

## 2014 Legislative Summary

51st Legislature – 1st regular session, 2014

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## Introduction

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The Arizona State Legislature adjourned their 51st Regular Session Sine Die April 24, 2014 at 1:42 a.m. All laws become effective on July 24, 2014, unless the bill contains an emergency clause or delayed effective date. After 101 days of legislative work, lawmakers introduced 1,205 bills and passed 303.

Foreseeing a very active legislative session, the Arizona Charter Schools Association chose not to pursue proactive legislation this session; this proved to be a wise decision. It was clear that district-sponsored charter schools and the state budget would be the Association's primary issues this session. What could not be foreseen was the high number of contentious bills introduced and the high number of new regulations proposed.

Ultimately, the Association continued a history of legislative success by defeating all new regulatory requirements and ensuring modest funding increases. In total, the Association tracked 108 bills and had weekly calls and our "Wednesday email" to get charter leaders and teachers' feedback on the bills. The Association defeated 17 bills that would added new costs, new regulations or new burdens to charter schools and supported the passage of five bills that provided more equity, more funding or less regulation.

Although the FY2015 state budget is projected to be in the black, the Legislature was quite frugal in anticipation of significant new spending requirements in FY2016 and FY2017. The state budget includes new funding increases in the base level and additional assistance for charter schools. The budget will also include new monies for Student Success funding. Although we were unable to eliminate the ongoing additional assistance reductions, we remain hopeful that improved state revenues will improve the chances of reducing or eliminating these reductions in future years.

The other key issue of the state budget was the resolution of district-sponsored charter schools. The Association worked with stakeholders to find a resolution that was sound public policy and that did not exacerbate student funding inequities. Ultimately, politics and vote-counting led to a rather blunt result. Those district schools that were converted to charter schools by districts in 2013 will see their additional funding reduced by approximately 25% in FY2015 and will be required to revert to district schools before July 1, 2015.

Legislative threats to charter schools were abundant during this year's legislative session. The discussion of district-sponsored charter schools and the sponsoring districts' defense of their actions highlighted many of the disagreements among districts and charter schools. Bills were introduced to: eliminate charter schools' access to small-school funding, restrict the location of charter schools, and place new reporting requirements on charter schools. The Association was successful in keeping these bills from advancing.

Public education, districts and charters, did have plenty of opportunities to work together to defeat new regulatory requirements. The Association is pleased by the working relationships it has with other education associations. These relationships allowed for the defeat of legislation regarding: new training requirements, CPR and epi-pen regulations, ASRS policy changes, and instructional mandates.

The Arizona Charter Schools Association is committed to improving the political and regulatory landscape for charter students, families and operators at the local, state, and federal levels. [Click here for more information on the 108 pieces of legislation monitored by the Association.](#)

## Priority Bills

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### **H2039 (Chapter 42): CHARTER SCHOOLS; HIGHER EDUCATION SPONSORS**

The list of charter schools eligible to participate in the Arizona State Retirement System and designated as political subdivisions is expanded to include charter schools sponsored by universities, community college districts and groups of community college districts. **Retroactive to July 1, 2011.** AS SIGNED BY GOVERNOR.

### **H2637 (Chapter 214): ADE; PROGRAM ADMINISTRATION**

Various changes to statutes relating to the Department of Education. The Dept is authorized to make available to educators at a reasonable cost professional development content through the Dept. Monies obtained from tuition must be deposited in the newly established Professional Development Revolving Fund and used for expenses incurred for producing and delivering the courses. Charter schools are permitted to apply to participate in the School Safety Program. The methodology for school and school district classification determined by the Dept is permitted to include a measure of the perception of educational quality at the school or school district by parents, students, staff and community stakeholders. These provisions are retroactive to July 1, 2014. Additionally, session law from the FY2014-15 budget that prohibits, beginning in FY2014-15, the average daily membership of students in school district charter schools in a school district from exceeding by more than 20 percent the average daily membership for all students who attended school district charter schools in the school district in FY2012-13 applies only to school districts that sponsored school district charter schools that became operational prior to FY2013-14 or had charter schools operated for or by the same school district prior to FY2013-14. AS SIGNED BY GOVERNOR.

### **S1304: CHARTER SCHOOLS; STATE BD; CONTINUATION**

The statutory life of the State Board for Charter Schools is extended 10 years to July 1, 2024. Retroactive to July 1, 2014.

