i) A good cause exemption if the pupil is an English learner or a limited English proficient student as defined in section 15-751 and has had fewer than two years of English language instruction.
- (ii) A pupil who is in the process of a special education referral or evaluation for placement in special education, a pupil who has been diagnosed as having a significant reading impairment, including dyslexia, or a pupil who is a child with a disability as defined in section 15-761 if the pupil's individualized education program team and the pupil's parent or guardian agree that promotion is appropriate based on the pupil's individualized education program.
- (iii) A pupil who receives intervention and remedial services during the summer or subsequent school year pursuant to subdivision (c) of this paragraph and demonstrates sufficient progress may be promoted from the third grade based on guidelines issued pursuant to subsection B, paragraph 5 of this section.
- (c) Intervention and remedial strategies developed by the state board of education for pupils who are not promoted from the third grade. A school district governing board or the governing body of a charter school shall offer at least one of the intervention and remedial strategies developed by the state board of education. The parent or guardian of a pupil who is not promoted from the third grade and the pupil's teacher and principal may choose the most appropriate intervention and remedial strategies that will be provided to that pupil. The

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 intervention and remedial strategies developed by the state board of education shall include:

- (i) A requirement that the pupil be assigned to a different teacher for reading instruction.
 - (ii) Summer school reading instruction.
- (iii) In the next academic year, intensive reading instruction that occurs before, during or after the regular school day, or any combination of before, during and after the regular school day.
 - (iv) Online reading instruction.
- 3. Provide for universal screening of pupils in preschool programs, kindergarten programs and grades one through three that is designed to identify pupils who have reading deficiencies pursuant to section 15-704.
- 4. Develop intervention and remedial strategies pursuant to paragraph 2, subdivision (c) of this subsection for pupils in kindergarten programs and grades one through three who are identified as having reading deficiencies pursuant to section 15-704.
- 5. Distribute guidelines for the school districts to follow in prescribing criteria for the promotion of pupils from grade to grade in the common schools. These guidelines shall include recommended procedures for ensuring that the cultural background of a pupil is taken into consideration when criteria for promotion are being applied.
- B. School districts and charter schools shall provide annual written notification to parents of pupils in kindergarten programs and first, second and third grades that a pupil who obtains a score on the reading portion of the Arizona instrument to measure standards test, or a successor test, STATEWIDE ASSESSMENT that demonstrates the pupil is reading far below the third grade level will not be promoted from the third grade. If the school has determined that the pupil is substantially deficient in reading before the end of grade three, the school district or charter school shall provide to the parent of that pupil a separate written notification of the reading deficiency that includes the following information:
- 1. A description of the current reading services provided to the pupil.
- 2. A description of the available supplemental instructional services and supporting programs that are designed to remediate reading deficiencies. Each school district or charter school shall offer at least one intervention strategy and at least one remedial strategy for pupils with reading deficiencies. The notification shall list the intervention and remedial strategies offered and shall instruct the parent or guardian to choose the strategy that will be implemented for that child.
- 3. Parental strategies to assist the pupil to attain reading proficiency.
- 4. A statement that the pupil will not be promoted from the third grade if the pupil obtains a score on the reading portion of the Arizona

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instrument to measure standards test, or a successor test, STATEWIDE ASSESSMENT that demonstrates the pupil is reading far below the third grade level, unless the pupil is exempt from mandatory retention in grade three or the pupil qualifies for an exemption pursuant to subsection A of this section.

- 5. A description of the school district or charter school policies on midyear promotion to a higher grade.
- C. Pursuant to the guidelines that the state board of education distributes, the governing board of a school district shall:
- 1. Prescribe curricula that include the academic standards in the required subject areas pursuant to subsection A, paragraph ${\bf 1}$ of this section.
- 2. Prescribe criteria for the promotion of pupils from grade to grade in the common schools in the school district. These criteria shall include accomplishment of the academic standards in at least reading, writing, mathematics, science and social studies, as determined by district assessment. Other criteria may include additional measures of academic achievement and attendance.
- D. The governing board may prescribe the course of study and competency requirements for promotion that are in addition to or higher than the course of study and competency requirements the state board prescribes.
- E. A teacher shall determine whether to promote or retain a pupil in grade in a common school as provided in section 15-521, paragraph 4 on the basis of the prescribed criteria. The governing board, if it reviews the decision of a teacher to promote or retain a pupil in grade in a common school as provided in section 15-342, paragraph 11, shall base its decision on the prescribed criteria.
- F. A governing board may provide and issue certificates of promotion to pupils whom it promotes from the eighth grade of a common school. Such certificates shall be signed by the principal or superintendent of schools. Where there is no principal or superintendent of schools, the certificates shall be signed by the teacher of an eighth grade. The certificates shall admit the holders to any high school in the state.
- G. Within any high school district or union high school district, the superintendent of the high school district shall supervise the work of the eighth grade of all schools employing no superintendent or principal.
- H. A school district shall not deny a pupil who is between the ages of sixteen and twenty-one years admission to a high school because the pupil does not hold an eighth grade certificate. Governing boards shall establish procedures for determining the admissibility of pupils who are under sixteen years of age and who do not hold eighth grade certificates.
- I. The state board of education shall adopt rules to allow common school pupils who can demonstrate competency in a particular academic

