

REFERENCE TITLE: ESAs; assessments; qualified schools; audits.

State of Arizona
House of Representatives
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HB 2662

Introduced by
Representatives Pawlik: Aguilar, Austin, Blattman, Bravo, Cano, Contreras
L, Contreras P, De Los Santos, Gutierrez, Hernandez A, Hernandez C,
Hernandez L, Hernandez M, Longdon, Mathis, Ortiz, Peshlakai, Quiñonez,
Salman, Sandoval, Schwiebert, Seaman, Shah, Stahl Hamilton, Sun, Terech,
Travers, Tsosie

AN ACT

AMENDING SECTIONS 15-743, 15-2402 AND 15-2404, ARIZONA REVISED STATUTES;
REPEALING SECTION 41-1279.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS
2021, CHAPTER 405, SECTION 25; AMENDING SECTION 41-1279.03, ARIZONA
REVISED STATUTES, AS AMENDED BY LAWS 2019, CHAPTER 3, SECTION 11; RELATING
TO ASSESSMENT AND ACCOUNTABILITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-743, Arizona Revised Statutes, is amended to
3 read:

4 15-743. Test results; annual report; five-year cumulative
5 summary

6 A. The state board of education shall provide annual reports for
7 every school and school district, ~~and~~ the state as a whole **AND THE ARIZONA**
8 **EMPOWERMENT SCHOLARSHIP ACCOUNT PROGRAM**. The state board shall annually
9 submit these reports to school districts, the legislature and the county
10 school superintendents and shall make them available to the public. The
11 state board shall publish and distribute the reports by September 1 and
12 shall ~~also~~ provide a cumulative summary of the reports every five years.
13 The annual reports and cumulative summary results shall include:

14 1. Average and range scores on the statewide assessment adopted
15 pursuant to section 15-741.

16 2. Standardized test scores by subject area according to
17 percentiles and stanines for the ~~school, school district,~~ county, state
18 and nation **AND EITHER:**

19 (a) **FOR PUPILS WHO ARE ENROLLED IN A SCHOOL DISTRICT, BY THE SCHOOL**
20 **AND SCHOOL DISTRICT.**

21 (b) **FOR PUPILS WHO ARE ENROLLED IN THE ARIZONA EMPOWERMENT**
22 **SCHOLARSHIP ACCOUNT PROGRAM, BY ELIGIBILITY CATEGORY AND SCHOOL TYPE.**

23 3. Achievement-related nontest indicator data collected in the
24 survey of teachers, principals and superintendents as required by section
25 15-741, including information related to dropout rates by ethnicity for
26 each grade level and graduation rates and postsecondary employment and
27 education by ethnicity. In reporting such data, the state board shall not
28 violate the provisions of the family educational rights and privacy act
29 (P.L. 93-380), as amended, or disclose personally identifiable
30 information.

31 4. The numbers of pupils who have completed the academic standards
32 at grades three, eight and twelve.

33 B. Test results on individual pupils shall not be made available to
34 the public by name or individually identifiable reference.

35 C. The state board shall provide a copy of the results from the
36 tests prescribed in section 15-741, subsection A for each school district
37 to that school district. Results may not be released to the public until
38 ten days after the reports are provided to each school district.

39 D. The state board shall provide each school district participating
40 in the testing program with a copy of each pupil's standardized
41 norm-referenced test scores in reading, language arts and mathematics, and
42 the associated grade equivalents, percentiles and stanines for the school,
43 school district, county, state and nation **AND THE ARIZONA EMPOWERMENT**
44 **SCHOLARSHIP ACCOUNT PROGRAM**, a report of pupil progress on an ongoing and
45 annual basis, showing the trends in gain or loss in pupil achievement over

1 time in reading, language arts and mathematics for all years in which
 2 pupils are enrolled in the school district for an entire school year and
 3 for which this information is available and a report of the pupil progress
 4 for pupils not enrolled in a district for an entire school year. The
 5 state board shall also provide each school district with each pupil's
 6 statewide assessment scores and the statewide assessment scores for the
 7 school, school district, county and state AND THE ARIZONA EMPOWERMENT
 8 SCHOLARSHIP ACCOUNT PROGRAM.

