REFERENCE TITLE: charter schools; expansion; approval

State of Arizona Senate Fifty-sixth Legislature Second Regular Session 2024

## SB 1460

Introduced by Senator Bennett

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

- i -

1 Be it enacted by the Legislature of the State of Arizona: 2 Section 1. Section 15-183, Arizona Revised Statutes, is amended to 3 read: 4 15-183. Charter schools; application; requirements; immunity; 5 exemptions; renewal of application; reprisal; fee; 6 funds; annual reports 7 A. An applicant seeking to establish a charter school shall apply 8 in writing to a proposed sponsor as prescribed in subsection C of this 9 section. The application, application process and application time frames shall be posted on the sponsor's website and shall include the following, 10 11 as specified in the application adopted by the sponsor: 12 1. A detailed educational plan. 13 2. A detailed business plan. 3. A detailed operational plan. 14 4. Any other materials required by the sponsor. 15 16 Β. The sponsor of a charter school may contract with a public body, 17 private person or private organization for the purpose of establishing a 18 charter school pursuant to this article. 19 C. The sponsor of a charter school may be either the state board of 20 education, the state board for charter schools, a university under the 21 jurisdiction of the Arizona board of regents, a community college district 22 or a group of community college districts, subject to the following 23 requirements: 24 1. An applicant may not apply for sponsorship to any person or 25 entity other than those prescribed in this subsection. 26 2. The applicant may apply to the state board of education or the state board for charter schools. Notwithstanding any other law, neither 27 the state board for charter schools nor the state board of education shall 28 29 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 30 31 charter school. The state board of education or the state board for charter schools may approve the application if the application meets the 32 33 requirements of this article and may approve the charter if the proposed sponsor determines, within its sole discretion, that the applicant is 34 sufficiently qualified to operate a charter school and that the applicant 35 36 is applying to operate as a separate charter holder by considering factors 37 such as whether: (a) The schools have separate governing bodies, governing body 38 membership, staff, facilities and student population. 39 40 (b) Daily operations are carried out by different administrators. 41 (c) The applicant intends to have an affiliation agreement for the 42 purpose of providing enrollment preferences. 43 (d) The applicant's charter management organization has multiple 44 charter holders serving varied grade configurations on one physical site 45 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.

2 3 (f) The applicant is reconstituting an existing grade configuration 4 from a prior charter holder with at least one grade remaining on the 5 original site with the other grade or grades moving to a new site. The 6 state board of education or the state board for charter schools may 7 approve any charter schools transferring charters. If the state board of 8 education or the state board for charter schools rejects the preliminary 9 application, the state board of education or the state board for charter schools shall notify the applicant in writing of the reasons for the 10 11 rejection and of suggestions for improving the application. An applicant 12 may submit a revised application for reconsideration by the state board of 13 education or the state board for charter schools. The applicant may 14 request, and the state board of education or the state board for charter 15 schools may provide, technical assistance to improve the application.

16 3. The applicant may submit the application to a university under 17 the jurisdiction of the Arizona board of regents, a community college 18 district or a group of community college districts. A university, a 19 community college district or a group of community college districts shall 20 not grant a charter to a school district governing board for a new charter 21 school or for the conversion of an existing district public school to a 22 charter school. A university, a community college district or a group of 23 community college districts may approve the application if it meets the 24 requirements of this article and if the proposed sponsor determines, in 25 its sole discretion, that the applicant is sufficiently qualified to 26 operate a charter school.

27 4. Each applicant seeking to establish a charter school shall submit a full set of fingerprints to the approving agency for the purpose 28 29 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 30 31 contact with students, the applicant shall possess a valid fingerprint 32 clearance card that is issued pursuant to title 41, chapter 12, 33 article 3.1. The department of public safety may exchange this 34 fingerprint data with the federal bureau of investigation. The criminal records check shall be completed before the issuance of a charter. 35

36 5. All persons engaged in instructional work directly as a 37 classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist or principal and all charter representatives, 38 39 charter school governing body members and officers, directors, members and 40 partners of the charter holder shall have a valid fingerprint clearance 41 card that is issued pursuant to title 41, chapter 12, article 3.1, unless 42 the person is a volunteer or guest speaker who is accompanied in the 43 classroom by a person with a valid fingerprint clearance card. A charter school shall not employ in any position that requires a valid fingerprint 44 45 clearance card a person against whom the state board of education has

