

REFERENCE TITLE: charter schools; sponsorship; state board

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

HB 2149

Introduced by
Representative Friese

AN ACT

AMENDING SECTIONS 15-101 AND 15-183, ARIZONA REVISED STATUTES; RELATING TO
CHARTER SCHOOLS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-101, Arizona Revised Statutes, is amended to
3 read:
4 15-101. Definitions
5 In this title, unless the context otherwise requires:
6 1. "Accommodation school" means either:
7 (a) A school that is operated through the county board of
8 supervisors and the county school superintendent and that the county
9 school superintendent administers to serve a military reservation or
10 territory that is not included within the boundaries of a school district.
11 (b) A school that provides educational services to homeless
12 children or alternative education programs as provided in section 15-308,
13 subsection B.
14 (c) A school that is established to serve a military reservation,
15 the boundaries of which are coterminous with the boundaries of the
16 military reservation on which the school is located.
17 2. "Assessed valuation" means the valuation derived by applying the
18 applicable percentage as provided in title 42, chapter 15, article 1 to
19 the full cash value or limited property value, whichever is applicable, of
20 the property.
21 3. "Charter holder" means a person that enters into a charter with
22 the state board for charter schools. For the purposes of this paragraph,
23 "person" means an individual, partnership, corporation, association or
24 public or private organization of any kind.
25 4. "Charter school" means a public school established by contract
26 with ~~the state board of education, the state board for charter schools, a~~
27 ~~university under the jurisdiction of the Arizona board of regents, a~~
28 ~~community college district or a group of community college districts~~
29 pursuant to article 8 of this chapter to provide learning that will
30 improve pupil achievement.
31 5. "Child with a disability" means a child with a disability as
32 defined in section 15-761.
33 6. "Class A bonds" means general obligation bonds approved by a
34 vote of the qualified electors of a school district at an election held on
35 or before December 31, 1998.
36 7. "Class B bonds" means general obligation bonds approved by a
37 vote of the qualified electors of a school district at an election held
38 from and after December 31, 1998.
39 8. "Competency" means a demonstrated ability in a skill at a
40 specified performance level.
41 9. "Course" means organized subject matter in which instruction is
42 offered within a given period of time and for which credit toward
43 promotion, graduation or certification is usually given. A course
44 consists of knowledge selected from a subject for instructional purposes
45 in the schools.

- 1 10. "Course of study" means a list of required and optional
2 subjects to be taught in the schools.
- 3 11. "Dual enrollment course" means a college-level course that is
4 conducted on the campus of a high school or on the campus of a career
5 technical education district, that is applicable to an established
6 community college academic degree or certificate program and that is
7 transferable to a university under the jurisdiction of the Arizona board
8 of regents. A dual enrollment course that is applicable to a community
9 college occupational degree or certificate program may be transferable to
10 a university under the jurisdiction of the Arizona board of regents.
- 11 12. "Elementary grades" means kindergarten programs and grades one
12 through eight.
- 13 13. "Fiscal year" means the year beginning July 1 and ending
14 June 30.
- 15 14. "Governing board" means a body organized ~~for the government~~ TO
16 GOVERN and ~~management of~~ MANAGE the schools within a school district or a
17 county school superintendent in ~~the conduct of~~ CONDUCTING an accommodation
18 school.
- 19 15. "Lease" means an agreement for ~~conveyance~~ CONVEYING and
20 ~~possession of~~ POSSESSING real or personal property.
- 21 16. "Limited property value" means the value determined pursuant to
22 title 42, chapter 13, article 7. ~~Limited property value shall be~~ THAT IS
23 used as the basis for assessing, fixing, determining and levying primary
24 property taxes.
- 25 17. "Nontest" means not relating to knowledge or skills in reading,
26 writing, mathematics, social studies, science or any other course.
- 27 18. "Parent" means the natural or adoptive parent of a child or a
28 person who has custody of a child.
- 29 19. "Person who has custody" means a parent or legal guardian of a
30 child, a person to whom custody of the child has been given by order of a
31 court or a person who stands in loco parentis to the child.
- 32 20. "Primary property taxes" means all ad valorem taxes except for
33 secondary property taxes.
- 34 21. "Private school" means a nonpublic institution where
35 instruction is imparted.
- 36 22. "School" or "public school" means any public institution
37 established for the purposes of offering instruction to pupils in programs
38 for preschool children with disabilities, kindergarten programs or any
39 combination of elementary grades or secondary grades one through twelve.
- 40 23. "School district" means a political subdivision of this state
41 with geographic boundaries organized ~~for the purpose of the administration~~
42 TO ADMINISTER, support and ~~maintenance of~~ MAINTAIN the public schools or
43 an accommodation school.
- 44 24. "Secondary grades" means grades nine through twelve.

