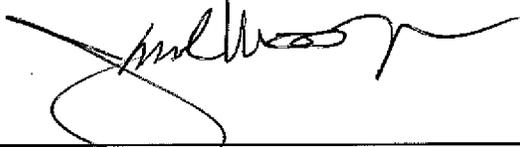


**RACE TO THE TOP APPLICATION ASSURANCES
(CFDA No. 84.395A)**

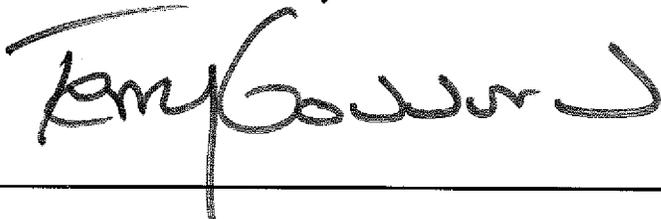
Legal Name of Applicant (Office of the Governor): Arizona Governor's Office of Economic Recovery	Applicant's Mailing Address: 1700 West Washington
Employer Identification Number: 866004791	Organizational DUNS: 829811475
State Race to the Top Contact Name: (Single point of contact for communication) James J. Apperson	Contact Position and Office: Director, Office of Economic Recovery
Contact Telephone: 602-542-6402	Contact E-mail Address: Japperson@az.gov
<p>Required Applicant Signatures:</p> <p>To the best of my knowledge and belief, all of the information and data in this application are true and correct.</p> <p>I further certify that I have read the application, am fully committed to it, and will support its implementation:</p>	
Governor or Authorized Representative of the Governor (Printed Name): Janice K. Brewer	Telephone: 602-542-4331
Signature of Governor or Authorized Representative of the Governor: 	Date: 1/15/2010
Chief State School Officer (Printed Name): Tom Horne	Telephone: 602-542-5393
Signature of the Chief State School Officer: 	Date: 1/15/2010
President of the State Board of Education (Printed Name): Jacob Moore	Telephone: 602-542-5057
Signature of the President of the State Board of Education: 	Date: 1/15/2010

State Attorney General Certification

I certify that the State's description of, and statements and conclusions concerning, State law, statute, and regulation in its application are complete, accurate, and constitute a reasonable interpretation of State law, statute, and regulation.

(See especially Eligibility Requirement (b), Selection Criteria (B)(1), (D)(1), (E)(1), (F)(2), (F)(3).)

I certify that the State does not have any legal, statutory, or regulatory barriers at the State level to linking data on student achievement (as defined in this notice) or student growth (as defined in this notice) to teachers and principals for the purpose of teacher and principal evaluation.

State Attorney General or Authorized Representative (Printed Name): Terry Goddard	Telephone: 602-542-5025
Signature of the State Attorney General or Authorized Representative: 	Date: 1/15/2010

ACCOUNTABILITY, TRANSPARENCY, REPORTING AND OTHER ASSURANCES AND CERTIFICATIONS

Accountability, Transparency and Reporting Assurances

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Race to the Top program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
 - the uses of funds within the State;
 - how the State distributed the funds it received;
 - the number of jobs that the Governor estimates were saved or created with the funds;
 - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and students with disabilities; and
 - if applicable, a description of each modernization, renovation, or repair project approved in the State application and funded, including the amounts awarded and project costs (ARRA Division A, Section 14008)

- The State will cooperate with any U.S. Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps (ARRA Division A, Section 14009)

- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to www.Recovery.gov. A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)

- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by the Office of Management and Budget or the Department. (ARRA Division A, Section 1512(c))

- The State will cooperate with any appropriate Federal Inspector General's examination of records under the program. (ARRA Division A, Section 1515)

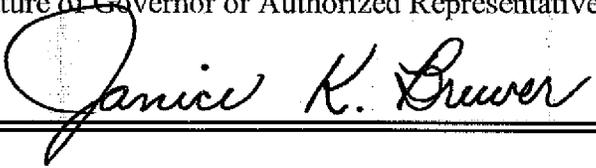
Other Assurances and Certifications

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B (Assurances for Non-Construction Programs) and to the extent consistent with the State's application, OMB Standard Form 424D (Assurances for Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.
- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.
- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment, recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).
- Any local educational agency (LEA) receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).
- Any LEA receiving funding under this program will have on file with the State (through either its Stabilization Fiscal Stabilization Fund application or another U.S. Department of Education Federal grant) a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.
- The State and other entities will comply with the Education Department General Administrative Regulations (EDGAR), including the following provisions as applicable: 34 CFR Part 74--Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 75--Direct Grant Programs; 34 CFR Part 77-- Definitions that Apply to Department Regulations; 34 CFR Part 80-- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81-- General

Education Provisions Act–Enforcement; 34 CFR Part 82– New Restrictions on Lobbying; 34 CFR Part 84–Governmentwide Requirements for Drug-Free Workplace (Financial Assistance); 34 CFR Part 85–Governmentwide Debarment and Suspension (Nonprocurement).

SIGNATURE BLOCK FOR CERTIFYING OFFICIAL

Governor or Authorized Representative of the Governor (Printed Name): Janice K. Brewer	
Signature of Governor or Authorized Representative of the Governor: 	Date: 1/15/2010

ELIGIBILITY REQUIREMENTS

A State must meet the following requirements in order to be eligible to receive funds under this program.

Eligibility Requirement (a)

The State's applications for funding under Phase 1 and Phase 2 of the State Fiscal Stabilization Fund program must be approved by the Department prior to the State being awarded a Race to the Top grant.

The Department will determine eligibility under this requirement before making a grant award.

Eligibility Requirement (b)

At the time the State submits its application, there are no legal, statutory, or regulatory barriers at the State level to linking data on student achievement (as defined in this notice) or student growth (as defined in this notice) to teachers and principals for the purpose of teacher and principal evaluation.

The certification of the Attorney General addresses this requirement. The applicant may provide explanatory information, if necessary. The Department will determine eligibility under this requirement.

(Enter text here.)

SELECTION CRITERIA: PROGRESS AND PLANS IN THE FOUR EDUCATION REFORM AREAS

(A) State Success Factors (125 total points)

(A)(1) Articulating State's education reform agenda and LEAs' participation in it (65 points)

The extent to which—

- (i) The State has set forth a comprehensive and coherent reform agenda that clearly articulates its goals for implementing reforms in the four education areas described in the ARRA and improving student outcomes statewide, establishes a clear and credible path to achieving these goals, and is consistent with the specific reform plans that the State has proposed throughout its application; *(5 points)*
- (ii) The participating LEAs (as defined in this notice) are strongly committed to the State's plans and to effective implementation of reform in the four education areas, as evidenced by Memoranda of Understanding (MOUs) (as set forth in Appendix D)¹ or other binding agreements between the State and its participating LEAs (as defined in this notice) that include— *(45 points)*
 - (a) Terms and conditions that reflect strong commitment by the participating LEAs (as defined in this notice) to the State's plans;
 - (b) Scope-of-work descriptions that require participating LEAs (as defined in this notice) to implement all or significant portions of the State's Race to the Top plans; and
 - (c) Signatures from as many as possible of the LEA superintendent (or equivalent), the president of the local school board (or equivalent, if applicable), and the local teachers' union leader (if applicable) (one signature of which must be from an authorized LEA representative) demonstrating the extent of leadership support within participating LEAs (as defined in this notice); and
- (iii) The LEAs that are participating in the State's Race to the Top plans (including considerations of the numbers and percentages of participating LEAs, schools, K-12 students, and students in poverty) will translate into broad statewide impact, allowing the State to reach its ambitious yet achievable goals, overall and by student subgroup, for—*(15 points)*
 - (a) Increasing student achievement in (at a minimum) reading/language arts and mathematics, as reported by the NAEP and the

¹ See Appendix D for more on participating LEA MOUs and for a model MOU.

assessments required under the ESEA;

- (b) Decreasing achievement gaps between subgroups in reading/language arts and mathematics, as reported by the NAEP and the assessments required under the ESEA;
- (c) Increasing high school graduation rates (as defined in this notice); and
- (d) Increasing college enrollment (as defined in this notice) and increasing the number of students who complete at least a year's worth of college credit that is applicable to a degree within two years of enrollment in an institution of higher education.

In the text box below, the State shall describe its current status in meeting the criterion, as well as projected goals as described in (A)(1)(iii). The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (A)(1)(ii):

- An example of the State's standard Participating LEA MOU, and description of variations used, if any.
- The completed summary table indicating which specific portions of the State's plan each LEA is committed to implementing, and relevant summary statistics (see Summary Table for (A)(1)(ii)(b), below).
- The completed summary table indicating which LEA leadership signatures have been obtained (see Summary Table for (A)(1)(ii)(c), below).

Evidence for (A)(1)(iii):

- The completed summary table indicating the numbers and percentages of participating LEAs, schools, K-12 students, and students in poverty (see Summary Table for (A)(1)(iii), below).
- Tables and graphs that show the State's goals, overall and by subgroup, requested in the criterion, together with the supporting narrative. In addition, describe what the goals would look like were the State not to receive an award under this program.

Evidence for (A)(1)(ii) and (A)(1)(iii):

- The completed detailed table, by LEA, that includes the information requested in the criterion (see Detailed Table for (A)(1), below).

Recommended maximum response length: Ten pages (excluding tables)

Vision for public education in Arizona

By 2020, Arizona's students will be ranked among the best in the United States, setting an example by achieving excellence amid challenging circumstances.

To accomplish this vision, Arizona established a bold and innovative plan that incorporates grade/content academic interventions creating an end to social promotion while at the same time fostering a “move on when ready” environment for all students. The strategies outlined in this application will ensure all students have effective teachers and necessary supports for their success. Recognizing the importance of early learning to a students’ long term academic success, Arizona’s new “move on when *reading*” and K-2 assessments will provide the strong foundation upon which to build. Threaded throughout Arizona’s RITT plan is the strengthening of the teacher and student experience in the STEM fields. Further, accountability through data transparency will ensure parents and other stakeholders will be equipped with information from which to make academic and school choice decisions beginning in pre-school and extending through post-secondary experiences.

To truly understand Arizona’s strategies, one must know that Arizona is blessed with a rich cultural heritage. It is the sixth-largest state in the country at more than 113,000 square miles, and the 14th largest in terms of population at 6.5M. As such, ninety-eight percent of Arizona land is classified as rural, and a full quarter of its population lives in rural areas. However, Phoenix is a major urban center and the fifth-largest city in the United States. Additionally, from a demographic perspective, Arizona has the largest Native American population of any state as well as a large number of English language learners. The State’s location in the American Southwest makes it home to a uniquely diverse population, and it is in this diversity that Arizona’s Race to the Top strategy will provide that greatest impact. In this sense, Arizona is a 21st century American laboratory for developing initiatives and benchmarks that could be used by other states to replicate our success.

From an economic perspective, Arizona boasts five major military facilities, the fifth-largest aerospace industry in the nation, and

eight international Ports of Entry along the 400-mile border with Mexico. Its foundation for science and technology is strong – a concentration of technology firms have grown alongside the state’s homeland security activity, sparking emerging clusters in bioscience, analytical instruments and environmental technology. Our RTTT plan will support education and related activities in Science Technology Engineering and Mathematics (STEM) that builds a highly skilled workforce as the foundation for a 21st century knowledge based economy.

Arizona has been moving forward in the four assurance areas outlined in the American Recovery and Reinvestment Act, undertaking initiatives such as increasing the rigor of its standards; developing a powerful, secure Arizona Education Data Warehouse (AEDW); implementing widespread pay for performance; developing a system of intensive support to enhance the performance of its lowest-performing schools; and providing what is arguably the nation’s most fertile ground for school choice.

Arizona’s trajectory has been driven by a commitment to personalized teaching and learning, an aggressive approach to interventions supported by a strong legislative framework, and a variety of successful initiatives. Meanwhile, another important part of this story is the State’s extensive commitment to its 502 charter schools, growing additional charter schools, and the expansion of virtual schools. In the past decade, Arizona has led the nation in the growth of charter schools and virtual learning opportunities including new legislation to expand distance learning. Arizona has a vision of local control, curriculum tailored towards the individualized needs of every student, and the desire to expand opportunities for all students while balancing the needs to hold schools accountable for student achievement. Arizona can be a leader in each of the assurance areas. The legislative framework that exists coupled with the broad buy-in we have from our stakeholders creates an environment for success. In the past year Arizona has made strides in each of the assurance areas:

Standards and Assessments

- Passed into law the recommendations of Arizona’s Instrument to Measure Standards (AIMS) Task Force specifically paving

the way for college and career readiness exam;

- Due to the success of the AIMS Task Force, a second task force was established by the legislature, the Task Force on Assessments to Measure College- and Career Readiness, to look at options for assessing college- and career-readiness (CCR). The Task Force's recommendations were enacted by the Legislature, effectively requiring that there will be a CCR assessment in coming years, to evaluate tests used for admission or are used by post-secondary institutions to award academic credit or placement and directs the Task Force to recommend a process for the selection of one or more tests to be administered in grade 9 beginning in 2011 and in grade 11 beginning in 2012;
- Legislation created a task force to look at the measurement of K-3 gains, demonstrating Arizona's commitment to non-NCLB areas and providing early interventions to students;
- Obtained approval for an assessment of special education students that ultimately will measure their academic growth (AIMS A) for these students;
- Revised mathematics standards and increased science and mathematics graduation requirements;
- Participated in Achieve's 15-state consortium Algebra II assessment consortium;
- Participated in Achieve's College and Career Readiness Institute (CCRPI);

Statewide Longitudinal Data Systems

- Received \$6.5 million Statewide Longitudinal Data System grant from the U.S. Department of Education;
- Implemented the pilot testing of the Arizona Growth Model;

Great Teachers, Great Leaders

- Legislation enacted that prohibits the State Board of Education (SBE) from requiring a schools district superintendent or business manager to obtain state certification thus allows local school boards to set hiring qualifications;
- Legislation enacted to require SBE to provide alternative certification for non-traditional foreign language teachers;
- Limited tenure as a factor in retention and reappointment decisions regarding teachers;
- Continued to fund higher pay for teachers based on performance via a sales tax increase passed in 2000;
- Enacted legislation allowing the Career Ladder Program to go statewide;
- Arizona State University (ASU) was the recipient of a \$33 million grant, the largest single grant in U.S. Department of Education history for teacher preparation. Close to \$7 million of this grant has been awarded to enable more students in the Arizona Native American communities to earn teacher certifications;

Supporting Struggling Schools

- Legislatively established authority to take over failing schools under AZLEARNNS system;
- Legislatively established authority for financial receivership;
- Legislatively established authority for academic receivership of LEAs;
- Arizona was awarded a \$53 million dollar federal grant to establish the Arizona Charter School Incentive Grant Program;

- Enhanced charter school's ability to acquire facilities; and
- Eliminated statutory caps and made other changes which have dramatically expanded the opportunities for on-line learning.

In addition to these actions, Governor Jan Brewer reestablished via Executive Order a P-20 Coordinating Council, citing the need to maximize the effectiveness of our educational systems at all levels. The Council provides a statewide forum that will provide recommendations to the Governor on specific education reforms outlined in the American Recovery and Reinvestment Act. From the P-20 Coordinating Council, four Task Forces were formed, each one representing a different assurance area. The four Task Forces – Standards and Assessments; Data Systems; Great Teachers, Great Leaders; and Supporting Struggling Schools, played an integral role in developing and vetting the RTTT educational reform plan. The names and titles of these individuals can be found in Appendix A. Moreover, the RTTT Leadership Team led outreach that touched literally thousands of stakeholders directly, including representatives from virtually all LEAs. The stakeholder process is detailed in Section (A)(1)(iii). This extensive background work and stakeholder engagement has helped Arizona develop a detailed approach for each assurance area. After soliciting extensive input from Arizona's stakeholders, Arizona has developed the following plan to ensure the implementation of these proposed reforms. For each "assurance area" specified in the application, Arizona has outlined a vision, a set of baseline expectations for all Local Educational Agencies (LEAs), and a set of specific actions. Participating LEAs will receive, in addition to the ability to partner with the State and participate in the full reform plan, a direct infusion of funds to support implementation. We have embraced a vision for public education that accepts nothing less than the best for our students – the highest standards, the most outstanding educators, the best technology, and the best system for lifting up those who fall behind. Furthermore, we will accept nothing less than the best results in terms of student achievement. As agreed to by stakeholders and the 60% of Arizona LEAs that have signed on to participate, we are prepared to measure ourselves with the most rigorous, objective instruments available, and to be held publicly accountable for what the data show. Over the course of the next decade, our explicit goal is for these measures to show our students rising to among the highest-achieving in the United States, and for Arizona to become the example for achieving excellence amid challenging economic

circumstances. In addition, an emphasis must be placed on the homogeneous diversity that resides in Arizona's classrooms specifically our high population of Native American students and English Language Learners.

Supporting this initiative, the Arizona State Board for Charter Schools received a two-year grant from the National Governors Association Center for Best Practices in 2007 in the amount of \$20,000 for technical assistance to increase the quality of Arizona's charter schools. The grant, *State Leadership for High Quality Charter Schools*, supported work on the development of a consistent and transparent renewal process for the Board and provided assistance to refine the statutorily required five-year interval reviews and align those reviews with the process developed for renewal.

In our view, Arizona is poised to meet the challenges ahead. Whether on NAEP or the common summative assessments Arizona will help design, our state will be a top-tier performer, competing alongside the best in the nation. We can improve the test scores of our strongest students while dramatically boosting the achievement of our weakest. We can raise graduation rates without decreasing graduation standards. We can improve the number of students who enroll in college, while decreasing the proportion who require remediation and/or fail to complete credits in a timely manner.

The most recent results from the National Assessment of Education progress (NAEP) show our State's achievement consistently ranked somewhere between 38th and 48th in the country. We want our goal to be as ambitious as possible, yet achievable. While the short term goal is to make dramatic progression, our long term goal is to be among the top-tier states in reading and mathematics achievement. Over the past decade, Arizona's performance has trended comparably to the rest of the nation

(See Appendix B - How Arizona student achievement compares nationally). Additionally, a 2007 analysis of graduation rates, completed by the Editorial Projects in Education's (EPE) Research Center using the Cumulative Promotion Index (CPI) method, showed Arizona's graduation rate having risen more quickly than all but two states over the preceding decade, but still slightly less than average in absolute terms. (See Appendix C - How Arizona's graduation rate compares nationally) As you can see, Arizona has

made good progress and is positioned well to continue reforming our educational system and increase student achievement.

Arizona's Reform Strategy

Arizona's broad initiatives define our education reform agenda. They illustrate what we aspire to be while acknowledging what threatens to hold us back.

Focus on Transitions – Arizona needs a systemic change in the way it looks at education – from a time-based paradigm that requires students (with rare exceptions) to sit in each grade for one year, to a system based on content mastery that isn't afraid to allow students to move ahead or to hold them back. This emphasis will be particularly keen as students approach key "transition" points in their academic careers – i.e., from Pre-K to kindergarten, from 3rd grade to 4th grade and from 8th grade to high school. A "move on when ready" initiative will ensure that our students are prepared with the requisite skills as they advance to each level of schooling. Our RTTT plan incorporates intervention expectations and detailed strategies to address achievement deficiencies. In the elementary grades the emphasis is on "move on when *reading*" thereby ensuring literacy competency. The implementation of specific interventions strategies will, in effect, eliminate social promotion. However, the "move on when ready" initiative also applies to the students who demonstrate competencies to succeed at the next level. In addition to intervention, our plan specifies opportunities to accelerate a student's academic endeavors.

Rural Strategy – Some of Arizona's challenges are found in its rural schools, where physical distance, cultural barriers and poverty combine to produce low academic achievement. Accordingly, a large part of our Race to the Top thought process has been dedicated to developing partnerships and creating a dialog about a comprehensive set of solutions for our rural schools. Major components of this strategy include developing a corps of turnaround specialists willing to take on the challenge of rural education; expanding a program to bring advanced coursework to geographically isolated students via e-learning; providing school choice options as 43% of charter schools are in rural counties including ten schools on reservation land; and working specifically to address the challenges

posed by educating Native American students, who in Arizona comprise the lowest-achieving subgroup.

STEM Strategy for the 21st Century – Any plan to get ahead in the current economy – whether in the United States or globally – requires a strong emphasis on Science, Technology, Engineering and Mathematics (STEM) education. This focus is particularly important in Arizona, where a strong science and technology foundation helps drive the State economy. The State’s education reform will include a number of initiatives directly related to STEM – developing a regional innovation network to enhance Arizona’s STEM curricula; increasing the STEM content knowledge of our teachers; improving mathematics and science instruction in high-need schools; and expanding currently successful initiatives that increase the number of STEM teachers available to struggling schools. The State has already demonstrated its commitment to STEM by increasing its graduation requirements for science and mathematics.

(A)(1)(ii)

(a) Terms and conditions

In the interest of developing and syndicating a Memorandum of Understanding (MOU) as quickly as possible, Arizona adopted almost word-for-word the Participating LEA Memorandum of Understanding supplied with this application. Because the LEAs needed sufficient time to make a decision about joining, several presentations and webinars helped inform them of the overall RTTT goals of Arizona. In order to stay consistent and not give any preferential treatment, the MOU was not changed for any LEAs. A copy of Arizona’s MOU is included in Appendix D.

(b) Scope-of-work descriptions

Similarly, Arizona used the supplied Preliminary Scope of Work (SOW) with very few changes. The State did add to sections (D)(2)(i) and (D)(2)(ii) to make clear that participating LEAs would have to use student growth as a significant factor in evaluation systems. We felt that, given Arizona’s plan, this would be the most onerous requirement on participating LEAs and the one that

needed to be highlighted. LEAs were required to sign on for *all* of Arizona's Elements of State Reform Plans without any exceptions. While Arizona plans to give some discretion to the LEAs, by signing an MOU Superintendents (or equivalents) agreed that they were *willing* to implement any of the prescribed reforms (even if it's in a manner decided by the LEA). Similarly, because the grant lasts four years, even if one of the reforms is not currently applicable, LEAs still had to agree to be *willing* to implement if needed in the future. The SOW was not changed for any LEAs. A copy of Arizona's SOW is included in Appendix E.

(c) LEA signatures

With signatures from LEAs representing over 87% of all K-12 students, Arizona obtained nearly statewide support from the local education agencies. These LEAs also represent over 93% of all K-12 students in poverty (based on Free and Reduced Lunch) which signals our chance to really help those students in need. Although the signature of the Board President was not mandatory, 74% of Board Presidents signed on to support the Superintendents' decision to join in Arizona's Race to the Top efforts. Furthermore, 21% of LEAs who signed MOUs secured signatures from their Local Teachers' Union Leaders as well. Arizona has over 630 LEAs and we were able to obtain MOUs from 376 (59%), including 207 charters and 168 school districts. On top of that, 4 Joint Technical Education Districts (JTEDs) and 10 County Educational Service Agencies (ESAs) signed up. With support from so many stakeholders, Arizona is sure to translate this reform into broad statewide impact.

(A)(1)(iii)

The involvement of Arizona's participating LEAs will translate into broad statewide impact not only because of the level of participation specified in Section (A)(1)(ii), but also for several other key reasons: 1) *There is one clear path for all LEAs*; 2) *Policy changes underpin reform*; 3) *There are bold requirements for participating LEAs*; 4) *Our plan was developed with extensive stakeholder input*. Arizona has employed a truly inclusive process. The P-20 Coordinating Council members, without exception, expressed strong support for the recommendations of the RTTT Task Forces. In addition, Arizona's RTTT process and reform plans

were vetted extensively by stakeholders. Dr. Debra Duvall, Special Advisor to Governor Brewer and former Superintendent of Mesa Public Schools (Arizona's largest school district), alone made more than 80 presentations to more than 2,300 stakeholders in every corner of the State. Our RITT Task Force members made several dozen presentations to well over 500 stakeholders. Finally, the RITT Leadership Team (including Dr. Duvall; Rodel Foundation President and CEO Dr. Carol Peck, 1991 National Superintendent of the Year; and P-20 Coordinating Council Executive Director Debra Raeder met with the Arizona Republic Editorial Board, leading to a front-page story and a supportive editorial. From these engagements, Arizona has set the following goals for student achievement:

(a) Overall NAEP/ AIMS achievement and (b) Decreased achievement gaps on NAEP/ AIMS

Arizona developed achievement goals for NAEP and AIMS (Arizona Instrument to Measure Standards), the statewide summative assessment used for Elementary and Secondary Education Act (ESEA) reporting, to be aspirational and practically/mechanically achievable. Input from the P-20 Coordinating Council and the College and Career Ready Policy Institute (CCRPI) were used to set high-level aspirations, and benchmarking and analytics were used to analyze Arizona's subgroups and identify what realistically could be accomplished by 2020, the end-point for our goals.

From a benchmarking perspective, we looked closely at the experience of Florida, which approximately 10 years ago launched a comprehensive initiative to improve student achievement, in part by ending social promotion. But we also believe we can achieve at a higher level, in part because of the extensive focus on improving subgroups that exist in our plan. We believe growth will start slowly as this reform plan is implemented, accelerate quickly as reforms take hold, and then level off as students reach higher achievement levels and further gains become more challenging. This forecasted trend is consistent with what has been observed in other states.

On NAEP, Arizona can improve the percent of students proficient on each of the four tests (4th and 8th grade reading, 4th and 8th grade mathematics) from the mid- to high-20 percent range now to the 40 percent range by 2019 (the last NAEP year before 2020).

We estimate that will propel Arizona to the lower or midrange of the top tier of states nationally. Our estimates of performance by the current top states are based on these states' recent trajectories – 0.5 to 1.5 percentage point growth per testing period. For example, we project Arizona to be at 48% proficiency on the Grade 4 mathematics NAEP in 2019; the top tier currently is comprised of 20 states at 42% to 57% proficient, and we project the top tier to be from 45% to 62% proficient in 2019. (See Appendix F - Arizona NAEP Overall Proficiency Goals through 2019)

This improvement is driven in large part by targeting gains among Arizona's lowest-achieving subgroups – particularly Native Americans and Hispanics. We see the NAEP achievement gap, as measured by the difference in scores by white and Native American students, decreasing by as much as 16 points over the next decade. (See Appendix G - Ethnic subgroup goals target achievement gap closure (I) and (II))

Finally, Arizona is targeting substantial gains among its service needed subgroups, although the ability to drive achievement among these students, particularly those in special education, is tempered by what our experience suggests is achievable. Moreover, it is important to note that the percentage of these students in the ethnic subgroups and overall student populations led us to scale back the initial, quite lofty goals set by the P-20 Coordinating Council and CCRPI. (See Appendix G - Services-need student goals reflect realistic challenge (I) and (II))

The same basic logic underpins our goals for AIMS proficiency. It is important to note that these goals are theoretical – under this reform plan, AIMS will be replaced, likely by the spring of 2012, with a common summative assessment developed with a consortium. To the extent we continued with AIMS, we would target 78 to 87 percent proficiency at the overall student level, depending on the test and grade levels, a substantial jump over the current 68 to 74 percent proficiency. (See Appendix I – Arizona AIMS overall proficiency goals through 2020) More broadly, all of these AIMS goals can be updated when discussions on the common summative assessments become more advanced.

(c) Graduation rates

Arizona is targeting an 86% four-year, cohort-matched graduation rate in 2020 for all students. This would put Arizona among the top states in the country. The EPE Research Center analysis referenced in (A)(1)(i), using 2006 data, showed the top states with graduation rates in the low-80% range and growing slowly or not at all. However, the EPE figure for Arizona in 2006 was 68% compared to the 70% reported by the State. So we assume our 86% target would be in the low to mid-80% range under the EPE formula. We expect the largest gains to be made by Native American and Hispanic students, lowering the white-Native American achievement gap from 19% to 14%. (See Appendix J - Arizona high school graduation rate targets 2009-2020)

(d) College enrollment and success

Arizona currently ranks in the bottom third in the U.S. in enrollment in postsecondary education (30.3%). South Dakota leads the nation on students that continue on to higher education at 58.9%, while the median is 44%. Although data on the percentage of Arizona high school graduates who go on to postsecondary education within 16 months of graduation is not formally tracked, according to the Arizona Board of Regents, analysis suggests the current number is around 30% and, using our forecast graduation rates as input, can rise to about 45.6% in 2020. Such an increase likely would put us in the top 25% of states on this measure.

Currently Arizona does not track the percentage of these students who go on to complete a year's worth of credits within two years. Working closely with higher education in Arizona, we estimate this figure to be approximately 75% at present. With Race to the Top reforms, the Arizona Board of Regents estimates this figure can rise to 85.2% in 2020.

Summary Table for (A)(1)(ii)(b)		
Elements of State Reform Plans	Number of LEAs Participating (#)	Percentage of Total Participating LEAs (%)
B. Standards and Assessments		
(B)(3) Supporting the transition to enhanced standards and high-quality assessments	376	100%
C. Data Systems to Support Instruction		
(C)(3) Using data to improve instruction:		
(i) Use of local instructional improvement systems	376	100%
(ii) Professional development on use of data	376	100%
(iii) Availability and accessibility of data to researchers	376	100%
D. Great Teachers and Leaders		
(D)(2) Improving teacher and principal effectiveness based on performance:		
(i) Measure student growth	376	100%
(ii) Design and implement evaluation systems	376	100%
(iii) Conduct annual evaluations	376	100%
(iv)(a) Use evaluations to inform professional development	376	100%
(iv)(b) Use evaluations to inform compensation, promotion and retention	376	100%
(iv)(c) Use evaluations to inform tenure and/or full certification	376	100%
(iv)(d) Use evaluations to inform removal	376	100%
(D)(3) Ensuring equitable distribution of effective teachers and principals:		
(i) High-poverty and/or high-minority schools	376	100%
(ii) Hard-to-staff subjects and specialty areas	376	100%
(D)(5) Providing effective support to teachers and principals:		
(i) Quality professional development	376	100%
(ii) Measure effectiveness of professional development	376	100%
E. Turning Around the Lowest-Achieving Schools		
(E)(2) Turning around the lowest-achieving schools	376	100%

In addition to marking "Y" in all boxes, several LEAs put comments that expressed their support or stated that they had already implemented that strategy. Again, please note that from the model SOW, we changed parts (D)(2)(i) and (D)(2)(ii) in order to make for a stronger plan.

Summary Table for (A)(1)(ii)(c)

Signatures acquired from participating LEAs:

Number of Participating LEAs with all applicable signatures	Number of Signatures Obtained (#)	Number of Signatures Applicable (#)	Percentage (%) (Obtained / Applicable)
LEA Superintendent (or equivalent)	376	376	100%
President of Local School Board (or equivalent, if applicable)	271	368	74%
Local Teachers' Union Leader (if applicable)	52	243	21%

Several LEAs did not mark whether certain signatures were applicable or not, so we suspect the percentage of applicable School Board Presidents and Local Teachers' Union Leaders is actually higher.

Summary Table for (A)(1)(iii)

	Participating LEAs (#)	Statewide (#)	Percentage of Total Statewide (%) (Participating LEAs / Statewide)
LEAs	376	633	59.4%
Schools	1,720	2,229	77.2%
K-12 Students	1,319,239	1,511,398	87.3%
Students in poverty	583,469	631,451	92.4%

Data was provided by ADE based on FY 2009 numbers. For any LEA that opened in FY 2010, data came from the LEA.

Detailed Table for (A)(1)

This table provides detailed information on the participation of each participating LEA (as defined in this notice). States should use this table to complete the Summary Tables above. (Note: If the State has a large number of participating LEAs (as defined in this notice), it may move this table to an appendix. States should provide in their narrative a clear reference to the appendix that contains the table.)

Participating LEAs	LEA Demographics			Signatures on MOUs			MOU Terms	Preliminary Scope of Work – Participation in each applicable Plan Criterion															
	# of Schools	# of K-12 Students	# of K-12 Students in Poverty	LEA Supr. (or equivalent)	President or local school board (if applicable)	Teachers Union (if applicable)	Uses Standard Terms & Conditions?	(B)(3)	(C)(3)(i)	(C)(3)(ii)	(C)(3)(iii)	(D)(2)(i)	(D)(2)(ii)	(D)(2)(iii)	(D)(2)(iv)(a)	(D)(2)(iv)(b)	(D)(2)(iv)(c)	(D)(2)(iv)(d)	(D)(3)(i)	(D)(3)(ii)	(D)(3)(iii)	(D)(3)(iv)	(E)(2)
Name of LEA here				Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Yes/ No	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA	Y/ N/ NA
*																							

*Please see Appendix K for the detailed table for (A)(1) participating LEAs.

