



# Tom Horne Reports to Educators

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## 2005 Legislative Review

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Please note: These are summaries only. The bills summarized here may include details not provided in this report. For full details on a bill, please it in its entirety by visit the Arizona State Legislature's website at: [www.azleg.state.az.us](http://www.azleg.state.az.us).

Bills listed in bold text indicates ADE initiated bills.

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### **H2051 (Chapter 8): High School Equivalency Diplomas; Fees**

House Bill 2051 gives the State Board of Education (SBE) discretion to establish fees and the collection of fees for the issuance and re-issuance of general equivalency diplomas (GED) and general equivalency transcripts. The bill also requires the SBE to create rules that allow for fee waivers for the GED and general equivalency transcripts.

### **H2287 (Chapter 16): Schools; Building Renewal; Comprehensive Plan**

House Bill 2287 reduces the length of the comprehensive plan for the proposed use of Building Renewal funds from five years to three years.

### **H2432 (Chapter 18): Schools; Extended School Year**

House Bill 2432 changes the criteria to determine the need and eligibility of a student with disabilities to participate in extended school year services. The bill requires a school district to provide a student with disabilities extended school year services if the benefits the student gained during the regular school year would be significantly jeopardized. Moreover, a student with disabilities would be provided extended school year services if the student would regress such that it would seriously slow the pupil's progress toward educational goals. The Bill also changes the term "extended school year program" to "extended school year services" in order to conform to Federal law. The criteria for determining the eligibility of a student for extended school year services is changed so that the least restrictive environment considerations and retrospective and predictive data are used. Finally, the State Board of Education is required to adopt and carry out these provisions.

### **H2596 (Chapter 21): Charter Schools; Pending Fingerprint Checks**

House Bill 2596 allows charter schools to hire personnel who have not yet received a fingerprint clearance card from the Department of Public Services (DPS) so long as they have provided proof of the submission of an application for a fingerprint clearance card. The charter school seeking to hire the applicant must also do the following: First, the charter school must document in the applicant's file the necessity for hiring and placement of the applicant before receiving clearance. Second, the charter school must ensure that the DPS completes a statewide criminal history information check. Additional criminal history information checks must be completed every 120 days until the date the fingerprint check is completed. Third, the charter school must obtain references from the applicant's current employer as well as the two most previous employers; exceptions are made when the most recent employer has employed the applicant for at least five years. Fourth, the charter school must provide general supervision of the applicant until the fingerprint card is obtained. Fifth, the charter school is required to complete a criminal records search in all jurisdictions outside of Arizona in which the applicant has lived in the last five years. Finally, the charter school must verify that the fingerprint status of the applicant with DPS.

### **H2229 (Chapter 41): School Pupils; Breathing; Medication**

House Bill 2229 allows a pupil to possess and self-administer handheld inhaler devices for breathing disorders so long as the pupil has written parental consent. Furthermore, the bill also exempts school districts and employees from civil liability if they have, in good faith, made decisions or taken actions to implement these provisions.

### **S1011 (Chapter 42): School Councils; Members; District Employees**

Senate Bill 1011 allows a parent or guardian who is employed by a school district to serve as a member of the school council where their child is enrolled so long as the parent or guardian is not employed by the same school where their child is enrolled.

### **S1059 (Chapter 47): Charter Schools; Fingerprinting; Supervision**

Senate Bill 1059 allows a volunteer or guest speaker without a valid fingerprint card to work directly with students at a charter school so long as that volunteer or guest speaker is accompanied by a person with a valid fingerprint card.