9 E. The school district shall provide a parent or guardian of each
 10 pupil participating in the standardized norm-referenced testing part of
 11 the program with a copy of the pupil's scores in reading, language arts
 12 and mathematics, and the percentiles and stanines. The school district
 13 shall provide a parent or guardian of each pupil with a copy of the
 14 pupil's scores on the statewide assessment and the associated scores for
 15 the school, school district, county and state AND THE ARIZONA EMPOWERMENT
 16 SCHOLARSHIP ACCOUNT PROGRAM. The school district shall make available to
 17 the public through the reports those scores for each school in the school
 18 district and for the school district, county, state and nation AND THE
 19 ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT PROGRAM. THE DEPARTMENT OF
 20 EDUCATION SHALL PROVIDE OR MAKE AVAILABLE ALL REPORTS REQUIRED PURSUANT TO
 21 THIS SUBSECTION FOR PUPILS WHO ARE ENROLLED IN THE ARIZONA EMPOWERMENT
 22 SCHOLARSHIP ACCOUNT PROGRAM, EXCEPT THAT THE REPORT MADE AVAILABLE TO THE
 23 PUBLIC SHALL BE DISAGGREGATED BY ELIGIBILITY CATEGORY AND SCHOOL TYPE.

24 F. Any testing window established and executed by the department of
 25 education or the state board for the administration of the statewide
 26 assessment adopted pursuant to section 15-741 may not be longer than four
 27 consecutive school weeks and shall ensure that local education agencies
 28 receive test scores and assessment data from the third grade reading
 29 portion of the statewide assessment on or before May 15 of each academic
 30 year and that the scores and assessment data from all other portions of
 31 the statewide assessment adopted pursuant to section 15-741 are received
 32 by local education agencies on or before May 25 of each academic year.
 33 The department of education or the state board may not prohibit the
 34 superintendent or the staff of a local education agency from sharing
 35 statewide assessment data with the local education agency's district
 36 governing board or governing body or otherwise impede the sharing of
 37 statewide assessment data.

38 G. Notwithstanding subsection F of this section and sections 15-741
 39 and 15-742, the department of education, subject to review and approval by
 40 the state board, may adjust the testing window for the statewide
 41 assessment adopted pursuant to section 15-741 in academic years that the
 42 state board is revising current proficiency levels or is establishing new
 43 proficiency levels for the statewide assessment adopted pursuant to
 44 section 15-741.

1 Sec. 2. Section 15-2402, Arizona Revised Statutes, is amended to
2 read:

3 15-2402. Arizona empowerment scholarship accounts; funds

4 A. Arizona empowerment scholarship accounts are established to
5 provide options for the education of students in this state.

6 B. To enroll a qualified student for an Arizona empowerment
7 scholarship account, the parent of the qualified student must sign an
8 agreement to do all of the following:

9 1. Use a portion of the Arizona empowerment scholarship account
10 monies allocated annually to provide an education for the qualified
11 student in at least the subjects of reading, grammar, mathematics, social
12 studies and science, unless the Arizona empowerment scholarship account is
13 allocated monies according to a transfer schedule other than quarterly
14 transfers pursuant to section 15-2403, subsection G.

15 2. Not enroll the qualified student in a school district or charter
16 school and release the school district from all obligations to educate the
17 qualified student. This paragraph does not:

18 (a) Relieve the school district or charter school that the
19 qualified student previously attended from the obligation to conduct an
20 evaluation pursuant to section 15-766.

21 (b) Require ~~a~~ THE qualified student to withdraw from ~~a~~ THE school
22 district or charter school before enrolling for an Arizona empowerment
23 scholarship account if the qualified student withdraws from the school
24 district or charter school before receiving any monies in the qualified
25 student's Arizona empowerment scholarship account.