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course or subject to obtain academic credit for the course or subject without enrolling in the course or subject.

- J. A school district may conduct a ceremony to honor pupils who have been promoted from the eighth grade.
- K. For the purposes of this section, "dyslexia" means a brain-based learning difference that impairs a person's ability to read and spell, that is independent of intelligence and that typically causes a person to read at levels lower than expected.
- Sec. 5. Section 15-704, Arizona Revised Statutes, is amended to read:

15-704. Reading proficiency; definitions

- A. Each school district or charter school that provides instruction in kindergarten programs and grades one through three shall select and administer screening, ongoing diagnostic and classroom based instructional reading assessments, including a motivational assessment, as defined by the state board of education, to monitor student progress. Each school shall use the diagnostic information to plan appropriate and effective intervention.
- B. Each school district or charter school that provides instruction for pupils in kindergarten programs and grades one through three shall conduct a curriculum evaluation and adopt a scientifically based reading curriculum that includes the essential components of reading instruction. All school districts and charter schools that offer instruction in kindergarten programs and grades one through three shall provide ongoing teacher training based on scientifically based reading research.
- C. Each school district or charter school that provides instruction in kindergarten programs and grades one through three shall devote reasonable amounts of time to explicit instruction and independent reading in grades one through three.
- D. A pupil in grade three who does not meet or exceed the reading standards measured by the Arizona instrument to measure standards test STATEWIDE ASSESSMENT administered pursuant to section 15-741 shall be provided intensive reading instruction as defined by the state board of education until the pupil meets these standards.
- The governing board of each school district and the governing body of each charter school shall determine the percentage of pupils at each school in grade three who do not meet the reading standards prescribed by the state board of education and measured by the Arizona instrument to measure standards test STATEWIDE ASSESSMENT administered pursuant to section 15-741. If more than twenty percent of students in grade three at either the individual school level or at the school district level do not meet the standards, the governing board or governing body shall conduct a review of its reading program that includes curriculum and professional development light of in current. scientifically based reading research.

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- F. Based on the review required in subsection E of this section, the governing board or governing body and the school principal of each school that does not meet the reading standards, in conjunction with school council members, if applicable, shall develop methods of best practices for teaching reading based on essential components of reading instruction and supported by scientifically based reading research. These methods shall be adopted at a public meeting and shall be implemented the following academic year.
- G. Subsections E and F of this section shall be coordinated with efforts to develop and implement an improvement plan if required pursuant to section 15-241.02.
 - H. For the purposes of this section:
- 1. "Essential components of reading instruction" means explicit and systematic instruction in the following:
 - (a) Phonemic awareness.
 - (b) Phonics.
 - (c) Vocabulary development.
 - (d) Reading fluency.
 - (e) Reading comprehension.
- 2. "Reading" means a complex system of deriving meaning from print that requires all of the following:
- (a) The skills and knowledge to understand how phonemes or speech sounds are connected to print.
 - (b) The ability to decode unfamiliar words.
 - (c) The ability to read fluently.
- (d) Sufficient background information and vocabulary to foster reading comprehension.
- (e) The development of appropriate active strategies to construct meaning from print.
 - (f) The development and maintenance of a motivation to read.
- 3. "Scientifically based reading research" means research that meets all of the following:
- (a) Applies rigorous, systematic and objective procedures to obtain valid knowledge relevant to reading development, reading instruction and reading difficulties.
- (b) Employs systematic empirical methods that draw on observation or experiment.
- (c) Involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn.
- (d) Relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations.
- (e) Has been accepted by a peer reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective and scientific review.

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 $\mbox{\footnote{A}}$ (f) Contains all of the elements of the essential components of reading instruction.