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### S1072 (Chapter 48): Special Education; Scope; Gifted Pupils

Senate Bill 1072 moves gifted pupils from the article of Special Education for Exceptional Children to a newly created article of Special Education for Gifted Children. The powers of school district governing boards for gifted pupils are moved from the article of Special Education for Exceptional Children to the article of Special Education for Gifted Children. The definitions of the terms child with a disability and special education are amended. Special education is defined as specially designed instruction that meets the unique needs of a child with a disability and that is provided without costs to the parents of the child. The definition of gifted child is replaced with gifted pupil. Finally, the terms specially designed instruction and gifted education are defined. Specially designed instruction is defined as adapting the content, methodology or delivery of instruction to address the unique needs of a child with a disability and to ensure that child's access to the general curriculum as identified in the academic standards adopted by the State Board of Education. Gifted education is defined as expanded academic course offerings or advanced supplemental services, or both, as may be required to provide an educational program that is commensurate with the academic abilities and potential of a gifted pupil.

### S1223 (Chapter 55): Charter Schools; Used Equipment

Senate Bill 1223 allows a school district to sell used equipment to a charter school before that school district attempts to sell or dispose of the equipment by other means.

### S1271 (Chapter 58): Schools; Gun Safety Program

Senate Bill 1271 allows school districts and charter schools to offer the Arizona Gun Safety Program as a one-semester, elective course. A pupil who is able to demonstrate the ability to safely discharge a firearm will have satisfactorily completed the course, and the pupil will receive a certificate of accomplishment. The course must include instruction on the rules of gun safety, basic operations of firearms, history of firearms and marksmanship, role of firearms in preserving peace and freedom, the constitutional right to keep and bear arms, and also the use of clay targets. The program will also include practice time at a shooting range.

### H2111 (Chapter 67): Schools; Mandatory P.E. Taskforce

House Bill 2111 creates a 15-member Mandatory Physical Education Task Force. This Task Force is to develop an implementation plan as well as draft a proposal for legislation that will result in uniform physical education for grades K-8. The final report is to be submitted to the Legislature, Governor, and the State Board of Education by December 15, 2005.

### H2435 (Chapter 77): Kindergarten Instruction; Academic Standards

House Bill 2435 mandates school districts that establish a kindergarten program to offer half-day kindergarten programs with instruction that is aligned with the academic standards promulgated by the State Board of Education (SBE). If a school district establishes a full-day kindergarten program, the school district must allow each parent of a kindergarten pupil to choose either half-day or full-day kindergarten instruction.

### H2267 (Chapter 134): School Teachers; Immunity

House Bill 2267 exempts a full-time certified teacher from personal civil liability for all actions taken in good faith when evaluating or grading a student.

### H2050 (Chapter 147): Family Literacy Programs; Requirements

House Bill 2050 moves the Family Literacy Program from the Arizona Department of Education Division of Adult Education to the Division of Early Childhood Education Programs. Further, the makeup of project teams is changed. A person funded by the Division of Adult Education may be on the project team or a representative from a provider so long as the policies, academic standards, performance outcomes, assessment, and data collection requirements are met. This changes the current requirement that project teams have a representative of an adult education provider. The grant application requirement no longer needs to have a food service plan; however, grant application requirements should include assessment practices that promote academic and literacy skills. Additionally, an application should include a plan to determine if parents with children in the program remain eligible; alternatively, the plan may document efforts to recruit eligible families. Grant applications may also include publicly funded preschool providers and adult education programs funded by outside funding sources within organization partnerships.



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### H2299 (Chapter 152): Schools; Dual Enrollment; Contracts

House Bill 2299 requires community college districts to provide a copy of the dual enrollment contract between the community college district and school district as part of the annual report on dual enrollment programs that is given to the Joint Legislative Budget Committee (JLBC). The bill also requires the advisory committee on course selection and implementation to meet no less than three times each academic year. The advisory committee on selection, orientation, ongoing professional development and evaluation of the faculty teaching college courses while working with the high schools is to meet at least twice each academic year.