1 25. "Secondary property taxes" means ad valorem taxes used to pay
2 the principal of and the interest and redemption charges on any bonded
3 indebtedness or other lawful long-term obligation issued or incurred for a
4 specific purpose by a school district or a community college district and
5 amounts levied pursuant to an election to exceed a budget, expenditure or
6 tax limitation.

7 26. "Subject" means a division or field of organized knowledge,
8 such as English or mathematics, or a selection from an organized body of
9 knowledge for a course or teaching unit, such as the English novel or
10 elementary algebra.

11 Sec. 2. Section 15-183, Arizona Revised Statutes, is amended to
12 read:

13 15-183. Charter schools; application; requirements; immunity;
14 exemptions; renewal of application; reprisal; fee;
15 funds; annual reports; definition

16 A. An applicant seeking to establish a charter school shall ~~submit~~
17 ~~a written application~~ APPLY IN WRITING to ~~a proposed sponsor~~ THE STATE
18 BOARD FOR CHARTER SCHOOLS as prescribed in subsection C of this
19 section. The application, application process and application time frames
20 shall be posted on the ~~sponsor's~~ STATE BOARD'S website and shall include
21 the following, as specified in the application adopted by the ~~sponsor~~
22 STATE BOARD:

- 23 1. A detailed educational plan.
- 24 2. A detailed business plan.
- 25 3. A detailed operational plan.
- 26 4. Any other materials required by the ~~sponsor~~ STATE BOARD.

27 B. The ~~sponsor of a charter school~~ STATE BOARD FOR CHARTER SCHOOLS
28 may contract with a public body, private person or private organization
29 for the purpose of establishing a charter school pursuant to this article.

30 C. The sponsor of a charter school ~~may~~ SHALL be ~~either the state~~
31 ~~board of education,~~ the state board for charter schools, ~~a university~~
32 ~~under the jurisdiction of the Arizona board of regents,~~ ~~a community~~
33 ~~college district or a group of community college districts,~~ subject to the
34 following requirements:

35 1. An applicant may not ~~submit an application~~ APPLY for sponsorship
36 to any person or entity other than ~~those prescribed in this subsection~~ THE
37 STATE BOARD.

38 2. ~~The applicant may submit the application to the state board of~~
39 ~~education or the state board for charter schools.~~ Notwithstanding any
40 other law, ~~neither~~ the state board ~~for charter schools nor the state board~~
41 ~~of education shall~~ MAY NOT grant a charter to a school district governing
42 board for a new charter school or for the conversion of an existing
43 district public school to a charter school. The ~~state board of education~~
44 ~~or the state board for charter schools~~ may approve the application if the
45 application meets the requirements of this article and may approve the

1 charter if the ~~proposed sponsor~~ STATE BOARD determines, within its sole
2 discretion, that the applicant is sufficiently qualified to operate a
3 charter school and that the applicant is applying to operate as a separate
4 charter holder by considering factors such as whether:

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

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

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

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

13 (e) ~~it~~ THE APPLICANT is reconstituting an existing school site
14 population at the same or new site.