Sec. 6. Section 15-720.01, Arizona Revised Statutes, is amended to read:

15-720.01. <u>Mathematics or science achievement grant program;</u> criteria; report; fund; program termination

- A. The mathematics or science achievement grant program is established in the state board of education and shall be administered by the state board of education. The purpose of the program is to promote improved pupil achievement in mathematics or science by providing supplemental funding for innovative mathematics or science programs.
- B. The state board of education shall develop application procedures, selection criteria and minimum performance standards. The state board of education shall award mathematics or science achievement grants to school districts and charter schools that demonstrate through specific performance measures and supporting data that the proposed programs provide new and innovative ways to increase pupils' mathematics or science skills. School districts and charter schools may contract with a service provider. The state board of education shall give priority to school districts and charter schools that have low mathematics or science achievement scores as measured by the Arizona instrument to measure standards test STATEWIDE ASSESSMENT prescribed in section 15-741.
- C. On or before December 15, the state board of education shall submit an annual report concerning each grant recipient's mathematics or science achievement program to the governor, the president of the senate, the speaker of the house of representatives and the joint legislative budget committee. The state board of education shall provide a copy of the report to the secretary of state and the director of the Arizona state library, archives and public records and the joint legislative budget committee. The state board shall include an evaluation of the effectiveness of the program and a comparison of the annual academic achievement of pupils in the grant recipient's mathematics or science achievement program to pupils in comparable schools that are not in the mathematics or science achievement program.
- D. The mathematics or science achievement program fund is established consisting of monies appropriated for this purpose. The state board of education shall administer the fund. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations. The state board of education may retain up to five per tent PERCENT of the monies appropriated to the state board for the purposes of this section for costs associated with administering the mathematics or science achievement grant program.
- E. The program established by this section ends on July 1, $\frac{2017}{2027}$ pursuant to section 41-3102.

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 Sec. 7. Section 15-741, Arizona Revised Statutes, is amended to read:

15-741. Assessment of pupils

- A. The state board of education shall:
- 1. Adopt rules for purposes of this article pursuant to title 41, chapter 6.
- 2. Adopt and implement an Arizona instrument to measure standards test A STATEWIDE ASSESSMENT to measure pupil achievement of the state board adopted academic standards in reading, writing and mathematics in at least four grades designated by the board. The board shall determine the manner of implementation. The board may administer assessments of the academic standards in social studies and science, except that a pupil shall not be required to meet or exceed the social studies or science standards measured by the Arizona instrument to measure standards test STATEWIDE ASSESSMENT.
- 3. Ensure that the tests prescribed in this section are uniform throughout the state.
- 4. Ensure that the tests prescribed in this section are able to be scored in an objective manner and that the tests are not intended to advocate any sectarian, partisan or denominational viewpoint.
- 5. Ensure that the tests prescribed in this article collect only types of pupil nontest data that are approved by the state board of education at a public meeting and published on the website of the state board of education pursuant to paragraph 7 of this subsection.
- 6. Include within its budget all costs pertaining to the tests prescribed in this article. If sufficient monies are appropriated, the state board may provide achievement test services to school districts that request assistance in testing pupils in grades additional to those required by this section.
- 7. Survey teachers, principals and superintendents on achievement related ACHIEVEMENT-RELATED nontest indicators, including information on graduation rates by ethnicity and dropout rates by ethnicity for each grade level. Before the survey, the state board of education shall approve at a public meeting the nontest indicators on which data will be collected and shall post in a prominent position on the home page of the state board's website a link to the nontest indicators entitled "what nontest data does the state of Arizona collect about Arizona pupils?". The linked web page shall state the types of data collected, the reasons for the collection of the data and the entities with which the data is shared. In conducting the survey and collecting data, the state board of education shall not violate the provisions of the family educational rights and privacy act (P.L. 93-380), as amended, nor disclose personally identifiable information.
- 8. Establish a fair and consistent method and standard by which test scores from schools in a district may be evaluated taking into

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consideration demographic data. The board shall establish intervention strategies to assist schools with scores below the acceptable standard. The board shall annually review district and school scores and shall offer assistance to school districts in analyzing data and implementing intervention strategies. The board shall use the adopted test and methods of data evaluation for a period of at least ten years.