26 (c) Prevent ~~a~~ THE qualified student from applying in advance for
27 an Arizona empowerment scholarship account to be funded beginning the
28 following school year.

29 3. Not accept a scholarship from a school tuition organization
30 pursuant to title 43 concurrently with an Arizona empowerment scholarship
31 account for the qualified student in the same year a parent signs the
32 agreement pursuant to this section.

33 4. Use monies deposited in the qualified student's Arizona
34 empowerment scholarship account only for the following expenses of the
35 qualified student:

36 (a) Tuition or fees at a qualified school.

37 (b) Textbooks required by a qualified school.

38 (c) If the qualified student meets any of the criteria specified in
39 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) as
40 determined by a school district or by an independent third party pursuant
41 to section 15-2403, subsection J, the qualified student may use the
42 following additional services:

43 (i) Educational therapies from a licensed or accredited
44 practitioner or provider, including and up to any amount not covered by

1 insurance if the expense is partially paid by a health insurance policy
2 for the qualified student.

3 (ii) A licensed or accredited paraprofessional or educational aide.
4 (iii) Tuition for vocational and life skills education approved by
5 the department.

6 (iv) Associated goods and services that include educational and
7 psychological evaluations, assistive technology rentals and braille
8 translation goods and services approved by the department.

9 (d) Tutoring or teaching services provided by an individual or
10 facility accredited by a state, regional or national accrediting
11 organization.

12 (e) Curricula and supplementary materials.
13 (f) Tuition or fees for a nonpublic online learning program.
14 (g) Fees for a nationally standardized norm-referenced achievement
15 test, an advanced placement examination or any exams related to college or
16 university admission, INCLUDING FEES ASSESSED BY A SCHOOL DISTRICT OR
17 CHARTER SCHOOL FOR ANY COSTS INCURRED BY THE SCHOOL DISTRICT OR CHARTER
18 SCHOOL FOR PROVIDING TO THE QUALIFIED STUDENT THE ASSESSMENT REQUIRED BY
19 PARAGRAPH 7 OF THIS SUBSECTION. THIS SUBDIVISION DOES NOT REQUIRE A
20 SCHOOL DISTRICT OR CHARTER SCHOOL TO PROVIDE THE ASSESSMENT REQUIRED BY
21 PARAGRAPH 7 OF THIS SUBSECTION TO A QUALIFIED STUDENT.

22 (h) Tuition or fees at an eligible postsecondary institution.
23 (i) Textbooks required by an eligible postsecondary institution.
24 (j) Fees to manage the Arizona empowerment scholarship account.
25 (k) Services provided by a public school, including individual
26 classes and extracurricular programs.

27 (l) Insurance or surety bond payments.
28 (m) Uniforms purchased from or through a qualified school.
29 (n) If the qualified student meets the criteria specified in
30 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) and
31 if the qualified student is in the second year prior to the final year of
32 a contract executed pursuant to this article, costs associated with an
33 annual education plan conducted by an independent evaluation team. The
34 department shall prescribe minimum qualifications for independent
35 evaluation teams pursuant to this subdivision and factors that teams must
36 use to determine whether the qualified student shall be eligible to
37 continue to receive monies pursuant to this article through the school
38 year in which the qualified student reaches twenty-two years of age. An
39 independent evaluation team that provides an annual education plan
40 pursuant to this subdivision shall submit a written report that summarizes
41 the results of the evaluation to the parent of the qualified student and
42 to the department on or before July 31. The written report submitted by
43 the independent evaluation team is valid for one year. If the department
44 determines that the qualified student meets the eligibility criteria
45 prescribed in the annual education plan, the qualified student is eligible

1 to continue to receive monies pursuant to this article until the qualified
2 student reaches twenty-two years of age, subject to annual review. A
3 parent may appeal the department's decision pursuant to title 41, chapter
4 6, article 10. As an addendum to a qualified student's final-year
5 contract, the department shall provide the following written information
6 to the parent of the qualified student:

7 (i) That the qualified student will not be eligible to continue to
8 receive monies pursuant to this article unless the results of an annual
9 education plan conducted pursuant to this subdivision demonstrate that the
10 qualified student meets the eligibility criteria prescribed in the annual
11 education plan.