(A)(2) Building strong statewide capacity to implement, scale up and sustain proposed plans (30 points)

The extent to which the State has a high-quality overall plan to—

(i) Ensure that it has the capacity required to implement its proposed plans by— (20 points)

- (a) Providing strong leadership and dedicated teams to implement the statewide education reform plans the State has proposed;

- (b) Supporting participating LEAs (as defined in this notice) in successfully implementing the education reform plans the State has proposed, through such activities as identifying promising practices, evaluating these practices' effectiveness, ceasing ineffective practices, widely disseminating and replicating the effective practices statewide, holding participating LEAs (as defined in this notice) accountable for progress and performance, and intervening where necessary;
- (c) Providing effective and efficient operations and processes for implementing its Race to the Top grant in such areas as grant administration and oversight, budget reporting and monitoring, performance measure tracking and reporting, and fund disbursement;
- (d) Using the funds for this grant, as described in the State's budget and accompanying budget narrative, to accomplish the State's plans and meet its targets, including where feasible, by coordinating, reallocating, or repurposing education funds from other Federal, State, and local sources so that they align with the State's Race to the Top goals; and
- (e) Using the fiscal, political, and human capital resources of the State to continue, after the period of funding has ended, those reforms funded under the grant for which there is evidence of success; and

(ii) Use support from a broad group of stakeholders to better implement its plans, as evidenced by the strength of the statements or actions of support from— (10 points)

- (a) The State's teachers and principals, which include the State's teachers' unions or statewide teacher associations; and
- (b) Other critical stakeholders, such as the State's legislative leadership; charter school authorizers and State charter school membership associations (if applicable); other State and local leaders (e.g., business, community, civil rights, and education association leaders); Tribal schools; parent, student, and community organizations (e.g., parent-teacher associations, nonprofit organizations, local education foundations, and community-based organizations); and institutions of higher education.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. The State's response to (A)(2)(i)(d) will be addressed in the budget section (Section VIII of the application). Attachments, such as letters of support or commitment, should be summarized in the text box below and organized with a summary table in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (A)(2)(i)(d):

- The State's budget, as completed in Section VIII of the application. The narrative that accompanies and explains the budget and how it connects to the State's plan, as completed in Section VIII of the application.

Evidence for (A)(2)(ii):

- A summary in the narrative of the statements or actions and inclusion of key statements or actions in the Appendix.

Recommended maximum response length: Five pages (excluding budget and budget narrative)

(A)(2)(i)

(a) Strong leadership and dedicated teams

Providing direct oversight to any RTTT award will be a four person RTTT Team. The Governor's office, the Arizona Department of Education (ADE), and the SBE will work together to select the RTTT Team, with the Governor officially appointing them. The team will be appointed once the RTTT award to Arizona is officially announced. The team will drive the RTTT reform agenda, implement the initiatives, support participating and involved LEAs and hold all LEAs accountable. The team will collect and analyze performance data and develop presentations to update the P-20 Coordinating Council and other stakeholders on the progress of implementation.

RTTT funds will pay salaries and benefits for the RTTT team during the grant period. The RTTT Team will be designated as the key contact for participating and involved LEAs. Likewise, participating and involved LEAs will identify a key contact to work with the RTTT Team. The key contacts will maintain frequent communication during implementation and help ensure LEAs perform in accordance with the MOU and SOW.

The P-20 Coordinating Council is another important part of the leadership structure for Arizona's RTTT grant. The Council provided critical guidance in the writing of Arizona's RTTT application and will meet and weigh in on other issues critical to

Arizona's public education system regardless of how the State's RTTT application fares. The P-20 Coordinating Council Task Forces organized around the four reform areas will continue to get updates on Arizona's RTTT implementation and are expected to provide input in the form of in-depth analysis, perspectives and recommendations on specific issues. The RTTT plan is a coordinated, cohesive effort and many of the expectations in our plan cross reform areas. Sitting on each task force is at least one senior ADE executive who has been particularly involved in the development of the RTTT plan. These executives, along with their ADE teams, will be heavily involved in the implementation Arizona's education reform plan, again regardless of how the State's RTTT application fares.

Providing a critical link between ADE and Arizona's schools, especially in the more rural areas of the State, are the County Education Service Agencies (ESAs). The County ESAs play a particularly large role in professional development in Arizona. They act as a centralizing mechanism for the smaller and more dispersed LEAs that cannot support certain programs independently, and they can share best practices across LEAs.

(b) Support participating LEAs

During the development of this education reform plan, the theme of "local control" or decentralized decision-making surfaced countless times. Local control is part of Arizona's heritage – the necessary decision-making authority is at the LEA level, and the State must have the authority to take action when the LEA fails to keep its covenant with the community. This theme now defines Arizona's approach to supporting participating LEAs as they implement these reform plans. We believe we have developed a forward-thinking system for structuring LEA's spending for the 50% of RTTT funds that flow directly through to LEAs – this system both will ensure high-quality education reform, and simultaneously meet the demand for local discretion.

The system works as follows: Arizona has developed a set of spending priorities for LEAs to support education reform. At the highest level, the options are: 1) technology, 2) programs and 3) personnel. Technology refers to software, hardware and

connectivity that allow LEAs to support instruction and in particular drive 21st century learning. Examples include connecting rural schools to high-speed internet in order to facilitate distance learning and laptops to make teachers more efficient and effective in the classroom setting. Programs include the various initiatives both direct service to students and professional development activities for staff that meet the plan's criteria and outcomes. Examples include programs on strategies to enhance the equitable distribution of staff or services to support student-level interventions. Personnel include a range of roles we have envisioned here, each of which is based on the notion of building capacity. Assessment specialists, academic coaches, school-site liaisons, etc. – all of these personnel are targeted at developing the ability of Arizona's teachers and administrators to succeed in the objective, student- and achievement-focused paradigm being designed here. After four years, these individuals can leave and the capacity they build will remain. We believe this system maximizes student impact without creating a "funding cliff."

With RTTT funds, LEAs can invest as necessary to complement existing resources. It is likely that small LEAs will work together through County ESAs to pool funds to invest in technology, programs, or personnel. Across the state each LEA has preexisting heterogeneous assets and gaps, strengths and weaknesses. LEAs with strong academic coaches can forgo that investment and invest in technology. LEAs with strong technology bases can invest in programs to identify and develop strong teachers. Funds may be shifted in any number of ways, provided each LEA delivers on the expectations laid out in this application. Arizona's plan reflects what research has proven, there is not a silver bullet, a single approach to improving schools and raising student achievement. Each participating LEA will assess their current funding and school/student supports as they develop their RTTT plan. Funding from RTTT will accelerate student achievement and ultimately the districts' and the states goals.

To support this system, Arizona requires a thorough accountability system. LEAs that are empowered to make their own decisions must be held accountable for making good decisions. This accountability system is based on extensive collection of high-quality data, investment in research and other outside-in assessments, and careful scrutiny by the RTTT Team with a willingness to be prescriptive or even withhold ongoing funds to the extent that the reforms are not being executed. There are a number of areas in

this application in which higher education or an appropriate third party will be funded to provide an outside-in assessment to catalogue LEA efforts, quantify the degrees of success, and make recommendations on best practices. Examples include studies of the new teacher and principal evaluations and the strategies employed to enhance equitable distribution of staff.

Arizona's on-going task forces comprise another support mechanism. These task forces can assess and recommend promising practices, helping drive a cycle of continuous improvement. The task forces are in place and already have demonstrated the ability to impact Arizona's reform plans. Examples include:

- **The AIMS Task Force:** AIMS is Arizona's instrument to measure standards. The AIMS Task Force was created by legislative action in 2008 and its' work has provided the starting block from which our RTTT strategies and work advances. The AIMS Task Force is expected to continue its work with regard to college- and career-ready assessments.
- **The Arizona Performance Based Compensation Systems (PBC) Task Force:** Established by the legislature in 2005, the PBC Task Force reviews plans from LEAs across the State, reports on their quality, and makes specific recommendations consistent with the performance based compensation legislation. It now will look at how the new teacher and principal evaluations reflected in Race to the Top strategies link to the current performance based compensation systems.

Two unique initiatives that cut across the Race to the Top reform agenda in Arizona are those that address the Native American population and the significance of STEM to student achievement and state economy.

An important part of the support structure for Arizona's Native American schools involves the 2006 Indian Education Act, which formally created the Office of Indian Education, established in ADE by Arizona Revised Statute (A.R.S.) § 15-244. The Office provides technical assistance to Native American schools and to Indian Nations in order to meet the needs of Native American pupils. The Indian Education Act also formally created an Indian Education Advisory Council which meets annually to evaluate

and coordinate all activities relating to educating the state's Native American pupils. ADE also works closely with the Bureau of Indian Education (BIE) in coordinating the testing and reporting of BIE students with the state's AIMS assessment. In addition to these formal structures, the Race to the Top strategy recognizes the significance of involving the tribal councils and community leadership in addressing the education issues unique to their native communities. The Colorado River Tribes have needs different from the Native American communities in southern Arizona and the urban Native American communities differ still. Charter and virtual schools also provide educational services to Native American communities.

As noted earlier, to get ahead in the current economy will require a strong emphasis on STEM education. Arizona has demonstrated success in many knowledge economy fields and has a number of foundational strengths, including expertise in aerospace, materials science, semiconductors, and optics. According to a recent core competency analysis of our public universities, Arizona has a tremendous opportunity to build a world-class sustainable systems industry. As global markets focus on sustainability and demand increases, Arizona is competitively positioned to lead. As mentioned previously, five major military facilities are at the heart of a long history in defense, the fifth largest aerospace industry in the Nation and eight international Ports of Entry along the 400-mile border with Mexico. A concentration of technology firms have grown alongside the state's homeland security activity sparking emerging clusters in bioscience, analytical instruments and environmental technology. Arizona's RTTT plan will expand the state's focus on STEM education to successfully prepare our students to lead in today's competitive global economy. The driving force of this plan is to build upon existing core competencies (Advanced manufacturing, university research), unique capabilities (Biosphere, Observatories), and partnerships and network strategies (regional infrastructure) to create a cohesive system of support for teachers and students across the state. A regional infrastructure with a central hub supports the diversity and geographical challenges in our state and will allow for sharing of best practices and creating innovation labs at the same time. Using RTTT funds, and in partnership with the Arizona Science Foundation, Arizona's STEM initiative will recruit and train teachers, augment rigorous curriculum offerings, and create experimental opportunities for teachers and students.

Finally, from an accountability perspective, this plan puts in place several important mechanisms to ensure participating LEAs shift toward promising practices as evidence emerges about what works. Arizona's RTTT plan calls for the RTTT Team to withhold ongoing funds if LEAs are found, through these independent assessments, to have substandard practices and that recommendations are not followed. Evaluations (and how they are used for decision-making) and equitable distribution are two areas in which participating LEAs will be effectively required to adopt promising practices.

Arizona will use increased transparency to help hold LEAs accountable. An example here is publishing the aggregate teacher and principal ratings for each LEA in the State alongside student achievement and growth figures related to AIMS. In this way, misalignment would be clear. For example, if an LEA has 90% of its teachers scoring the highest rating and the majority of its students are falling behind on AIMS, the discrepancy would identify when student achievement data was not given the required consideration during staff evaluations.

It is important to note the accountability mechanisms Arizona currently has in place. The State already can put failing school districts into receivership for either financial or academic performance reasons (A.R.S. §§ 15-103 and 15-241.01), and failing charter schools are subject to revocation (A.R.S. § 15-241.U). Using the insights gained from data-driven reflection, RTTT funds and the receivership statutes, Arizona wields substantial ability to ensure its most struggling LEAs adopt promising practices.

(c) Effective and efficient operations

In writing this grant, Arizona has put in place cross-functional teams to ensure frequent and open communication about the reform plan, the signing of MOUs, and the collection of supporting evidence. That infrastructure now can be leveraged in the area of grant administration and oversight (where the Office of Economic Recovery (OER) is deeply involved), budget reporting and monitoring (the Office of Strategic Planning and Budgeting (OSPB), and fund disbursement (the proposed RTTT Team with support from OER and OSPB). In terms of performance measure tracking and reporting, the RTTT Team would oversee the process with data

collection and analysis by ADE. Again, ADE's leadership and staff have been heavily involved in the grant-writing process and stand ready to support the implementation of the RTTT plan. The measures tracked would be driven largely by the performance measures required in this application.

(d) Using funds for education reform

The highly inclusive process used to develop Arizona's Race to the Top application requires not only that the State use its RTTT funds to execute the reform plans detailed here, but also to align other resources to follow through on these plans even if Arizona does not win an RTTT award. The tight coordination between the Governor's office (including OER and OSPB), ADE and the SBE will ensure that the plan is executed.

(e) Ongoing fiscal, political and human capital resources

Arizona has taken great care to make its education reform plan sustainable beyond the four years of the RTTT grant period. The plan is to use RTTT funds to build capacity – be it through systems (e.g., enhanced teacher evaluations or preparation programs), skill development (e.g., professional development, especially focused around the use of technology and interpretation of data and classroom practices), or actual infrastructure (e.g., technology and high-speed Internet in our rural areas). Where there are investments in personnel, it should be noted that in most cases these are not permanent positions. These are contract positions that are funded for the life of the RTTT grant, and there will be a definitive set of goals and deliverables for these personnel to complete by the end of their contract. Of course these goals and deliverables may be altered during the grant period, but the point is that we have attempted to mitigate a “funding cliff”. When the grant period ends, their job (e.g., training on the new data systems, professional development on the new evaluations systems) is expected to have been completed and can be sustained through permanent LEA personnel that have been trained.

Arizona historically has had a very positive legislative environment for educational reform and to maintain this we have been

briefing legislators, primarily the Chairs of the Education Committees and the SBE during the development of this plan, apprising them of task force deliberations and of the emerging recommendations. The State also worked with these groups to understand the legislative and budgetary implications of possible strategies to support the final plan.

The business community and private foundations in Arizona are two more sources of support for this education reform plan. These groups have been involved in the development of this plan, through the P-20 Coordinating Council, the task forces and stakeholder meetings. They will continue to be involved in implementation and in many instances will be in position to directly fund or support specific initiatives.

(A)(2)(ii)

Letters of support from key stakeholders can be found in Appendix L.

(a) Support from teachers and principals

The Arizona Education Association had executive level membership on two of the four Task Forces. Additionally, each Task Force had principal and teacher representation. As the plan was developed updates were provided to the AEA Executive Committee.

(b) Support from other critical stakeholders

The voice of Arizona's high school students was heard in the recent work of the Arizona's Governors Youth Commission which emphasized the importance of high school graduation. Their recommendations included increasing options for graduation and demonstrating the relevancy of coursework through improved technology and experimental opportunities.

The Arizona School Business Officials and the Arizona School Boards Association co sponsored three webinars about the Race to the Top opportunity and helped facilitate the participating LEA recruitment process and securing the MOUs.

The long standing commitment of the business and philanthropic community in improving education is reflected in its engagement in the Race To The Top application process. The business community in Arizona, with its many constituents, had a leadership role in the P20 Coordinating Council and the Task Forces. Their commitment to the goals of the RTTT will provide longevity and continuity for the implementation of the State's plan.

(A)(3) Demonstrating significant progress in raising achievement and closing gaps (30 points)

The extent to which the State has demonstrated its ability to—

(i) Make progress over the past several years in each of the four education reform areas, and used its ARRA and other Federal and State funding to pursue such reforms; (5 points)

(ii) Improve student outcomes overall and by student subgroup since at least 2003, and explain the connections between the data and the actions that have contributed to — (25 points)

- (a) Increasing student achievement in reading/language arts and mathematics, both on the NAEP and on the assessments required under the ESEA;
- (b) Decreasing achievement gaps between subgroups in reading/language arts and mathematics, both on the NAEP and on the assessments required under the ESEA; and
- (c) Increasing high school graduation rates.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (A)(3)(ii):

- NAEP and ESEA results since at least 2003. Include in the Appendix all the data requested in the criterion as a resource for peer reviewers for each year in which a test was given or data was collected. Note that this data will be used for reference

only and can be in raw format. In the narrative, provide the analysis of this data and any tables or graphs that best support the narrative.

Recommended maximum response length: Six pages

Arizona can point to its recent reform efforts as the basis for the improvements made in NAEP and AIMS performance and is proud of its track record in each of the four education reform areas – in terms of both the initiatives undertaken and the ways funds have been used. The State has progressively addressed education in each area:

Standards and Assessments

Arizona has worked hard in recent years to align its Mathematics and English Language Arts Standards with rigorous national guidelines. Alignment studies were conducted by state staff, and Achieve, through the American Diploma Project, did alignment and benchmarking studies. Arizona educators (K-12 and higher education) used the results of these studies in the revision process that led to new mathematics standards being rolled out this school year. The language arts standards revision process was put on hold pending the completion of the Common Core.

In December, 2007, the SBE adopted more rigorous standards for graduation, particularly in the area of STEM. Where high school students traditionally have been required to complete two credits of mathematics to graduate, students in the Class of 2012 will be required to complete three credits, and starting with the Class of 2013 students will be required to complete four. Similarly, the traditional requirement of two science credits increases to three credits starting with the Class of 2013. And the traditional two and one half social studies credits increase to three starting with the Class of 2012.

Demonstrating the State's commitment to high-quality assessments, the AIMS Task Force was established by the Arizona Legislature in 2008 and charged with examining AIMS from a high-stakes and college- and career-readiness (CCR) perspective. The Task Force's recommendations were passed into legislation and led to the creation of a second task force, the Task Force on

Assessments to Measure College and Career Readiness. This Task Force will examine and review college and career ready tests, tests used for admission to postsecondary institutions, and tests used by postsecondary institutions to award academic credit or placement. Furthermore, this task force is to recommend a process for the selection of one or more tests to be administered in grade 9 beginning in 2011 and in grade 11 beginning in 2012.

The State put a spotlight on elementary reading when it established AZ READS (A.R.S. § 15-704). This program was initially funded with a \$1 million appropriation. The program required all elementary schools in Arizona to adopt a scientifically based reading curriculum that included the essential components of reading instruction, to assess the progress of K-3 students, and to provide intensive reading instruction where students were not meeting or exceeding the reading standards. Arizona demonstrated measurable progress in elementary reading during this time period, as will be further discussed in Section (A)(3)(ii). Demonstrating Arizona's commitment to high-quality assessments for special education students, ADE developed AIMS A with extensive input from Arizona special education specialists and testing experts during 2008-09 school year. Administered for the first time in the spring of 2009, AIMS A has multiple ways of assessing students: 1) online multiple choice, 2) teacher rate items, and 3) performance tasks scored by the teacher. Because there is a single scale for AIMS A, Arizona will be able to show growth for its special education students (at this time, the test has been administered only once).

In November, 2009, Arizona became one of seven states to win the prestigious Lumina Grant when the Arizona Board of Regents was given \$1.5M by the Lumina Foundation to expand low-cost options for delivering bachelor's degree programs and to create a new state funding formula for higher education. The grant award highlights Arizona's commitment to college- and career-readiness and helping students become successful in the workforce.

Statewide Longitudinal Data Systems

Arizona has taken advantage of a \$6 million SLDS grant from the U.S. Department of Education in 2007 to build the Arizona

Education Data Warehouse (AEDW), a secure, scalable enterprise-class repository for longitudinal student data from early education through higher education and the workforce. The user interface is based on Microsoft Excel 2007. The next step is for ADE to create a user interface and supporting tools that allow access to and are extremely simple and easy to use for all stakeholders, and to collect more real-time and actionable data to drive classroom-level decisions.

At the time of this writing, ADE had submitted a 2010 SLDS grant application. This time the Department is asking for \$20 million to 1) expand the data collection processes; 2) implement a broad range of success measures; 3) expand the AEDW, including the portal; 4) build the data governance, training and communications capacities; and 5) expand the technology infrastructure. Arizona hopes that through another SLDS grant and RTTT that it can realize its vision of providing meaningful, accurate data to all stakeholders in a format that truly drives instruction.

IDEAL (Integrated Data to Enhance Arizona Learning) is another important technical tool in place. This versatile application provides, in addition to the item bank, access to professional development, School Improvement Plans and searchable standards-based resources. ASU has provided valuable outside, user-focused perspective in creating IDEAL, as well as resources to help ensure the sustainability of the application. IDEAL can be a critical building block for Arizona user-based applications that are developed in coming years.

Arizona, through the Arizona Charter School Association, is working to develop a proof-of-concept for a growth model similar to that used in Colorado. This value-added system tracks individual student performance and clearly illustrates for parents and teachers how a student performs in comparison to how the student is expected to perform. The Arizona Growth Model is being implemented through the State data warehouse and will be available to all LEAs in the next three years. RTTT funds will be used to accelerate this effort.

Arizona recently was awarded \$1.3M by Federal government for the Arizona Public Computers Centers, to enhance facilities in

more than 80 public libraries throughout Arizona. This effort will support the development of 21st Century skills across Arizona by deploying more than 1,000 computers, replacing and upgrading existing broadband capacity, placing public computing centers in four Tribal libraries and enhanced broadband access to low-income and English as a second-language populations, and provide laptops that enable a mobile training environment to foster community outreach to vulnerable populations.

Great Teachers, Great Leaders

In terms of alternative pathways to certification, Arizona has in place nine SBE-approved alternative programs. Notably, Teach for America (TFA), in partnership with Arizona State University's College of Teacher Education and Leadership, has roughly doubled the number of participants it has in Arizona over the past five years, to 320 in 2009-10 from 155 in 2005-06. The intern certificate program, which allows the holder to be the teacher of record while completing an SBE-approved program, has grown from issuing 52 certificates in 2005 to 851 so far for 2010. And ASU recently was awarded \$33.4 million over five years in the Teacher Quality Partnership Grant Program, which will allow ASU to expand its Professional Development School program across the state of Arizona, spanning rural American Indian communities and the metropolitan Phoenix and Tucson areas.

Arizona's evaluations remain driven at the local level, and the quality of those evaluations – as well as the distribution of scores – varies widely. However, the State has had in place performance-based compensation (PBC) for more than two decades. Proposition 301 passed in 2000 and provides funding to compensate teachers for performance (codified in A.R.S. § 15-977). While there are opportunities amongst LEAs to define performance more clearly and to strengthen these plans, simply having this legislation in place means Arizona is well past any initial resistance and is ready to take the next step. Furthermore, the Career Ladder program, in place in 28 districts reflecting close to 40% of the student population, has demonstrated positive results, particularly as part of a system that includes recognition and job-embedded professional development (A.R.S. §§ 15-918 to 15-918.05).

In terms of equitably distributing effective teachers, Arizona can point to initiatives such as TFA and the Rodel Exemplary Teacher

program. Rodel recognizes and rewards teachers with outstanding records of student achievement, pairs them with student teachers in a mentoring program, and provides meaningful incentives to get graduates into underserved schools. A study by researchers at ASU showed that the students of Rodel Promising Student Teacher Graduates had significantly higher pass rates on AIMS than teachers at similar schools. Graduates were also observed displaying the characteristics of effective teachers more often than other novice teachers.

NAU Teach (at Northern Arizona University) is a promising new program that helps rural areas “grow their own” talent, particularly in the STEM disciplines. Troops to Teachers, in place in Arizona since 1994, is another program that is effective at getting promising teachers into rural areas and STEM subject matters. The Science Foundation Arizona brings together public and private support to develop STEM programs, such as the Arizona Center for STEM Teachers at Biosphere 2, and provides hands-on research and evidence-based learning opportunities for teachers. ADE has also been a strong contributor to equitable distribution through supporting National Board Certified Teachers and tracking “highly qualified” teachers.

T-PREP is a three-year-old, collaborative effort among ASU, NAU and the University of Arizona to develop a meaningful system to monitor, assess and support teacher candidates as they progress through preparation programs and later their careers, T-PREP links student achievement data with individual teachers, connect teachers’ training and early experience with their subsequent behaviors in the classroom, and provides feedback at opportune moments in pre-service teachers training.

RTTT funding will be used to expand or accelerate each of these programs in Arizona.

Supporting Struggling Schools

ADE recently developed a framework for a multi-tiered system of support which is called AZRTI (Arizona Response to Intervention). Based on converging research, the framework incorporates differentiated instruction, personalized learning plans, formative assessment data and, most critically, the response of the teacher/school to the student’s success or struggle with the

immediate learning.

This framework underpins Arizona's approach to school improvement and guides Arizona Title I schools as they spend their American Recovery and Reinvestment Act (ARRA) funds. Specifically, schools are bringing in additional interventionists (qualified teachers) to coordinate, plan and deliver necessary intervention. Additional paraprofessionals are providing small group instruction and skill-based review. Purposeful, targeted instructional materials that support learning and additional practice are being purchased. Many schools are taking advantage of technology based instructional supports that allow the student to engage in independent learning or review. And many Title I schools have invested ARRA funds in designing and implementing effective parent engagement systems that not only improve communication between the school and home but also engage the parents as full partners in the education of their child.

Arizona is a dual accountability state that already is identifying and intervening in low-performing schools based on its own accountability formula. The State system for accountability is known as AZ LEARNS. Schools identified as failing under AZ LEARNS receive a series of intensive supports and may have the principal replaced (A.R.S. § 15-241). Analysis of the State's success at intervening in the lowest performing schools can be seen in the charts included in Appendix M. This intervention has made a clear impact in the years immediately following the intervention, but the effect levels off over time and became less pronounced in subsequent years. (See Appendix L - The effects of turnaround efforts on AIMS passing rates (I) and (II)).

Given these patterns, the State must intensify its interventions to help schools "over the hump" and get their students to achieve at increasingly higher levels. An important part of Arizona's work has come specifically with English Language Learners (ELL students). An ELL Task Force developed the Models of Structured English Immersion (SEI Models) in 2007 and these were adopted for statewide use (A.R.S. § 15-756.01 and 15-756.02). Accelerated language acquisition is supported by providing time on task with highly qualified teachers who utilize a structured, discrete approach to language acquisition. Since the adoption of the SEI Models, reclassification rates in Arizona have significantly and consistently improved. The reclassification rate, which was 12%

prior to the Models' adoption, increased to 22% in the first year (2007-2008) and 29% in the second year (2008-2009).

The Advanced Placement Incentive Program is another ADE initiative that has been successful with disadvantaged students. This program, provided in conjunction with the College Board, brings rigorous coursework to low-income middle school and high school students in Arizona. ADE recently completed a three-year AP Incentive Grant involving 13 high schools and 14 feeder schools throughout the state. Results were very positive – they included increasing the number of AP exams taken by low-income students 360% from 125 to 575, and the number of AP exam scores of low-income students 319% from 37 to 155.

Arizona also has invested \$1M of its College Access Challenge Grant (CACG) funds in 11 community groups who help underserved youth. The 11 subgrants were made on a competitive basis to organizations that provide: 1) college information and preparation services to students and families; 2) information on financing options for postsecondary education and activities that promote financial literacy and debt management among students and families; 3) outreach activities for students who may be at risk of not enrolling in or completing postsecondary education; assistance in completion of the FAFSA; or 4) professional development for guidance counselors at middle schools and secondary schools, and financial aid administrators and college admissions counselors at institutions of higher education.

Arizona's focus has been on improving its rural and Native American schools for some time. An important grant ADE won in 2004 from the U.S. Department of Education was a \$1.8 million grant to support the Arizona Native American Dropout Prevention Initiative (NADPI), which is now in its third and final year. There have been a number of successes associated with working with the White Mountain and San Carlos Apache Tribes under this grant – positive communication with chronically absent students and their families, community awareness, schools recognition of the need for systemic change, and rising re-enrollment. There also have been lessons learned. For example, it took a significant amount of time to establish trust with the tribal community. ADE has learned the need for truancy codes and one-to-one student-to-staff relationships. Ongoing work to improve these schools has

established a foundation of success from which to build.

The State has a rich system of charter schools that are also an option for struggling schools. The total number of charter schools in Arizona is 502, which is second only to California's number of charter schools, which exceeds 700. Arizona statute (A.R.S. §15-183.I) requires a review of charter contracts every five years and provides that a charter contract may be revoked if the charter holder is found in breach of one or more provisions of the contract at any point in time during the school's operation. Charter schools are required to complete both an annual independent financial audit (A.R.S. §§ 15-183.E.6 and 15-914) and an annual performance report for parents (A.R.S. § 15-183.E.4).

Two recent grants allowed the Arizona State Board for Charter Schools (ASBCS) to increase the level of accountability for charter schools. The funding came through two separate grants from the U.S. Department of Education's Office of Innovation and Improvement totaling \$60,000. The first grant supports development, adoption and implementation of state policies that lead to more high-quality public charter schools, while the second aims to improve student achievement by helping charter school operators and authorizers strengthen their performance management practices. Meanwhile, the portfolio of high-quality charters is expected to grow as Arizona recently awarded \$14 million over two years and an expected \$53 million over five years as part of the Arizona Charter School Incentive Program (AZCSIP) to increase the number of high-quality charter schools in Arizona, particularly those serving students most at risk in rural and urban settings.

(A)(3)(ii)

(a) Impact of State actions on NAEP/ AIMS scores

As one looks at student achievement in fourth grade, the average proficiency has reached a plateau since 2003, though it is important to note the increase in the population of some ethnic subgroups. For example, the number of Hispanic students grew by 25% in 4th grade and about 33% in 8th grade from 2003 to 2007, while the number of white students remained flat. Yet looking at 4th

grade reading *every* ethnic subgroup improved the rate of proficiency from 2003 to 2007, including Hispanics from 13% to 20% and Asians from 38% to 46%, overall proficiency remained pretty much flat – going from 23% to 24%. We attribute these subgroup gains to Arizona’s commitment to personalized teaching and learning, focus on interventions where students and/or entire schools are struggling, and successful initiatives such as the SEI Models and AZ READS. Hispanic students in particular have benefited from these efforts. (See Appendix O - Arizona NAEP grade 4 reading proficiency 1998-2007)

Meanwhile, the most positive view of NAEP proficiency comes in 8th grade mathematics, where the percentage of proficient students rose from 21% to 29%, driven by particularly strong gains among Hispanics (9% to 23%). (The rest of Arizona’s NAEP achievement can be found in Appendix P)

(b) Impact of State actions on achievement gaps

The groundwork for reform has recently been laid in Arizona. Increasing the rigor of standards, building AEDW and launching NAU Teach and T-PREP – coupled with important competitive grants such as Lumina, Teacher Quality Partnership, and AZCSIP will augment the initiatives described in (A)(3)(i) and are projected to reduce the achievement gaps that exist among the subpopulations.

The AIMS data show an increase and reflects positively on the actions to enhance overall achievement. Performance on the AIMS test has steadily increased since 2005 (scores prior to 2005 are not comparable due to substantial test changes), particularly in elementary and middle school reading. IDEAL, the Web portal with an item bank of AIMS-aligned questions, professional development for teachers and standards-based material seems to have had an impact since its roll-out in 2006. Achievement gaps also have closed in both reading and mathematics at the elementary and middle school levels, suggesting that Arizona’s steps to personalize learning and strengthen the quality of teaching in high-poverty schools (via TFA and Rodel’s Exemplary Teacher Program) are making a difference. In addition, interventions at the State’s lowest-achieving schools, detailed in Section (A)(3)(i),

we know are positively impacting these data. (See Appendix Q - Arizona AIMS elementary reading performance 2003-2009)

Another look at how Arizona has driven achievement substantially among Hispanic students comes at the high school level. Hispanic students improved from 49% proficient to 58% proficient on AIMS mathematics from 2005 to 2009, the best subgroup gain among a number of solid ones that left overall proficiency at 69%, up from 64%. (See Appendix R - Arizona AIMS high school math performance 2003-2009)

(c) Impact of State actions on high school graduation rates

Arizona's graduation rate has been more or less flat since 2003, hovering near the 75% range. The rate's only dip came in 2006, the first year AIMS proficiency was a graduation requirement. That the rate didn't drop lower is partly due to "augmentation" or the ability for students scoring below proficient to augment their scores with a grade of "C" or better in relevant classes (R7-2-302.06). That rule is in the process of being phased down over the next several years, which will significantly reduce the allowable augmentation points. The efforts of Arizona to address dropouts, particularly among Native Americans, are evident here – Native Americans graduated at 60% in 2008 up from 51% in 2006, while Hispanics rose to 67% up from 60%. Among serviced-need students, the initial impact of the AIMS requirement has been acute – both low socio-economic status students and English Language Learners dropped by double-digit totals of percentage points, and both have been climbing back slowly. (See Appendix T - Arizona high school graduation rates 2003-2008)

(B) Standards and Assessments (70 total points)

State Reform Conditions Criteria

(B)(1) Developing and adopting common standards (40 points)

The extent to which the State has demonstrated its commitment to adopting a common set of high-quality standards, evidenced by (as set forth in Appendix B)—

(i) The State's participation in a consortium of States that— (20 points)

- (a) Is working toward jointly developing and adopting a common set of K-12 standards (as defined in this notice) that are supported by evidence that they are internationally benchmarked and build toward college and career readiness by the time of high school graduation; and
- (b) Includes a significant number of States; and

(ii) — (20 points)

- (a) For Phase 1 applications, the State's high-quality plan demonstrating its commitment to and progress toward adopting a common set of K-12 standards (as defined in this notice) by August 2, 2010, or, at a minimum, by a later date in 2010 specified by the State, and to implementing the standards thereafter in a well-planned way; or
- (b) For Phase 2 applications, the State's adoption of a common set of K-12 standards (as defined in this notice) by August 2, 2010, or, at a minimum, by a later date in 2010 specified by the State in a high-quality plan toward which the State has made significant progress, and its commitment to implementing the standards thereafter in a well-planned way.²

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the

² Phase 2 applicants addressing selection criterion (B)(1)(ii) may amend their June 1, 2010 application submission through August 2, 2010 by submitting evidence of adopting common standards after June 1, 2010.

criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (B)(1)(i):

- A copy of the Memorandum of Agreement, executed by the State, showing that it is part of a standards consortium.
- A copy of the final standards or, if the standards are not yet final, a copy of the draft standards and anticipated date for completing the standards.
- Documentation that the standards are or will be internationally benchmarked and that, when well-implemented, will help to ensure that students are prepared for college and careers.
- The number of States participating in the standards consortium and the list of these States.