- 9. Participate in other assessments that provide national comparisons as needed.
- B. The achievement tests adopted by the state board as provided in subsection A of this section shall be given at least annually. Nontest indicator data and other information shall be collected at the same time as the collection of achievement test data.
 - C. Local school district governing boards shall:
 - 1. Administer the tests prescribed in subsection A of this section.
- 2. Survey teachers, principals and superintendents on achievement related nontest indicator data as required by the state board, including information related to district graduation and dropout rates. In conducting the survey and collecting data, the governing board shall not violate the provisions of the family educational rights and privacy act (P.L. 93-380), as amended, nor disclose personally identifiable information.
- D. Any additional assessments for high school pupils that are adopted by the state board of education after November 24, 2009 shall be designed to measure college and career readiness of pupils.
- E. A test for penmanship shall not be required pursuant to this article.
- Sec. 8. Section 15-743, Arizona Revised Statutes, is amended to read:

15-743. Test results: annual report

- A. The state board of education shall provide annual reports for every school and district and the state as a whole. The state board shall annually submit these reports to school districts, the legislature and the county school superintendents and shall make them available to the public. The state board shall publish and distribute the reports by September 1 and shall also provide a cumulative summary of the reports every five years. The annual reports and cumulative summary results shall include:
- 1. Average and range scores on the Arizona instrument to measure standards test STATEWIDE ASSESSMENT.
- 2. Standardized test scores by subject area according to percentiles and stanines for the school, school district, county, state and nation.
- 3. Achievement related ACHIEVEMENT-RELATED nontest indicator data collected in the survey of teachers, principals and superintendents as required by section 15-741, including information related to dropout rates

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 by ethnicity for each grade level and graduation rates and postsecondary employment and education by ethnicity. In reporting such data, the state board of education shall not violate the provisions of the family educational rights and privacy act (P.L. 93-380), as amended, nor OR disclose personally identifiable information.

- 4. The numbers of pupils who have completed the academic standards at grades three, eight and twelve.
- B. Test results on individual pupils shall not be made available to the public by name or individually identifiable reference.
- C. The state board shall provide a copy of the results from the tests prescribed in section 15-741, subsection A for each school district to that school district. No Results may NOT be released to the public until ten days after the reports are provided to each school district.
- D. The state board shall provide each school district participating in the testing program with a copy of each pupil's standardized norm-referenced test scores in reading, language arts and mathematics, and the associated grade equivalents, percentiles and stanines for the school, school district, county, state and nation, a report of pupil progress on an ongoing and annual basis, showing the trends in gain or loss in pupil achievement over time in reading, language arts and mathematics for all years in which pupils are enrolled in the school district for an entire school year and for which this information is available and a report of the pupil progress for pupils not enrolled in a district for an entire school year. The state board shall also provide each school district with each pupil's Arizona instrument to measure standards test STATEWIDE ASSESSMENT scores and the Arizona instrument to measure standards test STATEWIDE ASSESSMENT scores for the school, district, county and state.
- E. The school district shall provide a parent or guardian of each pupil participating in the standardized norm-referenced testing part of the program with a copy of the pupil's score SCORES in reading, language arts and mathematics, and the percentiles and stanines. The school district shall provide a parent or guardian of each pupil with a copy of the pupil's scores on the Arizona instrument to measure standards test STATEWIDE ASSESSMENT and the associated scores for the school, district, county and state. The school district shall make available to the public through the reports those scores for each school in the district and for the school district, county, state and nation.
- F. Each pupil's Arizona instrument to measure standards test STATEWIDE ASSESSMENT results for grade twelve shall be recorded on the pupil's high school transcript. The state board of education shall prescribe the format for recording Arizona instrument to measure standards test STATEWIDE ASSESSMENT results on high school transcripts.

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Sec. 9. Section 15-746, Arizona Revised Statutes, is amended to read:

15-746. School report cards

- A. Each school shall distribute an annual report card that contains at least the following information:
- 1. A description of the school's regular, magnet and special instructional programs.
 - 2. A description of the current academic goals of the school.
- 3. A summary of the results achieved by pupils enrolled at the school during the prior three school years as measured by the Arizona instrument to measure standards test STATEWIDE ASSESSMENT and the nationally standardized norm-referenced achievement test as designated by the state board and as reported in the annual report prescribed by section 15-743, a summary of the pupil progress on an ongoing and annual basis, showing the trends in gain or loss in pupil achievement over time in reading, language arts and mathematics for all years in which pupils are enrolled in the school district for an entire school year and for which this information is available and a summary of the pupil progress for pupils WHO ARE not enrolled in a district for an entire school year.
- 4. The school's current expenditures per pupil for classroom supplies, classroom instruction, excluding classroom supplies, administration, support services-students, and all other support services and operations. The current expenditures per pupil by school shall include allocation of the district-wide expenditures to each school, as provided by the district. The report shall include a comparison of the school to the state amount for a similar type of district as calculated in section 15-255. The method of calculating these per pupil amounts and the allocation of expenditures shall be as prescribed in the uniform system of financial records.
- 5. The attendance rate of pupils enrolled at the school as reflected in the school's average daily membership as defined in section 15-901.
- 6. The total number of incidents that occurred on the school grounds, at school bus stops, on school buses and at school sponsored SCHOOL-SPONSORED events and that required the contact of a local, county, tribal, state or federal law enforcement officer pursuant to section 13-3411, subsection F, section 13-3620, section 15-341, subsection A, paragraph 31 or section 15-515. The total number of incidents reported shall only include reports that law enforcement officers report to the school are supported by probable cause. For the purposes of this paragraph, a certified peace officer who serves as a school resource officer is a law enforcement officer. A school may provide clarifying information if the school has a school resource officer on campus.
- 7. The percentage of pupils who have either graduated to the next grade level or graduated from high school.