12 (ii) That the parent is entitled to obtain an annual education plan
13 pursuant to this subdivision to determine whether the qualified student
14 meets the eligibility criteria prescribed in the annual education plan.

15 (iii) A list of independent evaluation teams that meet the minimum
16 qualifications prescribed by the department pursuant to this subdivision.

17 (o) Public transportation services in this state, including a
18 commuter pass for the qualified student, or transportation network
19 services as defined in section 28-9551 between the qualified student's
20 residence and a qualified school in which the qualified student is
21 enrolled.

22 (p) Computer hardware and technological devices primarily used for
23 an educational purpose. For the purposes of this subdivision, "computer
24 hardware and technological devices":

25 (i) Includes calculators, personal computers, laptops, tablet
26 devices, microscopes, telescopes and printers.

27 (ii) Does not include entertainment and other primarily
28 noneducational devices, including televisions, telephones, video game
29 consoles and accessories, and home theatre and audio equipment.

30 5. Not file an affidavit of intent to homeschool pursuant to
31 section 15-802, subsection B, paragraph 2 or 3.

32 6. Not use monies deposited in the qualified student's account for
33 any of the following:

34 (a) Computer hardware or other technological devices, except as
35 otherwise allowed under paragraph 4, subdivision (c) or (p) of this
36 subsection.

37 (b) Transportation of the pupil, except for transportation services
38 described in paragraph 4, subdivision (o) of this subsection.

39 7. NOTWITHSTANDING ANY OTHER LAW, BEGINNING IN THE 2023-2024 SCHOOL
40 YEAR AND EACH YEAR THEREAFTER, HAVE THE QUALIFIED STUDENT, IF IN ANY OF
41 GRADES THREE THROUGH TWELVE, TAKE EITHER A NATIONALLY STANDARDIZED
42 NORM-REFERENCED ACHIEVEMENT TEST OR THE STATEWIDE ASSESSMENT ADOPTED
43 PURSUANT TO SECTION 15-741 AND REPORT THE ASSESSMENT RESULTS TO THE
44 DEPARTMENT OF EDUCATION. THIS PARAGRAPH DOES NOT APPLY TO:

1 (a) A QUALIFIED STUDENT WHO IS IDENTIFIED AS HAVING A DISABILITY
2 UNDER SECTION 504 OF THE REHABILITATION ACT OF 1973 (P.L. 93-112; 87
3 STAT. 355; 29 UNITED STATES CODE SECTION 794).

4 (b) A QUALIFIED STUDENT WHO IS IDENTIFIED BY A SCHOOL DISTRICT OR
5 INDEPENDENT THIRD PARTY PURSUANT TO SECTION 15-2403, SUBSECTION J AS A
6 CHILD WITH A DISABILITY AS DEFINED IN SECTION 15-731 OR 15-761.

7 (c) A CHILD WITH A DISABILITY WHO IS ELIGIBLE TO RECEIVE SERVICES
8 FROM A SCHOOL DISTRICT PURSUANT TO SECTION 15-763.

9 C. In exchange for the parent's agreement pursuant to subsection B
10 of this section, the department shall transfer from the monies that would
11 otherwise be allocated to a recipient's prior school district, or if the
12 child is currently eligible to attend a preschool program for children
13 with disabilities, a kindergarten program or any of grades one through
14 twelve, the monies that the department determines would otherwise be
15 allocated to a recipient's expected school district of attendance, to the
16 treasurer for deposit into an Arizona empowerment scholarship account an
17 amount that is equivalent to ninety percent of the sum of the base support
18 level and additional assistance prescribed in sections 15-185 and 15-943
19 for that particular student if that student were attending a charter
20 school.