Evidence for (B)(1)(ii):

For Phase 1 applicants:

- A description of the legal process in the State for adopting standards, and the State's plan, current progress, and timeframe for adoption.

For Phase 2 applicants:

- Evidence that the State has adopted the standards. Or, if the State has not yet adopted the standards, a description of the legal process in the State for adopting standards and the State's plan, current progress, and timeframe for adoption.

Recommended maximum response length: Two pages

Arizona, along with 47 other states and three territories, is participating in the Common Core initiative to develop common Mathematics and Language Arts Standards. This initiative is being led by the Council of Chief State School Officers (CCSSO) and the National Governors Association for Best Practices (NGA Center), in partnership with ACT, the College Board, and Achieve. As of the writing of this proposal the draft standards were marked confidential. Below is the timeline proposed for the release of the final standards:

- Feedback on the Confidential K-12 ELA and Math Standards Draft due: January 22
- Public Draft of K-12 ELA and Math Standards: 1st week of February
- Feedback due on public draft: February 19

- Final Draft: End of February/Early March

The latest Common Core documents can be found in Appendix U.

(B)(1)(ii)

Arizona law grants the SBE the authority to adopt statewide academic standards (A.R.S. §§ 15-203, 15-701 and 15-701.01). Although the SBE maintains that its final determination will be made after careful examination, it has committed to work towards the adoption of the Common Core standards by Aug. 2, 2010. On Dec. 7, 2009, ADE made a presentation to SBE describing the Common Core initiative and a proposed timeline for adoption. The SBE appreciated the rigorous and thoughtful process associated with the Common Core. The SBE reconvened for a special study session on Dec. 17, 2009, to gain additional information and is amenable to the timeline, which is as follows:

January 25, 2010	Progress report to the SBE
February 22, 2010	Present initial draft of the transition plan for the adoption of Common Core Standards
March 22, 2010	Present Common Core Standards (Language Arts and Mathematics) to the SBE and gain permission to post these standards online for 30 days. During this time, the public will be invited to view the Common Core, and have the opportunity to comment on whether or not Arizona should add to the Common Core for Arizona students (maximum 15%)
April, 2010	During this month, ADE will hold four Public Webinars to share pertinent information on the Common Core Standards regarding process and product ADE staff and committees of stakeholders in both Language Arts and Mathematics will review public

	feedback and finalize recommendations to the SBE
May 24, 2010	Presentation to the SBE; review of public feedback; request to adopt the Common Core Standards and State Specific Additions in Language Arts and Mathematics
Summer, 2010	<p>Planning and working meetings with a Leadership Corps of educational stakeholders including university and county partners, to develop regionally based assistance in implementation of Common Core Standards in Mathematics and Language Arts</p> <p>Create Arizona-specific supporting documents such as crosswalks (cross walking the current standards to the new standards), change summaries (highlighting critical changes in each grade level), and other instructional documents as determined by the stakeholder group</p>
Fall, 2010	Official rollout begins
<p>Arizona is well-positioned for a swift implementation of the new standards. On June 24, 2008, the SBE adopted revised mathematics standards that align with rigorous national expectations (NAEP and ADP Benchmarks). More recently, the ADE began a similar process with the State's Language Arts standards. Discussions about College and Career Readiness standards have also been extensive among policymakers and educators as evidenced by the participation in the CCRPI.</p> <p>In developing State Specific Additions to the Common Core, ADE will work closely with stakeholders to ensure the new standards reflect community expectations. In particular, ADE will work with higher education to ensure that the standards build toward their expectations for incoming students, and that students who demonstrate proficiency in the standards are able to take college-level courses without remediation. Some of the groundwork for this is being started by two Gates funded projects involving the state's largest K-12 and high school districts and the country's largest community college district working together to increase college</p>	

completion. Meanwhile, the Arizona Early Childhood Development and Health Board (“First Things First”) will work with ADE to align the State’s early education standards to the Common Core.

(B)(2) Developing and implementing common, high-quality assessments (10 points)

The extent to which the State has demonstrated its commitment to improving the quality of its assessments, evidenced by (as set forth in Appendix B) the State’s participation in a consortium of States that—

- (i) Is working toward jointly developing and implementing common, high-quality assessments (as defined in this notice) aligned with the consortium’s common set of K-12 standards (as defined in this notice); and
- (ii) Includes a significant number of States.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State’s success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (B)(2):

- A copy of the Memorandum of Agreement, executed by the State, showing that it is part of a consortium that intends to develop high-quality assessments (as defined in this notice) aligned with the consortium’s common set of K-12 standards; or documentation that the State’s consortium has applied, or intends to apply, for a grant through the separate Race to the Top Assessment Program (to be described in a subsequent notice); or other evidence of the State’s plan to develop and adopt common, high-quality assessments (as defined in this notice).
- The number of States participating in the assessment consortium and the list of these States.

Recommended maximum response length: One page

Arizona believes in college- and career-readiness as the goal for all students. To achieve this goal policymakers have already begun the process of examining the existing assessment system. To this end two independent task forces have both concluded that while AIMS is an important measure of proficiency in reading, writing and mathematics at the 10th grade level, it is insufficient as a

measure of college-and-career-readiness. In addition, Arizona continues to work with the Achieve organization, its partners, and all interested states to pursue a common assessment system anchored in college and career readiness.

The Common Core initiative and the Federal funding available for developing summative assessments of the Common Core standards provide a perfect opportunity for Arizona to replace AIMS, and to do so in a way that costs relatively little and actually could lower ongoing costs to update summative assessments on a yearly basis. Arizona is working with two separate consortia for the development of a common assessment system that aligns to the Common Core Standards.

The first consortium is an umbrella consortium, with input from CCSSO that could incorporate other consortium assessment designs. This would allow for multiple formats that could be compared across states. There are currently thirty-six states that have signed this non-binding MOU with West Virginia and Maine as the lead states.

The second consortium has a more detailed plan of action defining how the states would work together to build a balanced assessment system that could be shared across multiple states. There are currently thirteen other states that have signed the non-binding MOU. Florida is the lead state in this collaborative effort.

Both MOUs can be found in Appendix V.

The specific plan for common assessments remains flexible pending discussions with the consortia. To date: Each consortium will be applying to the Race to the Top Assessment Program to fund the development and initial administration of a balanced assessment system for all students. In the initial plan as outlined in the MOU with Florida, rollout of the assessments could occur as early as the spring of 2013. It is anticipated rollout would occur over two years with full implementation in 2014. The plan allows for the extensive amount of joint planning that must take place to bring together multiple states. Arizona will work to ensure that the creation and adoption of new assessments maintains valid comparisons to existing AIMS scores and strengthens accountability.

Until the consortium meets and determines the high school assessment format, Arizona, while determined to add college- and career-ready assessments to its program, will remain flexible in how the high school assessment system will be expanded to incorporate this expectation for students.

Despite those moving parts, Arizona has several goals it is attempting to achieve with its high school assessment system: 1) Continue to provide a graduation requirement as required by law; 2) Ensure there is time for meaningful remediation for students who fall short of the graduation requirement; and 3) Test for college- and career-readiness.

Reform Plan Criteria

(B)(3) Supporting the transition to enhanced standards and high-quality assessments (20 points)

The extent to which the State, in collaboration with its participating LEAs (as defined in this notice), has a high-quality plan for supporting a statewide transition to and implementation of internationally benchmarked K-12 standards that build toward college and career readiness by the time of high school graduation, and high-quality assessments (as defined in this notice) tied to these standards. State or LEA activities might, for example, include: developing a rollout plan for the standards together with all of their supporting components; in cooperation with the State's institutions of higher education, aligning high school exit criteria and college entrance requirements with the new standards and assessments; developing or acquiring, disseminating, and implementing high-quality instructional materials and assessments (including, for example, formative and interim assessments (both as defined in this notice)); developing or acquiring and delivering high-quality professional development to support the transition to new standards and assessments; and engaging in other strategies that translate the standards and information from assessments into classroom practice for all students, including high-need students (as defined in this notice).

The State shall provide its plan for this criterion in the text box below. The plan should include, at a minimum, the goals, activities, timelines, and responsible parties (see Reform Plan Criteria elements in Application Instructions or Section XII, Application Requirements (e), for further detail). Any supporting evidence the State believes will be helpful to peer reviewers must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Recommended maximum response length: Eight pages

Arizona has considerable experience with implementing new sets of standards, having developed a detailed procedure for roll-out and initial testing. This plan was first utilized for the 2003 Reading and Mathematics Academic Standards and has been revised and enhanced on subsequent adoptions of new standards. In 2008 the state implemented new, more rigorous mathematics standards based on NAEP and ADP, including college-readiness standards. The state was starting to implement similar standards in language arts but suspended that work because of our commitment to the Common Core Standards. The State now plans to implement the Common Core Standards following previously successful procedures with some enhancements. As discussed in Section (B)(1)(ii), the State has developed a plan for stakeholder review and adoption by the SBE of the Common Core Standards for Reading and Mathematics. This process will allow stakeholders to make recommendations for additions to the standard to meet the academic expectations of Arizona prior to SBE adoption. Pursuant to state law (A.R.S. §§15-183.E.3, 15-701.B.1 and 15-701.01.C.1), once standards are adopted, all public schools in the State are to utilize these standards in the development of curriculum and instruction in their district/schools. In order to assist the field in this process the State will offer support during the implementation plan of the new standards.

Our implementation plan includes both technical assistance and professional development. The goals for technical assistance are: 1) to assist in the identification, analysis, and use of resources that align to the Common Core Standard; 2) to provide assistance to schools to establish an effective, standards-based instructional system; 3) to improve communication and networking; and 4) to use technology to provide assistance to educators and schools. A built-in instructional support will be part of the standards documents, as implemented in Arizona, which will include both explanations/clarification and examples of the knowledge and skills identified in the Common Core. We will also create other crosswalks, critical support documents that show the alignment of the new standards to the old, and a summary of changes that highlights the significant changes in each grade level. These documents are critical for district curriculum specialists and charter counterparts as they plan curriculum maps, pacing guides and classroom instructional strategies. The documents also assist districts/schools in conducting a gap analysis so that teachers are aware of changes in student

expectations.

The plan for professional development will meet these four goals: 1) to increase teachers' content knowledge of the new Common Core Standards; 2) to encourage content integration across academic standards so that curriculum is comprehensive, meaningful, and manageable; 3) to assure that curriculum, instruction, and formative and interim assessments are aligned to the Common Core Standards; and 4) to use technology to ensure accessibility and equity to professional development. Presently, the State is resourced to provide this type of assistance for the implementation of a single content area at a time. In order for the State to facilitate this aggressive implementation plan for mathematics and English language arts and, to support our STEM initiative/technology, there is a need for a team of academic/instructional specialists (instructional leaders on loan from districts and charters that can support regional professional development for the districts and schools). This team will have extensive training on the Common Core Standards prior to the transition year and will be instrumental in the development of the support materials used for the implementation of the standards. They will also provide LEAs with guidance in the use of proven effective instructional strategies. The work of the County Academic Teams will be supported by the RTTT Leadership Team, with direct supervision coming from the County Superintendents.

There will be a one year transition to the new standards, followed by the first year of full implementation. This timeline for full implementation assumes that the assessments developed by the Assessment Consortium are operational in spring, 2012. Academic assessments must be aligned to the standard used for instruction. Full implementation of the standards will take place the school year that the consortium-developed assessments are given.

An important part of our plan is to develop online formative assessment tools for use by all Arizona teachers. Currently over 100 school districts, as well as many of Arizona's charter schools, have access to such tools through locally selected and funded third-party systems. Unfortunately, these tools do not reach more than half of all students in Arizona and can be cost prohibitive – especially for smaller LEAs. Arizona will use RTTT funds to design and develop online formative assessment tools for the entire

State. The State expects to leverage its existing eLearning platform, IDEAL, which will provide the foundation and server space for this initiative – all that is needed now is the software application. ADE will also utilize the Standards and Assessments Task Force and Data Systems Task Force, some of whose members are leading experts for these systems in Arizona, to inform design in a highly user-friendly way. All online assessment tools will reflect the new standards being developed as part of the Common Core.

Online formative assessment tools will enable all Arizona teachers to quickly create diagnostic assessments that provide insight into students' strengths and weaknesses, the degree to which they are absorbing the material, and the efficacy of the teachers' methods. The tools will also provide a mechanism for storing the data and tracking student performance over time, and for analyzing student performance including drilling down on common "distracters" to understand if a common pitfall is to blame. These assessments, as they are developed uniquely by individual teachers, will not be aggregated or used centrally to analyze student performance, though LEAs and the State will make efforts to understand the degree to which the tools are being used and their effectiveness. More detail on formative assessments can be found in Section (C)(3).

Interim assessments, in contrast, will be used to understand student performance and provide appropriate interventions/ resources to get students on track. Interim assessments will be developed at the LEA level to ensure maximum alignment with curriculum, which in Arizona is determined by LEAs. The plan is for participating LEAs to create interim assessments that benchmark progress on the new common summative assessments. LEAs may work with vendors to develop these interim assessments, provided any assessments developed with RTTT funds, and owned by individual LEAs are made available to all LEAs. The goal is to build best practices and support LEAs that may not have the capacity to develop these assessments themselves. Participating LEAs will be required to upgrade their interim assessments or adopt stronger ones from another LEA if their assessments are deemed to be ineffective. Effectiveness will be judged by how predictive the interim assessments are of scores on the summative assessments. LEAs will be required to develop interim assessments for use in the 2012-13 school year, one year after we anticipate the new common summative assessments.

To maximize the impact of the new formative and interim assessments, participating LEAs will use RTTT funds to staff teacher specialists serving as assessment specialists or academic coaches. The specialists will provide technical training on how to create, administer and analyze the assessments, and/or deliver site-based professional development on how to translate this data into classroom practice. As described in Section (A)(2)(i)(b), the precise staffing will not be prescribed at the State level, as some LEAs already have such professionals in place and might choose to augment the group differently. These personnel would be hired and staffed as soon as any grant is received, to prepare for the 2010-11 school year.

Rounding out the professional development delivery system will be a train-the-trainer model and technical tools. To support the train-the-trainer model LEAs are encouraged to identify and use RTTT funds to provide stipends. The school-site liaisons will help deliver and reinforce training and professional development. The technical tools will include online training and professional development modules, accessible on an ad hoc basis by teachers and principals, to assist LEAs in their efforts to enhance the use of the new assessments. These online resources will be made available to LEAs through IDEAL.

The new common summative assessments, formative assessment tools and LEA-driven interim assessments will comprise the foundation of Arizona's new assessments system. However, two more points bear mentioning. First, the SBE will evaluate ways to round out the K-12 assessment system. This is expected to include K-2 assessments, a 9th grade assessment (currently Stanford 10, but likely to change), a clearer link to the assessments used for placement by Arizona community colleges (e.g., ASSET), a possible pilot for board assessments (CCR exams that are linked to a defined curriculum, such as International Baccalaureate, EdExcel and ACT QualityCore), which is being developed by the Center for the Future of Arizona, and a possible expansion of current efforts to get more Arizona students to take college placement exams, such as the ACT. Second, First Things First and ADE will continue to develop methods to assess children in early childhood and early education, so as to improve practices at these levels and ensure that all children enter kindergarten ready to learn.

Per current practice, the SBE will determine the appropriate cut scores on the 10th grade assessment for the graduation of pupils

from high school. The SBE will work cooperatively with the higher education community to determine the score on the CCR assessment that will be necessary for students to take college-level courses without remediation. As expectations increase at the high school level they must also increase in the earlier grades. It is expected that additional supports will be in place to make sure students are fully prepared for the key transition points in their academic careers, and to prevent them from passing those points until they have the requisite skills to be successful. The system of support will be implemented immediately, extending the work ADE has begun with the Arizona Response to Intervention (AZRTI) framework. RTTT funds will be critical to facilitate this effort. ADE will develop student alerts as part of the data system to warn teachers, principals and parents when students cross key thresholds or “triggers” and fall into jeopardy of being retained. These parties, along with students, will more closely track progress, goals and interventions via Education Career Action Plans (ECAPs), which the State currently requires for all students 9th grade and higher, but which will be extended to 6th grade. ADE will raise awareness in programs that can provide intensive support to students who fall behind, such as the high school and middle school renewal programs, which includes International Schools, creation of small learning communities, a family and student advocacy system and instructional improvement, an advanced placement incentive program, and the Jobs for Arizona’s Graduates (JAG) program, among others. And participating LEAs will be encouraged to invest RTTT funds in counselors, tutors and after-school and summer school programs to provide support to students and families and facilitate the transition.

Although supports will be in place in the 2010-11 school year to help struggling students catch up, Arizona will implement its revised student retention policy in the 3rd grade only in the 2010-11 school year.

Arizona appreciates the substantial ongoing investment required to enforce the end to social promotion over the long term. Although the plan remains flexible at this point, stakeholders provided clear direction through the RTTT outreach process. Arizona is committed to making this change successful.

Another important initiative will be working with higher education to allow students to “move on when ready” – to take college-

level classes without remediation when they earn a certain score on an assessment of college- and career-readiness.

The basic version of this plan would call for students, once they demonstrate proficiency on the CCR exam in Mathematics and Language Arts, to take college courses and use a reverse-credit system to count those credits toward high school graduation. The community college or university in question would allow the student to take these courses without remediation due to the student's high achievement. To successfully implement this initiative Arizona's K-12 and higher education communities will work together to determine the appropriate cut score on the CCR exam.

A more advanced version of this plan would call for the student to "move on" entirely to graduate and enroll in college after passing a comprehensive board assessment. This structure is being explored by a handful of school districts in Arizona and may be piloted in coming years. This reform plan will allow participating LEAs to receive RTTT funds for the purpose of investing in curriculum or professional development to support board assessments.

As Arizona works to develop the CCR exam and get alignment around an appropriate cut score, it will simultaneously seek to utilize the funding system in place to offer partial scholarships for these high-achieving students. In recent years, the Early Graduation Scholarship Program has supported this approach by splitting base level per pupil funding between students' LEAs and a student scholarship. A similar structure could be pursued to support Arizona's "move on when ready" initiative.

	End of SY 2013-2014	End of SY 2012-2013	End of SY 2011-2012	End of SY 2010-2011	Actual Data: Baseline (Current school year or most recent)
<p>Performance Measures Performance measures for this criterion are optional. If the State wishes to include performance measures, please enter them as rows in this table and, for each measure, provide annual targets in the columns provided.</p>					

(Enter measures here, if any.)					

(C) Data Systems to Support Instruction (47 total points)

State Reform Conditions Criteria

(C)(1) Fully implementing a statewide longitudinal data system (24 points – 2 points per America COMPETES element)

The extent to which the State has a statewide longitudinal data system that includes all of the America COMPETES Act elements (as defined in this notice).

In the text box below, the State shall describe which elements of the America COMPETES Act (as defined in this notice) are currently included in its statewide longitudinal data system.

Evidence:

- Documentation for each of the America COMPETES Act elements (as defined in this notice) that is included in the State’s statewide longitudinal data system.

Recommended maximum response length: Two pages

- 1) **A unique statewide student identifier that does not permit a student to be individually identified by users of the system** – For the last nine years through the implementation and operation of the Student Accountability Information System (SAIS), Arizona has assigned every K-12 student benefiting from public funding a non-SSN unique SAIS Identifier. The resulting SAIS Identifier has been instrumental in linking secure data repositories that manage information like student enrollment/ membership, program participation, and statewide assessments. In our efforts to mature the quality and opportunities provided by managing an extensible unique identifier, ADE is in the process of phasing in a more intelligent

unique identifier (EduID) that will not only serve as an intelligent student identifier, but will follow the individual, no matter the evolution of the individual's specific role, throughout their Arizona education involvement.

- 2) **Student-level enrollment, demographic, and program participation information** – Student-level enrollment data are collected daily, weekly and as required. Student-level demographic and program participation data are collected daily and weekly. Specific longitudinal data include, but are not limited to: campus of enrollment, grade level, gender, race/ethnicity, economically disadvantaged status, student's disability status, LEP, Title I, migrant, ESL, and gifted and talented.
- 3) **Student-level information about the points at which students exit, transfer in, transfer out, drop out, or complete P-16 education programs** – ADE currently has the ability to match P-12 and higher education data through the use of a State-assigned SAIS ID and will expand those capabilities with the rollout of the EduID. This information has been shared with Arizona universities. ADE plans to leverage and expand these capabilities by sharing data by 2010-11 with other postsecondary entities, including community colleges, private postsecondary, and other career-readiness entities.
- 4) **The capacity to communicate with higher education data systems** – Universities and community colleges have access to the SAIS ID of newly enrolled freshmen for at least the last two years and that ID is retained within the universities' Student Information Management Systems.
- 5) **A State data audit system assessing data quality, validity, and reliability** – ADE has a set of validation rules and a system for investigating the accuracy of data. For example, there are standards for the percent of departing students that school districts should be able to locate. On-site, non-programmatic quality checks are conducted at a small number of schools or districts each year. Consequences are imposed on school districts that do a poor job of collecting and submitting accurate information as well as on districts that do a poor job of accounting for missing students. ADE offers professional development to district staff on quality issues.
- 6) **Yearly test records of individual students with respect to assessments under section 1111(b) of the ESEA (20 U.S.C. 6311(b))** – ADE stores student-level results on statewide summative tests, is able to connect historical performance data, and

can measure academic growth.

- 7) **Information on students not tested by grade and subject** – ADE collects and maintains student-level records by assessment subject area for all students and all subjects tested. Reason codes that are used include: LEP Exemption, Absent and Illness.

Arizona is planning on using a combination of federal grant support and local funding to build out our data systems to include the remaining five data elements.

Reform Plan Criteria

(C)(2) Accessing and using State data (5 points)

The extent to which the State has a high-quality plan to ensure that data from the State's statewide longitudinal data system are accessible to, and used to inform and engage, as appropriate, key stakeholders (e.g., parents, students, teachers, principals, LEA leaders, community members, unions, researchers, and policymakers); and that the data support decision-makers in the continuous improvement of efforts in such areas as policy, instruction, operations, management, resource allocation, and overall effectiveness.³

The State shall provide its detailed plan for this criterion in the text box below. The plan should include, at a minimum, the goals, activities, timelines, and responsible parties (see Application Instructions or Section XII, Application Requirements (e), for further detail). Any supporting evidence the State believes will be helpful to peer reviewers must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Recommended maximum response length: Two pages

One of the major investments Arizona would make with RTTT funds is to dramatically expand user access and to build capacity for all users. This is also a substantial focus of the SLDS grant application Arizona recently filed.

The first step in this plan is for ADE or an appropriate third party to develop a Web-based portal and dashboard tools so users can

³ Successful applicants that receive Race to the Top grant awards will need to comply with the Family Educational Rights and Privacy Act (FERPA), including 34 CFR Part 99, as well as State and local requirements regarding privacy.

access the data more quickly and easily. The dashboard tools would present relevant metrics at a glance and allow users to drill down on areas of interest. A landing page would be created for each user type that puts the most relevant, up-to-date data in the user's hands and makes further analysis intuitive. As an example, a teacher's landing page likely would include a class roster and key data on the teacher's students, such as recent performance on formative assessments and trends in attendance and discipline. Clicking on the attendance metric would provide more detailed information about the student's attendance, perhaps how it had trended in recent weeks. While some Arizona LEAs have such tools, this initiative will provide access to data for other, often rural LEAs and potentially save LEAs that have these tools hundreds of thousands of dollars annually in licensing costs.

For that reason, it is critical that the tools be designed with the end user in mind and with functionality that is highly intuitive. To facilitate this outcome, ADE will convene user groups of parents, teachers, principals and others to provide detailed feedback about current functionality and to discuss what functionality would be most valuable to develop. ADE has demonstrated a commitment to designing user-friendly features in the data system so far, and it will be imperative for ADE to be even more responsive to the users as the capabilities grow and the audience expands.

Access will be provided to *all* stakeholder groups, including parents, students and the general public. Developing access to parents is particularly important, as it can be a tool for getting parents more involved in their children's educations. Parents and students will get unique access based on the student in question – for example, a parent will be able to log in and see his or her child's assessment scores and ECAP. Public educational agencies and researchers will have access to all data but with student and teacher names masked, while community members will get general public access that remains at an aggregate level and does not allow drill-downs on individual teachers or students. The existing and planned data in AEDW, along with these plans for access, will allow policymakers and researchers to analyze performance metrics and to recommend policy changes, while superintendents and principals will be able to work with operations and funding data to make decisions.

A Web portal is currently in beta testing and parent, teacher and principal focus groups will be convened this spring with a make-or-

buy recommendation by early summer. Assuming internal development, requirements would be written during the summer with the first round of programming in the fall; meaningful functionality likely could be rolled out in the second half of the 2010-11 school year. There would be several rounds of functionality developed around accessing student data before shifting over to operations, management and resource allocation, likely in the 2011-12 school year.

A key part of encouraging use of data is to ensure the most valuable data are being collected. Through the recommendations of the SLDS Task Force, ADE will establish a data governance board that will represent all stakeholders (universities, LEAs, county superintendents, state universities, community colleges, state agencies and BIE, etc.), to set and approve guidelines related to managed data access, privacy and security, adequacy of training and data model implementation, prioritization of funding opportunities recommended by governance support groups, and resolve data conflicts.

The make-or-buy decision would be made by the data governance board. The board must validate the quality and cost of a system that could be built internally, and compare that to external vendors' products.

Making all key stakeholders a part of the governance structure ensures the development of collaborative partnerships as well as a greater incentive for all entities to supply key data in a timely, accurate fashion. The governance structure will facilitate the collection of identified data metrics. With this data, the data systems become more valuable to every stakeholder and there becomes more incentive to contribute timely, accurate data.

Additionally, there will be extensive training and professional development to facilitate the use of data for classroom instruction. These mechanisms are discussed in more detail in the next section. ADE will continue to train researchers, policymakers and association leaders. The Department also will serve as the first link in a "train the trainer" model, as well as develop Web demos and FAQs for community members and the general public. The final step in the plan to get access to key stakeholders is to improve the physical infrastructure at Arizona's rural schools. The State's portion of RTTT funds would be used to bring high-speed Internet to

the many schools that currently lack such access and the LEA's portion of RTTT funds could be used for laptops and other technologies to access data. The State also will facilitate the reduction of the cost of technology in the classroom, providing more incentives for schools to invest in these critical tools.

Performance Measures Performance measures for this criterion are optional. If the State wishes to include performance measures, please enter them as rows in this table and, for each measure, provide annual targets in the columns provided.	Actual Data: Baseline (Current school year or most recent)	End of SY 2010-2011	End of SY 2011-2012	End of SY 2012-2013	End of SY 2013-2014
(Enter measures here, if any.)					

(C)(3) Using data to improve instruction (18 points)

The extent to which the State, in collaboration with its participating LEAs (as defined in this notice), has a high-quality plan to—

- (i) Increase the acquisition, adoption, and use of local instructional improvement systems (as defined in this notice) that provide teachers, principals, and administrators with the information and resources they need to inform and improve their instructional practices, decision-making, and overall effectiveness;
- (ii) Support participating LEAs (as defined in this notice) and schools that are using instructional improvement systems (as defined in this notice) in providing effective professional development to teachers, principals and administrators on how to use these systems and the resulting data to support continuous instructional improvement; and
- (iii) Make the data from instructional improvement systems (as defined in this notice), together with statewide longitudinal data system data, available and accessible to researchers so that they have detailed information with which to evaluate the effectiveness of

instructional materials, strategies, and approaches for educating different types of students (e.g., students with disabilities, English language learners, students whose achievement is well below or above grade level).

The State shall provide its detailed plan for this criterion in the text box below. The plan should include, at a minimum, the goals, activities, timelines, and responsible parties (see Reform Plan Criteria elements in Application Instructions or Section XII, Application Requirements (e), for further detail). Any supporting evidence the State believes will be helpful to peer reviewers must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note the location where the attachment can be found.

Recommended maximum response length: Five pages

(C)(3)(i)

Arizona appreciates the need to go beyond simply collecting more data, ensuring more accuracy, providing more access, and facilitating more use. The State needs to ensure data are driving classroom instruction. The dashboard mentioned in the previous section is an example of a technology-based tool that can facilitate this goal. When linked to real-time student data (e.g., attendance, formative assessment scores) and when designed intuitively, the dashboard can be a critical component in getting data into the classroom. Teachers can see how their students' "vital statistics" are changing on a regular basis (sometimes daily), and principals can monitor performance and provide resources and interventions appropriately. A dashboard can allow a teacher to analyze student performance and see the link from formative to interim to summative assessments, and for teachers, coaches and principals to have data-driven conversations about how to use this knowledge to change instruction.

However, the dashboard is just one tool in the suite of local instructional improvement systems Arizona envisions. Others that Arizona will develop to enhance instruction:

- **Student alerts** – Once the data systems have timely, actionable data such as formative assessment scores and, attendance, alerts can be developed to highlight to teachers, principals and parents when worrisome thresholds are crossed. Appropriately alerted, these parties can then focus efforts on getting the student back on track. These enhancements are targeted for the 2011-

12 school year.

- **Actionable reports** – Users currently must generate all queries in AEDW. Even some of the dashboard functionality discussed would provide the ability to drill to detail – but not actual analysis. In both instances, some teachers may not get key insights if they are not comfortable with the technology. Actionable reports do the analysis for the user, and may even be accompanied by recommended actions. We anticipate that these will be available in the spring of 2011.
- **Education Career Action Plan (ECAP)** – All Arizona students are required to develop an ECAP starting in 9th grade. These can be extremely valuable tools for teachers, parents and students, as goals are laid out and the path to those goals is planned and tracked. ECAPs connect coursework to outcomes and thereby increase student motivation and stakeholder participation. We anticipate that these will be available in the spring of 2011.
- **Arizona Growth Model (AGM)** –This is a critical tool for assessing student performance relative to students who have the same academic history (predicted performance). The AGM is based on a regression model and it uses very simple, powerful charts. The charts are similar to the growth charts that pediatric doctors give parents to help them understand how their child is developing. Parents and students can use the AGM to understand whether a student is on-track or off-track to master the state's standards, while principals can use the AGM to understand what impact an individual teacher may have had on a student. We anticipate that these will be available in the spring of 2011.
- **Formative assessments** – These are perhaps the most critical link in “real time” data, as they provide a snapshot of student learning and can tell the teacher where to focus instruction. Arizona plans to design and develop online formative assessment tools to work with IDEAL. IDEAL will provide the platform and server space for these tools, meaning all Arizona must do is to develop the application. These tools already reach as many as half of all Arizona students. ADE is targeting a pilot in the fall of 2011 and limited roll-out in the spring of 2012. We expect the system will reach all Arizona students, and provide a viable

alternative for current third-party systems, in the 2012-13 school year.

- **Interim assessments** – Interim assessments provide a top-down assessment for school and district leadership to understand whether current efforts are appropriately focused and resourced. For instance, a teacher whose students are off-track may need more professional development or a class aide. As detailed in Section (B)(3), interim assessments in Arizona would be funded by RTTT, driven at the LEA level and targeted for the 2012-13 school year.

Automation of compliance requirements – Principals in struggling schools face an enormous compliance burden. By automating much of these compliance requirements, Arizona’s data systems can free up the principal to become the instructional leader of the school, as opposed to simply an administrative chief. This change can have substantial long-term effects if it allows LEAs to hire more instructionally focused leaders. We anticipate that these will be available during the 2011 – 2012 school year. Arizona has sought federal funds to accelerate the development of a number of these applications (as well as complete the elements of a statewide longitudinal data system) in the pending SLDS grant. ADE assembled a unified budget for that grant, detailing which funds would come from the SLDS grant and which would come from the RTTT grant, assuming both competitive grants could be won. The RTTT grant is seen as helping complete the work outlined in the SLDS grant.

(C)(3)(ii)

Training and professional development are critical to making these instructional improvement systems successful. We distinguish between training and professional development as follows. Training is a largely technical, short-term exercise that gets users familiar with the data systems and allows them to begin “exploring” on their own. Professional development around data is focused around asking specific instruction-based questions and then using the data systems to answer these questions. While both are very important to building the capacity of Arizona’s educators, training is seen as primarily a short-term cost (assuming the data systems are designed intuitively and do not require ongoing training), while professional development is more of an ongoing cost in which users ideally

would become more and more data-savvy.