### H2368 (Chapter 155): School Policies; Pupils; Bullying

House Bill 2368 provides that school district governing boards adopt and enforce procedures that prohibit pupils from harassing, intimidating, and bullying other pupils on school grounds, school property, school buses, school bus stops, as well as school sponsored events. The procedures should provide for a confidential process for a pupil to report any incidents, a procedure for parents or guardians to submit written reports regarding an incident, and a requirement that school district employees report any suspected harassment, intimidation, or bullying. Furthermore, there should be a formal process, which allows for documentation and investigation of any reported incident. There should also be disciplinary procedures for students admitting to or found guilty of harassment, intimidation, or bullying; additionally, there should be a procedure that provides consequences for submitting a false report of an incident. Finally, the school district and its employees are immune from civil liability for the consequences of adoption and implementation of policies and procedures, unless such person is guilty of gross negligence or intentional misconduct.

### H2438 (Chapter 156): Charter School Sponsors; Fees

House Bill 2438 prohibits a sponsor of a charter school from charging fees to a charter school. If fees are charged, the fees must represent the full value of services provided. Further, the sponsor of the charter school must show the value of the services when requested.

### H2497 (Chapter 159): Schools; Desegregation; Reporting

House Bill 2497 changes the statutory reporting requirements for school districts under court order to desegregate or under an administrative agreement with the United States Department of Education Office of Civil Rights (OCR). Beginning FY 2006-2007, an annual report that lists specific items to be reported on a district-wide and school-by-school basis will replace the current biennial reporting requirements. The annual report must be submitted by July 15 or within 90 days after the court order or administrative agreement, whichever occurs first. The reports must be submitted to the Arizona Department of Education (ADE). The ADE then must compile the information and submit copies to the Governor, President of the Senate, Speaker of the House of Representatives, and the Education Committee chairperson in both houses.

### H2623 (Chapter 164): Bond Elections; Bond Language

House Bill 2623 requires ballots for bond elections to contain a phrase stating: "The issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on bonds." However, the bill also allows the issuing entity to use an alternative notification on the ballot if the bonds are to be paid by sources other than property taxes. Additionally, municipal utility bonds are exempted from the disclosure requirement.

### S1044 (Chapter 167): Schools; Crime Reports; Pupil Interviews

Senate Bill 1044 gives the school district governing board discretion to adopt guidelines for the standardization of school report cards as well as discretion to adopt policies that require parental notification when a law enforcement officer interviews a pupil on school grounds. The bill also clarifies the type of incidents that must be incorporated into the report card.

### S1075 (Chapter 168): ASDB; Board of Directors; Membership

Senate Bill 1075 adds a member from the Commission for the Deaf and the Hard of Hearing and a member from the Governor's Council on Blindness and Visual Impairment to the Board of Directors for the Arizona School for the Deaf and the Blind (ASDB). The bill also increases the number of members necessary to constitute a quorum from four to five.



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### S1444 (Chapter 177): Fingerprinting; University Security Worker

Senate Bill 1444 requires finalists for security or safety-sensitive positions at a university under the jurisdiction of the Arizona Board of Regents (ABOR) to give a full set of fingerprints so that a criminal records check may be made.

### S1009 (Chapter 182): School Buildings; Air Quality

Senate Bill 1009 has requirements for maintaining adequate indoor air quality in schools. The School Facilities Board (SFB) is made responsible for conducting an environmental site assessment when approving the construction of a school building; moreover, the SFB is given the authority to deny school building projects if the following conditions exist: The environment site assessment indicates that the site cannot meet the same criteria established for residential properties within reasonable expenditures, the plans incorporate flat roof construction that does not have adequate pitch towards the drainage of water, or the plans incorporate indoor air quality guidelines that are acceptable to the board.

### S1068 (Chapter 191): School District Redistricting; Commission; Approval

Senate Bill 1068 establishes the thirteen member School District Redistricting Commission to design a proposal to unify school districts in Arizona based on various criteria.

### S1122 (Chapter 192): Schools; Medications; Civil Immunity

Senate Bill 1122 gives school districts and their employees as well as charter schools immunity from civil liability when they have adopted policies and procedures for the administration of prescription, patent or proprietary medication in good faith.