21 D. The department of education empowerment scholarship account fund
22 is established consisting of monies appropriated by the legislature. The
23 department shall administer the fund. Monies in the fund are subject to
24 legislative appropriation. Monies in the fund shall be used for the
25 department's costs in administering Arizona empowerment scholarship
26 accounts under this chapter. Monies in the fund are exempt from the
27 provisions of section 35-190 relating to lapsing of appropriations. If
28 the number of Arizona empowerment scholarship accounts significantly
29 increases after fiscal year 2020-2021, the department may request an
30 increase in the amount appropriated to the fund in any subsequent fiscal
31 year in the budget estimate submitted pursuant to section 35-113. The
32 department shall list monies in the fund as a separate line item in its
33 budget estimate.

34 E. The state treasurer empowerment scholarship account fund is
35 established consisting of monies appropriated by the legislature. The
36 state treasurer shall administer the fund. Monies in the fund shall be
37 used for the state treasurer's costs in administering the Arizona
38 empowerment scholarship accounts under this chapter. If the number of
39 Arizona empowerment scholarship accounts significantly increases after
40 fiscal year 2020-2021, the state treasurer may request an increase in the
41 amount appropriated to the fund in any subsequent fiscal year in the
42 budget estimate submitted pursuant to section 35-113. Monies in the fund
43 are subject to legislative appropriation. Monies in the fund are exempt
44 from the provisions of section 35-190 relating to lapsing of

1 appropriations. The state treasurer shall list monies in the fund as a
2 separate line item in its budget estimate.

3 F. A parent must renew the qualified student's Arizona empowerment
4 scholarship account on an annual basis.

5 G. Notwithstanding any changes to the student's multidisciplinary
6 evaluation team plan, a student who has previously qualified for an
7 Arizona empowerment scholarship account remains eligible to apply for
8 renewal until the student finishes high school.

9 H. If a parent does not renew the qualified student's Arizona
10 empowerment scholarship account for a period of three academic years, the
11 department shall notify the parent that the qualified student's account
12 will be closed in sixty calendar days. The notification must be sent
13 through certified mail, email and telephone, if applicable. The parent
14 has sixty calendar days to renew the qualified student's Arizona
15 empowerment scholarship account. If the parent chooses not to renew or
16 does not respond in sixty calendar days, the department shall close the
17 account and any remaining monies shall be returned to the state.

18 I. A signed agreement under this section constitutes school
19 attendance required by section 15-802.

20 J. A qualified school or a provider of services purchased pursuant
21 to subsection B, paragraph 4 of this section may not share, refund or
22 rebate any Arizona empowerment scholarship account monies with the parent
23 or qualified student in any manner.

24 K. Notwithstanding subsection H of this section, on the qualified
25 student's graduation from a postsecondary institution or after any period
26 of four consecutive years after high school graduation in which the
27 student is not enrolled in an eligible postsecondary institution, but not
28 before this time as long as the account holder continues using a portion
29 of account monies for eligible expenses each year and is in good standing,
30 the qualified student's Arizona empowerment scholarship account shall be
31 closed and any remaining monies shall be returned to the state.

32 L. Monies received pursuant to this article do not constitute
33 taxable income to the parent of the qualified student.

34 M. THE DEPARTMENT OF EDUCATION SHALL ANNUALLY PROVIDE TO QUALIFIED
35 STUDENTS IN THIS STATE THE ASSESSMENT THAT IS REQUIRED BY SUBSECTION B,
36 PARAGRAPH 7 OF THIS SECTION.

37 Sec. 3. Section 15-2404, Arizona Revised Statutes, is amended to
38 read:

39 15-2404. State control over nonpublic schools; prohibition;
40 application

41 A. This chapter does not ~~permit~~ ALLOW any government agency to
42 exercise control or supervision over any nonpublic school or homeschool.

43 B. A qualified school that accepts a payment from a parent pursuant
44 to this chapter is not an agent of the state or federal government.

1 C. A qualified school shall not be required to alter its creed,
2 practices, admissions policy or curriculum in order to accept students
3 whose parents pay tuition or fees from an ARIZONA empowerment scholarship
4 account pursuant to this chapter in order to participate as a qualified
5 school.