Again, training on the data systems right now is done by a handful of ADE experts on a part-time basis. Limited training capacity, along with a fairly complex user interface, has kept the number of AEDW users low. To enhance the current system, ADE will use a train-the-trainer model. The assessment specialists, academic coaches and school-site liaisons first mentioned in Section (B)(3) will provide a critical link to Arizona's schools. The assessment specialists will be trained on the AEDW and dashboard tools. They will train the academic coaches and school-site liaisons. The assessment specialists then will provide initial training to teachers and principals at their respective schools, and the academic coaches will follow up with professional development on how to use the data for classroom instruction. The school-site liaisons will help train teachers and principals, develop new training and professional development sessions over time, provide feedback on how to enhance the dashboard tools, and serve as a first-point-of-contact for user questions.

Assuming a roll-out of initial functionality in the second half of the 2010-11 school year, ADE will train the assessment specialists at that time, and shortly thereafter the assessment specialists will train the academic coaches and school-site liaisons. The academic coaches and school-site liaisons then will spend the summer building skills and developing training for teachers and principals. In the weeks leading up to the 2011-12 school year, teachers and principals will get their first training on the data systems, and during the school year they will receive professional development on how to use these data to inform instruction. The following is a summary of the timeline:

Spring, 2010	Initial focus groups/ make-or-buy decision
Summer, 2010	Write requirements for dashboard functionality
Fall/ Winter, 2010	Develop functionality

Spring, 2011

Train the trainers

Fall, 2011

Train teachers and principals

2011-12 school year Professional development on how to use data in classroom

To enhance the support process, a call center help desk will be established to answer technical questions. ADE will develop a systematic communication program, including a monthly newsletter. The goal is to make data used in the classroom part of the daily conversation – for teachers and principals to be aware of the new tools, to have positive first experiences with these tools, and to feel supported when they have questions.

(C)(3)(iii)

The key change moving forward is to provide researchers access to the local instructional improvement systems– where data will be supplied on a more frequent basis. For example, researchers will be able to access the results of students’ formative assessments, as well as results of interim assessments and information on the questions used in those interim assessments.

A dedication to research and open inquiry is particularly important to Arizona given the theme of local control. For example, rather than prescribing one statewide teacher evaluation, Arizona will put in place guidelines for teacher evaluations with a clear system of accountability at the back end. In order to hold LEAs accountable for developing effective evaluations, Arizona will have to track the data carefully and provide researchers with ready access to the data. The goal is to ensure a close partnership with higher education and other research institutions in which Arizona’s education data is made perfectly transparent (with appropriate privacy safeguards), and that the insights generated from research are embraced and built back into the education system in a cycle of continuous improvement.

Performance Measures Performance measures for this criterion are optional. If the State wishes to include performance measures, please enter them as rows in this table and, for each measure, provide annual targets in the columns provided.	Actual Data: Baseline (Current school year or most recent)	End of SY 2010-2011	End of SY 2011-2012	End of SY 2012-2013	End of SY 2013-2014
(Enter measures here, if any.)					

(D) Great Teachers and Leaders (138 total points)

State Reform Conditions Criteria

(D)(1) Providing high-quality pathways for aspiring teachers and principals (21 points)

The extent to which the State has—

- (i) Legal, statutory, or regulatory provisions that allow alternative routes to certification (as defined in this notice) for teachers and principals, particularly routes that allow for providers in addition to institutions of higher education;
- (ii) Alternative routes to certification (as defined in this notice) that are in use; and
- (iii) A process for monitoring, evaluating, and identifying areas of teacher and principal shortage and for preparing teachers and principals to fill these areas of shortage.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the

criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (D)(1)(i), regarding alternative routes to certification for both teachers and principals:

- A description of the State’s applicable laws, statutes, regulations, or other relevant legal documents, including information on the elements of the State’s alternative routes (as described in the alternative route to certification definition in this notice).

Evidence for (D)(1)(ii), regarding alternative routes to certification for both teachers and principals:

- A list of the alternative certification programs operating in the State under the State’s alternative routes to certification (as defined in this notice), and for each:
 - The elements of the program (as described in the alternative routes to certification definition in this notice).
 - The number of teachers and principals that successfully completed each program in the previous academic year.
 - The total number of teachers and principals certified statewide in the previous academic year.

Recommended maximum response length: Two pages

Arizona has policy that allows alternative pathways to certification and sets the structure by which the SBE approves these pathways. The SBE rules for professional preparation programs meet most of the characteristics laid out in this application’s definition of “alternative routes to certification,” but not all of them, as we will discuss below. In addition, the SBE plans to further expand its alternative certification options and is expected to initiate rulemaking to amend its professional preparation program process and intern certification rules.

(D)(1)(i)

The SBE’s professional preparation program approval process as delineated in rules R7-2-604 through R7-2-604.02 meet the characteristics for alternative routes to certification as defined in the RTTT application guidelines.

- (a) Can be provided by various types of qualified providers including both institutions of higher education and other providers operating independently from institutions of higher education**

State Board Rule R7-2-604.01.A states, “Professional preparation institutions may include, but are not limited to,

universities and colleges, school districts, professional organizations, private businesses, charter schools, and regional training centers.”

(b) Are selective in accepting candidates

R7-2-604.02.C.1 states that institutions that would like to be approved as an alternative pathway must submit a description of the program for Board approval. This description must include, among other things, “the criteria for student entry into the program.”

(c) Provide supervised, school-based experiences and ongoing support such as effective mentoring and coaching

R7-2-604.02.C.2 requires for Board approval “a description of the field experience and capstone experience policies for the program.” Capstone experience is defined as “a culminating professional experience in a prekindergarten – grade 12 setting” while field experiences are “scheduled, directed experiences in a prekindergarten – grade 12 setting” (R7-2-604.C and D.)

SBE rule R7-2-604.02.C.3 also requires professional preparation program applicants to describe their process for providing candidates in the program with necessary remediation.

Arizona’s Intern Certificate allows the holder to be the teacher of record while completing a State Board-approved program. The popularity of the Intern Certificate has soared in recent years, from 52 in 2005 to 851 so far in 2010.

(d) Significantly limit the amount of coursework required or have options to test out of courses

Because the professional preparation approval process is standards-based, there are no Board-level requirements related to limits on coursework or options to test out. However, Arizona recognizes that nearly all preparation programs meet these standards through required coursework. As previously mentioned, the SBE plans to augment the rules governing alternative certification to decrease the strict reliance on coursework. The SBE is expected to review a rule proposal in this regard on

January 26, 2009.

In related areas, Arizona has already instituted policies that demonstrate a commitment to expanding certification pathways for a wide range of applicants. On February 23, 2009, the SBE amended the certification rules for Career and Technical Education teachers. The new rules provide a certification option that allows occupational hours to substitute for coursework requirements for the purpose of provisional certification. Some coursework is required to convert a provisional certificate to a standard certificate. To date, 348 individuals have been certified as a result of policy R7-2-612. Also, Arizona provides for teacher reciprocity under state statutes 15-203.A.27, 15-533 and SBE rule R7-2-621. These policies exempt applicants from having to take the Arizona teacher proficiency assessment if they have passed a comparable exam in another state within the established timeframes.

(e) Upon completion, award the same level of certification that traditional preparation programs award upon completion

SBE rule R7-2-604.02.K states, "Board approved programs shall provide their program graduates with an institutional recommendation for issuance of the appropriate Arizona certification." R7-2-604.E defines an institutional recommendation as "a form developed by the Department that indicates an individual has completed a Board approved program."

Regarding next steps, the Great Teachers, Great Leaders Task Force made a number of recommendations to strengthen Arizona's alternative pathway programs. These recommendations provide guidance for the State implementation:

- SBE should provide active support and encouragement with a goal of increased frequency of program submissions;
- SBE should favor programs with flexible course requirements;
- ADE should establish an e-learning certificate or endorsement to signify differentiated skills needed for teachers who

provide instruction solely in an on-line environment; and

- SBE should require ongoing support, specifically mentoring programs, to be a part of alternative pathways moving forward.

(D)(1)(ii)

Appendix W identifies the nine institutions providing an alternative pathway for teacher certification with their completion rates.

(D)(1)(iii)

Arizona has worked on a variety of fronts to get stronger teachers in front of its most challenged students. The Rodel Exemplary Teacher program recognizes and rewards teachers with outstanding records of student achievement, pairs them with student teachers in a mentoring program, and provides meaningful incentives to get graduates into underserved schools. ADE in partnership with the Arizona K-12 Center, the Arizona Education Association and Arizona State University has worked to promote and support the candidacy of National Board Certified Teachers (NBCTs) throughout Arizona. Through the Arizona Transition to Teaching (TTT) program, the State recruited mid-career professionals and new graduates to the profession, and prepared highly-qualified and effective teachers for grades 9-12 and in special education K-12.

ADE currently tracks the distribution of highly qualified teachers (HQTs) against poverty quartiles. The U.S. Department of Education approved the Arizona Highly Qualified Teachers Equity Plan in January, 2009, saying that both the State and its LEAs have plans in place to ensure poor and minority students are not taught at higher rates than other students by inexperienced, unqualified or out-of-field teachers. In March, 2009, ADE contracted with Wellington Consulting Group to conduct an equity study. Wellington is collecting, analyzing and interpreting survey and interview results, and will provide specific recommendations to ADE. An example of how ADE has strengthened HQT distribution in a systemic fashion can be found in an April 7, 2009, communiqué from Superintendent Home by ensuring: “all teachers of core academic subjects including special education, in a Title I school must be highly qualified beginning in the 2009-10 school year.”

Arizona is working to increase the content knowledge of its mathematics and science teachers, particularly in grades K-8, through our STEM initiative described in this application.

In related areas, Arizona has already instituted policies that demonstrate a commitment to expanding certification pathways for a wide range of applicants. Last year, the SBE amended the certification rules for Career and Technical Education teachers to allow occupational hours to substitute for coursework requirements for the purpose of provisional certification. To date, 348 individuals have been certified as a result of this policy (R7-2-612). Also, Arizona provides for teacher reciprocity under state statues 15-203.A.27, 15-533 and SBE rule R7-2-621. These policies exempt applicants from having to take the Arizona teacher proficiency assessment if they have passed a comparable exam in another state.

Reform Plan Criteria

(D)(2) Improving teacher and principal effectiveness based on performance (58 points)

The extent to which the State, in collaboration with its participating LEAs (as defined in this notice), has a high-quality plan and ambitious yet achievable annual targets to ensure that participating LEAs (as defined in this notice)—

- (i) Establish clear approaches to measuring student growth (as defined in this notice) and measure it for each individual student; (5 points)
- (ii) Design and implement rigorous, transparent, and fair evaluation systems for teachers and principals that (a) differentiate effectiveness using multiple rating categories that take into account data on student growth (as defined in this notice) as a significant factor, and (b) are designed and developed with teacher and principal involvement; (15 points)
- (iii) Conduct annual evaluations of teachers and principals that include timely and constructive feedback; as part of such evaluations, provide teachers and principals with data on student growth for their students, classes, and schools; (10 points) and

(iv) Use these evaluations, at a minimum, to inform decisions regarding— (28 points)

- (a) Developing teachers and principals, including by providing relevant coaching, induction support, and/or professional development;
- (b) Compensating, promoting, and retaining teachers and principals, including by providing opportunities for highly effective teachers and principals (both as defined in this notice) to obtain additional compensation and be given additional responsibilities;
- (c) Whether to grant tenure and/or full certification (where applicable) to teachers and principals using rigorous standards and streamlined, transparent, and fair procedures; and
- (d) Removing ineffective tenured and untenured teachers and principals after they have had ample opportunities to improve, and ensuring that such decisions are made using rigorous standards and streamlined, transparent, and fair procedures.

The State shall provide its detailed plan for this criterion in the text box below. The plan should include, at a minimum, the goals, activities, timelines, and responsible parties (see Reform Plan Criteria elements in Application Instructions or Section XII, Application Requirements (e), for further detail). Any supporting evidence the State believes will be helpful to peer reviewers must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Recommended maximum response length: Ten pages

Arizona is adopting a definition of student growth that is based on changes in AIMS scores where available and relevant. AIMS is currently administered in grades 3-8 and 10 in Mathematics and English Language Arts, meaning student growth can be measured using AIMS in grades 4-8 in these two subjects. Growth will be measured based on changes in performance bands (e.g., remaining at the Meets band would correspond to one year's growth; moving from Meets to Exceeds would be considered more than one year's growth). When AIMS is replaced by a common summative assessment, the change in performance bands on that assessment will be used as the basis for growth.

Meanwhile, Arizona is beginning to pilot value-added/regression based models to allow growth to be measured for a much broader

range of grades and subjects. The Arizona Growth Model is being implemented in all Arizona charter schools and is being developed for use by all Arizona LEAs. Such models will allow Arizona to measure growth from test to test, even if the tests are not fully aligned in terms of scale scores, by using standard deviations.

Relevant exceptions to using AIMS will be determined by a multidisciplinary team. Meanwhile, other tests will be used to fill in the areas that AIMS does not cover (e.g. 9th grade) and to augment the measurement system.

In addition, how the regimen of summative assessments evolves from the Common Core will play a large role, too. For example, performance bands could be used across a much wider range of grades and subjects if the assessments and bands were aligned. The consortium, or Arizona alone, could choose to develop aligned assessments that fill in around the common summative assessments being discussed.

(D)(2)(ii)

Arizona is attempting to do several things with its new approach to designing and implementing rigorous, transparent and fair evaluation systems for teachers and principals. First, the State wants to “raise the floor” as it “raises the ceiling” of assessments – in other words, work with LEAs to design more meaningful evaluations that are tightly integrated with existing systems for performance-based compensation (PBC LEAs will implement all teacher and principal evaluations that include multiple ratings categories). This will become “the floor,” as it is expected that these will apply to all LEAs, whereas, participating LEAs will be held to a higher standard, requiring at least 50% of the evaluation being based on student growth.

The Great Teachers, Great Leaders Task Force and RTTT Leadership Team considered but rejected a statewide evaluation system. Although such a system can ensure that all LEAs have appropriate evaluations in the shortest possible time period, the trade-off is that the single system may not be flexible enough to maximize achievement at every LEA, and the amount of creativity and fresh ideas generated in aggregate will be limited. To make the proposed decentralized system effective, LEA evaluations will need to be

carefully assessed and the LEAs themselves will need to be held accountable for the quality of evaluations that are developed. Several mechanisms are being planned to achieve this:

1. ADE, each year beginning in 2011 will publish the aggregated results regarding ineffective, effective and highly effective teachers and principals, and compare these data with LEAs' overall student growth (as measured by AIMS) This will show where teacher and principal performance ratings may be misaligned with student growth;
2. The RTTT team will have the latitude to withhold ongoing funds from LEAs whose aggregate performance evaluations are persistently misaligned; and
3. There will be a comprehensive study of the evaluation system by higher education or an appropriate third party with a focus on its effectiveness and recommendations for strengthening it.

The third point is discussed in more detail in Section (D)(2)(iv), but the basic idea is that performance-based compensation, whether Career Ladder or Proposition 301, will become aligned with the new evaluation system with student growth making up at least 50% of the criteria.

The 2010-11 school year will be used to develop the new performance evaluations. The goal would be for each LEA to at least pilot the evaluations in a no-stakes environment at the end of the year. In 2011-12, the new evaluations would roll out with expectations of high-quality classroom observations, feedback and discussions of student growth data (discussed in more detail in Section (D)(2)(iii)). Participating LEAs will be expected to base at least 50% of their teacher and principal evaluations on student growth, understanding that the split of individual/group measures may change over time as more accurate ways of assessing student growth are developed.

(D)(2)(iii)

Superintendents at participating LEAs will be required to participate in professional development on the new evaluation system, and

participating LEAs will be required to provide professional development to principals and teachers on the new evaluation system. The goal is to create a clear understanding of the new evaluations and to identify the expectations for their implementation.

Part of this professional development will include best practices around the frequency of classroom observation, the process for feedback based on these observations, and what effective feedback is for both strong and weak performers. Moreover, the greatest emphasis will be on the use of student growth data in these evaluations – how to interpret final scores related to student growth, and how to use and interpret formative and interim assessments to drive student growth scores.

A cross-functional team will be assembled at the State level to work with LEAs and county teams to provide professional development opportunities. It is envisioned that these professional development sessions will employ a train-the-trainer process so that local or regional staff will be the contacts for school-based staff.

Participating LEAs will be encouraged to hire evaluation specialists to work primarily with their schools to develop strong evaluations and to assess teachers in using student achievement data to improve instructional practices.

(D)(2)(iv)

(a) Developing teachers and principals

The evaluation/academic specialists will play a key role in professional development. The primary duties of the specialists will include helping teachers and principals understand how to translate data into effective classroom practice. This includes formative assessment data, student alerts and interventions tracking. Here we add a focus on the individual teacher's need for improvement based on the results of evaluations, be it strengthening content delivery, lesson development, or classroom management.

(b) Compensating, promoting and retaining

A unique challenge faced by Arizona is aligning its current PBC systems with the new evaluation systems. Unlike many states,

Arizona has had PBC in place for more than two decades. There are two major programs: Proposition 301 and Career Ladder. Proposition 301 passed in 2000 and created Classroom Site Funds to pay for, among other things, performance pay for teachers. Career Ladder dates to the mid-1980s and affects a smaller group of school districts (28). Under Proposition 301, 40% of the Classroom Site Fund is specified for performance pay for teachers; however, "performance" has no consistent definition. In 2005, SB 1074 created the PBC Task Force, charged with reviewing one-third of the states' PBC plans each year. The PBC Task Force rated Arizona's plans on a number of dimensions.

Meanwhile, Career Ladder is more comprehensive in nature, encompassing student outcomes, teacher recognition and job-embedded professional development. But like the PBC plans, districts and schools have had much latitude in the establishment of their goals. Arizona plans to use RTTT as a lever to connect compensation, promotion and retention decisions to the new evaluation system. Participating LEAs will be required to incorporate student achievement data into their Proposition 301 and Career Ladder plans and to use this data in their evaluation. Rather than having a PBC system and a career ladder system and, in some cases, a third evaluation system, Arizona's participating LEAs would have one clear evaluation system tied to compensation. The PBC Task Force would be leveraged under the new system to make recommendations on the new evaluations and to assess the link to compensation, promotion and retention. The RTTT Leadership Team will closely monitor student growth data for each LEA.

Teacher and principal effectiveness will be judged on an LEA-by-LEA basis and determined by the LEA's performance evaluations. In instances in which student growth is misaligned with the distribution of performance ratings, LEAs will be required to submit corrective action plans. Failure of that plan will result in RTTT funds being withheld.

Participating LEAs will be expected to develop a comprehensive system for rewarding effective and highly effective teachers and principals. Where Career Ladder is in place, this will be easier. However, additional roles and responsibilities will be expected, particularly for highly effective teachers and principals. Promotion to "mentor" or "master" teacher is an example of additional roles or responsibilities. The PBC Task Force will be asked to weigh in on how faithfully this component has been implemented.

There also will be several efforts to create or enhance statewide programs to identify and reward the most effective teachers. Created as part of Arizona's RTTT effort will be the Governor's Distinguished Educator Corps and the existing Rodel Exemplary Teacher Initiative will be expanded. The RTTT Leadership Team, in concert with ADE, will allocate RTTT funds to ensure the recruitment, training and distribution of effective teachers through such programs.

The **Governor's Distinguished Educator Corps** is a program that identifies an elite, permanent corps of teachers and principals who will participate in annual conferences in which the content will be largely generated by members of the Corps in order to share ideas across institutions. In addition, these members will be required to take on additional mentoring and training duties in their schools. Finally, Distinguished Educators will be required to take at least one "service leave" to work with a low-performing school, including in rural Arizona, during which time they will receive substantially increased compensation in return for taking on the very challenging task of turning around a school. The Corps is discussed in more detail in Section (D)(3) and Section (E)(2).

The **Rodel Exemplary Teacher Initiative** has been widely acclaimed in Arizona for identifying teachers with an extraordinary record of student achievement in high-poverty schools, pairing them with student teachers, and then recognizing and generously rewarding them. Rodel Exemplary Teachers attend an annual awards banquet and receive \$10,000 in U.S. Savings Bonds. The Promising Student Teachers also are eligible for a \$10,000 U.S. Savings Bond if they work in a high-poverty area for three consecutive years. Rodel Graduates (Promising Student Teachers who graduate the program), with ongoing support for professional development and collaboration with other Rodel Graduates, comprise an important, growing network of strong teachers in Arizona. To date, 93 Exemplary Teachers have mentored 558 Promising Student Teachers, and 95% of Rodel Graduates are still teaching.

RTTT funds would be put to immediate use developing both programs. Whereas the Rodel program is in existence and simply needs to be expanded and funded, the Corps logistics need some further description. The RTTT Team will develop a 1-page application and high-performing LEAs will be able to nominate one teacher or one principal per year. The RTTT Team will review applications and the Governor will identify 24 Corps members each year. These Corps members will take a "service leave" upon joining, with one

principal and five teachers being sent as a group to one of the State's persistently lowest-achieving schools. They may remain in place for at least three years with the goal of dramatically raising student achievement. Corps members will share their experiences and ideas at the annual conference.

As a result of this effort during the four-year RTTT grant period, 16 of Arizona's persistently lowest-achieving schools will be turned around, consistent with the guidelines in this application.

(c) Granting tenure and/or full certification

Arizona teachers are currently granted tenure after three years of successful teaching. However, Arizona has recently taken steps to limit its influence as noted in the following subsection.

(d) Removing ineffective teachers and principals

New legislation greatly limits the role of tenure in teacher retention decisions. A.R.S. § 15-502 states that a school district shall not adopt policies that provide employment retention priority for teachers based on tenure or seniority. Decisions on whether to remove ineffective teachers or principals will be based on the new evaluation system as articulated in the State's RTTT proposal. For instance, a teacher in a participating LEA who receives the equivalent of an ineffective rating will be put on probation, with two more ineffective ratings over the next three years resulting in dismissal.

A key component to this system is the resources being invested in building capacity through the evaluations specialists, the assessments specialists and the academic coaches, not to mention the funds being devoted to technology-based tools that can improve classroom instruction. As a matter of principle, only those who receive continued low ratings – who demonstrate poor performance and then fail to act to improve that performance – will be affected by the most severe consequences of this system (i.e., low compensation, delayed promotion, and eventually dismissal). Arizona is putting substantial discretion in the hands of LEAs and

holding them accountable for a) designing a system that they feel is most effective for their needs, and b) delivering the student growth that is the corollary to an effective system.

Note Regarding Performance Measures – Arizona does not currently collect this data. Below is our plan for collection of teacher and principal evaluation data.

State Plan for Collection of Teacher Evaluation Data

Timeframe	Task
January 4- March 1, 2010	<p>Arizona Department of Education (ADE) plans to develop the LEA survey instrument to collect the following information:</p> <ul style="list-style-type: none"> • Frequency of each LEA teacher's evaluations • Categories of performance ratings used in each LEA teacher evaluation system • If the systems include student achievement outcomes or student growth data as an evaluation criteria • The number and percentage of teachers rated at each performance level or rating • The use of results of these systems in decisions regarding teacher development, compensation, promotion, retention, and removal <p>As part of this activity ADE will also be responsible for budgetary analysis, training, outreach, follow-up, and posting survey data.</p>
June 1-June 30, 2010	<p>Arizona Teacher/Principal Evaluation Taskforce (including representation from ADE, Governor's P-20 council, LEAs, and the education community) will provide feedback concerning the LEA survey process.</p>
May 1 - July 31, 2010	<p>In support of LEAs not currently utilizing an automated solution for systematic teacher evaluation implementation and data collection, the state will leverage the work completed in implementing the Integrated Data to Enhance Arizona Learning (IDEAL) portal to</p>

	provide a centrally managed secure web based principal performance management application.
May 1 - September 30, 2010	Incorporated in the planned SLDS enhancement initiatives, the Arizona Education Data Warehouse (AEDW) collection mechanisms will be expanded to include collecting statewide teacher evaluation information for integration with alternate educator, student level data and for LEA/statewide aggregation.
April 5, 2010	Survey instrument will be made available for LEA submission.
May 21, 2010	The survey submission window will be closed and results will be automatically tabulated and reported on the statewide school/district report card system.
October 29, 2010	Incorporate and render survey results into state/district web based public report card solution.
September 10-June 30, 2011	Incorporate into the statewide/district/school web based public facing report card solution for semi-annual reporting of evaluation data.

State Plan for Collection of Principal Evaluation Data

Timeframe	Task
January 4- March 1, 2010	Arizona Department of Education (ADE) plans to develop the LEA survey instrument to collect the following information: <ul style="list-style-type: none"> • Frequency of each LEA Principal evaluations • Categories of performance ratings used in each LEA Principal evaluation system

	<ul style="list-style-type: none"> • If the systems include student achievement outcomes or student growth data as an evaluation criteria • The number and percentage of Principals rated at each performance level or rating • The use of results of these systems in decisions regarding Principal development, compensation, promotion, retention, and removal <p>As part of this activity ADE will also be responsible for budgetary analysis, training, outreach, follow-up, and posting survey data.</p>	
June 1-June 30, 2010	Arizona Teacher/Principal Evaluation Taskforce (including representation from ADE, Governor's P-20 council, LEAs, and the education community) will analyze data from the LEA surveys	
May 1 - July 31, 2010	In support of LEAs not currently utilizing an automated solution for systematic principal evaluation implementation and data collection, the state will leverage the work completed in implementing the Integrated Data to Enhance Arizona Learning (IDEAL) portal to provide a centrally managed secure web based principal performance management application.	
May 1 - September 30, 2010	Incorporated in the planned SLDS enhancement initiatives, the Arizona Education Data Warehouse (AEDW) collection mechanisms will be expanded to include collecting statewide principal evaluation information for integration with alternate educator, student level data and for LEA/statewide aggregation.	
April 5, 2010	Survey instrument will be made available for LEA submission.	
May 21, 2010	The survey submission window will be closed and results will be automatically tabulated and reported on the statewide school/district report card system.	

October 29, 2010	Incorporate and render survey results into state/district web based public report card solution.
September 10-June 30, 2011	Incorporate into the statewide/district/school web based public facing report card solution for semi-annual reporting of evaluation data.

Performance Measures		Actual Data: Baseline (Current school year or most recent)	End of SY 2010-2011	End of SY 2011-2012	End of SY 2012-2013	End of SY 2013-2014
Notes: Data should be reported in a manner consistent with the definitions contained in this application package in Section II. Qualifying evaluation systems are those that meet the criteria described in (D)(2)(ii).		Baseline data and annual targets				
Criteria	General goals to be provided at time of application:					
(D)(2)(i)	Percentage of participating LEAs that measure student growth (as defined in this notice).					
(D)(2)(ii)	Percentage of participating LEAs with qualifying evaluation systems for teachers.					
(D)(2)(ii)	Percentage of participating LEAs with qualifying evaluation systems for principals.					
(D)(2)(iv)	Percentage of participating LEAs with qualifying evaluation systems that are used to inform:					
(D)(2)(iv)(a)	• Developing teachers and principals.					
(D)(2)(iv)(b)	• Compensating teachers and principals.					
(D)(2)(iv)(b)	• Promoting teachers and principals.					
(D)(2)(iv)(b)	• Retaining effective teachers and principals.					
(D)(2)(iv)(c)	• Granting tenure and/or full certification (where applicable) to teachers and principals.					

(D)(2)(iv)(d)	<ul style="list-style-type: none"> Removing ineffective tenured and untenured teachers and principals. 				
[Optional: Enter text here to clarify or explain any of the data]					
General data to be provided at time of application:					
Total number of participating LEAs.					
Total number of principals in participating LEAs.					
Total number of teachers in participating LEAs.					
[Optional: Enter text here to clarify or explain any of the data]					
Criterion	Data to be requested of grantees in the future:				
(D)(2)(ii)	Number of teachers and principals in participating LEAs with qualifying evaluation systems.				
(D)(2)(iii) ⁴	Number of teachers and principals in participating LEAs with qualifying evaluation systems who were evaluated as effective or better in the prior academic year.				
(D)(2)(iii)	Number of teachers and principals in participating LEAs with qualifying evaluation systems who were evaluated as ineffective in the prior academic year.				
(D)(2)(iv)(b)	Number of teachers and principals in participating LEAs with qualifying evaluation systems whose evaluations were used to inform compensation decisions in the prior academic year.				

⁴ Note that for some data elements there are likely to be data collection activities the State would do in order to provide aggregated data to the Department. For example, in Criteria (D)(2)(iii), States may want to ask each Participating LEA to report, for each rating category in its evaluation system, the definition of that category and the number of teachers and principals in the category. The State could then organize these two categories as effective and ineffective, for Department reporting purposes.

(D)(2)(iv)(b)	Number of teachers and principals in participating LEAs with qualifying evaluation systems who were evaluated as effective or better and were retained in the prior academic year.	
(D)(2)(iv)(c)	Number of teachers in participating LEAs with qualifying evaluation systems who were eligible for tenure in the prior academic year.	
(D)(2)(iv)(c)	Number of teachers in participating LEAs with qualifying evaluation systems whose evaluations were used to inform tenure decisions in the prior academic year.	
(D)(2)(iv)(d)	Number of teachers and principals in participating LEAs who were removed for being ineffective in the prior academic year.	

(D)(3) Ensuring equitable distribution of effective teachers and principals (25 points)

The extent to which the State, in collaboration with its participating LEAs (as defined in this notice), has a high-quality plan and ambitious yet achievable annual targets to—

- (i) Ensure the equitable distribution of teachers and principals by developing a plan, informed by reviews of prior actions and data, to ensure that students in high-poverty and/or high-minority schools (both as defined in this notice) have equitable access to highly effective teachers and principals (both as defined in this notice) and are not served by ineffective teachers and principals at higher rates than other students; (15 points) and
- (ii) Increase the number and percentage of effective teachers (as defined in this notice) teaching hard-to-staff subjects and specialty areas including mathematics, science, and special education; teaching in language instruction educational programs (as defined under Title III of the ESEA); and teaching in other areas as identified by the State or LEA. (10 points)

Plans for (i) and (ii) may include, but are not limited to, the implementation of incentives and strategies in such areas as recruitment, compensation, teaching and learning environments, professional development, and human resources practices and processes.

The State shall provide its detailed plan for this criterion in the text box below. The plan should include, at a minimum, the goals, activities, timelines, and responsible parties (see Reform Plan Criteria elements in Application Instructions or Section XII,

Application Requirements (e), for further detail). In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (D)(3)(i):

- Definitions of high-minority and low-minority schools as defined by the State for the purposes of the State's Teacher Equity Plan.

Recommended maximum response length: Three pages

(D)(3)(i)

Arizona has taken the challenge of equitable distribution very seriously, as discussed in Section (D)(1)(iii). ADE has determined equity issues are greatest at middle grade levels (grades 7-8) and additionally, the gap of equitable distribution of teachers is greatest within LEAs that have both Title I and non-Title I schools. However, the primary challenge is shifting the State's focus from highly "qualified" to highly "effective." In the 2011-12 school year, ADE will use data from the new evaluation systems to track the distribution of effective teachers across LEA and school types and intervene when necessary.

Governor's Distinguished Educator Corps

This program was described initially in Section (D)(2)(iv)(b). In addition to providing support to struggling schools, the GDEC has the potential for increasing the equitable distribution of teachers and leaders through the commitment for a "service leave" to an underserved school, and the monetary incentives of \$25,000 per year increase in base salary. Further, we anticipate a quite strong second-order effect from the mentoring results as they work with teachers in the struggling schools. By increasing achievement the school becomes a place to develop new candidates as there will be a strong data-driven culture in place supported by mentoring and collaborative staff relationships.

Existing programs

The following programs were seen as having the clearest opportunity to make an immediate impact on equitable distribution. The specific criteria we used to identify programs for funding were: 1) demonstrating success at enhancing equitable distribution; 2) possessing sufficient infrastructure and leadership to undertake a major expansion; and 3) obtaining support from the RTTT Task Forces. Other programs certainly may be funded during the RTTT grant period. Where appropriate, efforts will be made to place the graduates of these programs with Distinguished Educators to enhance their skill development while impacting Arizona's most in-need students. Investments in these cases will be made in the first year of the grant period.

- Rodel Exemplary Teachers and Principals – As detailed in Section (D)(2)(iv)(b), the Rodel programs have an excellent track record in helping strong teachers and principals move to high-poverty schools. This investment will expand their reach.
- Teach For America – TFA brought almost 400 teachers into Arizona in 2006 and 2007. The continuation of this investment will expand TFA work with high-needs schools. Specifically, the corps size would grow by 100 teachers, placement would be expanded to Tucson, and the first cohort of early childhood education teachers would be placed.
- NAU Teach – This teacher certification program for undergraduates majoring in STEM disciplines is based on the highly successful UTeach model developed at the University of Texas-Austin. In Arizona, the program specifically boosts the teacher talent pool in rural Northern Arizona. A statewide expansion of NAU Teach has the potential to certify 240 teachers each year.
- National Board Certification (NBC) – ADE in partnership with the Arizona K-12 Center, the Arizona Education Association and ASU work to promote and support National Board candidacy throughout Arizona. Almost half of Arizona's 556 NBCTs are teaching in Title I schools – a high ratio compared to the nation. An investment in NBC would provide a suite of incentives to encourage highly effective teachers in high-poverty schools to apply. Arizona will pay any fee not already covered by the Federal government, provide a \$10,000 stipend to these candidates, and provide mentoring and program

support.

