REFERENCE TITLE: charter schools; fingerprinting; renewal; revocation

State of Arizona House of Representatives Fifty-fifth Legislature Second Regular Session 2022

HB 2177

Introduced by Representative Udall

AN ACT

AMENDING SECTION 15-183, ARIZONA REVISED STATUTES; RELATING TO CHARTER SCHOOLS.

(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 15-183, Arizona Revised Statutes, is amended to read:

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

- A. An applicant seeking to establish a charter school shall apply in writing 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 apply for sponsorship to any person or entity other than those prescribed in this subsection.
- 2. The applicant may apply 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 or for the conversion of an existing district public school to a charter school. 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.

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- (e) The applicant is reconstituting an existing school site population at the same or new site.
- (f) The applicant 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 or for the conversion of an existing district public school to a charter school. A university, a community college district or a group of community college districts may approve the 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.
- 5. All persons engaged in instructional work directly as a classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist or principal AND ALL CHARTER REPRESENTATIVES, CHARTER SCHOOL GOVERNING BODY MEMBERS AND OFFICERS, DIRECTORS, MEMBERS AND PARTNERS OF THE CHARTER HOLDER 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 in any position that requires a valid fingerprint clearance card a person against whom the state board of education has

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taken disciplinary action as prescribed in section 15-505 or whose certificate has been suspended, surrendered or revoked, unless the person's certificate has been 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 the employment as prescribed in section 15-512, person's fitness for subsection F, including checking the educator information system that is maintained by the department of education pursuant to section 15-505. 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. A person who is employed at a charter school that has met the requirements of this paragraph is not required to meet any additional requirements that are established by the department of education or that may be established by rule by the state board of education. The state board of education may not adopt rules that exceed the requirements for persons who are qualified to teach in charter schools prescribed in title I of the every student succeeds act (P.L. 114-95) or the individuals with disabilities education improvement act of 2004 (P.L. 108-446). Charter schools may personnel 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 placing the applicant before the applicant receives 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.
- (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.

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- (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 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.

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- 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 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. 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

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schedule accordingly to accommodate a charter school utilizing an alternative calendar.

- F. A charter school shall keep in the personnel file of each current employee who provides 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 the charter expires, 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 charter expires. 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) Meet the financial performance expectations set forth in the performance framework or any improvement plans.
 - (d) Complete the obligations of the contract.
- (e) 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

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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) Meet the financial performance expectations set forth in the performance framework or any improvement plans.
 - (d) Complete the obligations of the contract.
- (e) Comply with this article or any provision of law from which the charter school is not exempt.
- 3. 2. 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) Meet the financial performance expectations set forth in the performance framework or any improvement plans.
- (d) Comply with this article or any provision of law from which the charter school is not exempt.
- 4. 3. 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 revocation of the charter. The final determination of whether to revoke the charter shall be made at a public hearing called for that purpose.

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- BEFORE THE SPONSOR ADOPTS A DETERMINATION OF INTENT TO REVOKE A CHARTER, THE CHARTER HOLDER SHALL HAVE AT LEAST THIRTY DAYS TO ADDRESS THE PROBLEMS, AS NECESSARY OR APPLICABLE, ASSOCIATED WITH THE REASON OR REASONS FOR THE DETERMINATION OF INTENT TO REVOKE. THE SPONSOR IS NOT REQUIRED TO PROVIDE THE CHARTER HOLDER WITH THIRTY DAYS TO CORRECT THE ADOPTING **PROBLEMS** ASSOCIATED WITH THE REASON OR REASONS FOR DETERMINATION OF INTENT TO REVOKE IF THE REASON OR REASONS CANNOT BE REMEDIED, INCLUDING A FAILURE TO SUBMIT REQUIRED FINANCIAL AUDITS PURSUANT TO SECTION 15-183, SUBSECTION E, PARAGRAPH 6 AND SECTION 15-914, OR FOR A MATTER OF HEALTH OR SAFETY, OR BOTH. BEFORE THE SPONSOR ADOPTS A DETERMINATION OF INTENT TO REVOKE A CHARTER, THE SPONSOR SHALL GIVE WRITTEN NOTICE TO THE CHARTER HOLDER THAT INCLUDES THE REASON OR REASONS FOR THE SPONSOR'S CONSIDERATION TO REVOKE THE CHARTER. NOTICE MAY BE PROVIDED BY ELECTRONIC MEANS OR BY UNITED STATES MAIL AND IS EFFECTIVE ON THE DATE OF EMAIL OR, IF SENT BY UNITED STATES MAIL, THE EARLIER OF THE DATE OF RECEIPT BY THE CHARTER HOLDER OR WITHIN FIVE DAYS AFTER THE NOTICE IS MAILED. THE DETERMINATION OF WHETHER TO PROCEED TO REVOCATION SHALL BE MADE AT A PUBLIC MEETING CALLED FOR THAT 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 to convert 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.

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- (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 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

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 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. The financial expectations of the charter school.
 - 4. 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.
- $\ensuremath{\mathsf{T.}}$ 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 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 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

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 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 processing 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 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 education program in any charter school in the county. The cost of juvenile probation officers who 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.

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- FF. A charter school may permit ALLOW 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.
- 2. The academic, operational and financial 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 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.

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