6 D. In any legal proceeding challenging the application of this
7 chapter to a qualified school, the state bears the burden of establishing
8 that the law is necessary and does not impose any undue burden on
9 qualified schools.

10 E. NOTWITHSTANDING SUBSECTIONS A, C AND D OF THIS SECTION, A
11 QUALIFIED SCHOOL THAT ACCEPTS A PAYMENT FROM A PARENT PURSUANT TO THIS
12 CHAPTER SHALL COMPLY WITH THE REPORTING, FOLLOW-UP AND HEARING
13 PARTICIPATION REQUIREMENTS OF SECTION 41-1279.03.

14 Sec. 4. Repeal

15 Section 41-1279.03, Arizona Revised Statutes, as amended by Laws
16 2021, chapter 405, section 25, is repealed.

17 Sec. 5. Section 41-1279.03, Arizona Revised Statutes, as amended by
18 Laws 2019, chapter 3, section 11, is amended to read:

19 41-1279.03. Powers and duties

20 A. The auditor general shall:

21 1. Prepare an audit plan for approval by the committee and report
22 to the committee the results of each audit and investigation and other
23 reviews conducted by the auditor general.

24 2. Conduct or cause to be conducted at least biennial financial and
25 compliance audits of financial transactions and accounts kept by or for
26 all state agencies subject to the single audit act of 1984 (P.L. 98-502).
27 The audits shall be conducted in accordance with generally accepted
28 governmental auditing standards and accordingly shall include tests of the
29 accounting records and other auditing procedures as may be considered
30 necessary in the circumstances. The audits shall include the issuance of
31 suitable reports as required by the single audit act of 1984 (P.L. 98-502)
32 so that the legislature, the federal government and others will be
33 informed as to the adequacy of financial statements of ~~the~~ THIS state in
34 compliance with generally accepted governmental accounting principles and
35 to determine whether this state has complied with laws and regulations
36 that may have a material effect on the financial statements and on major
37 federal assistance programs.

38 3. Perform procedural reviews for all state agencies at times
39 determined by the auditor general. These reviews may include evaluation
40 of administrative and accounting internal controls and reports on these
41 reviews.

42 4. Perform special research requests, special audits and related
43 assignments as designated by the committee and conduct performance audits,
44 special audits, special research requests and investigations of any state

1 agency, whether created by the constitution or otherwise, as may be
2 requested by the committee.

3 5. Annually on or before the fourth Monday of December, prepare a
4 written report to the governor and to the committee that contains a
5 summary of activities for the previous fiscal year.

6 6. In the tenth year and in each fifth year thereafter in which a
7 transportation excise tax is in effect in a county as provided in section
8 42-6106 or 42-6107, conduct a performance audit that:

9 (a) Reviews past expenditures and future planned expenditures of
10 the transportation excise revenues and determines the impact of the
11 expenditures in solving transportation problems within the county and, for
12 a transportation excise tax in effect in a county as provided in section
13 42-6107, determines whether the expenditures of the transportation excise
14 revenues comply with section 28-6392, subsection B.

15 (b) Reviews projects completed to date and projects to be completed
16 during the remaining years in which a transportation excise tax is in
17 effect. Within six months after each review period, the auditor general
18 shall present a report to the speaker of the house of representatives and
19 the president of the senate detailing findings and making recommendations.

20 (c) Reviews, determines, reports and makes recommendations to the
21 speaker of the house of representatives and the president of the senate
22 whether the distribution of ARIZONA highway user revenues complies with
23 title 28, chapter 18, article 2.

24 7. If requested by the committee, conduct performance audits of
25 counties and incorporated cities and towns receiving ARIZONA highway user
26 revenue fund monies pursuant to title 28, chapter 18, article 2 to
27 determine whether the monies are being spent as provided in section
28 28-6533, subsection B.