15 (f) ~~it~~ THE APPLICANT is reconstituting an existing grade
16 configuration from a prior charter holder with at least one grade
17 remaining on the original site with the other grade or grades moving to a
18 new site. The ~~state board of education or the~~ state board ~~for charter~~
19 ~~schools~~ may approve any charter schools transferring charters. If ~~the~~
20 ~~state board of education or the~~ state board ~~for charter schools~~ rejects
21 the preliminary application, ~~the state board of education or the~~ state
22 board ~~for charter schools~~ shall notify the applicant in writing of the
23 reasons for the rejection and of suggestions for improving the
24 application. An applicant may submit a revised application for
25 reconsideration by ~~the state board of education or the~~ state board ~~for~~
26 ~~charter schools~~. The applicant may request, and ~~the state board of~~
27 ~~education or the~~ state board ~~for charter schools~~ may provide, technical
28 assistance to improve the application.

29 ~~3. The applicant may submit the application to a university under~~
30 ~~the jurisdiction of the Arizona board of regents, a community college~~
31 ~~district or a group of community college districts. A university, a~~
32 ~~community college district or a group of community college districts shall~~
33 ~~not grant a charter to a school district governing board for a new charter~~
34 ~~school or for the conversion of an existing district public school to a~~
35 ~~charter school. A university, a community college district or a group of~~
36 ~~community college districts may approve the application if it meets the~~
37 ~~requirements of this article and if the proposed sponsor determines, in~~
38 ~~its sole discretion, that the applicant is sufficiently qualified to~~
39 ~~operate a charter school.~~

40 ~~4.~~ 3. Each applicant seeking to establish a charter school shall
41 submit a full set of fingerprints to the approving agency for the purpose
42 of obtaining a state and federal criminal records check pursuant to
43 section 41-1750 and Public Law 92-544. If an applicant will have direct
44 contact with students, the applicant shall possess a valid fingerprint
45 clearance card that is issued pursuant to title 41, chapter 12,

1 article 3.1. The department of public safety may exchange this
2 fingerprint data with the federal bureau of investigation. The criminal
3 records check shall be completed before the issuance of a charter.

4 ~~5.~~ 4. All persons engaged in instructional work directly as a
5 classroom, laboratory or other teacher or indirectly as a supervisory
6 teacher, speech therapist or principal shall have a valid fingerprint
7 clearance card that is issued pursuant to title 41, chapter 12, article
8 3.1, unless the person is a volunteer or guest speaker who is accompanied
9 in the classroom by a person with a valid fingerprint clearance card. A
10 charter school shall not employ a teacher whose certificate has been
11 surrendered or revoked, unless the teacher's certificate has been
12 subsequently reinstated by the state board of education. All other
13 personnel shall be fingerprint checked pursuant to section 15-512, or the
14 charter school may require those personnel to obtain a fingerprint
15 clearance card issued pursuant to title 41, chapter 12, article 3.1.
16 Before employment, the charter school shall make documented, good faith
17 efforts to contact previous employers of a person to obtain information
18 and recommendations that may be relevant to ~~a~~ THE person's fitness for
19 employment as prescribed in section 15-512, subsection F. The charter
20 school shall notify the department of public safety if the charter school
21 or ~~sponsor~~ STATE BOARD FOR CHARTER SCHOOLS receives credible evidence that
22 a person who possesses a valid fingerprint clearance card is arrested for
23 or is charged with an offense listed in section 41-1758.03, subsection B.
24 A person who is employed at a charter school that has met the requirements
25 of this paragraph is not required to meet any additional requirements that
26 are established by the department of education or that may be established
27 by rule by the state board of education. The state board of education may
28 not adopt rules that exceed the requirements for persons WHO ARE qualified
29 to teach in charter schools prescribed in title I of the every student
30 succeeds act (P.L. 114-95) or the individuals with disabilities education
31 improvement act of 2004 (P.L. 108-446). Charter schools may hire
32 personnel who have not yet received a fingerprint clearance card if proof
33 is provided of the submission of an application to the department of
34 public safety for a fingerprint clearance card and if the charter school
35 that is seeking to hire the applicant does all of the following:

36 (a) Documents in the applicant's file the necessity for hiring and
37 ~~placement of~~ PLACING the applicant before ~~receiving~~ THE APPLICANT RECEIVES
38 a fingerprint clearance card.