1 taken disciplinary action as prescribed in section 15-505 or whose 2 certificate has been suspended, surrendered or revoked, unless the 3 person's certificate has been subsequently reinstated by the state board 4 of education. All other personnel shall be fingerprint checked pursuant 5 to section 15-512, or the charter school may require those personnel to 6 obtain a fingerprint clearance card issued pursuant to title 41, 7 chapter 12, article 3.1. Before employment, the charter school shall make 8 documented, good faith efforts to contact previous employers of a person 9 to obtain information and recommendations that may be relevant to the for employment as prescribed in section 15-512, 10 person's fitness 11 subsection F, including checking the educator information system that is 12 maintained by the department of education pursuant to section 15-505. The 13 charter school shall notify the department of public safety if the charter school or sponsor receives credible evidence that a person who possesses a 14 valid fingerprint clearance card is arrested for or is charged with an 15 16 offense listed in section 41-1758.03, subsection B. A person who is 17 employed at a charter school that has met the requirements of this 18 paragraph is not required to meet any additional requirements that are 19 established by the department of education or that may be established by 20 rule by the state board of education. The state board of education may 21 not adopt rules that exceed the requirements for persons who are qualified 22 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 23 24 improvement act of 2004 (P.L. 108–446). Charter schools may hire 25 personnel who have not yet received a fingerprint clearance card if proof 26 is provided of the submission of an application to the department of 27 public safety for a fingerprint clearance card and if the charter school that is seeking to hire the applicant does all of the following: 28

(a) Documents in the applicant's file the necessity for hiring and
placing the applicant before the applicant receives a fingerprint
clearance card.

32 (b) Ensures that the department of public safety completes a 33 statewide criminal records check on the applicant. A statewide criminal 34 records check shall be completed by the department of public safety every 35 one hundred twenty days until the date that the fingerprint check is 36 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.

40 (d) Provides general supervision of the applicant until the date 41 that the fingerprint card is obtained.

42 (e) Completes a search of criminal records in all local 43 jurisdictions outside of this state in which the applicant has lived in 44 the previous five years. 1 (f) Verifies the fingerprint status of the applicant with the 2 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 7. If a charter school operator is not already subject to a public 8 meeting or hearing by the municipality in which the charter school is 9 located, the operator of a charter school shall conduct a public meeting 10 at least thirty days before the charter school operator opens a site or 11 sites for the charter school. The charter school operator shall post 12 notices of the public meeting in at least three different locations that 13 are within three hundred feet of the proposed charter school site.

14 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 15 charged with a nonappealable offense listed in section 41-1758.03, 16 17 subsection B and who does not immediately report the arrest or charge to 18 the person's supervisor or potential employer is guilty of unprofessional 19 conduct and the person shall be immediately dismissed from employment with 20 the charter school or immediately excluded from potential employment with 21 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:

27 (a) Surrender any certificates issued by the department of28 education.

29 (b) Notify the person's employer or potential employer of the 30 conviction.

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

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(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.

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

40 1. Ensure compliance with federal, state and local rules, 41 regulations and statutes relating to health, safety, civil rights and 42 insurance. The department of education shall publish a list of relevant 43 rules, regulations and statutes to notify charter schools of their 44 responsibilities under this paragraph. 1 2

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

3 3. Ensure that it provides a comprehensive program of instruction 4 for at least a kindergarten program or any grade between grades one and 5 twelve, except that a school may offer this curriculum with an emphasis on 6 a specific learning philosophy or style or certain subject areas such as 7 mathematics, science, fine arts, performance arts or foreign language.

8 4. Ensure that it designs a method to measure pupil progress toward 9 the pupil outcomes adopted by the state board of education pursuant to section 15-741.01, including participation in the statewide assessment and 10 11 the nationally standardized norm-referenced achievement test as designated 12 by the state board and the completion and distribution of an annual report 13 card as prescribed in chapter 7, article 3 of this title.

14 5. Ensure that, except as provided in this article and in its 15 charter, it is exempt from all statutes and rules relating to schools, 16 governing boards and school districts.