29 8. Perform special audits designated pursuant to law if the auditor
30 general determines that there are adequate monies appropriated for the
31 auditor general to complete the audit. If the auditor general determines
32 the appropriated monies are inadequate, the auditor general shall notify
33 the committee.

34 9. Establish a schoolwide audit team in the office of the auditor
35 general to conduct performance audits and monitor school districts to
36 determine the percentage of every dollar spent in the classroom by the
37 school district. Each school district shall prominently post on its
38 website home page a copy of its profile pages that displays the percentage
39 of every dollar spent in the classroom by that school district from the
40 most recent status report issued by the auditor general pursuant to this
41 paragraph. The performance audits shall determine whether school
42 districts that receive monies from the Arizona English language learner
43 fund established by section 15-756.04 and the statewide compensatory
44 instruction fund established by section 15-756.11 comply with title 15,
45 chapter 7, article 3.1. The auditor general shall determine, through

1 random selection, the school districts to be audited each year, subject to
 2 review by the joint legislative audit committee. A school district that
 3 is subject to an audit pursuant to this paragraph shall notify the auditor
 4 general in writing whether the school district agrees or disagrees with
 5 the findings and recommendations of the audit and whether the school
 6 district will implement the findings and recommendations, implement
 7 modifications to the findings and recommendations or refuse to implement
 8 the findings and recommendations. The school district shall submit to the
 9 auditor general a written status report on the implementation of the audit
 10 findings and recommendations every six months for two years after an audit
 11 conducted pursuant to this paragraph. The auditor general shall review
 12 the school district's progress toward implementing the findings and
 13 recommendations of the audit every six months after ~~receipt of~~ RECEIVING
 14 the district's status report for two years. The auditor general may
 15 review a school district's progress beyond this two-year period for
 16 recommendations that have not yet been implemented by the school district.
 17 The auditor general shall provide a status report of these reviews to the
 18 joint legislative audit committee. The school district shall participate
 19 in any hearing scheduled during this review period by the joint
 20 legislative audit committee or by any other legislative committee
 21 designated by the joint legislative audit committee.

22 10. Annually review per diem compensation and reimbursement of
 23 expenses for employees of this state and members of a state board,
 24 commission, council or advisory committee by judgmentally selecting
 25 samples and evaluating the propriety of per diem compensation and expense
 26 reimbursements.

27 11. ESTABLISH AN AUDIT TEAM IN THE OFFICE OF THE AUDITOR GENERAL TO
 28 CONDUCT AUDITS AND MONITOR QUALIFIED SCHOOLS TO DETERMINE THE PERCENTAGE
 29 OF ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT MONIES THAT ARE SPENT IN THE
 30 CLASSROOM BY THE QUALIFIED SCHOOL. NOTWITHSTANDING ANY OTHER LAW, A
 31 QUALIFIED SCHOOL THAT ACCEPTS A PAYMENT FROM A PARENT PURSUANT TO TITLE
 32 15, CHAPTER 19 SHALL PROMINENTLY POST ON ITS WEBSITE HOME PAGE A COPY OF
 33 ITS PROFILE PAGES THAT DISPLAYS THE PERCENTAGE OF ARIZONA EMPOWERMENT
 34 SCHOLARSHIP ACCOUNT MONIES SPENT IN THE CLASSROOM BY THAT QUALIFIED SCHOOL
 35 FROM THE MOST RECENT STATUS REPORT ISSUED BY THE AUDITOR GENERAL PURSUANT
 36 TO THIS PARAGRAPH. THE AUDITOR GENERAL SHALL DETERMINE, THROUGH RANDOM
 37 SELECTION, THE QUALIFIED SCHOOLS TO BE AUDITED EACH YEAR, SUBJECT TO
 38 REVIEW BY THE JOINT LEGISLATIVE AUDIT COMMITTEE. A QUALIFIED SCHOOL THAT
 39 IS SUBJECT TO AN AUDIT PURSUANT TO THIS PARAGRAPH SHALL NOTIFY THE AUDITOR
 40 GENERAL IN WRITING WHETHER THE QUALIFIED SCHOOL AGREES OR DISAGREES WITH
 41 THE FINDINGS AND RECOMMENDATIONS OF THE AUDIT AND WHETHER THE QUALIFIED
 42 SCHOOL WILL IMPLEMENT THE FINDINGS AND RECOMMENDATIONS, IMPLEMENT
 43 MODIFICATIONS TO THE FINDINGS AND RECOMMENDATIONS OR REFUSE TO IMPLEMENT
 44 THE FINDINGS AND RECOMMENDATIONS. THE QUALIFIED SCHOOL SHALL SUBMIT TO
 45 THE AUDITOR GENERAL A WRITTEN STATUS REPORT ON THE IMPLEMENTATION OF THE