39 (b) Ensures that the department of public safety completes a
40 statewide criminal records check on the applicant. A statewide criminal
41 records check shall be completed by the department of public safety every
42 one hundred twenty days until the date that the fingerprint check is
43 completed or the fingerprint clearance card is issued or denied.

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

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

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

9 (f) Verifies the fingerprint status of the applicant with the
10 department of public safety.

11 ~~6.~~ 5. A charter school that complies with the fingerprinting
12 requirements of this section ~~shall be~~ IS deemed to have complied with
13 section 15-512 and is entitled to the same rights and protections provided
14 to school districts by section 15-512.

15 ~~7.~~ 6. If a charter school operator is not already subject to a
16 public meeting or hearing by the municipality in which the charter school
17 is located, the operator of a charter school shall conduct a public
18 meeting at least thirty days before the charter school operator opens a
19 site or sites for the charter school. The charter school operator shall
20 post notices of the public meeting in at least three different locations
21 that are within three hundred feet of the proposed charter school site.

22 ~~8.~~ 7. A person who is employed by a charter school or who is an
23 applicant for employment with a charter school, who is arrested for or
24 charged with a nonappealable offense listed in section 41-1758.03,
25 subsection B and who does not immediately report the arrest or charge to
26 the person's supervisor or potential employer is guilty of unprofessional
27 conduct and the person shall be immediately dismissed from employment with
28 the charter school or immediately excluded from potential employment with
29 the charter school.

30 ~~9.~~ 8. A person who is employed by a charter school and who is
31 convicted of any nonappealable offense listed in section 41-1758.03,
32 subsection B or is convicted of any nonappealable offense that amounts to
33 unprofessional conduct under section 15-550 shall immediately do all of
34 the following:

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

37 (b) Notify the person's employer or potential employer of the
38 conviction.

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

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

41 D. ~~An entity that is authorized to sponsor charter schools pursuant~~
42 ~~to this article has no~~ ONLY THE STATE BOARD FOR CHARTER SCHOOLS HAS legal
43 authority over ~~or~~ AND responsibility for a charter school ~~sponsored by a~~
44 ~~different entity~~. This subsection does not apply to the state board of

1 education's duty to exercise general supervision over the public school
2 system pursuant to section 15-203, subsection A, paragraph 1.

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

4 1. Ensure compliance with federal, state and local rules,
5 regulations and statutes relating to health, safety, civil rights and
6 insurance. The department of education shall publish a list of relevant
7 rules, regulations and statutes to notify charter schools of their
8 responsibilities under this paragraph.

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

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

16 4. Ensure that it designs a method to measure pupil progress toward
17 the pupil outcomes adopted by the state board of education pursuant to
18 section 15-741.01, including participation in the statewide assessment and
19 the nationally standardized norm-referenced achievement test as designated
20 by the state board and the completion and distribution of an annual report
21 card as prescribed in chapter 7, article 3 of this title.

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

25 6. Ensure that, except as provided in this article, it is subject
26 to the same financial and electronic data submission requirements as a
27 school district, including the uniform system of financial records as
28 prescribed in chapter 2, article 4 of this title, procurement rules as
29 prescribed in section 15-213 and audit requirements. The auditor general
30 shall conduct a comprehensive review and revision of the uniform system of
31 financial records to ensure that the provisions of the uniform system of
32 financial records that relate to charter schools are in accordance with
33 commonly accepted accounting principles used by private business. A
34 school's charter may include exceptions to the requirements of this
35 paragraph that are necessary as determined by ~~the university, the~~
36 ~~community college district, the group of community college districts, the~~
37 ~~state board of education or~~ the state board ~~for charter schools~~. The
38 department of education or the office of the auditor general may conduct
39 financial, program or compliance audits.