17 6. Ensure that, except as provided in this article, it is subject 18 to the same financial and electronic data submission requirements as a school district, including the uniform system of financial records as 19 20 prescribed in chapter 2, article 4 of this title, procurement rules as 21 prescribed in section 15-213 and audit requirements. The auditor general 22 shall conduct a comprehensive review and revision of the uniform system of financial records to ensure that the provisions of the uniform system of 23 24 financial records that relate to charter schools are in accordance with 25 commonly accepted accounting principles used by private business. A 26 school's charter may include exceptions to the requirements of this 27 paragraph that are necessary as determined by the university, the community college district, the group of community college districts, the 28 29 state board of education or the state board for charter schools. The 30 department of education or the office of the auditor general may conduct 31 financial, program or compliance audits.

32 7. Ensure compliance with all federal and state laws relating to the education of children with disabilities in the same manner as a school 33 34 district.

35 8. Ensure that it provides for a governing body for the charter 36 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 37 governing body, a majority of the remaining members of the governing body 38 39 constitute a quorum for the transaction of business, unless that quorum is 40 prohibited by the charter school's operating agreement.

41 9. Ensure that it provides a minimum of one hundred eighty instructional days before June 30 of each fiscal year unless it is 42 43 operating on an alternative calendar approved by its sponsor. The 44 superintendent of public instruction shall adjust the apportionment 1 schedule accordingly to accommodate a charter school utilizing an 2 alternative calendar.

3 F. A charter school shall collect and maintain information about 4 each teacher's educational and teaching background and experience in a 5 particular academic content subject area. A charter school shall either 6 post the information on the charter school's website or make the 7 information available for inspection on request of parents and guardians 8 of pupils enrolled at the charter school. This subsection does not 9 require any charter school to release personally identifiable information 10 in relation to any teacher, including the teacher's address, salary, 11 social security number or telephone number.

12 G. The charter of a charter school may be amended at the request of 13 the governing body of the charter school and on the approval of the 14 sponsor. AN AMENDMENT TO THE CHARTER OF A CHARTER SCHOOL TO EXPAND THE 15 CHARTER SCHOOL'S OPERATIONS REQUIRES ONLY THE APPROVAL OF THE EXECUTIVE 16 DIRECTOR OF THE STATE BOARD FOR CHARTER SCHOOLS IF THE CHARTER SCHOOL 17 MEETS THE FOLLOWING REQUIREMENTS:

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1. IS ASSIGNED A LETTER GRADE OF A OR B PURSUANT TO SECTION 15-241.

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HAS BEEN OPERATING FOR AT LEAST THREE YEARS.
IS IN GOOD FINANCIAL AND OPERATIONAL STANDING.

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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:

24 1. At least eighteen months before the charter expires, the sponsor shall notify the charter school that the charter school may apply for 25 26 renewal and shall make the renewal application available to the charter 27 school. A charter school that elects to apply for renewal shall file a 28 complete renewal application at least fifteen months before the charter 29 expires. A sponsor shall give written notice of its intent not to renew 30 the charter school's request for renewal to the charter school at least 31 twelve months before the expiration of the charter. The sponsor shall 32 make data used in making renewal decisions available to the school and the public and shall provide a public report summarizing the evidence basis 33 for each decision. The sponsor may deny the request for renewal if, in 34 35 its judgment, the charter holder has failed to do any of the following:

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

38 (b) Meet the operational performance expectations set forth in the 39 performance framework or any improvement plans.

40 (c) Meet the financial performance expectations set forth in the 41 performance framework or any improvement plans.

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- (d) Complete the obligations of the contract.

43 (e) Comply with this article or any provision of law from which the 44 charter school is not exempt.

1 2. A charter operator may apply for early renewal. At least nine 2 months before the charter school's intended renewal consideration. the 3 operator of the charter school shall submit a letter of intent to the 4 sponsor to apply for early renewal. The sponsor shall review fiscal 5 audits and academic performance data for the charter school that are 6 annually collected by the sponsor, review the current contract between the 7 sponsor and the charter school and provide the qualifying charter school 8 with a renewal application. On submission of a complete application, the 9 sponsor shall give written notice of its consideration of the renewal The sponsor may deny the request for early renewal if, in 10 application. the sponsor's judgment, the charter holder has failed to do any of the 11 12 following:

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

15 (b) Meet the operational performance expectations set forth in the 16 performance framework or any improvement plans.

17 (c) Meet the financial performance expectations set forth in the 18 performance framework or any improvement plans.