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- 8. A description of the social services available at the school site.
- 9. The school calendar, including the length of the school day and hours of operations.
- 10. The total number of pupils enrolled at the school during the previous school year.
 - 11. The transportation services available.
- 12. Beginning in the 2000-2001 school year and until July 1, 2006, the reading instruction programs used by the school for kindergarten programs and grades one, two and three, pursuant to section 15-704. The report card shall include a district comparison of test scores among the different programs of reading instruction and shall identify the program of reading instruction used in each classroom.
- $\frac{13.}{12.}$ 12. A description of the responsibilities of parents of children enrolled at the school.
- $\frac{14.}{13.}$ A description of the responsibilities of the school to the parents of the children enrolled at the school, including dates the report cards are delivered to the home.
- 15. 14. A description of the composition and duties of the school council as prescribed in section 15-351 if such a school council exists.
- 16. 15. For the most recent year available, the average current expenditure per pupil for administrative functions compared to the predicted average current expenditure per pupil for administrative functions according to an analysis of administrative cost data by the joint legislative budget committee staff.
- $\frac{17.}{16.}$ If the school provides instruction to pupils in kindergarten programs and grades one through three, the ratio of pupils to teachers in each classroom where instruction is provided in kindergarten programs and grades one through three.
- 18. 17. The average class size per grade level for all grade levels, kindergarten programs and grades one through eight. For the purposes of this paragraph, "average class size" means the weighted average of each class.
- B. The department of education shall develop a standardized report card format that meets the requirements of subsection A of this section. The department shall modify the standardized report card as necessary on an annual basis. The department shall distribute to each school in this state a copy of the standardized report card that includes the required test scores for each school. Additional copies of the standardized report card shall be available on request.
- C. After each school has completed the report card distributed to it by the department of education, the school, in addition to distributing the report card as prescribed in subsection A of this section, shall send a copy of the report card to the department. The department shall prepare

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43 44 an annual report that contains the report card from each school in this state.

D. The school shall distribute report cards to parents of pupils enrolled at the school, no later than the last day of school of each fiscal year, and shall present a summary of the contents of the report cards at an annual public meeting held at the school. The school shall give notice at least two weeks before the public meeting that clearly states the purposes, time and place of the meeting.

Sec. 10. Section 15-763, Arizona Revised Statutes, is amended to read:

15-763. Plan for providing special education; definition

A. All school districts and charter schools shall develop policies and procedures for providing special education to all children with disabilities within the district or charter school. All children with disabilities shall receive special education programming commensurate with their abilities and needs. Each child shall be ensured access to the general curriculum and an opportunity to meet the state's academic standards. Pupils who receive special education shall not be required to achieve passing scores on the Arizona instrument to measure standards test STATEWIDE ASSESSMENT or the test that is identical to the civics portion of the naturalization test under section 15-701.01 in order to graduate from high school unless the pupil is learning at a level appropriate for the pupil's grade level in a specific academic area and unless a passing score on the Arizona instrument to measure standards test STATEWIDE ASSESSMENT or the test that is identical to the civics portion of the naturalization test under section 15–701.01 is specifically required in a specific academic area by the pupil's individualized education program as mutually agreed on by the pupil's parents and the pupil's individualized education program team or the pupil, if the pupil is at least eighteen years of age. The pupil's individualized education program shall include any necessary testing accommodations. Special education services shall be provided at no cost to the parents of children with disabilities.