1 AUDIT FINDINGS AND RECOMMENDATIONS EVERY SIX MONTHS FOR TWO YEARS AFTER AN
2 AUDIT CONDUCTED PURSUANT TO THIS PARAGRAPH. THE AUDITOR GENERAL SHALL
3 REVIEW THE QUALIFIED SCHOOL'S PROGRESS TOWARD IMPLEMENTING THE FINDINGS
4 AND RECOMMENDATIONS OF THE AUDIT EVERY SIX MONTHS AFTER RECEIVING THE
5 QUALIFIED SCHOOL'S STATUS REPORT FOR TWO YEARS. THE AUDITOR GENERAL MAY
6 REVIEW A QUALIFIED SCHOOL'S PROGRESS BEYOND THIS TWO-YEAR PERIOD FOR
7 RECOMMENDATIONS THAT HAVE NOT YET BEEN IMPLEMENTED BY THE QUALIFIED
8 SCHOOL. THE AUDITOR GENERAL SHALL PROVIDE A STATUS REPORT OF THESE
9 REVIEWS TO THE JOINT LEGISLATIVE AUDIT COMMITTEE. THE QUALIFIED SCHOOL
10 SHALL PARTICIPATE IN ANY HEARING SCHEDULED DURING THIS REVIEW PERIOD BY
11 THE JOINT LEGISLATIVE AUDIT COMMITTEE OR BY ANY OTHER LEGISLATIVE
12 COMMITTEE DESIGNATED BY THE JOINT LEGISLATIVE AUDIT COMMITTEE. FOR THE
13 PURPOSES OF THIS PARAGRAPH, "QUALIFIED SCHOOL" HAS THE SAME MEANING
14 PRESCRIBED IN SECTION 15-2401.

15 B. The auditor general may:

16 1. Subject to approval by the committee, adopt rules necessary to
17 administer the duties of the office.

18 2. Hire consultants to conduct the studies required by subsection
19 A, paragraphs 6 and 7 of this section.

20 C. If approved by the committee, the auditor general may charge a
21 reasonable fee for the cost of performing audits or providing accounting
22 services for auditing federal funds, special audits or special services
23 requested by political subdivisions of this state. Monies collected
24 pursuant to this subsection shall be deposited in the audit services
25 revolving fund.

26 D. The department of transportation, the board of supervisors of a
27 county that has approved a county transportation excise tax as provided in
28 section 42-6106 or 42-6107 and the governing bodies of counties, cities
29 and towns receiving ARIZONA highway user revenue fund monies shall
30 cooperate with and provide necessary information to the auditor general or
31 the auditor general's consultant.

32 E. The department of transportation shall reimburse the auditor
33 general as follows, and the auditor general shall deposit the reimbursed
34 monies in the audit services revolving fund:

35 1. For the cost of conducting the studies or hiring a consultant to
36 conduct the studies required by subsection A, paragraph 6, subdivisions
37 (a) and (b) of this section, from monies collected pursuant to a county
38 transportation excise tax levied pursuant to section 42-6106 or 42-6107.

39 2. For the cost of conducting the studies or hiring a consultant
40 pursuant to subsection A, paragraph 6, subdivision (c) and paragraph 7 of
41 this section, from the Arizona highway user revenue fund.