### S1207 (Chapter 197): Community Colleges and Universities; Elections; Influence

Senate Bill 1207 creates penalties for violations of the use of community college district resources to influence an election. The Attorney General or county attorney is given power to serve an order requiring compliance. Also, regulations and penalties for violations of the use of university resources to influence an election are established.

### S1297 (Chapter 202): Schools; Skin Cancer Prevention

Senate Bill 1297 requires public schools to implement instruction on skin cancer prevention into the existing curricula of common school grades so long as the Environmental Protection Agency (EPA) offers the program free of charge. The instruction would include basic facts about skin cancer in addition to a comprehensive set of strategies and behaviors to reduce the risk of contracting skin cancer. Learn more at: [www.azdhs.gov/phs/sunwise](http://www.azdhs.gov/phs/sunwise) or e-mail the SunWise Coordinator Sharon McKenna [mckenns@azdhs.gov](mailto:mckenns@azdhs.gov) or phone 602-364-3143 or 800-367-6412.

### S1348 (Chapter 204): Private Postsecondary Education Board

Senate Bill 1348 makes several changes to the Arizona State Board for Private Secondary Education.

### S1352 (Chapter 205): AIMS; Special Education; Exceptions

Senate Bill 1352 allows children to be exempt from passing the Arizona Instrument to Measure Standards (AIMS) examination in order to graduate so long as certain conditions are met. The child must have a disability, receive special education services and have an individualized education program (IEP) or have a Section 504 plan.

### **H2544 (Chapter 238): Schools; Nutrition Standards**

House Bill 2544 requires the Arizona Department of Education (ADE) by July 1, 2006, to create minimal nutrition guidelines for food and beverages sold or served on elementary, middle and junior high school grounds during the normal school day. These guidelines are to meet or exceed federal guidelines for food and beverages. This bill still allows for the sale or distribution of any food or beverage items, when its intended purpose is for fundraising by students, teachers or educational groups, so long as the items are intended for sale off school grounds. However, the sale of food and beverages in a school employee lounge is exempt from the nutritional guidelines.

### H2424 (Chapter 242): Golden Rule License Plates

House Bill 2424 allows the Arizona Department of Transportation Motor Vehicle Division (ADOT/MVD) to issue a Golden Rule license plate so long as the non-profit corporation that promotes such a plate has paid \$32,000 to the MVD in order to cover the cost of implementing the special license plate. The Golden Rule Special Plate Fund is established under the Department of Education to be used for golden rule programs in schools provided by a non-profit corporation.

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### H2619 (Chapter 244): Community Colleges; Declining Enrollment

House Bill 2619 prohibits a community college from being eligible for growth funding unless the most recent audited FTSE count exceeds the highest audited FTSE count recorded from and after FY 2003-2004.

### H2697 (Chapter 250): Schools; Budget Limits

House Bill 2697 retroactively eliminates the two-year statutory phase-down period for a unified school district budget so long as certain conditions are met. The original override must have been for the maximum statutory amount and approved by the voters by a margin of 75% or more. The school must have failed to renew the budget override, and the voters must not have approved a request. The school district must hold an election by the end of FY 2004-2005 to renew the budget override for FY 2005-2006.

### S1010 (Chapter 251): College Savings Oversight Committee; Members

Senate Bill 1010 changes the membership of the Savings Oversight Committee by removing the director of the Securities Division of the Corporation Commission and the chancellor or president of a community college district, and adding two members with investment or asset management experience, one of whom must be employed by a community college.

### S1196 (Chapter 255): Universities; In-State Tuition; Spouses

Senate Bill 1196 allows for in-state student classification to a person whose spouse has maintained domicile in Arizona for one year in addition to demonstrating intent and financial independence. The spouse is entitled to claim the person as an exemption for federal and state tax purposes. A family member of a full-time teacher or classroom aid who has been a resident of this state for less than one year is eligible for in-state student classification if the family member meets other statutory requirements for in-state student classification.