- B. The state board of education shall adopt guidelines to define a parent's or guardian's role or a pupil's role, if the pupil is at least eighteen years of age, in the development of a pupil's section 504 plan as defined in section 15-731, including testing and testing accommodations.
- C. For the purposes of determining the services to pupils served by private schools under existing federal law, the state shall consider the term to include homeschooled pupils.
- D. If federal monies are provided to a school district or a charter school for special education services to homeschooled or private schooled pupils, the school district or charter school shall provide the services to both the homeschooled pupils and the private schooled pupils in the same manner.

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E. For the purposes of this section, "special education" has the same meaning prescribed in section 15-1201.

Sec. 11. Section 15-792.02, Arizona Revised Statutes, is amended to read:

15-792.02. <u>Board examination system; private contractor;</u> <u>duties; rules</u>

- A. The state board of education shall select and enter into a five-year agreement with a private organization to operate and administer the board examination system prescribed in this article.
- B. The private organization selected by the state board of education shall:
- 1. Identify, select and collaborate with a national organization that is devoted to issues concerning education and the economy and that is selected by the state board of education to provide technical services to develop and maintain an interstate system of approved board examination systems.
- 2. Provide data and other information to a national organization that is devoted to issues concerning education and the economy and that is selected by the state board of education to provide technical services the national organization deems necessary to set appropriate performance standards for the students in this state. The department of education shall provide data and other information to the private organization.
- 3. Conduct technical studies required by the state board of education to compare the scores on approved board examinations by the students in this state to scores on the Arizona instrument to measure standards test STATEWIDE ASSESSMENT and other measures deemed necessary to ensure the efficacy of the approved board examinations. The private organization may contract with other entities that are selected by the state board of education for the purpose of conducting technical studies.
- 4. In cooperation with the superintendent of public instruction and the state board of education, solicit monies from all lawful private and public sources, including federal monies, to offset the costs of instruction provided to students under this article.
- 5. Exercise general supervision over the implementation of the approved board examination systems in this state for the duration of the five-year contract. These examination systems shall meet the following criteria:
- (a) Appear on a list of approved board examination systems selected by the interstate compact.
- (b) Be periodically evaluated to ensure alignment with internationally benchmarked standards selected by an interstate compact on board examination systems.
- (c) Have common passing scores that are prescribed by an interstate compact on board examination systems and that are set to the level of skills and knowledge needed to succeed in college-level courses offered by

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community colleges in this state that count toward a degree or certificate without taking remedial or developmental coursework. The private organization, on approval of the state board of education and with input from representatives from school districts, charter schools, community colleges and universities in this state, shall designate two individuals to represent this state in an interstate compact on board examination systems to prescribe the common passing scores prescribed in this subdivision.

- 6. Prepare an annual report for the state board of education, which shall forward it to the legislature and the governor, on the progress made toward the goals established in this article and provide copies to the secretary of state. Participating schools and the department of education shall provide data to the private organization as needed in order to complete the annual report.
- 7. Identify, select and represent this state on the national governing body of an interstate compact on board examination systems, as approved by the state board of education, to enable states to collaborate in the following areas:
- (a) $\frac{\text{The selection of}}{\text{of}}$ SELECTING board examination systems for use in those states.
- (b) Providing technical assistance required to implement the board examination systems effectively in those states for the use of those examinations.
- (c) Entering into contracts with board examination system providers or with a national organization that is devoted to issues concerning education and the economy to develop new or improved board examination systems.
- 8. Select this state's representatives in an interstate compact on board examination systems in accordance with policies prescribed by that interstate compact.
- C. The state board of education shall adopt rules to carry out the purposes of this section and shall select college and career ready examinations that are available to pupils in grade eight, including those pupils who intend to participate in the board examinations system in high school. The examinations shall be selected to provide data to pupils, their families and schools regarding the pupil's level of preparation for entry into a college and career ready pathway in high school.
- D. Pursuant to rules adopted by the state board of education, the department of education shall develop a system to track the academic progress of pupils who participate in the board examination system.
- E. All actions taken pursuant to this section shall comply with the family educational rights and privacy act of 1974 (P.L. 93-380), as amended.