- Troops to Teachers – Arizona already ranks among the top 10 states in terms of placements related to this program, which is very effective at getting male, minority and older candidates into high-needs schools. The program also has had great success with retention. An investment will enhance the financial assistance available to candidates and pay an additional bonus for extending the stay in a high-needs school. Given the State’s military presence in its rural areas, this program can be particularly effective at getting talented candidates into hard-to-staff schools.

New LEA-driven programs

Arizona understands that there is no one-size-fits-all approach to identifying and developing strong teachers and leaders, especially in hard-to-staff areas such as rural Arizona. There is a desire not to be too prescriptive about the approach LEAs might use to enhance their corps of educators. As such, participating LEAs may apply to the RTTT Leadership Team for additional funds to invest in new approaches to “grow their own” talent.

In addition, participating LEAs will be expected to develop additional methods of enhancing equitable distribution. In some instances, this will require re-negotiating right-of-placement clauses with the local teachers association. In other instances, the LEA will choose to place top teachers in more challenging situations. In others, the LEA will want to financially incentivize the move. However, Arizona is making a deliberate attempt here not to prescribe the answer but to give LEAs the opportunity to define a solution that works best for their specific situation.

(D)(3)(ii)

In order to ensure the increase in the number and percentage of effective teachers in the higher levels of science and mathematics, RTTT funds have been allocated to TFA to grow in its existing role as a high-quality pipeline of STEM and special education

teachers. Other RTTT funds are directed to NAU Teach.

Additionally, Arizona's SBE will offer a K-8 science endorsement opportunity and increase alternative certification in order to ensure more highly effective teachers in underserved schools.

Performance Measures for (D)(3)(i) <i>Note: All information below is requested for Participating LEAs.</i>	Actual Data: Baseline (Current school year or	End of SY 2010- 2011	End of SY 2011- 2012	End of SY 2012- 2013	End of SY 2013- 2014
General goals to be provided at time of application:	Baseline data and annual targets				
Percentage of teachers in schools that are high-poverty, high-minority, or both (as defined in this notice) who are highly effective (as defined in this notice).					
Percentage of teachers in schools that are low-poverty, low-minority, or both (as defined in this notice) who are highly effective (as defined in this notice).					
Percentage of teachers in schools that are high-poverty, high-minority, or both (as defined in this notice) who are ineffective.					
Percentage of teachers in schools that are low-poverty, low-minority, or both (as defined in this notice) who are ineffective.					
Percentage of principals leading schools that are high-poverty, high-minority, or both (as defined in this notice) who are highly effective (as defined in this notice).					
Percentage of principals leading schools that are low-poverty, low-minority, or both (as defined in this notice) who are highly effective (as defined in this notice).					
Percentage of principals leading schools that are high-poverty, high-minority, or both (as defined in this notice) who are ineffective.					
Percentage of principals leading schools that are low-poverty, low-minority, or both (as defined in this notice) who are ineffective.					

This information is not currently collected but is part of our plans for building out our data warehouse and our various survey/evaluation instruments proposed as part of this reform initiative.

General data to be provided at time of application:

Total number of schools that are high-poverty, high-minority , or both (as defined in this notice).	491
Total number of schools that are low-poverty, low-minority , or both (as defined in this notice).	491
Total number of teachers in schools that are high-poverty, high-minority , or both (as defined in this notice).	11,542
Total number of teachers in schools that are low-poverty, low-minority , or both (as defined in this notice).	13,662
Total number of principals leading schools that are high-poverty, high-minority, or both (as defined in this notice).	
Total number of principals leading schools that are low-poverty, low-minority, or both (as defined in this notice).	

Principal information is not currently collected but is part of our plans for building out our data warehouse and our various survey/evaluation instruments proposed as part of this reform initiative.

Data to be requested of grantees in the future:

Number of teachers and principals in schools that are high-poverty, high-minority, or both (as defined in this notice) who were evaluated as highly effective (as defined in this notice) in the prior academic year.
Number of teachers and principals in schools that are low-poverty, low-minority, or both (as defined in this notice) who were evaluated as highly effective (as defined in this notice) in the prior academic year.
Number of teachers and principals in schools that are high-poverty, high-minority, or both (as defined in this notice) who were evaluated as ineffective in the prior academic year.

Number of teachers and principals in schools that are low-poverty, low-minority, or both (as defined in this notice) who were evaluated as ineffective in the prior academic year.

Performance Measures for (D)(3)(ii) <i>Note: All information below is requested for Participating LEAs.</i>	Actual Data: Baseline (Current school year or most recent)	End of SY 2010-2011	End of SY 2011-2012	End of SY 2012-2013	End of SY 2013-2014
General goals to be provided at time of application:	Baseline data and annual targets				
Percentage of mathematics teachers who were evaluated as effective or better.					
Percentage of science teachers who were evaluated as effective or better.					
Percentage of special education teachers who were evaluated as effective or better.					
Percentage of teachers in language instruction educational programs who were evaluated as effective or better.					
This information is not currently collected but is part of our plans for building out our data warehouse and our various survey/evaluation instruments proposed as part of this reform initiative.					
General data to be provided at time of application:					
Total number of mathematics teachers.	4,083				
Total number of science teachers.	3,352				
Total number of special education teachers.	3,929				
Total number of teachers in language instruction educational programs.	5,474				
[Optional: Enter text here to clarify or explain any of the data]					

Data to be requested of grantees in the future:	
Number of mathematics teachers in participating LEAs who were evaluated as effective or better in the prior academic year.	
Number of science teachers in participating LEAs who were evaluated as effective or better in the prior academic year.	
Number of special education teachers in participating LEAs who were evaluated as effective or better in the prior academic year.	
Number of teachers in language instruction educational programs in participating LEAs who were evaluated as effective or better in the prior academic year.	

(D)(4) Improving the effectiveness of teacher and principal preparation programs (14 points)

The extent to which the State has a high-quality plan and ambitious yet achievable annual targets to—

- (i) Link student achievement and student growth (both as defined in this notice) data to the students’ teachers and principals, to link this information to the in-State programs where those teachers and principals were prepared for credentialing, and to publicly report the data for each credentialing program in the State; and
- (ii) Expand preparation and credentialing options and programs that are successful at producing effective teachers and principals (both as defined in this notice).

The State shall provide its detailed plan for this criterion in the text box below. The plan should include, at a minimum, the goals, activities, timelines, and responsible parties (see Reform Plan Criteria elements in Application Instructions or Section XII, Application Requirements (e), for further detail). Any supporting evidence the State believes will be helpful to peer reviewers must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Recommended maximum response length: One page

(D)(4)(i)

In recent years Arizona has made great strides in the quality of the educational data it collects. With the exception of the ability to link student and teacher data, Arizona has all of the necessary elements to connect student outcomes to specific teachers, and those teachers to the professional preparation programs they attended. As delineated in section (C)(1), Arizona plans on using SLDS and RTTT funds to support the teacher student connection. Once all the necessary data are collected Arizona will complete annual reports that highlight the overall academic performance and student growth for graduates of each approved program. These reports will be publicly reported by the 2011–2012 school year.

(D)(4)(ii)

Arizona believes that by making data easily accessible to the public it can support increased enrollment in its most successful teacher preparation programs. At the same time, this will provide a strong incentive for those institutions that have not produced the most effective teachers to take meaningful steps to improve their programs.

Additionally, higher education or an appropriate third party will be commissioned using RTTT funds to study Arizona's preparation programs and recommend specific policy changes to enhance the State's system for teacher and principal preparation. Arizona is committed to understanding what is producing effective teachers and leaders.

The final step will be to invest in and expand those programs that are demonstrated to be the most effective, as measured by student achievement and growth. For example, Arizona is fortunate to have an established relationship with TFA. TFA has a proven record of placing effective teachers in some of Arizona's most economically disadvantaged schools. Arizona plans to invest in TFA, and other proven programs, to expand the reach of quality teachers during the first year of the grant period.

Performance Measures	Actual Date: Baseline (Current school year or most recent)	End of SY 2010- 2011	End of SY 2011- 2012	End of SY 2012- 2013	End of SY 2013- 2014
General goals to be provided at time of application:	Baseline data and annual targets				
Percentage of teacher preparation programs in the State for which the public can access data on the achievement and growth (as defined in this notice) of the graduates' students.	0				
Percentage of principal preparation programs in the State for which the public can access data on the achievement and growth (as defined in this notice) of the graduates' students.	0				
Arizona currently collects this data but at this time is not publically available nor is it disaggregated to the specific preparation program.					
General data to be provided at time of application:					
Total number of teacher credentialing programs in the State.	85				
Total number of principal credentialing programs in the State.	12				
Total number of teachers in the State.	93,215				
Total number of principals in the State.	8,458				
[Optional: Enter text here to clarify or explain any of the data]					
Data to be requested of grantees in the future:					
Number of teacher credentialing programs in the State for which the information (as described in the criterion) is publicly reported.					
Number of teachers prepared by each credentialing program in the State for which the information (as described in the criterion) is publicly reported.					

Number of principal credentialing programs in the State for which the information (as described in the criterion) is publicly reported.	
Number of principals prepared by each credentialing program in the State for which the information (as described in the criterion) is publicly reported.	
Number of teachers in the State whose data are aggregated to produce publicly available reports on the State's credentialing programs.	
Number of principals in the State whose data are aggregated to produce publicly available reports on the State's credentialing programs.	

(D)(5) Providing effective support to teachers and principals (20 points)

The extent to which the State, in collaboration with its participating LEAs (as defined in this notice), has a high-quality plan for its participating LEAs (as defined in this notice) to—

(i) Provide effective, data-informed professional development, coaching, induction, and common planning and collaboration time to teachers and principals that are, where appropriate, ongoing and job-embedded. Such support might focus on, for example, gathering, analyzing, and using data; designing instructional strategies for improvement; differentiating instruction; creating school environments supportive of data-informed decisions; designing instruction to meet the specific needs of high need students (as defined in this notice); and aligning systems and removing barriers to effective implementation of practices designed to improve student learning outcomes; and

(ii) Measure, evaluate, and continuously improve the effectiveness of those supports in order to improve student achievement (as defined in this notice).

The State shall provide its detailed plan for this criterion in the text box below. The plan should include, at a minimum, the goals, activities, timelines, and responsible parties (see Reform Plan Criteria elements in Application Instructions or Section XII, Application Requirements (e), for further detail). Any supporting evidence the State believes will be helpful to peer reviewers must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Recommended maximum response length: Five pages

(D)(5)(i)

Throughout this application, Arizona has stressed that teachers and principals will use data to reflect on instructional practice. There will be many mechanisms to facilitate this process – from data systems and value-added applications to get the data to our educators in a way that is easy to interpret, to support personnel who will work with teachers and principals to help them access and interpret the data, as well as use it to inform instruction.

Professional development – and associated activities such as coaching induction and common planning time – is the critical link between these mechanisms and the teachers and principals who will drive student achievement. Arizona envisions a system in which all of these efforts are tied together in a culture of honest self-reflection and objective decision-making, and where the educators look forward to developing their skills because they can see the growth and feel like the time is always value-added.

A range of support personnel will drive this process. These can be new personnel brought in by LEAs, or existing personnel who can be designated to fill these roles as LEAs spend their RTTT dollars elsewhere. To summarize, the primary roles that are outlined in this application, and are expected to be filled by LEAs with new or existing personnel, are as follows:

- Academic specialists – These personnel will implement the new standards being developed as part of the Common Core initiative. They will develop support materials as appropriate, help LEAs develop high-quality interim assessments, and help train teachers and principals on the new formative assessment tools and their importance to classroom instructional practices.
- Assessment specialists – These personnel will ensure the new formative assessment tools are being used effectively and will participate in the train-the-trainer model to ensure teachers and principals understand the new data dashboard and supporting applications. Their role will extend into supporting the design of interim assessments and using data to support instruction.
- Academic coaches – These personnel will work with teachers and principals to discuss, interpret and act upon the range of data being generated by the new evaluations and data systems. These coaches are a bit different from the academic coaches (often staffed full-time at one school) in that these coaches must play a larger role in structuring conversations and less of a

role in one-on-one coaching. They are envisioned to work with the school-site coaches to make sure they are doing their job in the most effective way.

- Evaluation specialists – These personnel are focused training principals to provide effective evaluations and teachers to understand the expectations and content of the new evaluations. As the evaluations are rolled out, they will work with the academic coaches to interpret the evaluations and develop personalized professional development programs based on each teacher and principal's areas for development. They will work more frequently with principals, helping principals build the capacity to construct professional development programs for their teachers.
- School-site liaisons – These personnel are existing teachers who are eligible for stipends to play a role in helping their colleagues at the school become comfortable with the new technical tools and/or use data in practice. These personnel can help create and deliver professional development, get new hires up to speed, and provide structure for common planning time.

These support positions work in concert with each other and the existing support structure in the LEAs and at the County School Superintendent's office. LEAs will have considerable discretion in determining the needed mix of roles to implement their RTTT plan. LEAs will be expected to create time for teachers and principals to reflect on data and instructional practice. This may be an adjustment of current time set aside for professional development or other school activities – for example, an LEA converting a current group professional development into a structured conversation session in which teachers, by grade level or subject, discuss their student data and share thoughts on how to address issues. The support personnel discussed above, working with ADE and the County School Superintendents' offices, will help structure these conversations.

Mentoring is also an important component of the plan. Arizona currently has some effective mentoring programs, such as the Rodel Exemplary Teacher Initiative, but, using RITT funds, a statewide mentoring academy will be offered annually. This will ensure all

new teachers and principals have access to mentors. Meanwhile, struggling teachers would be paired with mentors in addressing areas for development including successful practices to improve instruction.

(D)(5)(ii)

The final components to this new system of professional development involve sharing best practices across LEAs, continuous improvement of the programs, and accountability for creating more effective programs. The RTTT Leadership Team will be responsible for tracking programs across participating LEAs. Measurement of effectiveness will be both quantitative and qualitative leading to an identification of effective practices within diverse circumstances. Over time, these data will result in recommendations as to the continuance of work beyond the RTTT grant period.

Performance Measures Performance measures for this criterion are optional. If the State wishes to include performance measures, please enter them as rows in this table and, for each measure, provide annual targets in the columns provided.	End of SY 2013-2014	End of SY 2012-2013	End of SY 2011-2012	End of SY 2010-2011	Actual Data: Baseline (Current school year or most recent)
(Enter measures here, if any.)					

(E) Turning Around the Lowest-Achieving Schools (50 total points)

State Reform Conditions Criteria

(E)(1) Intervening in the lowest-achieving schools and LEAs (10 points)

The extent to which the State has the legal, statutory, or regulatory authority to intervene directly in the State's persistently lowest-achieving schools (as defined in this notice) and in LEAs that are in improvement or corrective action status.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (E)(1):

- A description of the State's applicable laws, statutes, regulations, or other relevant legal documents.

Recommended maximum response length: One page

The Arizona Legislature has empowered the State Board of Education to intervene and, if necessary, takeover both schools and LEAs for poor academic performance or fiscal mismanagement. The State's academic accountability laws, AZ LEARNS (A.R.S. § 15-241), establishes procedures for State intervention in those schools failing to meet Arizona's academic standards. Under AZ LEARNS each public school is awarded a label based on a formula that uses AIMS scores, growth in AIMS scores, and ELL reclassification rates to identify schools as "Excelling," "Highly Performing," "Performing Plus," "Performing," or Underperforming.⁵ A.R.S. § 15-241(H). ADE uses these labels to target schools with special remediation and improvement strategies. For example, when a school is labeled Underperforming, Solutions Teams comprised of master teachers, principals,

⁵ Although the State's definition of "failing" schools and the definition of "persistently lowest-achieving" schools are not completely aligned, Arizona is working to modify the formula to resolve any discrepancies between the two definitions.

superintendents, fiscal analysts and curriculum experts spend at least three-days in the classroom and working with administrators. A.R.S. § 15-241(Q). After visiting the school, the Solutions Team files a report with findings and recommendations on how to improve the Underperforming schools academic performance. A.R.S. § 15-241(Q). Within forty-five days of receiving the Solution Team's finding and recommendations, the LEA is required to develop and submit to ADE an action plan implementing the Solution Teams findings and recommendations. A.R.S. § 15-241(Q). The SBE may withhold up to ten percent of state aid if the school does not submit an action plan within the required forty-five days period. A.R.S. § 15-241(Q). ADE representatives and liaisons monitor and work with the Underperforming schools to ensure the action plan is properly implemented. A.R.S. § 15-241(Q).

Schools that are underperforming for three-years in a row despite State intervention receive a Failing label. A.R.S. § 15-241(O). From 2004 to 2008, forty-four Arizona schools were designated as failing and each received two years of intervention support from ADE. Schools that fail to meet academic standards are again evaluated by ADE to determine whether they properly implemented their school improvement plans, aligned their curriculum with the Arizona academic standards, provided teacher training, prioritized the budget, or implemented other proven strategies to improve academic performance. A.R.S. § 15-241(V). Based on this analysis, ADE recommends to the SBE at a public hearing what corrective action should be taken. Intervention ranges from the hiring of master teachers and mentor principals to school takeover removing the LEA and appoint a governmental, nonprofit, and/or private organization. A.R.S. 15-241(W). Since 2004, ADE has recommended and the LEA has replaced the principal in about one-third of failing schools.

In addition to intervention at the school level, Arizona law allows the State to intervene on a district or LEA-wide basis. A.R.S. § 15-241.01. The SBE may takeover and assign a governmental, non-profit, or private organization to run a LEA, if the LEA has six schools and half or more of those schools with a Underperforming label and at least one school received a failing label. A.R.S. § 15-241.01(C). Also under law, the Arizona State Board for Charter Schools (ASBCS) has the authority to pursue charter revocation

for charter schools that receive a failing academic label, or are found to have breached one or more provisions of their charters. A.R.S. § 15-183(I), A.R.S. § 15-241(U).

Moreover, the SBE is required to take over an LEA due to insolvency, fiscal mismanagement or over expenditure. A.R.S. § 15-103, A.R.S. § 15-107. Since 2004, four school districts have been placed in fiscal receivership.

Reform Plan Criteria

(E)(2) Turning around the lowest-achieving schools (40 points)

The extent to which the State has a high-quality plan and ambitious yet achievable annual targets to—

(i) Identify the persistently lowest-achieving schools (as defined in this notice) and, at its discretion, any non-Title I eligible secondary schools that would be considered persistently lowest-achieving schools (as defined in this notice) if they were eligible to receive Title I funds; and (5 points)

(ii) Support its LEAs in turning around these schools by implementing one of the four school intervention models (as described in Appendix C): turnaround model, restart model, school closure, or transformation model (provided that an LEA with more than nine persistently lowest-achieving schools may not use the transformation model for more than 50 percent of its schools). (35 points)

The State shall provide its detailed plan for this criterion in the text box below. The plan should include, at a minimum, the goals, activities, timelines, and responsible parties (see Reform Plan Criteria elements in Application Instructions or Section XII, Application Requirements (e), for further detail). In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (E)(2) (please fill in table below):

- The State's historic performance on school turnaround, as evidenced by the total number of persistently lowest-achieving schools (as defined in this notice) that States or LEAs attempted to turn around in the last five years, the approach used, and

the results and lessons learned to date.

Recommended maximum response length: Eight pages

(E)(2)(i)

Arizona is a dual-accountability state. Under No Child Left Behind (NCLB) and AZ LEARNS, each Arizona school receives an AYP and AZ LEARNS label. Arizona focuses its intervention using AZ LEARNS labels because, among other things, a school's AZ LEARNS profile takes into account the school's performance under AYP. See Appendix M for Arizona's past turnaround efforts.

Arizona currently may intervene in many - but not all - of its "persistently lowest-achieving schools" as identified by the RTTT formula because they also are identified as failing under AZ LEARNS.⁶ The SBE is modifying its AZ LEARNS formula to align with the RTTT formula, and as such the State anticipates it will have authority to intervene in all persistently lowest-achieving schools by the spring of 2010.

Arizona has a history of providing students school choice. A.R.S. §§ 15-816 through 15-816.07. Arizona will continue to use school profiles to strengthen students' school choice options. Currently under AZ LEARNS local school boards are required to publish the underperforming or failing status. A.R.S. § 15-241(K),(M),(P). Arizona will continue to explore ways to communicate

⁶ The State is currently revising the AZ LEARNS formula to include the definition of "persistently lowest-achieving" schools set out in this application, bringing Arizona closer to having a single accountability system. However, Arizona's method for identifying persistently lowest-achieving schools will exclude alternative schools (i.e., schools for students with serious behavioral or social challenges), include measures of individual student growth (as opposed to a change in the school's percent proficient), and be based more heavily on overall achievement, leading to more consistent labels from year to year. (It is important to note that the State, as described in Section (E)(2)(ii), will be developing a system of accountability for alternative schools in parallel).

earlier the status of schools thereby giving parents more time to exercise school choice options and, create additional incentives to improve operations at underperforming schools.

(E)(2)(ii)

ADE will use the modified AZ LEARNS system to assess all public schools and identify the persistently lowest-achieving schools. For non-charter schools identified as persistently lowest-achieving, the SBE will utilize one of the four rigorous interventions defined by the Federal government (turnaround, transformation, conversion to charter or closure). It is unlikely that Arizona will face situations in which one LEA has more than nine persistently lowest-achieving schools. Preliminary analysis suggests Arizona has approximately 16 persistently lowest-achieving schools, and most of these schools are not likely to be clustered in the same LEA. Regardless, Arizona will continue to intervene in all underperforming and failing schools but the persistently lowest achieving schools will receive a greater share of ADE and SBE attention.

ADE intervention will take a comprehensive approach that will include:

- 1) Data driven instructional system;
- 2) Rigorous and relevant curriculum that challenges and engages students;
- 3) Professional development that is targeted and based on needs that are identified at least partially by the new evaluation system;
- 4) Extended learning time e.g. after-school standards based program, extended day and/or extended school year;
- 5) Community/parental education and involvement e.g. College Access Challenge Grant programs, etc;

- 6) Incentives for educators, students and parents;
- 7) Significant partnerships e.g. Arizona Science Foundation, Arizona Community Foundation, etc; and
- 8) Rigorous tracking of the progress of change programs, as well as leading/ lagging indicators of performance.

The Arizona State Board for Charter Schools will pursue charter revocation for each school identified as persistently lowest-achieving. A.R.S. § 15-183(I).

In addition to rigorous interventions aimed at the State's underperforming and failing schools, Arizona will provide supplemental assistance to help schools build teacher and site leadership capacity. ADE currently utilizes master teachers, experienced principals and superintendents to assist underperforming and failing schools. A.R.S. § 15-241(Q). Arizona intends to add to this expertise a "What Works in Arizona Clearinghouse". ADE intends to partner with higher education institutions and various Arizona education organizations to develop this extensive Clearinghouse. The Clearinghouse will highlight evidence-based programs and strategies that dramatically improve underperforming and failing as well as persistently lowest achieving schools. These strategies will be uploaded onto ADE's IDEAL platform, which is available to every educator in the State. Moreover, using RTTT funds under the "What Works in Arizona Clearinghouse", the SBE and ADE will address the:

- **Teacher satisfaction survey** – There is a consensus that quality classroom teachers are the lynchpin for academic success. In the past, Arizona has conducted teacher surveys. This practice will be expanded to include all teachers and the results provided to LEAs. The results will be used as input for the early warning system/predictive model described below.
- **Alternative school accountability** – Academic achievement at alternative schools tends to be low – in many instances, alternative schools are institutions of last resort. Arizona will conduct a study on what is the right approach to accountability for alternative schools.

- **Early warning system** – Arizona will create a predictive model that forecasts which schools are most at risk of becoming underperforming and failing schools through the use of achievement data and other relevant lower academic performance predictors.

ADE will develop and upload the Clearinghouse to the IDEAL platform by the spring of 2010. Arizona will launch the teacher satisfaction survey during the 2010-2011 school year and the early warning system would be designed and implemented by the 2011-2012 school year. A study of alternative schools will be done during the 2012-2013 school year.

Arizona will emphasize reading skills as a core component of its intervention models. We propose that for the persistently low achieving schools identified in our Race to the Top application, the AZREADS statutory provisions must be incorporated as part of the improvement plan. Next, we will direct ADE to place a high priority on reading for all schools that are struggling under No Child Left Behind guidelines. Finally, we will ask that the SBE under the authority given to them in 15-241 amend the mandatory School Improvement Plans to incorporate the AZREADS statute.

Understanding that students achieve more and are more likely to graduate when they see relevancy between what they are learning in school and their interests, skills, and aspirations, Arizona has mandated that by 2013 all students must have completed an *Education and Career Action Plan (ECAP)* process prior to graduation. Mandated implementation began with 9th graders in the Fall of 2009. The ECAP may be used as a Title I School Improvement strategy for increasing school graduation rates and increasing parent involvement and may be monitored in the Arizona LEA Tracking data system. The ECAP will be automated through a statewide, web accessible, secure student planning tool tied to the statewide data system, making it transferable as students move between schools. This is considered the “customization of education” which reflects the student as an individual within a larger more complex system.

Dropout Prevention Programs critically target those students most at risk of dropping out of school. Arizona will utilize predictive

modeling to identify students in need and connect them to intervention models. ALL students within the LEA models will be continuously monitored on a “real time” basis to assess their changing level of risk. Counselors and other school personnel will determine appropriate interventions to be tracked in the ECAP. Three to five school pilots will be supported in application and evaluation of the predictive modeling concept. LEAs will select from a listing of intervention strategies, including those identified in the Clemson University National Dropout Prevention Network research.

While Arizona has no illusions about the magnitude of change that is needed in some of these persistently lowest achieving schools, its Governor’s Distinguished Educators Corp can provide much-needed structure and expectations to failing schools, help build the capacity of the teachers who will stay long-term, and implement transition plans that leave the school permanently better off. The offer to the Distinguished Educators needs to be a comprehensive package of recognition, substantially higher pay, the ability to strongly influence the school culture, and the ability to return to their home districts at a predetermined point in time. Indeed, Arizona has substantial experience in placing excellent educators in lower performing schools. Investing in a Distinguished Educator Corps will allow Arizona to reach significantly more struggling schools and their students

Some Distinguished Educators will complete only one “service leave.” Others may complete more than one, with some perhaps becoming full-time “turnaround experts,” bringing their skills and leadership from struggling school to struggling school. Whereas teachers who change school districts currently “start over” in terms of experience-based increases (unless individually negotiated), the State will require receiving LEAs to maintain the salary of Distinguished Educators. The State then will pay an additional \$25,000 per year salary stipend for each year the Distinguished Educator serves in the receiving LEA. The \$25,000 per year will be funded out of the RTTT grant, and assuming the success of the program, Arizona will pursue a permanent funding stream to maintain these stipends. Arizona and LEAs each will invest in programs to enhance equitable distribution of highly effective educators, which where appropriate will work with the Governor’s Distinguished Educator Corps to “fill in” around the Distinguished Educators with promising teachers. Some of these programs are being specified in this application (Rodel Exemplary

Teachers and Principals, Teach For America); others will be identified either by the State through a Request For Proposal (RFP) process or by LEAs through a market-based system. OER will work with the RTTT Leadership Team to run any RFP processes.

ADE's specialists and school-site liaisons will continue their role in turning around underperforming and failing schools. Arizona's goal is to make struggling schools become a model in data centered instruction and usage. One condition Arizona is attempting to mitigate is the variability of existing resources and capabilities across LEAs. Several LEAs are at the forefront of data centered instruction and usage. These LEAs employ specialists, technology and already have the capacity to use data effectively, while others currently have less capacity to effectively use data. Arizona intends to bring those LEAs with less proficiency up to speed by holding them accountable for providing the training and professional development necessary to build the needed capacity. This will ensure not all funds are spent on new technology without investing in the requisite subject matter expertise. The RTTT Leadership Team, in conjunction with OER, will monitor how LEA funds are spent. The LEAs will be responsible for demonstrating that they have the appropriate personnel and are effectively providing the training and professional development expected.

One potential investment that will be highlighted to LEAs is an expansion of standards-based after-school programs. Arizona believes that an extended school day, that provides thoughtful programming, can be very effective for struggling schools. These programs will be instructionally rich and provide curriculum to students in an appealing format. ADE will catalogue existing efforts and create a central repository of knowledge. Participating LEAs will be encouraged to translate these programs to their own struggling schools. The translation effort will be driven by ADE in conjunction with network of specialists (especially the academic corps), as well as by any school-site liaisons who take responsibility for designing and staffing the after-school program. ADE will monitor the programs for quality and report out to the RTTT Team. The goal is to reduce the costs to implement these after-school programs through the delivery of standardized materials across Arizona. Within five years Arizona expects to see the best standards-based after-school programs implemented across the State.

Other forms of extended learning will also be recommended to LEAs. Longer school days and 200-day school years are two

examples. Arizona statute currently provides a 6% salary increase for districts that opt for a 200-day school year (which represents 11% more class time) ARS § 15-902.02. At present only one school district, Balsz Elementary takes advantage of this incentive, but Arizona is working to demonstrate the effectiveness of this approach and encourage other districts to follow suit.

Participating LEAs will be given the discretion to invest in other programs they believe are effective in supporting struggling schools. A number of these programs were discussed at the Struggling Schools Task Force meeting, including some that are sponsored by ADE. The decision was made not to prescribe programs centrally through RTTT but rather to use a thoughtful RFP process and the LEA buying market to identify promising programs and carefully track what is working. Any investments must be in programs that are evidence-based and aligned with the broader reform strategy for supporting struggling schools, such as enhancing community or parental engagement. ADE will publish the evidence based on its available programs to help inform participating LEAs.

Several programs that focus directly on serving students at struggling schools will be funded through RTTT. One such program is the Advanced Placement Incentive Program, which was described in (D)(3)(ii) and brings rigorous curriculum to high-need tandem middle and high schools. Specific investments in this area will focus on STEM courses. Arizona also will use RTTT funds to expand the number of e-learning courses available to rural schools. ADE has had success providing AP courses in distance learning settings. This approach allows students access to advanced coursework that cannot be supported in rural or otherwise struggling schools. In many of these instances, there is not the critical mass of students needed to support these programs, and without an e-learning alternative the student must take intermediate-level courses, where learning and overall achievement will suffer.

E-learning is one component to the broader rural/Native American strategy for supporting struggling schools. Another is to work in closer collaboration with the existing advisory group for the Indian Education Act. This group already meets on an annual basis to discuss the state of Native American education in Arizona; moving forward, it will also discuss specific tactics with respect to Native American schools and make recommendations on expanding, altering or curtailing efforts. The explicit goal of this group

would be to raise student achievement at low-performing reservation schools.

Arizona is looking to build on its successes and lessons learned with the Arizona Native American Dropout Prevention Initiative (NADPI). The State is ready to implement strategies such as enhancing significant community engagement, working collaboratively with tribal and school leadership, building a sense of ownership in the schools, shared accountability, integration of “wrap-around” services such as social and health services, and a strengthening of parental involvement and expectations. Meanwhile, Arizona will work specifically to develop culturally relevant curriculum, and create professional development to build cultural awareness among teachers, especially those who may work in these schools as part of the Distinguished Educators or other equitable distribution programs.

Arizona also will look to expand programs that have been successful under the Arizona Response to Intervention (AZRTI) framework. In rural schools, the tracking of progress, goals and interventions via Education Career Action Plans (ECAPs) is expected to be quite valuable. Additional areas of focus will include dropout prevention, high school and middle school renewal programs, the Jobs for Arizona’s Graduates (JAG) program, International Schools and the creation of a credit-recovery system to help students who fall behind catch up.

Very practically, Arizona will have to invest in bringing technology and high-speed internet to its rural areas. Internet likely will have to come via satellite and Arizona may need to engage tribal utility authorities. While most technology investments under RTTT will be made by LEAs as one of the uses of the LEA’s 50% of funds, simply getting high-speed Internet to these areas will be funded centrally. The thought is that high-speed Internet is a basic building block to 21st century learning that could consume a large portion of rural LEA’s funds, foreclosing the opportunity to invest in other kinds of technology, support personnel and promising programs.

The emphasis of MAC-Ro as an LEA investment was discussed in Section (B)(3). This will increase early interventions in

mathematics grades 1 through 5. Arizona will seek to develop and expand engineering and problem-based learning opportunities in and out of class, following the example set by Cochise College located in rural Southeastern Arizona, among others. The State also will incorporate STEM service learning into school curriculum in partnership with private sector and local governments, and enhance industry and career exposure through internships and mentoring. These initiatives are discussed in greater detail under priority two of this application.