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(d) Complete the obligations of the contract.

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

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

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

29 (b) Meet the operational performance expectations set forth in the 30 performance framework or any improvement plans.

31 (c) Meet the financial performance expectations set forth in the 32 performance framework or any improvement plans.

33 (d) Comply with this article or any provision of law from which the 34 charter school is not exempt.

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

5. Before the sponsor adopts a determination of intent to revoke a 39 40 charter, the charter holder shall have at least thirty days to address the 41 problems, as necessary or applicable, associated with the reason or reasons for the determination of intent to revoke. 42 The sponsor is not 43 required to provide the charter holder with thirty days to correct the 44 problems associated with the reason or reasons for adopting а 45 determination of intent to revoke if the reason or reasons cannot be

1 remedied, including a failure to submit required financial audits pursuant 2 to subsection E, paragraph 6 of this section and section 15-914, or for a 3 matter of health or safety, or both. Before the sponsor adopts a 4 determination of intent to revoke a charter, the sponsor shall give 5 written notice to the charter holder that includes the reason or reasons 6 for the sponsor's consideration to revoke the charter. Notice may be 7 provided by electronic means or by United States mail and is effective on 8 the date of email or, if sent by United States mail, the earlier of the 9 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 10 11 made at a public meeting called for that purpose.

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

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

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

31 1. With respect to a school district employee, results in one or 32 more of the following:

33 34 (a) Disciplinary or corrective action.(b) Detail, transfer or reassignment.

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(c) Suspension, demotion or dismissal.

(d) An unfavorable performance evaluation.(e) A reduction in pay, benefits or awards.

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38 (f) Elimination of the employee's position without a reduction in 39 force by reason of lack of monies or work.

40 (g) Other significant changes in duties or responsibilities that 41 are inconsistent with the employee's salary or employment classification.

42 2. With respect to an educational program, results in one or more43 of the following:

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(a) Suspension or termination of the program.

1 (b) Transfer or reassignment of the program to a less favorable 2 department.

3 (c) Relocation of the program to a less favorable site within the 4 school or school district.

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

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7 M. Charter schools shall secure insurance for liability and 8 property loss. The governing body of a charter school that is sponsored 9 by the state board of education or the state board for charter schools may enter into an intergovernmental agreement or otherwise contract to 10 11 participate in an insurance program offered by a risk retention pool 12 established pursuant to section 11-952.01 or 41-621.01 or the charter 13 school may secure its own insurance coverage. The pool may charge the 14 requesting charter school reasonable fees for any services it performs in connection with the insurance program. 15

16 N. Charter schools do not have the authority to acquire property by 17 eminent domain.

18 0. A sponsor, including members, officers and employees of the 19 sponsor, is immune from personal liability for all acts done and actions 20 taken in good faith within the scope of its authority.

21 P. Charter school sponsors and this state are not liable for the 22 debts or financial obligations of a charter school or persons who operate 23 charter schools.

24 Q. The sponsor of a charter school shall establish procedures to 25 conduct administrative hearings on determination by the sponsor that 26 grounds exist to revoke a charter. Procedures for administrative hearings shall be similar to procedures prescribed for adjudicative proceedings in 27 title 41, chapter 6, article 10. Except as provided in section 28 29 41-1092.08, subsection H, final decisions of the state board of education and the state board for charter schools from hearings conducted pursuant 30 31 to this subsection are subject to judicial review pursuant to title 12, 32 chapter 7, article 6.

R. The sponsoring entity of a charter school shall have oversight 33 administrative responsibility for the charter schools that it 34 and 35 sponsors. In implementing its oversight and administrative 36 responsibilities, the sponsor shall ground its actions in evidence of the charter holder's performance in accordance with the performance framework 37 adopted by the sponsor. The performance framework shall be publicly 38 available, shall be placed on the sponsoring entity's website and shall 39 40 include:

41 1. The academic performance expectations of the charter school and 42 the measurement of sufficient progress toward the academic performance 43 expectations.

2. The operational expectations of the charter school, including 44 45 adherence to all applicable laws and obligations of the charter contract.

1 2 3. The financial expectations of the charter school.