### S1289 (Chapter 265): Stranger Danger; K-8 Curriculum

Senate Bill 1289 allows school districts and charter schools to create and incorporate into existing K-8 curriculum instruction about the dangers of unsupervised interaction with strangers.

### H2349 (Chapter 272): Education Omnibus

House Bill 2349 is an education omnibus that has made changes in the statutory method the State Board of Education (SBE) adopts rules for procurement limits, in addition to making changes to the formal rule-making process used by the SBE. The bill also changes the reporting requirements of schools to the Arizona Department of Revenue.

### H2417 (Chapter 274): Schools; Fiscal Mismanagement

House Bill 2417 authorizes the State Board of Education (SBE) to appoint a receiver for a school district that has grossly mismanaged its finances.

### H2426 (Chapter 275): Constitutional Commemoration Committee

House Bill 2426 extends the statutory life of the Constitutional Commemoration Committee, on which the Superintendent of Public Instruction sits, from July 1, 2005 to July 1 2015. The bill also expands the scope of the Committee to include all constitutional amendments, including those that made advancements in civil rights and other personal liberties. Previously the committee focused only on the Bill of Rights.

### H2534 (Chapter 277): Special Education Dispute Resolution

House Bill 2534 requires the State Board of Education (SBE) to adopt rules governing the due process hearing when there is a disagreement between the parent and the school over whether a child's special education status should be changed. The dispute will be heard by an administrative law judge, and there would be one hearing, rather than two under the current system.

### H2771 (Chapter 299): Budget; Fees for Services

The relevant language in House Bill 2771 adds reporting requirements for state agencies for any monies kept in funds other than the state general fund. The bill adds the number of electronic transactions and the total dollar amount of any processing fee to the items state agencies must report to the Governor, GITA and JLBC. This report has also been changed from quarterly to annually by October 1 each year.



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### S1309 (Chapter 279): School Pupils; Asthma; Self-Medication

Senate Bill 1309 requires school districts to adopt and enforce policies and procedures to allow pupils diagnosed with anaphylaxis to carry and self-administer emergency medications, including auto-injectable epinephrine, while at school and school sponsored activities. The student must notify the nurse or the designated school staff person of the use of the medication as soon as practicable. Pupils must be diagnosed by a licensed physician with anaphylaxis; students must obtain annual written permission from the parent or guardian as proof that the pupil is entitled to the possession and self-administration of the medication. Finally, school districts and employees are immune from civil liability for all decisions and actions made in good faith to implement these provisions.

### S1513 (Chapter 286): Budget; General Appropriations

This bill includes the general fund and formula appropriations for all agencies including the Department of Education, the State Board of Education, and the State Board for Charter Schools, the School Facilities Board, and Arizona Board of Regents. Included in the bill is increased funding for Basic state Aid by \$100,525,000, an achievement testing decrease of \$2,744,100, an AIMS Intervention increase of \$5 million, the Agency Information Factory is funded for its first phase, and the teacher certification fund is increased by \$219,00. Along with the appropriations, this budget bill contains budget footnotes requiring the ADE to report on its budget status every two months for the first half of each fiscal year and every month thereafter and to report 140 day counts.

### H2769 (Chapter 287): Budget; Schools Facilities Board

House Bill 2769 declares that the SFB authority to enter into lease-to-own transactions expires July 1, 2005. The SFB may not transfer money into the Emergency Deficiencies Correction Fund without review by the Joint Committee on Capital Review. Beginning July 1, 2006, H2769 requires the Building Renewal Fund and the New School Facilities Fund to be legislatively appropriated. The bill also delays the repeal of the Deficiencies Corrections Fund until July 1, 2006, appropriates \$50 million in fiscal 06-07 to the New School Facilities Fund, and retroactively transfers \$60,080,050 in fiscal 05-06 from the Building Renewal Fund to the general fund.