Evidence

Approach Used	# of Schools Since SY2004-05	Results and Lessons Learned
Transformation	50	In our Native American Communities truancy codes need standardization among schools. Greater efforts are needed to build relationships and understand the local cultural environment, as well as to involve the Tribal Councils in conjunction with Tribal School Boards.

(Enter text here.)

Performance Measures	Actual Data: Baseline (Current school year or most recent)	End of SY 2010-2011	End of SY 2011-2012	End of SY 2012-2013	End of SY 2013-2014
The number of schools for which one of the four school intervention models (described in Appendix C) will be initiated each year.	0	4	4	4	4

Arizona intervened in 21 schools during the 2008-2009 school year. Using one of the four new models, at a minimum 16 schools will receive one of the four school intervention models with support from the RTTT grant funds. Additional schools will continue to receive intervention support via ESEA Title 1 requirements.

(F) General (55 total points)

State Reform Conditions Criteria

(F)(1) Making education funding a priority (10 points)

The extent to which—

- (i) The percentage of the total revenues available to the State (as defined in this notice) that were used to support elementary, secondary, and public higher education for FY 2009 was greater than or equal to the percentage of the total revenues available to the State (as defined in this notice) that were used to support elementary, secondary, and public higher education for FY 2008; and
- (ii) The State’s policies lead to equitable funding (a) between high-need LEAs (as defined in this notice) and other LEAs, and (b) within LEAs, between high-poverty schools (as defined in this notice) and other schools.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also

include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F)(1)(i):

- Financial data to show whether and to what extent expenditures, as a percentage of the total revenues available to the State (as defined in this notice), increased, decreased, or remained the same.

Evidence for (F)(1)(ii):

- Any supporting evidence the State believes will be helpful to peer reviewers.

Recommended maximum response length: Three pages

Arizona used a higher percentage of its total available revenues to support education in FY 2009 than in FY 2008. Between FY 2008 and FY 2009 Arizona's total general fund state revenues dropped nearly 18 percent (see Table 1). As Arizona state government absorbed these reductions, Education at all levels remained a priority. Because education spending was reduced less than overall spending reductions, the total percentage of state expenditures dedicated to education rose from the FY 2008 level of 53.5 percent to the FY 2009 level of 59.5 percent.

Table 1 – Education Support

Dollars in Thousands

	<u>FY 2008</u>	<u>FY 2009</u>	<u>Percentage Change</u>
Total Revenue	\$10,045,087	\$8,248,542	-17.9%
Education Support	\$5,375,175	\$4,908,421	-8.7%
Percent of Education Support	53.5%	59.5%	

For purposes of this calculation, Revenue is defined as total available revenues for General Fund expenditures and includes the

following: base revenues (ongoing taxes), bond proceeds, fund transfers, and the balance forward. Expenditures include total appropriations, administrative adjustments, and reversions.

F1(ii)

Arizona for many years has provided school districts with an equalized funding formula that provides state funds to districts. The equalized funding formula ensures that all school districts have equitable access to budget capacity and revenues. The equalized system provides additional state funds to districts with limited taxable property that is located within the school district.

Regardless of the taxable property within a school district each Arizona school district computes a district support level, which is determined by the total number of pupils, special program add-ons for academic assistance for pupils in kindergarten through grades 3, students with special needs, and the number of English language learners. This number is adjusted upward for districts that have classroom teachers who are more experienced than the state average and for school district transportation programs.

To assist with the increased costs for the delivery of educational services to students served by small and isolated Arizona school districts, an additional upward funding adjustment in the district support level is provided. The small school funding adjustment is for districts less than 600 students and an even higher adjustment is provided for small school districts that are located in isolated areas of the state. Since the calculation of a district support level is not determined by taxable property wealth but rather by student numbers and characteristics of students, districts have equalized access to budget capacity and revenues.

Arizona school districts receive state equalization funds through a state finance formula. In this formula the state establishes a uniform qualifying tax rate for school districts. The state determines what this uniform qualifying tax rate would raise in each district. The amount that would be raised in local property taxes from the qualifying tax rate is subtracted from the district's calculated support level, which is based upon student numbers and characteristics to determine the amount of state equalization assistance.

The amount of equalization assistance provided to each district varies inversely with a district's taxable property valuation per student. For example, districts with lower property valuations per student receive higher levels of state equalization funding. However, if the qualifying tax rate would raise more money than the calculated district support level the district would receive no state equalization funds. It is important to note that even in this case the spending limit for the district could not exceed the calculated district support level.

Arizona's equalized funding system therefore provides equitable funding to Arizona school districts. The formula not only provides significant increases in state funding for districts with limited taxable property but the system also limits the ability of districts with very high amounts of taxable property from generating additional dollars beyond the calculated district support level.

(F)(2) Ensuring successful conditions for high-performing charter schools and other innovative schools (40 points)

The extent to which—

- (i) The State has a charter school law that does not prohibit or effectively inhibit increasing the number of high-performing charter schools (as defined in this notice) in the State, measured (as set forth in Appendix B) by the percentage of total schools in the State that are allowed to be charter schools or otherwise restrict student enrollment in charter schools;
- (ii) The State has laws, statutes, regulations, or guidelines regarding how charter school authorizers approve, monitor, hold accountable, reauthorize, and close charter schools; in particular, whether authorizers require that student achievement (as defined in this notice) be one significant factor, among others, in authorization or renewal; encourage charter schools that serve student populations that are similar to local district student populations, especially relative to high-need students (as defined in this notice); and have closed or not renewed ineffective charter schools;
- (iii) The State's charter schools receive (as set forth in Appendix B) equitable funding compared to traditional public schools, and a commensurate share of local, State, and Federal revenues;

(iv) The State provides charter schools with funding for facilities (for leasing facilities, purchasing facilities, or making tenant improvements), assistance with facilities acquisition, access to public facilities, the ability to share in bonds and mill levies, or other supports; and the extent to which the State does not impose any facility-related requirements on charter schools that are stricter than those applied to traditional public schools; and

(v) The State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F)(2)(i):

- A description of the State's applicable laws, statutes, regulations, or other relevant legal documents.
- The number of charter schools allowed under State law and the percentage this represents of the total number of schools in the State.
- The number and types of charter schools currently operating in the State.

Evidence for (F)(2)(ii):

- A description of the State's approach to charter school accountability and authorization, and a description of the State's applicable laws, statutes, regulations, or other relevant legal documents.
- For each of the last five years:
 - The number of charter school applications made in the State.
 - The number of charter school applications approved.
 - The number of charter school applications denied and reasons for the denials (academic, financial, low enrollment, other).
 - The number of charter schools closed (including charter schools that were not reauthorized to operate).

Evidence for (F)(2)(iii):

- A description of the State's applicable statutes, regulations, or other relevant legal documents.
- A description of the State's approach to charter school funding, the amount of funding passed through to charter schools per student, and how those amounts compare with traditional public school per-student funding allocations.

Evidence for (F)(2)(iv):

- A description of the State's applicable statutes, regulations, or other relevant legal documents.
- A description of the statewide facilities supports provided to charter schools, if any.

Evidence for (F)(2)(v):

- A description of how the State enables LEAs to operate innovative, autonomous public schools (as defined in this notice) other than charter schools.

Recommended maximum response length: Six pages

(F)(2)(i)

Arizona's robust Charter law passed in 1994 (A.R.S §15-181 et. Seq.) and is recognized as one of the most vibrant laws enacted nationwide. In fact, according to a report released on January 13, 2010 by the National Alliance for Public Charter Schools entitled "*How State Charter Laws Rank Against The New Model Public Charter School Law*," Arizona ranks #10 when evaluated on its commitment to the full range of values in the public charter school movement: quality and accountability, funding equity, facilities support, autonomy, growth and choice. Arizona's law does not limit the number of charter schools that may be authorized nor does it prescribe types of schools that may charter. The statute provides for three charter authorizers: School Districts, the SBE, and the Arizona State Board for Charter Schools (ASBCS). Currently 43% of Arizona charters are in rural counties, 17 charter schools specifically serve the Native American students in our state with 10 of 17 schools located on reservation land. The bulk of Arizona's 502 charter schools are overseen and regulated by the ASBCS. The SBE is no longer granting new charters, but continues to sponsor 37 charter schools, and through an intergovernmental agreement, utilizes the ASBCS for oversight and monitoring of those schools. Six school districts authorize, oversee and monitor a total of 6 charter schools.

In the 2009-2010 school year there are over 100,000 students attending charter schools in Arizona. Since the state does not limit the type or numbers of schools we have a rich and diverse mix of charter schools in our state that address the diversity of our students as well as the interests including the arts, math and science, advanced placement, distance learning, liberal arts and others.

Through its own innovation, the ASBCS instituted a unique process by which existing charter schools that have met achievement, fiscal and compliance with state, local and federal laws have the opportunity to replicate their strong schools quickly through an expedited application process. Over the past two years 10 replicated charter schools have opened or are in the process of opening in rural and urban communities and on the Davis-Monthan Air Force Base. The curriculum varies to meet the needs or challenges within the specific communities where they are housed.

The ASBCS continues to approve high quality applications for new charter schools each year and supports the continued expansion of existing high quality charters. Thirty-four new charter schools opened for the 2008-2009 school year.

Annually, the ASBCS grants an average of 15 new charters. Charter contracts are legislatively mandated for a 15 year contract and are comprehensively reviewed every five years. In fact, the ASBCS just had new rules approved for the 15 year renewal contract that will include mandated student achievement requirements based on AZLEARNs.

The Arizona School Improvement Act of 1994 (amended in 1995) mandates that all public schools provide open enrollment opportunities throughout Arizona and since charter schools are considered public schools they abide by the same legislation. The law was passed to allow parents/guardians the freedom of choice. See A.R.S. §§ 15-184 and 15-816.01 (A).

(F)(2)(ii)

Title 15, Chapter 1, Article 8 of the Arizona Revised Statutes covers the responsibilities and regulations concerning charter schools, provides for periodic review and evaluation during the contract period, and outlines the requirements for reauthorization, or renewal, of a charter. Charter schools authorizers have oversight and administrative responsibility for the charter schools they sponsor (A.R.S. § 15-183.R.)

Charter Approval:

Arizona Statutes and Rules govern the process for approving new charters and charter requirements (A.R.S. § 15-183, Title 7, Chapter 5, Article 2 of the Arizona Administrative Code.

Monitoring and General Oversight:

- A.R.S. § 15-183.I. includes the requirement that “a sponsor shall review a charter at five year intervals.” In addition to the statutory requirements, the ASBCS, an independent chartering board and the major sponsor of the majority of charter schools in Arizona, has established a policy for the process and the components of a comprehensive review. The same policy is applied to the reviews of charter schools sponsored by the SBE through an interagency agreement (IGA), which gives oversight responsibilities for the SBE charters to the ASBCS. The ASBCS policy stipulates that a five year interval comprehensive charter review includes an examination of a charter school’s academic performance as well as an appraisal of the fiscal and legal compliance of the charter during the previous five years of operation. The ASBCS collaborates with and regularly receives monitoring information from the ADE.
- *Annual Independent Audit:* Arizona law further requires each charter school to conduct an annual financial audit by an independent certified public accountant (A.R.S. §§ 15-183.E.6 and 15-914). A copy of the annual audit is then submitted to the sponsor and to ADE.
- *Annual Performance Report:* In accordance with A.R.S. § 15-183.E.4., every charter school is required, in the same manner as district schools, to complete and distribute an annual performance report to parents of pupils enrolled at the school, and to submit that information to ADE for the purpose of compiling an annual achievement profile and school report card that is made available to the public.

Accountability: A.R.S. § 15-183.I provides for revocation of a charter at any time if said charter holder is found in breach of one or more provisions of the charter contract. The statute includes all the provisions for revocation. Moreover for charter schools sponsored by ASBCS, Arizona Administrative Code, Title 7, Chapter 5, Article 3 provides for charter accountability, including

general supervision, oversight and responsibility (R7-5-301), corrective action plan (R7-5-302), site visits, records, and notice of violation (R7-5-303), and disciplinary action (R7-5-304). If a charter school is designated as a school failing to meet academic standards, A.R.S. § 15-241.U provides for the charter school's sponsor to either take action to restore the charter school to acceptable performance or revoke the school's charter.

Renewal: In Arizona, contracts between authorized public chartering agencies (ASBCS, SBE and School Districts) and the charters they sponsor have 15 year durations. (A.R.S. § 15-183.I). Since the first charters will not expire until July, 2011, none have been required to complete the renewal process. No charters have been eligible for renewal since we have none that have existed for the 15 year term. The first charters will not expire until July 2011. A.R.S. § 15-183.I states that *"the sponsor may deny the request for renewal if, in its judgment, the charter school has failed to complete the obligations of the contract or has failed to comply with this article."* The ASBCS has adopted a renewal process that includes a focus on student achievement and student growth based upon AIMS as a consideration for renewal.

	Charter School Applications Made	Charter School Applications Approved*	Charter School Applications Denied**	Charter Schools Closed
FY 2005	27	12	1	16
FY 2006	26	12	2	43
FY 2007	31	14	3	24
FY 2008	31	17	2	21
FY 2009	34	13	3	17

* Remaining charter school applications were incomplete or withdrew from the process.

** Reasons for denial were comprehensive program of instruction and/or business plan deficiencies.

(F)(2)(iii)

1. Arizona's Equalized Funding System

Charter schools receive equitable funding commensurate with traditional district schools. According to ADE, in fiscal year 2009, Arizona charter schools received \$676,322,958.00 in Arizona taxpayer funding. Both charter schools and traditional school districts are allocated taxpayer dollars through the State's base level funding formula. A.R.S. §§ 15-185 and 15-943. Charter schools educated a little over 9% of Arizona students and received approximately 14% of the State's education funding. In 2009, the State's funding formula resulted in traditional district schools receiving an average of \$5,435.25 per student, while charter schools received an average of \$6,396.40 per student. *See* compilation of APOR-55 Reports and CHAR-55 Reports found on ADE's Website: www.ade.az.gov/districts; *see also* Annual Report of the Arizona Superintendent of Public Instruction, Fiscal Year 2008-2009.

Arizona utilizes an equalized funding system for all its public schools, which includes charter schools. A.R.S. §§ 15-185.B.4, 15-901 and 15-943. In Arizona, public schools are funded based on the number of students they enroll. A.R.S. §§ 15-901, 15-902 and 15-943. The principal component of the funding formula is the base level amount that the Legislature appropriates for each student (currently \$3,267.72). The base level amount is then multiplied by each public school's student enrollment, commonly known as the school's student count. A.R.S. §§ 15-185, 15-901 and 15-943. That sum – known as average daily membership (ADM) – is then increased by factors that reflect the higher costs of educating certain types of students, such as students with learning disabilities, limited English proficient students, and students that live in remote and rural areas. A.R.S. §§ 15-901 and 15-943. These students will receive the same additional funding "weight" regardless of whether the student attends a charter school or traditional district school.

2. All Public Schools Receive Commensurate Supplemental Funding From the State

Arizona also supplements the base funding amount to school districts and charter schools with commensurate additional programmatic funding. For school districts, Arizona allocates additional funding for certain specific purposes such as capital facilities and soft capital items (e.g. text books and computers), which must be spent in those delineated categories.⁷ A.R.S. §§ 15-947 and 15-962. For charter schools, Arizona allocates “additional assistance” of \$1,588.44 per student in kindergarten programs and grades 1 through 8 and \$1,851.30 per student in grades 9 through 12, which may be spent in whatever manner the school chooses. A.R.S. § 15-185(B)(4), (F).

In addition to State appropriations, charter schools also receive significant federal funding. There are no Arizona laws that prohibit charter schools from applying for and receiving federal dollars. In 2009, Arizona school districts and charter schools applied for and received \$1,115,176,511.00 in federal education funding, including food service allocations. Charter schools received \$64,149,261.00 of that funding equaling approximately six percent of the total amount awarded.⁸ See Annual Report of the Arizona Superintendent of Public Instruction, Fiscal Year 2008-2009. While Arizona charter schools educate a little over nine percent of Arizona students, they account for seven percent of the Federal Title One Assistance awarded. Arizona and ADE comply fully with the Charter School Expansion Action 34 C.F.R § 76.785. Accordingly, all charter schools that are eligible for federal funding receives an allocation and very few of those schools choose not to apply for the funding. ADE Website: www.ade.az.gov/asb. This is proportionate share of the federal funding awarded.

(F)(2)(iv)

⁷ School districts may also increase their revenue through passing local property tax overrides and capital facilities bonding. A.R.S. §§ 15-481 and 15-491.

⁸ Federal regulation prohibits Arizona’s for-profit charter schools from applying for and receiving federal funding under the Individuals with Disabilities Education Act and the Elementary and Secondary Education Act. 20 USC §§ 1401(6),(27), 7801(18)(38).

Arizona passed two key pieces of legislation this past year to provide assistance charter schools with facilities acquisition.

- Further clarification was made to ensure equitable zoning requirements. A.R.S. § 15-189.01 was revised to specify that charter schools be classified as public schools for the purposes of municipal and county zoning. It also requires municipalities and counties to allow charter schools to operate at a location or in a facility where a school in a school district would be allowed to operate.
- A.R.S. § 42-11132 was revised to provide significant financial relief from burdensome property taxes for non-profit charter schools who lease their facilities. By classifying the property leased by a non-profit charter schools as class nine and assessing the property at one percent, the property taxes of non-profit charter schools leasing facilities will be reduced by 90% to 95%.

(F)(2)(v)

In Arizona LEAs are free to operate innovative, autonomous public schools other than charter schools and are not hindered by any existing state statute. Currently LEAs in Arizona have opened a number of alternative sites which are not charter schools including “traditional schools”, extended year schools, virtual schools, magnet schools and technology based schools.

(F)(3) Demonstrating other significant reform conditions (5 points)

The extent to which the State, in addition to information provided under other State Reform Conditions Criteria, has created, through law, regulation, or policy, other conditions favorable to education reform or innovation that have increased student achievement or graduation rates, narrowed achievement gaps, or resulted in other important outcomes.

In the text box below, the State shall describe its current status in meeting the criterion. The narrative or attachments shall also include, at a minimum, the evidence listed below, and how each piece of evidence demonstrates the State's success in meeting the criterion. The narrative and attachments may also include any additional information the State believes will be helpful to peer reviewers. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Evidence for (F)(3):

- A description of the State's other applicable key education laws, statutes, regulations, or relevant legal documents.

Recommended maximum response length: Two pages

The Technology Assisted Project Based Instruction Program (TAPBI) program is a distance-learning pilot program established in 1998 by the Legislature to improve pupil achievement and extend academic options beyond the four walls of the traditional classroom. Participation in TAPBI is currently limited to seven school districts and seven charter schools. At least 80% of the students accepted by TAPBI schools each year must have been previously enrolled in and attended a public school in the previous school year.

Most TAPBI schools serve various types of students including gifted, at-risk, and homebound students. TAPBI schools typically use Internet-based applications, known as learning management systems, to create and deliver learning content. This content includes online reading materials, interactive exercises, discussion forums, video clips, and quizzes. While participating in a TAPBI, students are able to pace themselves according to their individual needs when reading textbooks, completing homework assignments, and working on projects. Just like other public schools, TAPBI receives per-pupil funding based on Average Daily Membership (ADM).

The Superintendent of Public Instruction (SPI), the SBE, and the ASBCS provide oversight for the TAPBI Program. TAPBI schools are required to file an annual report that includes descriptions of educational services, operational and administrative efficiency, overall cost, academic achievement, and student and parent satisfaction surveys. After receiving the annual reports, the Joint Legislative Budget Committee (JLBC), in conjunction with the state boards, issue a compilation of each of the schools' annual reports. In addition, each TAPBI school must be reviewed by their respective state board every 5 years to determine the

effectiveness of the schools' participation in the pilot program.

Demand in Arizona as well as across the country has continued to build for online instruction and Arizona's desire to fulfill the unique needs of not only our children but our rural areas resulted in legislation last year to remove the pilot status of this program and allow it to grow. This last year legislation was enacted to rename the program to the Arizona Online Instruction. The caps on the number of school districts and charter schools that were allowed to participate were eliminated but the SBE and ASBCS were directed to jointly develop standards for the approval of online course providers and online schools. Each new school approved to provide instruction is placed on a probationary status until the school has clearly demonstrated the academic integrity of its instruction.

The SBE and ASBCS were also directed to develop jointly annual reporting mechanisms for the program. The reports must include a description of the multiple diverse assessment measures that are required and the proctored administration of required state standardized tests to ensure the academic integrity of pupils.

There are no enrollment caps but all pupils must reside in Arizona. Other regulatory, financial and reporting changes were made to facilitate the transformation.

COMPETITION PRIORITIES

Priority 1: Absolute Priority -- Comprehensive Approach to Education Reform

To meet this priority, the State's application must comprehensively and coherently address all of the four education reform areas specified in the ARRA as well as the State Success Factors Criteria in order to demonstrate that the State and its participating LEAs are taking a systemic approach to education reform. The State must demonstrate in its application sufficient LEA participation and commitment to successfully implement and achieve the goals in its plans; and it must describe how the State, in collaboration with its participating LEAs, will use Race to the Top and other funds to increase student achievement, decrease the achievement gaps across student subgroups, and increase the rates at which students graduate from high school prepared for college and careers.

The absolute priority cuts across the entire application and should not be addressed separately. It is assessed, after the proposal has been fully reviewed and evaluated, to ensure that the application has met the priority.

Priority 2: Competitive Preference Priority -- Emphasis on Science, Technology, Engineering, and Mathematics (STEM). (15 points, all or nothing)

To meet this priority, the State's application must have a high-quality plan to address the need to (i) offer a rigorous course of study in mathematics, the sciences, technology, and engineering; (ii) cooperate with industry experts, museums, universities, research centers, or other STEM-capable community partners to prepare and assist teachers in integrating STEM content across grades and disciplines, in promoting effective and relevant instruction, and in offering applied learning opportunities for students; and (iii) prepare more students for advanced study and careers in the sciences, technology, engineering, and mathematics, including by addressing the needs of underrepresented groups and of women and girls in the areas of science, technology, engineering, and mathematics.

The competitive preference priority will be evaluated in the context of the State's entire application. Therefore, a State that is responding to this priority should address it throughout the application, as appropriate, and provide a summary of its approach to addressing the priority in the text box below. The reviewers will assess the priority as part of their review of a State's application and determine whether it has been met.

Recommended maximum response length, if any: One page

Arizona is determined to build upon its strong STEM foundation as such has developed a comprehensive STEM strategy.

The primary component is a regional network of mathematics and science education specialists

that will work across the P-20 spectrum in leadership teams tied to existing system infrastructure. A central public/ private hub will connect efforts, inform best practices, ensure strong networks with outside experts and industry and create innovation labs across the state.

The regional leadership teams will serve as liaisons between schools and districts and work in partnership with County Superintendents, county technology integration specialists, local economic development agencies, and with higher education and private sector partners.

The regional leadership teams will operate under a statewide STEM Council to provide a venue through which to exchange best practices, solve problems and advance models to enhance local and statewide economies. The STEM Council will include relevant STEM experts, including representatives from the P-12 system and higher education, private industry, workforce and economic development relevant government leaders, and the County Superintendents.

The STEM Council will be staffed as a private/ public partnership through an independent third party, the Science Foundation Arizona STEM Initiative (SFAz STEM), to facilitate public and private partnership and cohesion of all efforts and to oversee RTTT funds allocated for the STEM initiatives. As a nationwide board directed nonprofit, SFAz has a long history of financial partnering with private industry to match state funds for use-based research and education that are in the best strategic interest of the state.

Leveraging this support structure, Arizona will launch a variety of initiatives that speak to all four assurance areas. These initiatives can be thought of as strengthening the teacher experience and strengthening the student experience. The State also envisions substantial investments in technology, particularly high-speed Internet in rural areas, to create 21st century learning environments.

Strengthening the teacher experience will involve initiatives such as enhancing K-8 curriculum with effective professional development content appropriate for novice teachers (Intel Mathematics), offering a K-8 science endorsement opportunity and increasing the rigor of the current mathematics endorsement for teachers who have taught for three years, and supporting teacher preparation and development programs that have been successful in STEM areas, such Teach For America, NAU Teach, National Board Certification and Troops to Teachers.

Strengthening the student experience will involve building content knowledge through rigorous and relevant STEM learning experiences both in and out of class. As an example, Arizona will develop and expand engineering and problem-based learning opportunities, incorporate STEM service learning into school curriculum in partnership with private sector and local governments, enhance industry and career exposure through internships and mentoring, and increase early interventions in grades 1-5 mathematics by expanding MAC-Ro.

Priority 3: Invitational Priority – Innovations for Improving Early Learning Outcomes
(not scored)

The Secretary is particularly interested in applications that include practices, strategies, or programs to improve educational outcomes for high-need students who are young children (prekindergarten through third grade) by enhancing the quality of preschool programs. Of particular interest are proposals that support practices that (i) improve school readiness (including social, emotional, and cognitive); and (ii) improve the transition between preschool and kindergarten.

The State is invited to provide a discussion of this priority in the text box below, but such description is optional. Any supporting evidence the State believes will be helpful must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Recommended maximum response length, if any: Two pages

(Enter text here.)

Priority 4: Invitational Priority – Expansion and Adaptation of Statewide Longitudinal Data Systems *(not scored)*

The Secretary is particularly interested in applications in which the State plans to expand statewide longitudinal data systems to include or integrate data from special education programs, English language learner programs, early childhood programs, at-risk and dropout prevention programs, and school climate and culture programs, as well as information on student mobility, human resources (*i.e.*, information on teachers, principals, and other staff), school finance, student health, postsecondary education, and other relevant areas, with the purpose of connecting and coordinating all parts of the system to allow important questions related to policy, practice, or overall effectiveness to be asked, answered, and incorporated into effective continuous improvement practices.

The Secretary is also particularly interested in applications in which States propose working

together to adapt one State's statewide longitudinal data system so that it may be used, in whole or in part, by one or more other States, rather than having each State build or continue building such systems independently.

The State is invited to provide a discussion of this priority in the text box below, but such description is optional. Any supporting evidence the State believes will be helpful must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Recommended maximum response length, if any: Two pages

(Enter text here.)

Priority 5: Invitational Priority -- P-20 Coordination, Vertical and Horizontal Alignment
(not scored)

The Secretary is particularly interested in applications in which the State plans to address how early childhood programs, K-12 schools, postsecondary institutions, workforce development organizations, and other State agencies and community partners (e.g., child welfare, juvenile justice, and criminal justice agencies) will coordinate to improve all parts of the education system and create a more seamless preschool-through-graduate school (P-20) route for students. Vertical alignment across P-20 is particularly critical at each point where a transition occurs (e.g., between early childhood and K-12, or between K-12 and postsecondary/careers) to ensure that students exiting one level are prepared for success, without remediation, in the next. Horizontal alignment, that is, coordination of services across schools, State agencies, and community partners, is also important in ensuring that high-need students (as defined in this notice) have access to the broad array of opportunities and services they need and that are beyond the capacity of a school itself to provide.

The State is invited to provide a discussion of this priority in the text box below, but such description is optional. Any supporting evidence the State believes will be helpful must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.

Recommended maximum response length, if any: Two pages

(Enter text here.)

Priority 6: Invitational Priority -- School-Level Conditions for Reform, Innovation, and Learning
(not scored)

The Secretary is particularly interested in applications in which the State's participating LEAs (as

defined in this notice) seek to create the conditions for reform and innovation as well as the conditions for learning by providing schools with flexibility and autonomy in such areas as—

- (i) Selecting staff;
- (ii) Implementing new structures and formats for the school day or year that result in increased learning time (as defined in this notice);
- (iii) Controlling the school's budget;
- (iv) Awarding credit to students based on student performance instead of instructional time;
- (v) Providing comprehensive services to high-need students (as defined in this notice) (e.g., by mentors and other caring adults; through local partnerships with community-based organizations, nonprofit organizations, and other providers);
- (vi) Creating school climates and cultures that remove obstacles to, and actively support, student engagement and achievement; and
- (vii) Implementing strategies to effectively engage families and communities in supporting the academic success of their students.

*The State is invited to provide a discussion of this priority in the text box below, but such description is optional. Any supporting evidence the State believes will be helpful must be described and, where relevant, included in the Appendix. For attachments included in the Appendix, note in the narrative the location where the attachments can be found.
Recommended maximum response length, if any: Two pages*

(Enter text here.)

Appendix X: A.R.S. References

A.R.S. References Appendix:

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15-103. School districts; financial mismanagement; intervention; definitions

A. The state board of education shall review allegations of school district insolvency and gross mismanagement. The state board shall give the school district an opportunity to respond to these allegations at a public meeting. If the state board determines that the school district is insolvent or has grossly mismanaged its finances, the state board shall appoint a receiver for that school district.

B. The state board shall find a school district insolvent if it finds one or more of the following:

1. The school district is unable to pay debts as they fall due or in the usual course of business.
2. The salaries of any teachers or other employees have remained unpaid for forty-five days.
3. The tuition due another school district or other state institution remains unpaid on or after January 1 of the year following the school year it was due and there is no dispute regarding the validity or amount of the claim.
4. The school district has defaulted in payment of its bonds or interest on bonds or in payment of rentals due any state or federal authority or private business for a period of sixty calendar days and no action has been initiated within that period of time to make payment.
5. The school district has contracted for any loan not authorized by law.
6. The school district has accumulated and has operated with a deficit equal to five per cent or more of the school district's revenue control limit for any fiscal year within the past two fiscal years or the conditions prescribed in section 15-107 have occurred.
7. The school district's warrants have not been honored for payment by the school district's servicing bank or by the county treasurer and the warrants have remained unpaid for a period of more than sixty calendar days.

C. No school district shall be deemed to be insolvent pursuant to subsection B of this section if the circumstances are the result of the failure of the state to make any payments of monies due the school district at the time payment is due.

D. The state board of education shall have jurisdiction over all petitions requesting that a school district be placed in receivership and a receiver be appointed because of the school district's alleged insolvency or gross mismanagement. The state board shall have the burden of demonstrating by a preponderance of the evidence that the school district is insolvent or is engaged in gross mismanagement.

E. If the state board of education finds that the school district is insolvent or has engaged in gross mismanagement, the state board shall place the school district in receivership and appoint a receiver recommended by the state board. The state board shall develop and adopt a list of qualified receivers to be appointed by the board.

F. On appointment, the receiver may perform any of the actions prescribed in paragraphs 1 through 11 of this subsection and shall begin a full review and investigation of the school district's financial affairs and submit to the state board of education a detailed report listing the findings of that investigation that shall include a financial improvement plan and budget that details how the school district will eliminate any continued gross financial mismanagement and achieve financial solvency. The plan shall include a proposed timeline for achieving financial solvency. The receiver shall submit the report within one hundred twenty days after the receiver's appointment. The financial improvement plan approved by the state board of education may authorize the receiver to do any of the following:

1. Override any decisions of the school district's governing board or the school district superintendent, or both, concerning the management and operation of the school district, and initiate and make decisions concerning the management and operation of the school district.
2. Attend any and all meetings of the school district's governing board and administrative staff.

3. Supervise the day-to-day activities of the school district's staff, including reassigning the duties and responsibilities of personnel in a manner that, in the determination of the receiver, best suits the needs of the school district.
 4. Place on extended leave, suspend or terminate for cause the school district's superintendent or chief financial officer, or both. The receiver is not authorized to provide a severance or buyout package to the school district's superintendent or chief financial officer if the school district is placed into receivership by the state board of education. A person terminated pursuant to this paragraph may appeal the receiver's decision to the state board of education if an appeal is filed with the state board within thirty days of receiving notice of the termination.
 5. Authorize pupils to transfer from schools operated by the school district to schools operated by another school district that is not currently in receivership.
 6. Appoint a chief educational officer who shall possess the powers and duties of a school district superintendent. A chief educational officer who is appointed pursuant to this paragraph shall hold a valid administrative certificate.
 7. Appoint a chief fiscal officer who shall possess the powers and duties of the school district's chief school business official and any other duties regarding budgeting, accounting and other financial matters that are assigned to the school district by law.
 8. Appoint a competent independent public accountant to audit the accounts of the school district.
 9. Reorganize the school district's financial accounts, management and budgetary systems to improve financial responsibility and reduce financial inefficiency within the district.
 10. Establish school district fiscal guidelines and a system of internal controls, including internal administrative controls and internal accounting controls, with provisions for internal audits.
 11. Cancel or renegotiate any contract, other than contracts of certificated teachers who have been employed by the school district in the capacity of a certificated teacher for more than one year immediately before the date the receiver was appointed, to which the governing board or the school district is a party if the cancellation or renegotiation of the contract will produce needed economies in the operation of the district's schools. The receiver may refuse to reemploy any certificated teacher who has not been employed by the school district for more than the major portion of three consecutive school years as provided in section 15-536.
- G. The receiver's power, authority and duties shall be effective on the date of the receiver's appointment by the state board of education. The receiver shall perform the receiver's duties according to the instructions of the state board of education order and according to law. The receiver shall promptly report any violations of law, including a violation of the uniform system of financial records, to the state board of education.
- H. On review and approval of the state board of education, the receiver shall take all necessary steps to implement the financial improvement plan and budget utilizing those powers identified in the plan as prescribed in subsection F of this section.
- I. The salary and benefits of the receiver and any officers or employees appointed by the receiver shall be paid by the school district. The state board of education shall determine the salary for the receiver and any officers or employees appointed by the receiver based on amounts recommended by the state board.
- J. The state board of education shall remove the school district from receivership and dismiss the receiver and dismiss any officer or employee appointed by the receiver thirty days after all of the following have occurred:
1. The auditor general certifies that the school district has been financially solvent for one fiscal year.