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

43 8. Ensure that it provides for a governing body for the charter
44 school that is responsible for the policy decisions of the charter school.
45 Notwithstanding section 1-216, if there is a vacancy or vacancies on the

1 governing body, a majority of the remaining members of the governing body
2 constitute a quorum for the transaction of business, unless that quorum is
3 prohibited by the charter school's operating agreement.

4 9. Ensure that it provides a minimum of one hundred eighty
5 instructional days before June 30 of each fiscal year unless it is
6 operating on an alternative calendar approved by ~~its sponsor~~ THE STATE
7 BOARD. The superintendent of public instruction shall adjust the
8 apportionment schedule accordingly to accommodate a charter school
9 utilizing an alternative calendar.

10 F. A charter school shall keep in the personnel file of ~~all~~ EACH
11 current ~~employees~~ EMPLOYEE who ~~provide~~ PROVIDES instruction to pupils at
12 the charter school information about the employee's educational and
13 teaching background and experience in a particular academic content
14 subject area. A charter school shall inform parents and guardians of the
15 availability of the information and shall make the information available
16 for inspection on request of parents and guardians of pupils enrolled at
17 the charter school. This subsection does not require any charter school
18 to release personally identifiable information in relation to any teacher
19 or employee, including the teacher's or employee's address, salary, social
20 security number or telephone number.

21 G. The charter of a charter school may be amended at the request of
22 the governing body of the charter school and on the approval of the
23 ~~sponsor~~ STATE BOARD.

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

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

27 1. At least eighteen months before ~~the expiration of~~ the charter
28 EXPIRES, the ~~sponsor~~ STATE BOARD shall notify the charter school that the
29 charter school may apply for renewal and shall make the renewal
30 application available to the charter school. A charter school that elects
31 to apply for renewal shall file a complete renewal application at least
32 fifteen months before ~~the expiration of~~ the charter EXPIRES. ~~A sponsor~~
33 THE STATE BOARD shall give written notice of its intent not to renew the
34 charter school's request for renewal to the charter school at least twelve
35 months before ~~the expiration of~~ the charter EXPIRES. The ~~sponsor~~ STATE
36 BOARD shall make data used in making renewal decisions available to the
37 school and the public and shall provide a public report summarizing the
38 evidence basis for each decision. The ~~sponsor~~ STATE BOARD may deny the
39 request for renewal if, in its judgment, the charter holder has failed to
40 do any of the following:

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

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

1 (c) Meet the financial performance expectations set forth in the
2 performance framework or any improvement plans.

3 (d) Complete the obligations of the contract.

4 (e) Comply with this article or any provision of law from which the
5 charter school is not exempt.

6 2. A charter operator may apply for early renewal. At least nine
7 months before the charter school's intended renewal consideration, the
8 operator of the charter school shall submit a letter of intent to the
9 ~~sponsor~~ STATE BOARD to apply for early renewal. The ~~sponsor~~ STATE BOARD
10 shall review fiscal audits and academic performance data for the charter
11 school that are annually collected by the ~~sponsor~~ STATE BOARD, review the
12 current contract between the ~~sponsor~~ STATE BOARD and the charter school
13 and provide the qualifying charter school with a renewal application. On
14 submission of a complete application, the ~~sponsor~~ STATE BOARD shall give
15 written notice of its consideration of the renewal application. The
16 ~~sponsor~~ STATE BOARD may deny the request for early renewal if, in the
17 ~~sponsor's~~ STATE BOARD'S judgment, the charter holder has failed to do any
18 of the following:

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

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

23 (c) Meet the financial performance expectations set forth in the
24 performance framework or any improvement plans.

25 (d) Complete the obligations of the contract.

26 (e) Comply with this article or any provision of law from which the
27 charter school is not exempt.