### H2382 (Chapter 293): Schools; Construction

H2382 adds "project management and preconstruction services" to the required items the School Facilities Board must distribute money for upon completion of an analysis of a school district's request of funds for new construction. The bill also allows the SFB to deduct the costs of project management and preconstruction services from the required cost per square foot if it modifies the cost per square foot as prescribed in statute. Also, the SFB must file a report to the Governor and legislature that compares the cost of projects that use project management and preconstruction services with those that do not use those services.

### H2418 (Chapter 294): Schools; Joint Tech Educational Districts (JTED)

House Bill 2418 extends the date after which no new JTED districts may be formed by one year, to 30 June, 2006. The bill exempts a county with between 800,000 and 1,500,000 residents from the prohibition to form or join a JTED (under current U.S. census figures, this will apply only to Pima County). The bill also establishes a task force to evaluate and make recommendations concerning governance, syllabus and funding, with a report due by December 1, 2005. The bill also has a provision disallowing the ADE from reducing state aid to the East Valley Institute of Technology and the Northern Arizona Vocational Institute of Technology notwithstanding the December 2004 Auditor General's report. H2418 stipulates that school districts that are part of a JTED shall supplement and not supplant base year course offerings in technology and vocational education. Those districts that used JTED monies to supplant technology and vocational spending must now spend an annually increasing minimum percentage of JTED funds to supplement base year spending, specifically, 30% in fiscal 2005-06, 60% in fiscal 2006-07 and 100% in fiscal 2007-08.

### H2777 (Chapter 301): Budget; State Automation; Telecommunications

The relevant language in House Bill 2777 requires each state agency to contract with the primary contractor through the newly established Telecommunications Program Office under the Department of Administration and make payment to the primary contractor for its telecommunications needs.



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### S1038 (Chapter 304): AIMS Test; Learning Disabled Pupils

Senate Bill 1038 allows a pupil who has not passed the AIMS test to be eligible to graduate with a recognized diploma if the pupil meets the alternative graduation requirements established in the bill. The bill also exempts pupils who have transferred from out-of-state and have passed a statewide assessment similar to AIMS. A pupil is eligible for the alternative graduation requirements if he has taken AIMS at every opportunity, passed all his courses, and participated in remediation. The bill allows a pupil to augment AIMS scores by up to one quarter with additional credit based on grades on coursework. Only grades of A, B and C will be given additional credit. Greater additional credit shall be given for academically advanced courses. The State Board of Education shall determine how additional credit will augment the pupil's score. The SBE shall review academic standards, particularly math standards, from at least ten other states and shall confirm or modify the AIMS math passing score based on this review. This bill includes an emergency clause and is repealed after December 31, 2007.

### S1074 (Chapter 305): Schools; Teacher Performance Pay

Senate Bill 1074 establishes the 12-member Arizona Performance Based Pay Task Force to conduct evaluations of school districts' performance based compensation systems. It Requires the Superintendent of Public Instruction (Superintendent), by February 2006, and each year thereafter, to submit the data provided by school districts in regards to the school district's performance based compensation systems to the Task Force. According to the bill, the task force must conduct an annual evaluation of one quarter of the school districts' performance based compensation systems, provide a report to the school districts evaluated each year assessing effectiveness of the compensating system, annually submit its findings to the Legislature, provide recommendations to the SBE, the Governor and the Legislature on the implementation, operation and monitoring of performance based compensation systems and Career Ladder. The bills also requires school district governing boards to adopt a performance based compensation system at a public hearing, vote on a performance based compensation system that includes stated criteria, and allows a board in a public meeting to modify the criteria and consider additional elements when adopting a performance based compensation system.