2. The auditor general certifies that the school district's financial records are in compliance with the uniform system of financial records and generally accepted accounting principles.

3. The receiver certifies that the school district is no longer engaged in gross mismanagement.

4. The state board of education has determined that the school district is able to pay its debts as those debts become due.

K. Beginning ninety days after the submission of the first report prescribed in subsection F of this section, the receiver shall submit a quarterly progress report to the state board of education. The state board of education shall review the expenses and costs of the receiver at least once each calendar quarter.

L. The state board of education shall formally review the receiver's progress every six months. If, based on the quarterly progress reports, the state board determines that the receiver's progress is insufficient, the state board may remove the current receiver and appoint another receiver for the school district.

M. The state board of education may dismiss the receiver for cause or on a majority vote of no confidence in the receiver of the state board.

N. The school district shall indemnify the receiver and any officer or employee appointed by the receiver who is made or threatened to be made a party to any litigation by reason of their status under this section if the receiver, officer or employee acted in good faith and in a manner that the receiver, officer or employee reasonably believed to be consistent with the best interest of the school district and if the receiver, officer or employee had no reasonable cause to believe that the conduct was unlawful.

O. During the period of time that the school district is in receivership, no member, officer, employee or agent of the school district may enter into any contract or incur any liability on behalf of the school district for any purpose if the amount of the contract or liability exceeds the receiver's authorized financial plan and budget for the school district. The receiver may discipline, including, if warranted, imposing a suspension from duty without pay, removal from office or termination of, any school district employee or officer who violates this subsection.

P. This section does not create a private cause of action against the school district or its officers, directors, board members or employees.

Q. The assumption of control of the school district by the receiver shall in no way interfere with the election or reelection of school district governing board members.

R. This section shall not interfere with a school district's ability to declare bankruptcy under federal law.

S. The state board of education shall continue to monitor and offer technical assistance to a school district for two years after its removal from receivership.

T. All information received and records or reports kept by the state board of education during an investigation resulting from a complaint against a receiver appointed pursuant to this section or section 15-107 are confidential and not a public record.

U. The state board of education or the department of education shall immediately notify the auditor general if the board or department has knowledge that a superintendent or chief financial officer who was employed at the school district at the time the school district was placed in receivership is currently employed in another school district or charter school in this state.

V. For the purposes of this section:

1. "Gross mismanagement" means that the school district's officers or employees committed or engaged in gross incompetence or systemic and egregious mismanagement of the school district's finances or financial records.

2. "Notice" means written notice personally served or delivered by certified mail, return receipt requested.
3. "Receiver" means an individual appointed by the state board of education from the persons recommended by the state board for the purpose of managing a school district placed in receivership by the state board of education.
4. "Receivership" means the state or condition of being under the control of the receiver appointed by the state board of education.
5. "Superintendent" means the chief executive officer of the school district.

15-107. School district overexpenditures; fiscal crisis teams; quarterly progress reports; fiscal management report; annual report; actions resulting from overexpenditures; professional development; definition

A. A county school superintendent, within two business days, shall provide written notice to the department of education, if, in the county school superintendent's judgment, a school district has committed an overexpenditure under this section. Notwithstanding any other law, a warrant shall not be drawn by a county school superintendent for an expenditure that is in excess of the amount budgeted and that has not been previously expended, unless the county school superintendent is notified in writing by the department of education that budget capacity exists as determined by the department based on information provided by the school district.

B. The department of education, in conjunction with the county school superintendent, shall monitor the school district and provide technical assistance to the school district and to the county school superintendent to resolve the overexpenditure.

C. If the department of education determines that the school district has failed to take appropriate action to resolve the overexpenditure or that the original notice of overexpenditure pursuant to subsection A of this section constitutes an overexpenditure that will cause the school district's overall expenditures to exceed the school district's general budget limit, unrestricted capital budget limit or soft capital allocation limit by fifty thousand dollars or one-half of one per cent, whichever is less, the department shall request that the matter be placed on the agenda of a meeting of the state board of education for action pursuant to this section.

D. At the request of the department of education, the state board of education shall call a public meeting to consider overexpenditures by any school district. The state board of education shall require the superintendent of the school district and any other school district personnel who may have information relevant to the overexpenditure to appear before the state board of education. After testimony from all interested parties, the state board of education shall take one of the following actions:

1. Require the department of education, in conjunction with the county school superintendent, to monitor the expenditures of the school district.
2. Direct the department of education to contract with a level one fiscal crisis team. The level one fiscal crisis team shall provide on-site oversight and off-site monitoring for the school district for no longer than twelve months and shall advise the school district on all financial issues and professional development training related to financial issues.
3. Direct the department of education to contract with a level two fiscal crisis team. The level two fiscal crisis team shall provide on-site oversight and off-site monitoring for the school district for no longer than twenty-four months, shall have the authority prescribed for level one fiscal crisis teams and may override any financial act or decision of the school district, including expenditures.
4. Appoint a receiver who, subject to the discretion of the state board of education, may take any actions prescribed in section 15-103, subsection F.

E. The level one and level two fiscal crisis teams shall be composed of at least one person who has knowledge of school finance and may include current or former school district financial officers, current or former school district business managers, certified public accountants and current or former school district superintendents. The fiscal crisis teams shall not include employees of the state board of education or the department of education.

F. The expenses incurred by a fiscal crisis team or by a receiver appointed pursuant to this section shall be paid by the school district. The state board of education shall review the expenses and costs of each fiscal crisis team at least once each calendar quarter.

G. Beginning ninety days after submitting the fiscal management report prescribed in subsection H of this section, the fiscal crisis team or receiver appointed pursuant to this section shall submit a detailed written quarterly progress report to the state board of education that includes all of the following:

1. The results of the review of the school district's finances, including expenditures.
2. The recommendations and decisions made by the fiscal crisis team or the receiver appointed pursuant to this section.
3. The status of the fiscal management plan described pursuant to subsection H of this section.
4. Recommendations to the state board of education on the content of professional development training related to overexpenditures.
5. Any recommendations of potential action to be taken concerning professional certificates issued to school district personnel by the state board of education or the department of education. The state board of education shall review the recommendations submitted pursuant to this paragraph and shall take appropriate action.

H. After appointment, the fiscal crisis team or the receiver appointed pursuant to this section shall review the financial affairs of the school district and may work with school finance personnel at the department of education to ensure that the finances of the school district are in compliance with the laws of this state. A school district that has been assigned a fiscal crisis team or a receiver pursuant to this section shall submit, in consultation with the receiver or the fiscal crisis team, a fiscal management report to the state board of education within one hundred twenty days after the date that the state board of education appointed the receiver or the fiscal crisis team. The fiscal management report shall include the following:

1. A description of the fiscal management plan that has been implemented to correct the overexpenditure, including the following:
 - (a) The manner in which the fiscal management plan will address the findings and recommendations of the fiscal crisis team.
 - (b) A timeline for complete resolution of the overexpenditure.
 - (c) A detailed explanation of the methods and procedures that will be implemented to prevent future overexpenditures.
 - (d) The identification of any issues that need to be resolved before the fiscal management plan may be fully implemented.
 - (e) The identification of any long-term issues resulting from the overexpenditure that will extend to future fiscal years.
2. A description of the manner in which the fiscal management plan was developed, including identification of the role of the fiscal crisis team or the receiver, the role of the school district governing board and the role of the administrators of the school district.

I. On or before December 31, the state board of education shall submit an annual report to the governor, the president of the senate and the speaker of the house of representatives. The state board shall provide a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records. The annual report shall include the following:

1. A summarized compilation of the fiscal management reports submitted by school districts pursuant to subsection H of this section.
2. The actions taken by the state board of education, the department of education, school districts, fiscal crisis teams and receivers during the most recently completed fiscal year.
3. Recommendations regarding improvements to the laws of this state or to administrative actions required under the laws of this state.

J. A school district that is assigned a level two fiscal crisis team or a receiver pursuant to this section shall require professional development training for school district governing board members and appropriate administrative personnel of the school district, including the school district superintendent, who are involved in district finances and budgeting, as determined by the level two fiscal crisis team or by the receiver. The professional development training shall be selected from a list approved by the state board of education and the cost of the professional development training shall be paid by the school district. Governing board members and district administrative personnel shall complete at least twelve hours of professional development training within one hundred twenty days after the assignment of a level two fiscal crisis team or the appointment of a receiver. The fiscal crisis team or the receiver shall report to the state board of education whether the professional development training requirements prescribed in this subsection have been met.

K. A school district governing board member who fails to complete the professional development training within the time prescribed in subsection J of this section is guilty of nonfeasance in office, and the state board of education shall forward a complaint to the attorney general. The attorney general may bring an action in superior court against a school district governing board member for failure to comply with the professional development training requirements prescribed in subsection J of this section. If a court determines that a school district governing board member failed to comply with the professional development training requirements prescribed in subsection J of this section, the court shall issue an order removing the school district governing board member from office. Any vacancy in the office of the school district governing board as a result of a court order issued pursuant to this subsection shall be filled in the manner provided by law.

L. If any of the administrative personnel of the school district fail to complete the professional development training within the time prescribed in subsection J of this section, the state board of education may take appropriate action concerning current certificates held by that person.

M. All information received and records or reports kept by the state board of education during an investigation resulting from a complaint against a receiver appointed pursuant to this section or section 15-103 are confidential and not a public record.

N. For the purposes of this section, "overexpenditure" means an expenditure in excess of any of the following:

1. The general budget limit of the school district or the amount budgeted by the school district, whichever is less.
2. The unrestricted capital budget limit of the school district or the amount budgeted for capital by the school district, whichever is less.
3. The soft capital allocation limit of the school district or the amount budgeted for soft capital by the school district, whichever is less.

15-181. Charter schools; purpose; scope

A. Charter schools may be established pursuant to this article to provide a learning environment that will improve pupil achievement. Charter schools provide additional academic choices for parents and pupils. Charter schools may consist of new schools or all or any portion of an existing school. Charter schools are public schools that serve as alternatives to traditional public schools and charter schools are not subject to the requirements of article XI, section 1, Constitution of Arizona, or chapter 16 of this title.

B. Charter schools shall comply with all provisions of this article in order to receive state funding as prescribed in section 15-185.

15-183. Charter schools; application; requirements; immunity; exemptions; renewal of application; reprisal

A. An applicant seeking to establish a charter school shall submit a written application to a proposed sponsor as prescribed in subsection C of this section. The application shall include a detailed business plan for the charter school and may include a mission statement for the charter school, a description of the charter school's organizational structure and the governing body, a financial plan for the first three years of operation of the charter school, a description of the charter school's hiring policy, the name of the charter school's applicant or applicants and requested sponsor, a description of the charter school's facility and the location of the school, a description of the grades being served and an outline of criteria designed to measure the effectiveness of the school.

B. The sponsor of a charter school may contract with a public body, private person or private organization for the purpose of establishing a charter school pursuant to this article.

C. The sponsor of a charter school may be either a school district governing board, the state board of education or the state board for charter schools, subject to the following requirements:

1. For charter schools that submit an application for sponsorship to a school district governing board:

(a) An applicant for a charter school may submit its application to a school district governing board, which shall either accept or reject sponsorship of the charter school within ninety days. An applicant may submit a revised application for reconsideration by the governing board. If the governing board rejects the application, the governing board shall notify the applicant in writing of the reasons for the rejection. The applicant may request, and the governing board may provide, technical assistance to improve the application.

(b) In the first year that a school district is determined to be out of compliance with the uniform system of financial records, within fifteen days of the determination of noncompliance, the school district shall notify by certified mail each charter school sponsored by the school district that the school district is out of compliance with the uniform system of financial records. The notification shall include a statement that if the school district is determined to be out of compliance for a second consecutive year, the charter school will be required to transfer sponsorship to another entity pursuant to subdivision (c) of this paragraph.

(c) In the second consecutive year that a school district is determined to be out of compliance with the uniform system of financial records, within fifteen days of the determination of noncompliance, the school district shall notify by certified mail each charter school sponsored by the school district that the school district is out of compliance with the uniform system of financial records. A charter school that receives a notification of school district noncompliance pursuant to this subdivision shall file a written sponsorship transfer application within forty-five days with the state board of education, the state board for charter schools or the school district governing board if the charter school is located within the geographic boundaries of that school district. A charter school that receives a notification of school district noncompliance may request an extension of time to file a sponsorship transfer application, and the state board of education, the state board for charter schools or a school district governing board may grant an extension of not more than an additional thirty days if good cause exists for the extension. The state board of education and the state board for charter schools shall approve a sponsorship transfer application pursuant to this paragraph.

(d) A school district governing board shall not grant a charter to a charter school that is located outside the geographic boundaries of that school district.

(e) A school district that has been determined to be out of compliance with the uniform system of financial records during either of the previous two fiscal years shall not sponsor a new or transferring charter school.

2. The applicant may submit the application to the state board of education or the state board for charter schools. The state board of education or the state board for charter schools may approve the application if the application meets the requirements of this article and may approve the charter if the proposed sponsor determines, within its sole discretion, that the applicant is sufficiently qualified to operate a charter school. The state board of education or the state board for charter schools may approve any charter schools transferring charters. The state board of education and the state board for charter schools shall approve any charter schools transferring charters from a school district that is determined to be out of compliance with the uniform system of financial records pursuant to this section, but may require the charter school to sign a new charter that is equivalent to the charter awarded by the former sponsor. If the state board of education or the state board for charter schools rejects the preliminary application, the state board of education or the state board for charter schools shall notify the applicant in writing of the reasons for the rejection and of suggestions for improving the application. An applicant may submit a revised application for reconsideration by the state board of education or the state board for charter schools. The applicant may request, and the state board of education or the state board for charter schools may provide, technical assistance to improve the application.

3. Each applicant seeking to establish a charter school shall submit a full set of fingerprints to the approving agency for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. If an applicant will have direct contact with students, the applicant shall possess a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1. The department of public safety may exchange this fingerprint data with the federal bureau of investigation. The criminal records check shall be completed before the issuance of a charter.

4. All persons engaged in instructional work directly as a classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist or principal shall have a valid fingerprint clearance card that is issued pursuant to title 41, chapter 12, article 3.1, unless the person is a volunteer or guest speaker who is accompanied in the classroom by a person with a valid fingerprint clearance card. A charter school shall not employ a teacher whose certificate has been revoked for a violation of section 15-507 or 15-550 or for any offense that placed a pupil in danger. All other personnel shall be fingerprint checked pursuant to section 15-512. Before employment, the charter school shall make documented, good faith efforts to contact previous employers of a person to obtain information and recommendations that may be relevant to a person's fitness for employment as prescribed in section 15-512, subsection F. The charter school shall notify the department of public safety if the charter school or sponsor receives credible evidence that a person who possesses a valid fingerprint clearance card is arrested for or is charged with an offense listed in section 41-1758.03, subsection B. Charter schools may hire personnel that have not yet received a fingerprint clearance card if proof is provided of the submission of an application to the department of public safety for a fingerprint clearance card and if the charter school that is seeking to hire the applicant does all of the following:

(a) Documents in the applicant's file the necessity for hiring and placement of the applicant before receiving a fingerprint clearance card.

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

(c) Obtains references from the applicant's current employer and the two most recent previous employers except for applicants who have been employed for at least five years by the applicant's most recent employer.

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

(e) Completes a search of criminal records in all local jurisdictions outside of this state in which the applicant has lived in the previous five years.

(f) Verifies the fingerprint status of the applicant with the department of public safety.

5. 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.

6. If a charter school operator is not already subject to a public meeting or hearing by the municipality in which the charter school is located, the operator of a charter school shall conduct a public meeting at least thirty days before the charter school operator opens a site or sites for the charter school. The charter school operator shall post notices of the public meeting in at least three different locations that are within three hundred feet of the proposed charter school site.

7. A person who is employed by a charter school or who is an applicant for employment with a charter school, who is arrested for or charged with a nonappealable offense listed in section 41-1758.03, subsection B and who does not immediately report the arrest or charge to the person's supervisor or potential employer is guilty of unprofessional conduct and the person shall be immediately dismissed from employment with the charter school or immediately excluded from potential employment with the charter school.

8. A person who is employed by a charter school and who is convicted of any nonappealable offense listed in section 41-1758.03, subsection B or is convicted of any nonappealable offense that amounts to unprofessional conduct under section 15-550 shall immediately do all of the following:

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

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

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

(d) Surrender the person's fingerprint clearance card.

D. A board 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 board. This subsection does not apply to the state board of education's duty to exercise general supervision over the public school system pursuant to section 15-203, subsection A, paragraph 1.

E. The charter of a charter school shall ensure the following:

1. Compliance with federal, state and local rules, regulations and statutes relating to health, safety, civil rights and insurance. The department of education shall publish a list of relevant rules, regulations and statutes to notify charter schools of their responsibilities under this paragraph.

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

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

4. That it designs a method to measure pupil progress toward the pupil outcomes adopted by the state board of education pursuant to section 15-741.01, including participation in the Arizona instrument to measure standards test and the nationally standardized norm-referenced achievement test as designated by the state board and the completion and distribution of an annual report card as prescribed in chapter 7, article 3 of this title.

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

6. That, except as provided in this article, it is subject to the same financial and electronic data submission requirements as a school district, including the uniform system of financial records as prescribed in chapter 2, article 4 of this title, procurement rules as prescribed in section 15-213 and audit requirements. The auditor general shall conduct a comprehensive review and revision of the uniform system of financial records to ensure that the provisions of the uniform system of financial records that relate to charter schools are in accordance with commonly accepted accounting principles used by private business. A school's charter may include exceptions to the requirements of this paragraph that are necessary as determined by the district governing board, the state board of education or the state board for charter schools. The department of education or the office of the auditor general may conduct financial, program or compliance audits.

7. Compliance with all federal and state laws relating to the education of children with disabilities in the same manner as a school district.

8. That it provides for a governing body for the charter school that is responsible for the policy decisions of the charter school. Notwithstanding section 1-216, if there is a vacancy or vacancies on the governing body, a majority of the remaining members of the governing body constitute a quorum for the transaction of business, unless that quorum is prohibited by the charter school's operating agreement.

9. That it provides a minimum of one hundred seventy-five instructional days before June 30 of each fiscal year unless it is operating on an alternative calendar approved by its sponsor. The superintendent of public instruction shall adjust the apportionment schedule accordingly to accommodate a charter school utilizing an alternative calendar.

F. The charter of a charter school shall include a description of the charter school's personnel policies, personnel qualifications and method of school governance and the specific role and duties of the sponsor of the charter school. A charter school shall keep on file the resumes of all current and former employees who provide instruction to pupils at the charter school. Resumes shall include an individual's educational and teaching background and experience in a particular academic content subject area. A charter school shall inform parents and guardians of the availability of the resume information and shall make the resume information available for inspection on request of parents and guardians of pupils enrolled at the charter school. Nothing in this subsection shall be construed to require any charter school to release personally identifiable information in relation to any teacher or employee, including the teacher's or employee's address, salary, social security number or telephone number.

G. The charter of a charter school may be amended at the request of the governing body of the charter school and on the approval of the sponsor.

H. Charter schools may contract, sue and be sued.

I. An approved plan to establish a charter school is effective for fifteen years from the first day of the fiscal year the charter school is in operation, subject to the following:

1. At least eighteen months before the expiration of the approved plan, the sponsor shall notify the charter school that the charter school may apply for renewal. A charter school that elects to apply for

renewal shall file an application for renewal at least fifteen months before the expiration of the approved plan. In addition to any other requirements, the application for renewal shall include a detailed business plan for the charter school, a review of fiscal audits and academic performance data for the charter school that are annually collected by the sponsor and a review of the current contract between the sponsor and the charter school. The sponsor may deny the request for renewal if, in its judgment, the charter school has failed to complete the obligations of the contract or has failed to comply with this article. A sponsor shall give written notice of its intent not to renew the charter school's request for renewal to the charter school at least twelve months before the expiration of the approved plan to allow the charter school an opportunity to apply to another sponsor to transfer the operation of the charter school. If the operation of the charter school is transferred to another sponsor, the fifteen year period of the current charter shall be maintained.

2. A charter operator may apply for early renewal. At least nine months before the charter school's intended renewal consideration, the operator of the charter school shall submit a letter of intent to the sponsor to apply for early renewal. The sponsor shall review fiscal audits and academic performance data for the charter school that are annually collected by the sponsor, review the current contract between the sponsor and the charter school and provide the qualifying charter school with a renewal application. On submission of a complete application, the sponsor shall give written notice of its consideration of the renewal application.

3. A sponsor shall review a charter at five year intervals and may revoke a charter at any time if the charter school breaches one or more provisions of its charter. At least ninety days before the effective date of the proposed revocation the sponsor shall give written notice to the operator of the charter school of its intent to revoke the charter. Notice of the sponsor's intent to revoke the charter shall be delivered personally to the operator of the charter school or sent by certified mail, return receipt requested, to the address of the charter school. The notice shall incorporate a statement of reasons for the proposed revocation of the charter. The sponsor shall allow the charter school at least ninety days to correct the problems associated with the reasons for the proposed revocation of the charter. The final determination of whether to revoke the charter shall be made at a public hearing called for such purpose.

J. The charter may be renewed for successive periods of twenty years if the sponsor deems that the school is in compliance with its own charter and this article.

K. A charter school that is sponsored by the state board of education or the state board for charter schools may not be located on the property of a school district unless the district governing board grants this authority.

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

1. With respect to a school district employee, results in one or more of the following:
 - (a) Disciplinary or corrective action.
 - (b) Detail, transfer or reassignment.
 - (c) Suspension, demotion or dismissal.

- (d) An unfavorable performance evaluation.
- (e) A reduction in pay, benefits or awards.
- (f) Elimination of the employee's position without a reduction in force by reason of lack of monies or work.
- (g) Other significant changes in duties or responsibilities that are inconsistent with the employee's salary or employment classification.

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

- (a) Suspension or termination of the program.
- (b) Transfer or reassignment of the program to a less favorable department.
- (c) Relocation of the program to a less favorable site within the school or school district.
- (d) Significant reduction or termination of funding for the program.

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

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

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

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

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

R. The sponsoring entity of a charter school shall have oversight and administrative responsibility for the charter schools that it sponsors.

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

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

U. Charter schools may not locate a school on property that is less than one-fourth mile from agricultural land regulated pursuant to section 3-365, except that the owner of the agricultural land may agree to comply with the buffer zone requirements of section 3-365. If the owner agrees in writing to comply with the buffer zone requirements and records the agreement in the office of the county recorder as a restrictive covenant running with the title to the land, the charter school may locate a school within the affected buffer zone. The agreement may include any stipulations regarding the charter school, including conditions for future expansion of the school and changes in the operational status of the school that will result in a breach of the agreement.

V. A transfer of a charter to another sponsor, a transfer of a charter school site to another sponsor or a transfer of a charter school site to a different charter shall be completed before the beginning of the fiscal year that the transfer is scheduled to become effective. An entity that sponsors charter schools may accept a transferring school after the beginning of the fiscal year if the transfer is approved by the superintendent of public instruction. The superintendent of public instruction shall have the

discretion to consider each transfer during the fiscal year on a case by case basis. If a charter school is sponsored by a school district that is determined to be out of compliance with this title, the uniform system of financial records or any other state or federal law, the charter school may transfer to another sponsoring entity at any time during the fiscal year.

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

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

15-184. Charter schools; admission requirements

- A. A charter school shall enroll all eligible pupils who submit a timely application, unless the number of applications exceeds the capacity of a program, class, grade level or building. A charter school shall give enrollment preference to pupils returning to the charter school in the second or any subsequent year of its operation and to siblings of pupils already enrolled in the charter school. A charter school that is sponsored by a school district governing board shall give enrollment preference to eligible pupils who reside within the boundaries of the school district where the charter school is physically located. A charter school may give enrollment preference to and reserve capacity for pupils who are children of employees of the school, employees of the charter holder, members of the governing body of the school or directors, officers, partners or board members of the charter holder. If remaining capacity is insufficient to enroll all pupils who submit a timely application, the charter school shall select pupils through an equitable selection process such as a lottery except that preference shall be given to siblings of a pupil selected through an equitable selection process such as a lottery.
- B. Except as provided in subsection C or D, a charter school shall not limit admission based on ethnicity, national origin, gender, income level, disabling condition, proficiency in the English language or athletic ability.
- C. A charter school may limit admission to pupils within a given age group or grade level.
- D. A charter school may provide instruction to pupils of a single gender with the approval of the sponsor of the charter school. An existing charter school may amend its charter to provide instruction to pupils of a single gender, and if approved by the sponsor of the charter school, may provide instruction to pupils of a single gender at the beginning of the next school year.
- E. A charter school shall admit pupils who reside in the attendance area of a school or who reside in a school district that is under a court order of desegregation or that is a party to an agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination unless notice is received from the resident school that the admission would violate the court order or agreement. If a charter school admits a pupil after notice is received that the admission would constitute such a violation, the charter school is not allowed to include in its student count the pupils wrongfully admitted.
- F. A charter school may refuse to admit any pupil who has been expelled from another educational institution or who is in the process of being expelled from another educational institution.

15-185. Charter schools; financing; civil penalty; transportation; definitions

A. Financial provisions for a charter school that is sponsored by a school district governing board are as follows:

1. The charter school shall be included in the district's budget and financial assistance calculations pursuant to paragraph 3 of this subsection and chapter 9 of this title, except for chapter 9, article 4 of this title. The charter of the charter school shall include a description of the methods of funding the charter school by the school district. The school district shall send a copy of the charter and application, including a description of how the school district plans to fund the school, to the state board of education before the start of the first fiscal year of operation of the charter school. The charter or application shall include an estimate of the student count for the charter school for its first fiscal year of operation. This estimate shall be computed pursuant to the requirements of paragraph 3 of this subsection.
2. A school district is not financially responsible for any charter school that is sponsored by the state board of education or the state board for charter schools.
3. A school district that sponsors a charter school may:
 - (a) Increase its student count as provided in subsection B, paragraph 2 of this section during the first year of the charter school's operation to include those charter school pupils who were not previously enrolled in the school district. A charter school sponsored by a school district governing board is eligible for the assistance prescribed in subsection B, paragraph 4 of this section. The soft capital allocation as provided in section 15-962 for the school district sponsoring the charter school shall be increased by the amount of the additional assistance. The school district shall include the full amount of the additional assistance in the funding provided to the charter school.
 - (b) Compute separate weighted student counts pursuant to section 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter school pupils in order to maintain eligibility for small school district support level weights authorized in section 15-943, paragraph 1 for its noncharter school pupils only. The portion of a district's student count that is attributable to charter school pupils is not eligible for small school district support level weights.
4. If a school district uses the provisions of paragraph 3 of this subsection, the school district is not eligible to include those pupils in its student count for the purposes of computing an increase in its revenue control limit and district support level as provided in section 15-948.
5. A school district that sponsors a charter school is not eligible to include the charter school pupils in its student count for the purpose of computing an increase in its capital outlay revenue limit as provided in section 15-961, subsection C, except that if the charter school was previously a school in the district, the district may include in its student count any charter school pupils who were enrolled in the school district in the prior year.
6. A school district that sponsors a charter school is not eligible to include the charter school pupils in its student count for the purpose of computing the revenue control limit which is used to determine the maximum budget increase as provided in chapter 4, article 4 of this title unless the charter school is located within the boundaries of the school district.
7. If a school district converts one or more of its district public schools to a charter school and receives assistance as prescribed in subsection B, paragraph 4 of this section, and subsequently converts the charter school back to a district public school, the school district shall repay the state the total additional assistance received for the charter school for all years that the charter school was in

operation. The repayment shall be in one lump sum and shall be reduced from the school district's current year equalization assistance. The school district's general budget limit shall be reduced by the same lump sum amount in the current year.

B. Financial provisions for a charter school that is sponsored by the state board of education or the state board for charter schools are as follows:

1. The charter school shall calculate a base support level as prescribed in section 15-943, except that sections 15-941 and 15-942 do not apply to these charter schools.
2. Notwithstanding paragraph 1 of this subsection, the student count shall be determined initially using an estimated student count based on actual registration of pupils before the beginning of the school year. After the first one hundred days or two hundred days in session, as applicable, the charter school shall revise the student count to be equal to the actual average daily membership, as defined in section 15-901, or the adjusted average daily membership, as prescribed in section 15-902, of the charter school. A charter school that provides two hundred days of instruction may use section 15-902.02 for the purposes of this section. Before the one hundredth day or two hundredth day in session, as applicable, the state board of education or the state board for charter schools may require a charter school to report periodically regarding pupil enrollment and attendance, and the department of education may revise its computation of equalization assistance based on the report. A charter school shall revise its student count, base support level and additional assistance before May 15. A charter school that overestimated its student count shall revise its budget before May 15. A charter school that underestimated its student count may revise its budget before May 15.
3. A charter school may utilize section 15-855 for the purposes of this section. The charter school and the department of education shall prescribe procedures for determining average daily attendance and average daily membership.
4. Equalization assistance for the charter school shall be determined by adding the amount of the base support level and additional assistance. The amount of the additional assistance is one thousand five hundred eighty-eight dollars forty-four cents per student count in kindergarten programs and grades one through eight and one thousand eight hundred fifty-one dollars thirty cents per student count in grades nine through twelve.
5. The state board of education shall apportion state aid from the appropriations made for such purposes to the state treasurer for disbursement to the charter schools in each county in an amount as determined by this paragraph. The apportionments shall be made as prescribed in section 15-973, subsection B.
6. The charter school shall not charge tuition for pupils who reside in this state, levy taxes or issue bonds. A charter school may admit pupils who are not residents of this state and shall charge tuition for those pupils in the same manner prescribed in section 15-823.
7. Not later than noon on the day preceding each apportionment date established by paragraph 5 of this subsection, the superintendent of public instruction shall furnish to the state treasurer an abstract of the apportionment and shall certify the apportionment to the department of administration, which shall draw its warrant in favor of the charter schools for the amount apportioned.

C. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the sum of the daily membership, which includes enrollment as prescribed in section 15-901, subsection A, paragraph 2, subdivisions (a) and (b) and daily attendance as prescribed in section 15-901, subsection A, paragraph 6, for that pupil in the school district and the charter school shall not exceed 1.0, except that if the pupil is enrolled in both a charter school and a joint technological education district and resides within the boundaries of a school district participating in the joint technological education district, the sum of the average daily membership for that pupil in the charter school and

the joint technological education district shall not exceed 1.25. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the department of education shall direct the average daily membership to the school with the most recent enrollment date. Upon validation of actual enrollment in both a charter school and a public school that is not a charter school and if the sum of the daily membership or daily attendance for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between the public school and the charter school based on the percentage of total time that the pupil is enrolled or in attendance in the public school and the charter school, except that if the pupil is enrolled in both a charter school and a joint technological education district and resides within the boundaries of a school district participating in the joint technological education district, the sum of the average daily membership for that pupil in the charter school and the joint technological education district shall be reduced to 1.25 and shall be apportioned between the charter school and the joint technological education district based on the percentage of total time that the pupil is enrolled or in attendance in the charter school and the joint technological education district. The uniform system of financial records shall include guidelines for the apportionment of the pupil enrollment and attendance as provided in this section.

D. Charter schools are allowed to accept grants and gifts to supplement their state funding, but it is not the intent of the charter school law to require taxpayers to pay twice to educate the same pupils. The base support level for a charter school or for a school district sponsoring a charter school shall be reduced by an amount equal to the total amount of monies received by a charter school from a federal or state agency if the federal or state monies are intended for the basic maintenance and operations of the school. The superintendent of public instruction shall estimate the amount of the reduction for the budget year and shall revise the reduction to reflect the actual amount before May 15 of the current year. If the reduction results in a negative amount, the negative amount shall be used in computing all budget limits and equalization assistance, except that:

1. Equalization assistance shall not be less than zero.
2. For a charter school sponsored by the state board of education or the state board for charter schools, the total of the base support level and the additional assistance shall not be less than zero.
3. For a charter school sponsored by a school district, the base support level for the school district shall not be reduced by more than the amount that the charter school increased the district's base support level, capital outlay revenue limit and soft capital allocation.

E. If a charter school was a district public school in the prior year and is now being operated for or by the same school district and sponsored by the state board of education, the state board for charter schools or a school district governing board, the reduction in subsection D of this section applies. The reduction to the base support level of the charter school or the sponsoring district of the charter school shall equal the sum of the base support level and the additional assistance received in the current year for those pupils who were enrolled in the traditional public school in the prior year and are now enrolled in the charter school in the current year.