28 3. ~~A sponsor~~ THE STATE BOARD shall review a charter at five-year
29 intervals using a performance framework adopted by the ~~sponsor~~ STATE BOARD
30 and may revoke a charter at any time if the charter school breaches one or
31 more provisions of its charter or if the ~~sponsor~~ STATE BOARD determines
32 that the charter holder has failed to do any of the following:

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

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

37 (c) Meet the financial performance expectations set forth in the
38 performance framework or any improvement plans.

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

41 4. In determining whether to renew or revoke a charter holder, the
42 ~~sponsor~~ STATE BOARD must consider making sufficient progress toward the
43 academic performance expectations set forth in the ~~sponsor's~~ STATE BOARD'S
44 performance framework as one of the most important factors.

1 5. At least sixty days before the effective date of the proposed
2 revocation, the ~~sponsor~~ STATE BOARD shall give written notice to the
3 operator of the charter school of its intent to revoke the charter.
4 Notice of the ~~sponsor's~~ STATE BOARD'S intent to revoke the charter shall
5 be delivered personally to the operator of the charter school or sent by
6 certified mail, return receipt requested, to the address of the charter
7 school. The notice shall incorporate a statement of reasons for the
8 proposed revocation of the charter. The ~~sponsor~~ STATE BOARD shall allow
9 the charter school at least sixty days to correct the problems associated
10 with the reasons for the proposed revocation of the charter. The final
11 determination of whether to revoke the charter shall be made at a public
12 hearing called for ~~such~~ THAT purpose.

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

15 K. A charter school ~~that is sponsored by the state board of~~
16 ~~education, the state board for charter schools, a university, a community~~
17 ~~college district or a group of community college districts~~ may not be
18 located on the property of a school district unless the district governing
19 board grants this authority.

20 L. A governing board or a school district employee who has control
21 over personnel actions shall not take unlawful reprisal against another
22 employee of the school district because the employee is directly or
23 indirectly involved in an application to establish a charter school. A
24 governing board or a school district employee shall not take unlawful
25 reprisal against an educational program of the school or the school
26 district because an application to establish a charter school proposes ~~the~~
27 ~~conversion of~~ TO CONVERT all or a portion of the educational program to a
28 charter school. For the purposes of this subsection, "unlawful reprisal"
29 means an action that is taken by a governing board or a school district
30 employee as a direct result of a lawful application to establish a charter
31 school and that is adverse to another employee or an education program
32 and:

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

- 35 (a) Disciplinary or corrective action.
- 36 (b) Detail, transfer or reassignment.
- 37 (c) Suspension, demotion or dismissal.
- 38 (d) An unfavorable performance evaluation.
- 39 (e) A reduction in pay, benefits or awards.
- 40 (f) Elimination of the employee's position without a reduction in
41 force by reason of lack of monies or work.
- 42 (g) Other significant changes in duties or responsibilities that
43 are inconsistent with the employee's salary or employment classification.