### S1199 (Chapter 310): Schools; Residents of Unorganized Territory

Senate Bill 1199 requires the residents of an unorganized territory to vote to create or join a school district if the unorganized territory has an annual number of certificates of educational convenience (CEC) or students attending an adjacent existing school district through open enrollment that exceeds 150. The bill also requires the Superintendent of Public Instruction to notify the county school Superintendent. The county school Superintendent must notify the residents of a single unorganized territory that the residents' children are no longer eligible to receive additional CECs if the unorganized territory has met the 150 CEC limit. These residents must organize into their own school district or an adjoining school district. CECs approved before notification by the Superintendent of Public instruction shall remain in effect until the unorganized territory becomes or joins a school district. The bill requires the county school Superintendent, upon notification from the Superintendent of Public instruction to establish the boundaries of the proposed unified school district, identify which existing school districts are willing to accept the new territory and calculate the fiscal impact on property owners of the various choices presented, and prepare a ballot question. If a new district is formed, it is not eligible to receive monies from the School Facilities Board until its student count is at least 600.

### S1422 (Chapter 323): Schools; Technology Assisted Instruction (TAPBI)

Senate Bill 1422 requires TAPBI schools to reapply to the State Board of Education (SBE) or the State Board for Charter Schools (SBCS) every five years. The bill also reduces the requirement that 100% of the new pupils in a TAPBI program attend a public school the prior year to 80% and disallows the participation of Kindergarten students. The bill removes the specific academic achievement reporting requirement and replaces it with data identified by SBE and SBCS that will compare the academic performance of TAPBI pupils to those pupils not in the program. If the Superintendent of Public Instruction determines that a TAPBI school is not meeting its statutory criteria, the Superintendent may recommend that the SBE replace that school with a school of the Superintendent's choice. The bill limits enrollment growth to 100% each fiscal year. S1422 also requires a school and parent review of any pupil whose achievement declines while attending a TAPBI school. The Auditor General is also required to perform an audit on the TABI programs by 1 November, 2007.

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S1516 (Chapter 329): Budget; K-12 Education

Senate Bill 1516 makes statutory and session law changes necessary to implement the FY 2005-2006 budget related to general K-12 education funding, transportation funding, desegregation, Arizona State Schools for the Deaf and the Blind (ASDB), teaching contracts and joint technological education districts. The bill also contains an appropriation of \$38,050,000 to fund Full Day Kindergarten. The bill also requires ADE to reduce rapid decline by 50%, increases the amount of additional state aid by 2%, increases the base level by approximately 3.7 percent, increases the state support level per mile by 2% for the transportation support level, extends the "soft cap" on desegregation activities for FY 2005-2006 by allowing for increases in enrollment growth and allows a 2% inflation above the amount budgeted for desegregation in FY 2004-2005. The bill makes several changes to the Failing Schools Tutoring Fund by allowing the parent to apply for a certificate of supplemental instruction instead of applying for reimbursement and allowing any student who has not passed one or more portions of AIMS to utilize the fund. Included is a requirement that any transfer from basic state entitlement, additional state aid to schools, certificates of educational convenience or the special education fund shall be reviewed by JLBC.

S1517 (Chapter 330): Budget; Higher education

Senate Bill 1517 pertains to the universities, the Board of Regents and community colleges. The bill limits growth funding for community colleges only to those districts whose full time enrollment exceeds the highest recorded enrollment since fiscal 2003-04. The Board of Regents is authorized to charge a different tuition to those students who have earned credit hours in excess of prescribed threshold levels. The bill also sets procedures to allow the auditor general to annually audit enrollment figures for each university. The Board of Regents is authorized to issue medical student scholarships to those who commit to an Arizona residency program. \$1.5 million is appropriated for loans and scholarships. \$3.0 million is appropriated for the Phoenix medical school and \$500,000 to ASU's Dept of Biomedical Informatics. The bill requires the Board of Regents to report to JLBC by Sept 1, 2005, with details on the budget, growth and financing plans for the medical school. After JLBC review, another appropriation of identical amounts is authorized for distribution by Oct 5, 2005. Also, a 5-year Arizona Partnership for Nursing Education Demonstration Project is established with a \$4 million annual appropriation through fiscal 2010.