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Sec. 12. Section 15-977, Arizona Revised Statutes, is amended to read:

15-977. <u>Classroom site fund; definitions</u>

- A. The classroom site fund is established consisting of monies transferred to the fund pursuant to section 37-521, subsection B and section 42-5029, subsection E, paragraph 10. The department of education shall administer the fund. School districts and charter schools may not supplant existing school site funding with revenues from the fund. All monies distributed from the fund are intended for use at the school site. Each school district or charter school shall allocate forty per cent PERCENT of the monies for teacher compensation increases based on performance and employment related expenses, twenty per cent PERCENT of the monies for teacher base salary increases and employment related expenses and forty per cent PERCENT of the monies for maintenance and operation purposes as prescribed in subsection H of this section. Teacher compensation increases based on performance or teacher base salary increases distributed pursuant to this subsection shall supplement, and not supplant, teacher compensation monies from any other sources. school district or charter school shall notify each school principal of the amount available to the school by April 15 of each year. The district or charter school shall request from the school's principal each school's priority for the allocation of the funds available to the school for each program listed under subsection H of this section. The amount budgeted by the school district or charter school pursuant to this section shall not be included in the allowable budget balance carryforward calculated pursuant to section 15-943.01.
- B. A school district governing board must adopt a performance based compensation system at a public hearing to allocate funding from the classroom site fund pursuant to subsection A of this section. Beginning in school year 2014-2015, Individual teacher performance as measured by the teacher's performance classification pursuant to section 15-203, subsection A, paragraph 38 shall be a component of the school district's portion of the forty per cent PERCENT allocation for teacher compensation based on performance and employment related expenses.
- C. A school district governing board shall vote on a performance based compensation system that includes the following elements:
 - 1. School district performance and school performance.
- 2. Individual teacher performance as measured by the teacher's performance classification pursuant to section 15-203, subsection A, paragraph 38. Beginning in school year 2014-2015, The individual teacher performance component shall account for thirty-three per cent PERCENT of the forty per cent PERCENT allocation for teacher compensation based on performance and employment related expenses.
- 3. Measures of academic progress toward the academic standards adopted by the state board of education.

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- 4. Other measures of academic progress.
- 5. Dropout or graduation rates.
- 6. Attendance rates.
- 7. Ratings of school quality by parents.
- 8. Ratings of school quality by students.
- 9. The input of teachers and administrators.
- 10. Approval of the performance based compensation system based on an affirmative vote of at least seventy per cent PERCENT of the teachers eligible to participate in the performance based compensation system.
- $11.\,$ An appeals process for teachers who have been denied performance based compensation.
- 12. Regular evaluation for effectiveness, which shall comply by fiscal year 2014-2015 with section 15-203, subsection A, paragraph 38.
- D. A performance based compensation system shall include teacher professional development programs that are aligned with the elements of the performance based compensation system.
- E. A school district governing board may modify the elements contained in subsection C of this section and consider additional elements when adopting a performance based compensation system. A school district governing board shall adopt any modifications or additional elements and specify the criteria used at a public hearing.
- F. Until December 31, 2009, each school district shall develop an assessment plan for its performance based compensation system and submit the plan to the department of education by December 31 of each year. A copy of the performance based compensation system and assessment plan adopted by the school district governing board shall be included in the report submitted to the department of education.
- G. Monies in the fund are continuously appropriated, are exempt from the provisions of section 35-190 relating to lapsing of appropriations and shall be distributed as follows:
- 1. By March 30 of each year, the staff of the joint legislative budget committee shall determine a per pupil amount from the fund for the budget year using the estimated statewide weighted count for the current year pursuant to section 15-943, paragraph 2, subdivision (a) and based on estimated available resources in the classroom site fund for the budget year adjusted for any prior year carryforward or shortfall.
- 2. The allocation to each charter school and school district for a fiscal year shall equal the per pupil amount established in paragraph 1 of this subsection for the fiscal year multiplied by the weighted student count for the school district or charter school for the fiscal year pursuant to section 15-943, paragraph 2, subdivision (a). For the purposes of this paragraph, the weighted student count for a school district that serves as the district of attendance for nonresident pupils shall be increased to include nonresident pupils who attend school in the school district.