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

- 1 (a) Suspension or termination of the program.
2 (b) Transfer or reassignment of the program to a less favorable
3 department.
4 (c) Relocation of the program to a less favorable site within the
5 school or school district.
6 (d) Significant reduction or termination of funding for the
7 program.
- 8 M. Charter schools shall secure insurance for liability and
9 property loss. The governing body of a charter school ~~that is sponsored~~
10 ~~by the state board of education or the state board for charter schools~~ may
11 enter into an intergovernmental agreement or otherwise contract to
12 participate in an insurance program offered by a risk retention pool
13 established pursuant to section 11-952.01 or 41-621.01 or the charter
14 school may secure its own insurance coverage. The pool may charge the
15 requesting charter school reasonable fees for any services it performs in
16 connection with the insurance program.
- 17 N. Charter schools do not have the authority to acquire property by
18 eminent domain.
- 19 O. ~~A sponsor~~ THE STATE BOARD, including members, officers and
20 employees of the ~~sponsor~~ STATE BOARD, is immune from personal liability
21 for all acts done and actions taken in good faith within the scope of its
22 authority.
- 23 P. ~~Charter school sponsors~~ THE STATE BOARD and this state are not
24 liable for the debts or financial obligations of a charter school or
25 persons who operate charter schools.
- 26 Q. The ~~sponsor of a charter school~~ STATE BOARD shall establish
27 procedures to conduct administrative hearings on ~~determination by the~~
28 ~~sponsor~~ DETERMINING that grounds exist to revoke a charter. Procedures
29 for administrative hearings shall be similar to procedures prescribed for
30 adjudicative proceedings in title 41, chapter 6, article 10. Except as
31 provided in section 41-1092.08, subsection H, final decisions of ~~the state~~
32 ~~board of education and~~ the state board ~~for charter schools~~ from hearings
33 conducted pursuant to this subsection are subject to judicial review
34 pursuant to title 12, chapter 7, article 6.
- 35 R. The ~~sponsoring entity of a charter school~~ STATE BOARD shall have
36 oversight and administrative responsibility for ~~the~~ ALL charter schools
37 ~~that it sponsors~~. In implementing its oversight and administrative
38 responsibilities, the ~~sponsor~~ STATE BOARD shall ground its actions in
39 evidence of the charter holder's performance in accordance with the
40 performance framework adopted by the ~~sponsor~~ STATE BOARD. The performance
41 framework shall be publicly available, shall be placed on the ~~sponsoring~~
42 ~~entity's~~ STATE BOARD'S website and shall include:
- 43 1. The academic performance expectations of the charter school and
44 the measurement of sufficient progress toward the academic performance
45 expectations.

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

3 3. The financial expectations of the charter school.

4 4. Intervention and improvement policies.

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

7 T. All property accumulated by a charter school shall remain the
8 property of the charter school.

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

20 ~~V. A transfer of a charter to another sponsor, a transfer of a~~
21 ~~charter school site to another sponsor or~~ A transfer of a charter school
22 site to a different charter shall be completed before the beginning of the
23 fiscal year that the transfer is scheduled to become effective. ~~An entity~~
24 ~~that sponsors charter schools may accept a transferring school after the~~
25 ~~beginning of the fiscal year if the transfer is approved by the~~
26 ~~superintendent of public instruction.~~ The superintendent of public
27 instruction shall have the discretion to consider each transfer during the
28 fiscal year on a case-by-case basis. ~~A charter holder seeking to transfer~~
29 ~~sponsors shall comply with the current charter terms regarding assignment~~
30 ~~of the charter. A charter holder transferring sponsors shall notify the~~
31 ~~current sponsor that the transfer has been approved by the new sponsor.~~

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

37 ~~X.~~ W. Notwithstanding subsection ~~Y~~ X of this section, the state
38 board ~~for charter schools~~ shall charge a processing fee to any charter
39 school that amends its contract to participate in Arizona online
40 instruction pursuant to section 15-808. The charter Arizona online
41 instruction processing fund is established consisting of fees collected
42 and administered by the state board ~~for charter schools~~. The state board
43 ~~for charter schools~~ shall use monies in the fund only for ~~the~~ processing
44 ~~of~~ contract amendments for charter schools participating in Arizona online
45 instruction. Monies in the fund are continuously appropriated.

1 ~~Y.~~ X. The ~~sponsoring entity~~ STATE BOARD may not charge any fees to
2 a charter school ~~that it sponsors~~ unless the ~~sponsor~~ STATE BOARD has
3 provided services to the charter school and the fees represent the full
4 value of those services provided by the ~~sponsor~~ STATE BOARD. On request,
5 the value of the services provided by the ~~sponsor~~ STATE BOARD to the
6 charter school shall be demonstrated to the department of education.