### **S1336 (Chapter 248): SCHOOL PROPERTY; LEASES; IMMUNITY**

Charter schools are authorized to permit the use of school property by any person or organization for any lawful purpose, and to charge a reasonable fee for that use. A school district or charter school and its employees, including the school board or governing board, are immune from civil liability with respect to all decisions made and actions taken to allow the lease or use of school property, except in cases of gross negligence or intentional misconduct. AS SIGNED BY GOVERNOR.

## ASRS

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### **H2050 (Chapter 44): ASRS MEMBERSHIP; SECTION 218 REQS**

Eliminates the Arizona State Retirement System (ASRS) eligibility requirement that an employee must be covered by the state's section 218 agreement with the federal Social Security Administration. Repeals the ASRS defined contribution plan established by Laws 2013, Chapter 216. An employee who is participating in the plan must discontinue employee contributions to the plan and the long-term disability plan on the effective date of this legislation. At the employee's election, ASRS must either distribute the balance of the employee's account or transfer it to another eligible plan. An employee who is receiving benefits under the plan may continue to receive those benefits until the earliest of a list

of specified conditions is met. ASRS employers are required to enroll an "eligible employee" (defined) in ASRS and the eligible employee is permitted to have the previous period of continuous employment credited to his/her service credit if s/he elects to purchase eligible service credit within 90 days after the effective date of this legislation and pays the amounts prescribed within 180 days after the effective date. Also specifies persons who are ineligible for membership in ASRS, including nonresident aliens temporarily residing in the U.S. and persons who perform services under a program designed to relieve the person from unemployment. AS SIGNED BY GOVERNOR.

#### **H2058: PUBLIC PENSIONS; LIMIT ON COMPENSATION**

For employees hired on or after the effective date of this legislation, the annual compensation of each member of the Arizona State Retirement System (ASRS), Public Safety Personnel Retirement System and Corrections Officer Retirement Plan for any fiscal year or other specified 12 consecutive month period taken into account for retirement benefits cannot exceed \$150,000. Every three years, the committee of reference responsible for the oversight of retirement issues is required to review the compensation limit to determine whether it should be increased. Appropriates \$283,239 from the ASRS Administration Account Fund in FY2014-15 to the ASRS for implementation. **FAILED to pass House on final reading reconsideration26-31.**

## Curriculum

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#### **H2316: SCHOOLS; LOCAL CONTROL; STUDENT PRIVACY**

The State Board of Education, Superintendent of Public Instruction and Department of Education would have been prohibited from adopting any educational standards, curricula or instructional approaches that may have been mandated by the federal government. The Dept would have been prohibited from applying for any federal grant that required the adoption of any federally developed educational standards, curricula or instructional approaches. Any changes to the state academic standards would have been required to be done through a transparent public process that met specified requirements. School districts, charter schools, the State Board of Education, the Superintendent of Public Instruction and the Dept would have been required to collect student data in a manner consistent with state and federal laws designed to protect student privacy. The membership and duties of the Joint Committee on Broadband Expansion and Education Technology established by Laws 2014, Chapter 17 would have been modified, the Committee would have been required to report to the Governor and the Legislature by December 1, 2014 instead of 2015, and the Committee's self-repeal date would have been changed to January 1, 2016 instead of 2017. AS VETOED BY GOVERNOR. Her veto message stated that the language in the bill is redundant and unnecessary and would have limited the authority of Arizona to set academic standards and placed important aspects of the state's education system at risk. **VETOED by the Governor.**

## OPERATIONS

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#### **H2598 (Chapter 100): BLANKET DISABILITY INSURANCE; SPECIAL GROUPS**

The list of special groups of persons that may be covered by blanket disability insurance is expanded to include participants or volunteers of an incorporated or unincorporated religious, charitable, recreational, educational or civic organization with respect to activities sponsored by or on the premises of the organization; carriers for newspapers or other publishers; patrons or guests of a restaurant, hotel,

resort or other group with a high degree of potential customer liability; holders, debtors or purchasers of a bank, financial vendor or other financial institution; and persons for whom travel-related services are provided by a travel agency. AS SIGNED BY GOVERNOR.

#### **H2605 (Chapter 272): TEACHERS; SUICIDE PREVENTION; CONTINUING EDUCATION**

The State Board of Education is required to adopt rules to allow certificated teachers and administrators to count suicide awareness and prevention training programs as continuing education credits.