4. Intervention and improvement policies.

3 4

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

5 T. All property accumulated by a charter school shall remain the 6 property of the charter school.

7 U. Charter schools may not locate a school on property that is less 8 than one-fourth mile from agricultural land regulated pursuant to section 9 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 10 11 in writing to comply with the buffer zone requirements and records the 12 agreement in the office of the county recorder as a restrictive covenant 13 running with the title to the land, the charter school may locate a school 14 affected buffer zone. The within the agreement may include any stipulations regarding the charter school, including conditions for future 15 16 expansion of the school and changes in the operational status of the 17 school that will result in a breach of the agreement.

18 V. A transfer of a charter to another sponsor, a transfer of a 19 charter school site to another sponsor or a transfer of a charter school 20 site to a different charter shall be completed before the beginning of the 21 fiscal year that the transfer is scheduled to become effective. An entity 22 that sponsors charter schools may accept a transferring school after the 23 beginning of the fiscal year if the transfer is approved by the 24 superintendent of public instruction. The superintendent of public 25 instruction shall have the discretion to consider each transfer during the 26 fiscal year on a case-by-case basis. A charter holder seeking to transfer 27 sponsors shall comply with the current charter terms regarding assignment 28 of the charter. A charter holder transferring sponsors shall notify the 29 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.

35 Χ. Notwithstanding subsection Y of this section, the state board 36 for charter schools shall charge a processing fee to any charter school 37 that amends its contract to participate in Arizona online instruction 38 pursuant to section 15-808. The charter Arizona online instruction 39 processing fund is established consisting of fees collected and 40 administered by the state board for charter schools. The state board for 41 charter schools shall use monies in the fund only for processing contract 42 amendments for charter schools participating in Arizona online 43 instruction. Monies in the fund are continuously appropriated.

44 Y. The sponsoring entity may not charge any fees to a charter 45 school that it sponsors unless the sponsor has provided services to the 1 charter school and the fees represent the full value of those services 2 provided by the sponsor. On request, the value of the services provided 3 by the sponsor to the charter school shall be demonstrated to the 4 department of education.

5 Z. Charter schools may enter into an intergovernmental agreement 6 with a presiding judge of the juvenile court to implement a law-related 7 education program as defined in section 15-154. The presiding judge of 8 the juvenile court may assign juvenile probation officers to participate 9 in a law-related education program in any charter school in the county. 10 The cost of juvenile probation officers who participate in the program 11 implemented pursuant to this subsection shall be funded by the charter 12 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.

29 EE. Pursuant to the prescribed graduation requirements adopted by the state board of education, the governing body of a charter school 30 31 operating a high school may approve a rigorous computer science course that would fulfill a mathematics course required for graduation from high 32 33 school. The governing body may approve a rigorous computer science course 34 only if the rigorous computer science course includes significant 35 mathematics content and the governing body determines the high school 36 where the rigorous computer science course is offered has sufficient 37 capacity, infrastructure and qualified staff, including competent teachers 38 of computer science.

FF. A charter school may 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. 1 GG. A charter school and its employees, including the governing 2 body, or chief administrative officer, are immune from civil liability 3 with respect to all decisions made and actions taken to allow the use of 4 school property, unless the charter school or its employees are guilty of 5 gross negligence or intentional misconduct. This subsection does not 6 limit any other immunity provisions that are prescribed by law.

7 HH. Sponsors authorized pursuant to this section shall submit an 8 annual report to the auditor general on or before October 1. The report 9 shall include:

10 1. The current number of charters authorized and the number of 11 schools operated by authorized charter holders.

12 2. The academic, operational and financial performance of the
13 sponsor's charter portfolio as measured by the sponsor's adopted
14 performance framework.

15 3. For the prior year, the number of new charters approved, the 16 number of charter schools closed and the reason for the closure.

17 4. The sponsor's application, amendment, renewal and revocation
18 processes, charter contract template and current performance framework as
19 required by this section.

20 II. The auditor general shall prescribe the format for the annual 21 report required by subsection HH of this section and may require that the 22 annual report be submitted electronically. The auditor general shall review the submitted annual reports to ensure that the reports include the 23 24 required items in subsection HH of this section and shall make the annual 25 reports available on request. If the auditor general finds significant 26 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 27 the auditor general shall report to the governor, the president of the 28 29 senate, the speaker of the house of representatives and the chairs of the 30 senate and house education committees or their successor committees, and 31 the legislature shall consider revoking the sponsor's authority to sponsor 32 charter schools.