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- H. Monies distributed from the classroom site fund shall be spent for the following maintenance and operation purposes:
 - 1. Class size reduction.
 - 2. Teacher compensation increases.
 - 3. AIMS ASSESSMENT intervention programs.
 - 4. Teacher development.
 - 5. Dropout prevention programs.
 - 6. Teacher liability insurance premiums.
- I. The district governing board or charter school shall allocate the classroom site fund monies to include, wherever possible, the priorities identified by the principals of the schools while assuring that the funds maximize classroom opportunities and conform to the authorized expenditures identified in subsection A of this section.
- J. School districts and charter schools that receive monies from the classroom site fund shall submit a report by November 15 of each year to the superintendent of public instruction that provides an accounting of the expenditures of monies distributed from the fund during the previous fiscal year and a summary of the results of district and school programs funded with monies distributed from the fund. The department of education in conjunction with the auditor general shall prescribe the format of the report under this subsection.
- K. School districts and charter schools that receive monies from the classroom site fund shall receive these monies monthly in an amount not to exceed one-twelfth of the monies estimated pursuant to subsection G of this section, except that if there are insufficient monies in the fund that month to make payments, the distribution for that month shall be prorated for each school district or charter school. The department of education may make an additional payment in the current month for any prior month or months in which school districts or charter schools received a prorated payment if there are sufficient monies in the fund that month for the additional payments. The state is not required to make payments to a school district or charter school classroom site fund if the state classroom site fund revenue collections are insufficient to meet the estimated allocations to school districts and charter schools pursuant to subsection G of this section.
- L. The state education system for committed youth shall receive monies from the classroom site fund in the same manner as school districts and charter schools. The Arizona state schools for the deaf and the blind shall receive monies from the classroom site fund in an amount that corresponds to the weighted student count for the current year pursuant to section 15-943, paragraph 2, subdivision (b) for each pupil enrolled in the Arizona state schools for the deaf and the blind. Except as otherwise provided in this subsection, the Arizona state schools for the deaf and the blind and the state education system for committed youth are subject

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to this section in the same manner as school districts and charter schools.

M. Each school district and charter school, including school districts that unify pursuant to section 15-448 or consolidate pursuant to section 15-459, shall establish a local level classroom site fund to receive allocations from the state level classroom site fund. The local fund shall be budgetary classroom site a account. Interest charges for any registered warrants for the local level classroom site fund shall be a charge against the local level classroom site fund. Interest earned on monies in the local level classroom site fund shall be added to the local level classroom site fund as provided in section 15-978. This state shall not be required to make payments to a school district or charter school local level classroom site fund that are in addition to monies transferred to the state level classroom site fund pursuant to section 37-521, subsection B and section 42-5029, subsection E, paragraph 10.

- N. Monies distributed from the classroom site fund for class size reduction, AIMS ASSESSMENT intervention and dropout prevention programs shall only be used for instructional purposes in the instruction function as defined in the uniform system of financial records, except that monies shall not be used for school sponsored SCHOOL-SPONSORED athletics.
 - O. For the purposes of this section:
- 1. "AIMS ASSESSMENT intervention" means summer programs, after school programs, before school programs or tutoring programs that are specifically designed to ensure that pupils meet the Arizona academic standards as measured by the Arizona instrument to measure standards test STATEWIDE ASSESSMENT prescribed by section 15-741.
- 2. "Class size reduction" means any maintenance and operations expenditure that is designed to reduce the ratio of pupils to classroom teachers, including the use of persons who serve as aides to classroom teachers.
- Sec. 13. Section 15-1805.01, Arizona Revised Statutes, is amended to read:

15-1805.01. Admissions; enrollments; community colleges

- A. Admissions to the community colleges in this state may be granted to any person who meets $\frac{d}{dt}$ AT LEAST one of the following criteria:
- 1. Is a graduate of a high school that is accredited by a regional accrediting association as defined by the United States office of education or approved by a state board of education or other appropriate state educational agency.
 - 2. Has a high school certificate of equivalency.
- 3. Is at least eighteen years of age and demonstrates evidence of potential success in the community college.

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- 4. Is a transfer student in good standing from another college or university.
- B. Each community college district shall adopt policies regarding the admission of students WHO ARE under eighteen years of age that include, at a minimum, student completion of course prerequisites and the following requirements:
- 1. Admission to the community colleges in this state shall be granted to any student who is under eighteen years of age and who achieves AT LEAST one of the following:
- (a) A composite score of 93 or more on the preliminary scholastic aptitude test.
- (b) A composite score of $930\ \mathrm{or}$ more on the scholastic aptitude test.
- (c) A composite score of twenty-two or more on the American college test.
- (d) A passing score on the relevant portions of the Arizona instrument to measure standards test STATEWIDE ASSESSMENT.
- (e) The completion of a college placement test designated by the community college district that indicates the student is at the appropriate college level for the course.
- (f) Is a graduate of a private or public high school or has a high school certificate of equivalency.
- 2. A community college may limit the number of semester hours in which the student may enroll to not more than six credit hours.
- C. Homeschooled students are exempt from subsection B of this section.
- D. Students who enroll in vocational courses may be admitted on an individual basis with the approval of college officials if the student meets the established requirements of the courses for which the student enrolls and the college officials determine that the student's admission is in the best interest of the student.

Sec. 14. Retroactivity

Section 15-720.01, Arizona Revised Statutes, as amended by this act, applies retroactively to from and after June 30, 2017.

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