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

15 ~~AA.~~ Z. The ~~sponsor of a charter school~~ STATE BOARD shall modify
16 previously approved curriculum requirements for a charter school that
17 wishes to participate in the board examination system prescribed in
18 chapter 7, article 6 of this title.

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

23 ~~CC.~~ BB. Notwithstanding subsection ~~Y~~ X of this section, ~~a sponsor~~
24 ~~of charter schools~~ THE STATE BOARD may charge a new charter application
25 processing fee to any applicant. The application fee shall fully cover the
26 cost of application review and any needed technical assistance.
27 Authorizers may approve policies that allow a portion of the fee to be
28 returned to the applicant whose charter is approved.

29 ~~DD.~~ CC. A charter school may choose to provide a preschool program
30 for children with disabilities pursuant to section 15-771.

31 ~~EE.~~ DD. Pursuant to the prescribed graduation requirements adopted
32 by the state board of education, the governing body of a charter school
33 operating a high school may approve a rigorous computer science course
34 that would fulfill a mathematics course required for graduation from high
35 school. The governing body may approve a rigorous computer science course
36 only if the rigorous computer science course includes significant
37 mathematics content and the governing body determines the high school
38 where the rigorous computer science course is offered has sufficient
39 capacity, infrastructure and qualified staff, including competent teachers
40 of computer science.

41 ~~FF.~~ EE. A charter school may ~~permit~~ ALLOW the use of school
42 property, including school buildings, grounds, buses and equipment, by any
43 person, group or organization for any lawful purpose, including a
44 recreational, educational, political, economic, artistic, moral,
45 scientific, social, religious or other civic or governmental purpose. The

1 charter school may charge a reasonable fee for the use of the school
2 property.

3 ~~GG.~~ FF. A charter school and its employees, including the
4 governing body, or chief administrative officer, are immune from civil
5 liability with respect to all decisions made and actions taken to allow
6 the use of school property, unless the charter school or its employees are
7 guilty of gross negligence or intentional misconduct. This subsection
8 does not limit any other immunity provisions that are prescribed by law.

9 ~~HH.~~ GG. ~~Sponsors authorized pursuant to this section~~ THE STATE
10 BOARD shall submit an annual report to the auditor general on or before
11 October 1. The report shall include:

12 1. The current number of charters authorized and the number of
13 schools operated by authorized charter holders.

14 2. The academic, operational and financial performance of the
15 ~~sponsor's~~ STATE BOARD'S charter portfolio as measured by the ~~sponsor's~~
16 STATE BOARD'S adopted performance framework.

17 3. For the prior year, the number of new charters approved, the
18 number of charter schools closed and the reason for the closure.

19 4. The ~~sponsor's~~ STATE BOARD'S application, amendment, renewal and
20 revocation processes, charter contract template and current performance
21 framework as required by this section.

22 ~~II.~~ HH. The auditor general shall prescribe the format for the
23 annual report required by subsection ~~HH~~ GG of this section and may require
24 that the annual report be submitted electronically. The auditor general
25 shall review the submitted annual reports to ensure that the reports
26 include the required items in subsection ~~HH~~ GG of this section and shall
27 make the annual reports available on request. If the auditor general
28 finds significant noncompliance or if ~~a sponsor~~ THE STATE BOARD fails to
29 submit the annual report required by subsection ~~HH~~ GG of this section, on
30 or before December 31 of each year the auditor general shall report to the
31 governor, the president of the senate, the speaker of the house of
32 representatives and the chairs of the senate and house education
33 committees or their successor committees, and the legislature shall
34 consider revoking the ~~sponsor's~~ STATE BOARD'S authority to sponsor charter
35 schools.

36 II. FOR THE PURPOSES OF THIS SECTION, "STATE BOARD" MEANS THE STATE
37 BOARD FOR CHARTER SCHOOLS.

38 Sec. 3. Conforming legislation

39 The legislative council staff shall prepare proposed legislation
40 conforming the Arizona Revised Statutes to the provisions of this act for
41 consideration in the 55th legislature, 2nd regular session.