**Retroactive to July 1, 2014.** AS SIGNED BY GOVERNOR.

#### **H2645: ADE; EDUCATION DATA SYSTEM; PRIVACY**

The duties of the Department of Education Data Governance Commission are expanded to include establishing, publishing and making publicly available on the Dept website a data inventory and dictionary or index of data elements with definitions of individual student data fields in the education data system. The information that must be contained in the Commission's annual report to the Governor and the Legislature is expanded to include specified information on the education data system. The Dept is no longer permitted to grant a school district or charter school an extension to the deadline for the submission of student level data for good cause. The Dept is required to develop, publish and make publicly available policies to comply with all relevant state and federal privacy laws, and the policies must include specified requirements. The Dept is also required to develop and implement a detailed security plan for student level data. Specifies information that school districts and charter schools are prohibited from reporting to the Dept or releasing to the public. The Superintendent of Public Instruction is required to appoint a Chief Privacy Officer, and the duties of the Officer are specified. Also repeals the Arizona E-Learning Task Force. AS PASSED SENATE.

#### **H2662: SCHOOLS; SEXUAL ABUSE; INFORMATIONAL HANDBOOK**

School district governing boards are required to prescribe and enforce policies and procedures to address sexual abuse of children that include methods to increase teacher, student and parental awareness of issues concerning sexual abuse of children. Establishes a 14-member Task Force on Child Abuse and Neglect to explore strategies for addressing child sexual abuse that include specified factors. The Task Force is required to submit a report to the Governor and the Legislature by December 1, 2015, and self-repeals February 16, 2016. AS PASSED HOUSE.

#### **S1049: DUTY TO REPORT ABUSE; RECORDS**

Schools are permitted, rather than required, to maintain a written record of incidents where a physical injury to a minor in elementary school occurs accidentally in the course of typical playground activity during a school day and is reported to the child's parent or guardian. House COW approved.

#### **S1100: SCHOOLS; UNUSED OR UNDERUSED BUILDINGS**

By July 1 of each year, school districts are required to report to the Department of Education any buildings that were unused during a school year. In 2014, school districts must report any buildings that were vacant in school years 2011-12, 2012-13 and 2013-14 and that remain vacant. If a school district building was unused during the 2012-13 school year or was operating at 50 percent or less capacity in 2011-12 and 2012-13, the district is required to make the unused school building available for lease or sale to charter schools and private schools. If the district does not receive a bid or enter into an agreement within one year, the district is required to sell the building to the highest bidder. Establishes requirements for leases or purchases by charter schools or private schools. RETAINED on Senate COW calendar.

**S1391 (Chapter 125): SCHOOLS; NONCERTIFICATED EMPLOYEES; FINGERPRINTING**

School districts are authorized to require noncertificated personnel and personnel who are not paid district employees or parents of students but who are required or allowed to provide services directly to students without supervision of a certificated employee to obtain a fingerprint clearance card as a condition of employment. The school district may charge the cost of the fingerprint clearance card to a paid employee. School districts are required to adopt policies to exempt a person from fingerprinting requirements if the person's normal job duties are not likely to result in independent access to or unsupervised contact with students. Charter schools are authorized to require personnel to obtain a fingerprint clearance card instead of being fingerprint checked. AS SIGNED BY GOVERNOR.

## SCHOOL FINANCE

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**S1182 (Chapter 111): SCHOOL DISTRICT OVERRIDES; BONDS; INFORMATION**

The purpose statement for a proposed school district budget override or bond election must present only factual information in a neutral manner, and advocacy for the proposed expenditures is strictly limited to the arguments submitted for and against it. AS SIGNED BY GOVERNOR.

**S1350 (Chapter 226): ADE SCHOOL FINANCE REVISIONS**

Various changes relating to school finance. The Department of Education is required to recomputed and aggregate average daily membership (ADM) for the previous fiscal year by August 30 and to inform school districts and charter schools of their final ADM by September 15. No later than November 1 of each year, state aid calculations for all school districts and charter schools for the previous fiscal year must be finalized and the budget limits for school districts must be adjusted. The separate formula for calculating the transportation revenue control limit for school districts that sponsor a charter school is deleted. The definitions of "fractional student," "full-time student," and "daily attendance" for the purpose of school district budget statutes are modified. Students in a charter school in its first year of operation that is sponsored by the State Board of Education, State Board for Charter Schools, public university or community college district are eligible for the K-3 reading support level weight. A school district or charter school governing board that authorizes the assessment of fees is required to ensure that all fees contain a provision allowing the fees to be waived in the event of economic hardship to the student. The nonpayment of fees charged by a public school cannot prevent a student from enrolling in, applying to or remaining enrolled in a public school. Does not prohibit a school district or charter school from charging tuition to a nonresident student as permitted by statute. A school district is eligible for supplemental state aid due to loss of assessed valuation resulting from a natural disaster, and may receive supplemental state aid for this circumstance for up to three fiscal years. The amount of supplemental state aid must be reduced each year by 1/3 and any increased property tax revenue due to higher assessed valuation. **Retroactive to July 1, 2014.** AS SIGNED BY GOVERNOR.

## ASSESSMENT

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**S1288 (Chapter 116): SCHOOL LETTER CLASSIFICATION; SCIENCE SCORES**

The performance indicators that must be included in the annual school achievement profile for schools and school districts that offer instruction in K-12 are expanded to include the academic performance and academic gain on the science portion of the AIMS test. AS SIGNED BY GOVERNOR.

## MISCELLANIOUS

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### **H2264: ARIZONA JOB FINANCE BONDS**

Corporations organized as an industrial development authority are authorized to issue "jobs bonds" (defined) to finance or refinance any "jobs project" (defined) costs or to refund any outstanding jobs bonds. The bonds must be authorized by resolution of the corporation and may be sold by public or private sale at a price determined by the corporation in its sole discretion. Jobs bonds are legal investments for all banks, trust companies and insurance companies in Arizona. Municipalities and counties are not liable for the payment of the principal or interest on any jobs bonds, and the credit or taxing power of a municipality or county cannot be pledged in connection with jobs bonds. Establishes criteria for demonstrating that a jobs project will create full-time private sector employment in Arizona in order to qualify for jobs bond financing. Severability clause. AS PASSED HOUSE.

### **H2428: APPROP; ADE; READING PROGRAM GRANTS**

Appropriates \$500,000 from the general fund in FY2014-15 to the Department of Education to provide grants to school districts and charter schools to fund reading intensive programs. Grant requirements are specified. AS PASSED HOUSE.

### **H2501 (Chapter 172): SCHOOLS; PROMOTION; CEREMONY; 8TH GRADE**

School districts are permitted to conduct an eighth grade promotion ceremony. The county school superintendent is no longer required to furnish and sign promotion certificates when requested by the school board. AS SIGNED BY GOVERNOR.

### **S1102 (Chapter 105): SCHOOL FACILITIES BOARD REVISIONS**

The information that school districts are required to annually report to the School Facilities Board for the administration of the Building Renewal Grant Fund is expanded to include the nature and cost of major repairs, renovations or physical improvements to or replacement of building systems or equipment that were made in the previous year and that were paid for either with local monies or monies provided by the Board from the Fund, and any school or school buildings that have been closed, leased to another entity or that operate as a charter school. Establishes a formula for the Board to adjust the age of a school facility that is significantly upgraded or remodeled. If a school district converts space listed in the Board's database to space that will be used for administrative purposes, the school district is responsible for any costs associated with the conversion, maintenance and replacement of that space. A child care facility that provides services utilizing the practice of a documented educational philosophy including least restrictive environment is permitted to incorporate statutory minimum school facility adequacy guidelines when selecting a facility if the guidelines do not conflict with facility requirements established by the Department of Health Services. These child care facilities are permitted to use floor bedding in the facility instead of cribs, and requirements for the floor bedding are specified. AS SIGNED BY GOVERNOR.

### **S1123 (Chapter 71): PROPERTY; LIABILITY; SCHOOLS; RECREATIONAL USERS**

For the purpose of statute limiting the liability of a property owner to a recreational user, the definition of "recreational user" no longer excludes a student who is on the way to or from school. AS SIGNED BY GOVERNOR.

### **S1242 (Chapter 114): CRITICAL LANGUAGES; ECONOMIC DEVELOPMENT; PILOT**





**SUPPORT. ADVOCATE. LEAD.**

If sufficient funding is provided, the State Board of Education is required to establish a six-year Arizona Critical Language and Economic Development Pilot Program. The Board, in consultation with the Department of Education, is required to develop and implement courses of study in "critical languages" (defined as those languages described in the National Security Language Initiative and Native American languages) for the Program. Requirements for authorized courses and participating schools are specified. Emergency clause. AS SIGNED BY GOVERNOR.