F. Equalization assistance for charter schools shall be provided as a single amount based on average daily membership without categorical distinctions between maintenance and operations or capital.

G. At the request of a charter school, the county school superintendent of the county where the charter school is located may provide the same educational services to the charter school as prescribed in section 15-308, subsection A. The county school superintendent may charge a fee to recover costs for providing educational services to charter schools.

H. If the sponsor of the charter school determines at a public meeting that the charter school is not in compliance with federal law, with the laws of this state or with its charter, the sponsor of a charter school may submit a request to the department of education to withhold up to ten per cent of the

monthly apportionment of state aid that would otherwise be due the charter school. The department of education shall adjust the charter school's apportionment accordingly. The sponsor shall provide written notice to the charter school at least seventy-two hours before the meeting and shall allow the charter school to respond to the allegations of noncompliance at the meeting before the sponsor makes a final determination to notify the department of education of noncompliance. The charter school shall submit a corrective action plan to the sponsor on a date specified by the sponsor at the meeting. The corrective action plan shall be designed to correct deficiencies at the charter school and to ensure that the charter school promptly returns to compliance. When the sponsor determines that the charter school is in compliance, the department of education shall restore the full amount of state aid payments to the charter school.

I. In addition to the withholding of state aid payments pursuant to subsection H of this section, the sponsor of a charter school may impose a civil penalty of one thousand dollars per occurrence if a charter school fails to comply with the fingerprinting requirements prescribed in section 15-183, subsection C or section 15-512. The sponsor of a charter school shall not impose a civil penalty if it is the first time that a charter school is out of compliance with the fingerprinting requirements and if the charter school provides proof within forty-eight hours of written notification that an application for the appropriate fingerprint check has been received by the department of public safety. The sponsor of the charter school shall obtain proof that the charter school has been notified, and the notification shall identify the date of the deadline and shall be signed by both parties. The sponsor of a charter school shall automatically impose a civil penalty of one thousand dollars per occurrence if the sponsor determines that the charter school subsequently violates the fingerprinting requirements. Civil penalties pursuant to this subsection shall be assessed by requesting the department of education to reduce the amount of state aid that the charter school would otherwise receive by an amount equal to the civil penalty. The amount of state aid withheld shall revert to the state general fund at the end of the fiscal year.

J. A charter school may receive and spend monies distributed by the department of education pursuant to section 42-5029, subsection E and section 37-521, subsection B.

K. If a school district transports or contracts to transport pupils to the Arizona state schools for the deaf and the blind during any fiscal year, the school district may transport or contract with a charter school to transport sensory impaired pupils during that same fiscal year to a charter school if requested by the parent of the pupil and if the distance from the pupil's place of actual residence within the school district to the charter school is less than the distance from the pupil's place of actual residence within the school district to the campus of the Arizona state schools for the deaf and the blind.

L. For the purposes of this section:

1. "Monies intended for the basic maintenance and operations of the school" means monies intended to provide support for the educational program of the school, except that it does not include supplemental assistance for a specific purpose or title VIII of the elementary and secondary education act of 1965 monies. The auditor general shall determine which federal or state monies meet the definition in this paragraph.

2. "Operated for or by the same school district" means the charter school is either governed by the same district governing board or operated by the district in the same manner as other traditional schools in the district or is operated by an independent party that has a contract with the school district. The auditor general and the department of education shall determine which charter schools meet the definition in this subsection.

15-189.01. Charter schools; zoning; development fees

A. Charter schools shall be classified as public schools for the purposes of zoning and the assessment of zoning fees, site plan fees and development fees. Municipalities and counties shall allow a charter school to be established and operate at a location or in a facility in which schools operated by school districts are not prohibited by the zoning regulations of the county or municipality, except that a county or municipality may adopt zoning regulations that prohibit a charter school from operating in an existing single family residence that is located on property of less than an acre.

B. A charter school is subject to the same level of oversight and the same ordinances, limitations and requirements, if any, that would be applicable to a school that is operated by a school district.

C. The construction and development of the charter school facility shall be subject to the building codes, including life and safety building codes, of the municipality, county or state.

D. Municipalities and counties shall adopt procedures to ensure that hearings and administrative reviews involving charter schools are scheduled and conducted on an expedited basis and that charter schools receive a final determination from the municipality or county within thirty days of the beginning of processes requiring only an administrative review and within ninety days of the beginning of processes requiring a public hearing and allowing an appeal to a board of adjustment, city or town governing body or board of supervisors.

E. No political subdivision of this state may enact or interpret any law, rule or ordinance in a manner that conflicts with subsection A.

15-203. Powers and duties

A. The state board of education shall:

1. Exercise general supervision over and regulate the conduct of the public school system and adopt any rules and policies it deems necessary to accomplish this purpose.
2. Keep a record of its proceedings.
3. Make rules for its own government.
4. Determine the policy and work undertaken by it.
5. Appoint its employees, on the recommendation of the superintendent of public instruction.
6. Prescribe the duties of its employees if not prescribed by statute.
7. Delegate to the superintendent of public instruction the execution of board policies and rules.
8. Recommend to the legislature changes or additions to the statutes pertaining to schools.
9. Prepare, publish and distribute reports concerning the educational welfare of this state.
10. Prepare a budget for expenditures necessary for proper maintenance of the board and accomplishment of its purposes and present the budget to the legislature.
11. Aid in the enforcement of laws relating to schools.
12. Prescribe a minimum course of study in the common schools, minimum competency requirements for the promotion of pupils from the third grade and minimum course of study and competency requirements for the promotion of pupils from the eighth grade. The state board of education shall prepare a fiscal impact statement of any proposed changes to the minimum course of study or competency requirements and, on completion, shall send a copy to the director of the joint legislative budget committee and the executive director of the school facilities board. The state board of education shall not adopt any changes in the minimum course of study or competency requirements in effect on July 1, 1998 that will have a fiscal impact on school capital costs.
13. Prescribe minimum course of study and competency requirements for the graduation of pupils from high school. The state board of education shall prepare a fiscal impact statement of any proposed changes to the minimum course of study or competency requirements and, on completion, shall send a copy to the director of the joint legislative budget committee and the executive director of the school facilities board. The state board of education shall not adopt any changes in the minimum course of study or competency requirements in effect on July 1, 1998 that will have a fiscal impact on school capital costs.
14. Supervise and control the certification of persons engaged in instructional work directly as any classroom, laboratory or other teacher or indirectly as a supervisory teacher, speech therapist, principal or superintendent in a school district, including school district preschool programs, or any other educational institution below the community college, college or university level, and prescribe rules for certification, including rules for certification of teachers who have teaching experience and who are trained in other states, which are not unnecessarily restrictive and are substantially similar to the rules prescribed for the certification of teachers trained in this state. The rules shall require applicants for all certificates for common school instruction to complete a minimum of forty-five classroom hours or three college level credit hours, or the equivalent, of training in research based systematic phonics instruction from a public or private provider. The rules shall not require a teacher to obtain a master's degree or to take any additional graduate courses as a condition of certification or recertification. The rules shall allow a general equivalency diploma to be substituted for a high school diploma in the certification of emergency substitute teachers. The rules shall allow but shall not require the superintendent of a school district to obtain certification from the state board of education.
15. Adopt a list of approved tests for determining special education assistance to gifted pupils as defined in and as provided in chapter 7, article 4.1 of this title. The adopted tests shall provide

separate scores for quantitative reasoning, verbal reasoning and nonverbal reasoning and shall be capable of providing reliable and valid scores at the highest ranges of the score distribution.

16. Adopt rules governing the methods for the administration of all proficiency examinations.

17. Adopt proficiency examinations for its use. The state board of education shall determine the passing score for the proficiency examination.

18. Include within its budget the cost of contracting for the purchase, distribution and scoring of the examinations as provided in paragraphs 16 and 17 of this subsection.

19. Supervise and control the qualifications of professional nonteaching school personnel and prescribe standards relating to qualifications. The standards shall not require the business manager of a school district to obtain certification from the state board of education.

20. Impose such disciplinary action, including the issuance of a letter of censure, suspension, suspension with conditions or revocation of a certificate, upon a finding of immoral or unprofessional conduct.

21. Establish an assessment, data gathering and reporting system for pupil performance as prescribed in chapter 7, article 3 of this title.

22. Adopt a rule to promote braille literacy pursuant to section 15-214.

23. Adopt rules prescribing procedures for the investigation by the department of education of every written complaint alleging that a certificated person has engaged in immoral conduct.

24. For purposes of federal law, serve as the state board for vocational and technological education and meet at least four times each year solely to execute the powers and duties of the state board for vocational and technological education.

25. Develop and maintain a handbook for use in the schools of this state that provides guidance for the teaching of moral, civic and ethical education. The handbook shall promote existing curriculum frameworks and shall encourage school districts to recognize moral, civic and ethical values within instructional and programmatic educational development programs for the general purpose of instilling character and ethical principles in pupils in kindergarten programs and grades one through twelve.

26. Require pupils to recite the following passage from the declaration of independence for pupils in grades four through six at the commencement of the first class of the day in the schools, except that a pupil shall not be required to participate if the pupil or the pupil's parent or guardian objects:
We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. . . .

27. Adopt rules that provide for teacher certification reciprocity. The rules shall provide for a one year reciprocal teaching certificate with minimum requirements including valid teacher certification from a state with substantially similar criminal history or teacher fingerprinting requirements and proof of the submission of an application for a fingerprint clearance card pursuant to title 41, chapter 12, article 3.1.

28. Adopt rules that provide for the presentation of an honorary high school diploma to a person who has never obtained a high school diploma and who meets both of the following requirements:

(a) Currently resides in this state.

(b) Provides documented evidence from the Arizona department of veterans' services that the person enlisted in the armed forces of the United States and served in World War I, World War II, the Korean conflict or the Vietnam conflict.

29. Cooperate with the Arizona-Mexico commission in the governor's office and with researchers at universities in this state to collect data and conduct projects in the United States and Mexico on issues

that are within the scope of the duties of the department of education and that relate to quality of life, trade and economic development in this state in a manner that will help the Arizona-Mexico commission to assess and enhance the economic competitiveness of this state and of the Arizona-Mexico region.

30. Adopt rules to define and provide guidance to schools as to the activities that would constitute immoral or unprofessional conduct of certificated persons.

31. Adopt guidelines to encourage pupils in grades nine, ten, eleven and twelve to volunteer for twenty hours of community service before graduation from high school. A school district that complies with the guidelines adopted pursuant to this paragraph is not liable for damages resulting from a pupil's participation in community service unless the school district is found to have demonstrated wanton or reckless disregard for the safety of the pupil and other participants in community service. For the purposes of this paragraph, "community service" may include service learning. The guidelines shall include the following:

- (a) A list of the general categories in which community service may be performed.
- (b) A description of the methods by which community service will be monitored.
- (c) A consideration of risk assessment for community service projects.
- (d) Orientation and notification procedures of community service opportunities for pupils entering grade nine, including the development of a notification form. The notification form shall be signed by the pupil and the pupil's parent or guardian, except that a pupil shall not be required to participate in community service if the parent or guardian notifies the principal of the pupil's school in writing that the parent or guardian does not wish the pupil to participate in community service.
- (e) Procedures for a pupil in grade nine to prepare a written proposal that outlines the type of community service that the pupil would like to perform and the goals that the pupil hopes to achieve as a result of community service. The pupil's written proposal shall be reviewed by a faculty advisor, a guidance counselor or any other school employee who is designated as the community service program coordinator for that school. The pupil may alter the written proposal at any time before performing community service.
- (f) Procedures for a faculty advisor, a guidance counselor or any other school employee who is designated as the community service program coordinator to evaluate and certify the completion of community service performed by pupils.

32. To facilitate the transfer of military personnel and their dependents to and from the public schools of this state, pursue, in cooperation with the Arizona board of regents, reciprocity agreements with other states concerning the transfer credits for military personnel and their dependents. A reciprocity agreement entered into pursuant to this paragraph shall:

- (a) Address procedures for each of the following:
 - (i) The transfer of student records.
 - (ii) Awarding credit for completed course work.
 - (iii) Permitting a student to satisfy the graduation requirements prescribed in section 15-701.01 through the successful performance on comparable exit-level assessment instruments administered in another state.
- (b) Include appropriate criteria developed by the state board of education and the Arizona board of regents.

33. Adopt guidelines that school district governing boards shall use in identifying pupils who are eligible for gifted programs and in providing gifted education programs and services. The state board of education shall adopt any other guidelines and rules that it deems necessary in order to carry out the purposes of chapter 7, article 4.1 of this title.

34. For each of the alternative textbook formats of human-voiced audio, large-print and braille, designate alternative media producers to adapt existing standard print textbooks or to provide specialized textbooks, or both, for pupils with disabilities in this state. Each alternative media producer shall be capable of producing alternative textbooks in all relevant subjects in at least one of the alternative textbook formats. The board shall post the designated list of alternative media producers on its website.

35. Adopt a list of approved professional development training providers for use by school districts as provided in section 15-107, subsection J. The professional development training providers shall meet the training curriculum requirements determined by the state board of education in at least the areas of school finance, governance, employment, staffing, inventory and human resources, internal controls and procurement.

36. Adopt rules to prohibit a person who violates the notification requirements prescribed in section 15-183, subsection C, paragraph 7 or section 15-550, subsection C from certification pursuant to this title until the person is no longer charged or is acquitted of any offenses listed in section 41-1758.03, subsection B. The board shall also adopt rules to prohibit a person who violates the notification requirements, certification surrender requirements or fingerprint clearance card surrender requirements prescribed in section 15-183, subsection C, paragraph 8 or section 15-550, subsection D from certification pursuant to this title for at least ten years after the date of the violation.

37. Adopt rules for the alternative certification of teachers of nontraditional foreign languages that allow for the passing of a nationally accredited test to substitute for the education coursework required for certification.

B. The state board of education may:

1. Contract.
2. Sue and be sued.
3. Distribute and score the tests prescribed in chapter 7, article 3 of this title.
4. Provide for an advisory committee to conduct hearings and screenings to determine whether grounds exist to impose disciplinary action against a certificated person, whether grounds exist to reinstate a revoked or surrendered certificate and whether grounds exist to approve or deny an initial application for certification or a request for renewal of a certificate. The board may delegate its responsibility to conduct hearings and screenings to its advisory committee. Hearings shall be conducted pursuant to title 41, chapter 6, article 6.
5. Proceed with the disposal of any complaint requesting disciplinary action or with any disciplinary action against a person holding a certificate as prescribed in subsection A, paragraph 14 of this section after the suspension or expiration of the certificate or surrender of the certificate by the holder.
6. Assess costs and reasonable attorney fees against a person who files a frivolous complaint or who files a complaint in bad faith. Costs assessed pursuant to this paragraph shall not exceed the expenses incurred by the state board in the investigation of the complaint.

15-241. School accountability; schools failing to meet academic standards; failing schools tutoring fund; classification label for school districts and charter school operators

A. The department of education shall compile an annual achievement profile for each public school.

B. Each school shall submit to the department any data that is required and requested and that is necessary to compile the achievement profile. A school that fails to submit the information that is necessary is not eligible to receive monies from the classroom site fund established by section 15-977.

C. The department shall establish a baseline achievement profile for each school by October 15, 2001. The baseline achievement profile shall be used to determine a standard measurement of acceptable academic progress for each school and a school classification pursuant to subsection H of this section. Any disclosure of educational records compiled by the department of education pursuant to this section shall comply with the family educational and privacy rights act of 1974 (20 United States Code section 1232g).

D. The achievement profile for schools that offer instruction in kindergarten programs and grades one through eight, or any combination of those programs or grades, shall include the following school academic performance indicators:

1. The Arizona measure of academic progress. The department shall compute the extent of academic progress made by the pupils in each school during the course of each year.
2. The Arizona instrument to measure standards test. The department shall compute the percentage of pupils who meet or exceed the standard on the Arizona instrument to measure standards test, as prescribed by the state board of education. The superintendent of public instruction and the department may calculate academic gain on the Arizona instrument to measure standards test according to each of the school classifications prescribed in subsection G of this section on a statewide basis, for each school district in this state and for each school by determining the average scale scores for students in the current academic year as compared to the average scale scores for the previous academic year for the same students.
3. The results of English language learners tests administered pursuant to section 15-756, subsection B, section 15-756.05 and section 15-756.06.

E. The achievement profile for schools that offer instruction in grades nine through twelve, or any combination of those grades, shall include the following school academic performance indicators:

1. The Arizona instrument to measure standards test. The department shall compute the percentage of pupils pursuant to subsection G of this section who meet or exceed the standard on the Arizona instrument to measure standards test, as prescribed by the state board of education. The superintendent of public instruction and the department may calculate academic gain on the Arizona instrument to measure standards test according to each of the school classifications prescribed in subsection G of this section on a statewide basis, for each school district in this state and for each school by determining the average scale scores for students in the current academic year as compared to the average scale scores for the previous academic year for the same students.
2. The annual dropout rate.
3. The annual graduation rate.
4. The results of English language learners tests administered pursuant to section 15-756, subsection B, section 15-756.05 and section 15-756.06.

F. Schools that offer instruction in all or a combination of the grades specified in subsections D and E of this section shall include a single achievement profile for that school that includes the school academic performance indicators specified in subsections D and E of this section.

G. Subject to final adoption by the state board of education, the department shall determine the criteria for each school classification using a research based methodology. The methodology shall

include the performance of pupils at all achievement levels, account for pupil mobility, account for the distribution of pupil achievement at each school and include longitudinal indicators of academic performance. For the purposes of this subsection, "research based methodology" means the systematic and objective application of statistical and quantitative research principles to determine a standard measurement of acceptable academic progress for each school.

H. The achievement profile shall be used to determine a school classification that designates each school as one of the following:

1. An excelling school.
2. A highly performing school.
3. A performing school.
4. An underperforming school.
5. A school failing to meet academic standards.

I. The classification for each school and the criteria used to determine classification pursuant to subsection G of this section shall be included on the school report card prescribed in section 15-746.

J. Subject to final adoption by the state board of education, the department of education shall develop a parallel achievement profile for accommodation schools, alternative schools as defined by the state board of education and extremely small schools as defined by the state board of education for the purposes of this section.

K. If a school is designated as an underperforming school, within ninety days after receiving notice of the designation, the governing board shall develop an improvement plan for the school, submit a copy of the plan to the superintendent of public instruction and supervise the implementation of the plan. The plan shall include necessary components as identified by the state board of education. Within thirty days after submitting the improvement plan to the superintendent of public instruction, the governing board shall hold a special public meeting in each school that has been designated as an underperforming school and shall present the respective improvement plans that have been developed for each school. The school district governing board, within thirty days of receiving notice of the designation, shall provide written notification of the classification to each residence within the attendance area of the school. The notice shall explain the improvement plan process and provide information regarding the public meeting required by this subsection.

L. A school that has not submitted an improvement plan pursuant to subsection K of this section is not eligible to receive monies from the classroom site fund established by section 15-977 for every day that a plan has not been received by the superintendent of public instruction within the time specified in subsection K of this section plus an additional ninety days. The state board of education shall require the superintendent of the school district to testify before the board and explain the reasons that an improvement plan for that school has not been submitted.

M. If a charter school is designated as an underperforming school, within thirty days the school shall notify the parents of the students attending the school of the classification. The notice shall explain the improvement plan process and provide information regarding the public meeting required by this subsection. Within ninety days of receiving the classification, the charter holder shall present an improvement plan to the charter sponsor at a public meeting and submit a copy of the plan to the superintendent of public instruction. The improvement plan shall include necessary components as identified by the state board of education. For every day that an improvement plan is not received by the superintendent of public instruction, the school is not eligible to receive monies from the classroom site fund established by section 15-977 for every day that a plan has not been received by the superintendent of public instruction within the time specified in subsection K of this section plus an

additional ninety days. The charter holder shall appear before the sponsoring board and explain why the improvement plan has not been submitted.

N. The department of education shall establish an appeals process, to be approved by the state board of education, for a school to appeal data used to determine the achievement profile of the school. The criteria established shall be based on mitigating factors and may include a visit to the school site by the department of education.

O. If a school remains classified as an underperforming school for a third consecutive year, the department of education shall visit the school site to confirm the classification data and to review the implementation of the school's improvement plan. The school shall be classified as failing to meet academic standards unless an alternate classification is made after an appeal pursuant to subsection N of this section.

P. The school district governing board, within thirty days of receiving notice of the school failing to meet academic standards classification, shall provide written notification of the classification to each residence in the attendance area of the school. The notice shall explain the improvement plan process and provide information regarding the public meeting required by subsection S of this section.

Q. The superintendent of public instruction, based on need, shall assign a solutions team to an underperforming school, a school failing to meet academic standards or any other school pursuant to a mutual agreement between the department of education and the school comprised of master teachers, fiscal analysts and curriculum assessment experts who are certified by the state board of education as Arizona academic standards technicians. The department of education may hire or contract with administrators, principals and teachers who have demonstrated experience with the characteristics and situations in an underperforming school or a school failing to meet academic standards and may use these personnel as part of the solutions team. The department of education shall work with staff at the school to assist in curricula alignment and shall instruct teachers on how to increase pupil academic progress, considering the school's achievement profile. The solutions team shall consider the existing improvement plan to assess the need for changes to curriculum, professional development and resource allocation and shall present a statement of its findings to the school administrator and district superintendent. Within forty-five days after the presentation of the solutions team's statement of findings, the school district governing board, in cooperation with each school within the school district that is designated an underperforming school and its assigned solutions team representative, shall develop and submit to the department of education an action plan that details the manner in which the school district will assist the school as the school incorporates the findings of the solutions team into the improvement plan. The department of education shall review the action plan and shall either accept the action plan or return the action plan to the school district for modification. If the school district does not submit an approved action plan within forty-five days, the state board of education may direct the superintendent of public instruction to withhold up to ten per cent of state monies that the school district would otherwise be entitled to receive each month until the plan is submitted to the department of education, at which time those monies shall be returned to the school district.

R. The parent or the guardian of the pupil may apply to the department of education, in a manner determined by the department of education, for a certificate of supplemental instruction from the failing schools tutoring fund established by this section. Pupils attending a school designated as an underperforming school or a school failing to meet academic standards or a pupil who has failed to pass one or more portions of the Arizona instrument to measure standards test in grades eight through twelve in order to graduate from high school may select an alternative tutoring program in academic standards from a provider that is certified by the state board of education. To qualify, the

provider must state in writing a level of academic improvement for the pupil that includes a timeline for improvement that is agreed to by the parent or guardian of the pupil. The state board of education shall annually review academic performance levels for providers certified pursuant to this subsection and may remove a provider at a public hearing from an approved list of providers if that provider fails to meet its stated level of academic improvement. The state board of education shall determine the application guidelines and the maximum value for each certificate of supplemental instruction. The state board of education shall annually complete a market survey in order to determine the maximum value for each certificate of supplemental instruction. Nothing in this subsection shall be construed to require the state to provide additional monies beyond the monies provided pursuant to section 42-5029, subsection E, paragraph 7.

S. Within sixty days of receiving notification of designation as a school failing to meet academic standards, the school district governing board shall evaluate needed changes to the existing improvement plan for the school, consider recommendations from the solutions team, submit a copy of the plan to the superintendent of public instruction and supervise the implementation of the plan. Within thirty days after submitting the improvement plan to the superintendent of public instruction, the governing board shall hold a public meeting in each school that has been designated as a school failing to meet academic standards and shall present the respective improvement plans that have been developed for each school.

T. A school that has not submitted an improvement plan pursuant to subsection S of this section is not eligible to receive monies from the classroom site fund established by section 15-977 for every day that a plan has not been received by the superintendent of public instruction within the time specified in subsection S of this section plus an additional ninety days. The state board of education shall require the superintendent of the school district to testify before the board and explain the reasons that an improvement plan for that school has not been submitted.

U. If a charter school is designated as a school failing to meet academic standards, the department of education shall immediately notify the charter school's sponsor. The charter school's sponsor shall either take action to restore the charter school to acceptable performance or revoke the charter school's charter. Within thirty days the school shall notify the parents of the students attending the school of the classification and of any pending public meetings to review the issue.

V. A school that has been designated as a school failing to meet academic standards shall be evaluated by the department of education to determine if the school failed to properly implement its school improvement plan, align the curriculum with academic standards, provide teacher training, prioritize the budget or implement other proven strategies to improve academic performance. After visiting the school site pursuant to subsection O of this section, the department of education shall submit to the state board of education a recommendation to proceed pursuant to subsections Q, R and S of this section or that the school be subject to a public hearing to determine if the school failed to properly implement its improvement plan and the reasons for the department's recommendation.

W. If the department does recommend a public hearing, the state board of education shall meet and may provide by a majority vote at the public hearing for the continued operation of the school as allowed by this subsection. The state board of education shall determine whether governmental, nonprofit and private organizations may submit applications to the state board to fully or partially manage the school. The state board's determination shall include:

1. If and to what extent the local governing board may participate in the operation of the school including personnel matters.
2. If and to what extent the state board of education shall participate in the operation of the school.
3. Resource allocation pursuant to subsection Y of this section.

4. Provisions for the development and submittal of a school improvement plan to be presented in a public meeting at the school.

5. A suggested time frame for the alternative operation of the school.

X. The state board shall periodically review the status of a school that is operated by an organization other than the school district governing board to determine whether the operation of the school should be returned to the school district governing board. Before the state board makes a determination, the state board or its designee shall meet with the school district governing board or its designee to determine the time frame, operational considerations and the appropriate continuation of existing improvements that are necessary to assure a smooth transition of authority from the other organization back to the school district governing board.

Y. If an alternative operation plan is provided pursuant to subsection W of this section, the state board of education shall pay for the operation of the school and shall adjust the school district's student count pursuant to section 15-902, soft capital allocation pursuant to section 15-962, capital outlay revenue limit pursuant to section 15-961, base support level pursuant to section 15-943, monies distributed from the classroom site fund established by section 15-977 and transportation support level pursuant to section 15-945 to accurately reflect any reduction in district services that are no longer provided to that school by the district. The state board of education may modify the school district's revenue control limit, the district support level and the general budget limit calculated pursuant to section 15-947 by an amount that corresponds to this reduction in services. The state board of education shall retain the portion of state aid that would otherwise be due the school district for the school and shall distribute that portion of state aid directly to the organization that contracts with the state board of education to operate the school.

Z. If the state board of education determines that a charter school failed to properly implement its improvement plan, the sponsor of the charter school shall revoke the charter school's charter.

AA. If there are more than two schools in a district and more than one-half, or in any case more than five, of the schools in the district are designated as schools failing to meet academic standards for more than two consecutive years, in the next election of members of the governing board the election ballot shall contain the following statement immediately above the listing of governing board candidates:

Within the last five years, (number of schools) schools in the _____ school district have been designated as "schools failing to meet academic standards" by the superintendent of public instruction.

BB. At least twice each year the department of education shall publish in a newspaper of general circulation in each county of this state a list of schools that are designated as schools failing to meet academic standards.

CC. The failing schools tutoring fund is established consisting of monies collected pursuant to section 42-5029, subsection E as designated for this purpose. The department of education shall administer the fund. The department of education may use monies from the fund to purchase materials designed to assist students to meet the Arizona academic standards and to achieve a passing score on the Arizona instrument to measure standards test in order to graduate from high school.

DD. The department of education may develop a classification label for school districts and charter school operators. If the department of education develops a classification label for school districts and charter school operators, the classification label may be developed from the following components:

1. Measures of academic progress.
2. Pupil assessment data.

3. The attendance rates and graduation rates of pupils who are educated in that charter school operator's charter schools or in that school district's schools.

4. The percentage of the parents of pupils enrolled in that charter school operator's charter schools or in that school district's schools that categorizes the quality of their child's education as excellent on a parental rating of school quality.

15-241.01. School accountability; alternative operation plans

A. If a school district has six or more schools and at least one-half of the schools in the district are designated as underperforming or failing to meet the academic standards pursuant to this section and at least one school is designated as failing to meet academic standards, the department of education may submit to the state board of education a recommendation for a public hearing to determine if the school district should be subject to an alternative operation plan and the reasons for that recommendation. When considering whether to recommend a public hearing pursuant to this subsection, the department shall consider at least the following:

1. The likelihood that continued school-based interventions will be successful.
2. The extent to which the school district administrators and the school district governing board impacted the underperforming and failing to meet academic standards designations of the district's schools.
3. Whether those schools designated as underperforming or failing to meet academic standards have demonstrated reasonable academic growth as determined by the measure of academic progress established pursuant to this section.

B. If the department of education recommends a public hearing pursuant to subsection A of this section, the state board of education shall meet and may provide by a majority vote of the entire board for the development and implementation of an alternative operation plan as allowed by this section. When determining whether to place a school district under an alternative operation plan, the state board shall consider at least the following:

1. The likelihood that continued school-based interventions will be successful.
2. The extent to which the school district administrators and the school district governing board impacted the underperforming and failing to meet academic standards designations of the district's schools.
3. Whether those schools designated as underperforming or failing to meet academic standards have demonstrated reasonable academic growth as determined by the measure of academic progress established pursuant to this section.

C. Before a hearing is held pursuant to subsection B of this section, the department of education shall recommend to the state board of education at least three governmental, nonprofit or private organizations or persons to manage the school district's affairs. If the state board approves the implementation of an alternative operation plan, it shall make an appointment from the list provided by the department of education. On making this appointment the state board shall immediately determine which powers enumerated in subsection D of this section shall be temporarily granted to the appointed organization or person. The authority granted pursuant to this subsection shall be effective until the state board reviews the alternative operation plan as described in subsection E of this section.

D. An organization or person appointed pursuant to subsection C of this section shall begin a full review and investigation of the school district's educational affairs and shall submit to the state board of education a detailed report listing the findings of that investigation. This report shall include an alternative operation plan that details how the school district will raise the level of academic achievement so that all of the schools in the school district are designated as performing schools, highly performing schools or excelling schools pursuant to this section. The plan shall include a proposed timeline for improving academic achievement. The alternative operation plan shall also include a timeline and details concerning how the organization or person will transition the administration of the school district back to the locally elected governing board. The organization or person shall submit the report within one hundred twenty days from the date the organization or

person was appointed by the state board. If approved by the state board, the alternative operation plan may authorize the appointed organization or person to do any of the following:

1. Override any decisions of the school district governing board or the school district superintendent, or both, concerning the management and operation of the school district, and initiate and make decisions concerning the management and operation of the school district, including reopening the school as a charter school.
2. Hire personnel, terminate personnel and cancel existing employment contracts, including the district superintendent, to the extent permitted by law. The appointed organization or person may refuse to reemploy any certificated teacher who has not been employed by the school district for more than the major portion of three consecutive school years as provided in section 15-536.
3. Attend any meetings of the school district governing board and administrative staff.
4. Supervise the activities of the school district's staff, including reassigning the duties and responsibilities of personnel in a manner that, as determined by the appointed organization or person, best suits the needs of the school district.
5. To the extent permitted by law, cancel or renegotiate any contract, other than contracts of certificated teachers who have been employed by the school district in the capacity of a certificated teacher for more than one year, to which the governing board or the school district is a party if the cancellation or renegotiation of the contract will produce needed economies in the operation of the district's schools.

E. The state board of education shall periodically review the status of a school district that is operating under an alternative operation plan pursuant to this section to determine whether the operations of the school district should be returned to the school district governing board. Before the state board makes a determination to terminate an alternative operation plan, the state board or its designee shall meet with the school district governing board or its designee to establish an appropriate time frame and address any additional operational considerations that are necessary to ensure a smooth transition of authority from the appointed organization or person back to the school district governing board. When determining whether to terminate an alternative operation plan, the state board shall consider whether the district's schools have made significant academic gains as determined by individual school achievement profiles established pursuant to this section.

F. If at any time the state board determines that the progress of an organization or person who is appointed pursuant to this subsection or subsection C of this section is insufficient, the state board may remove that organization or person and make an alternative appointment. All authority granted pursuant to the approved alternative operation plan shall be transferred to the newly appointed organization or person. The state board may require the newly appointed organization or person to prepare a revised alternative operation plan as described in subsection D of this section.

G. All expenses and costs of an organization or person appointed by the state board pursuant to subsection C or F of this section shall be paid by the school district. The state board of education shall review the expenses and costs at least twice each calendar year to ensure that the fees are reasonable and appropriate.

H. The operation of a school district by an organization or person appointed pursuant to this section shall not interfere with the election of school district governing board members.

I. The school district shall indemnify the organization or person appointed pursuant to subsection C or F of this section if that organization or person is made or threatened to be made a party to any litigation by reason of the organization's or person's status under this section if the organization or person acted in good faith and in a manner the organization or person believed to be lawful and in the best interest of the school district.

J. All information received and records or reports kept by the state board of education during an investigation resulting from a complaint against an organization or person appointed pursuant to subsection C or F of this section are confidential and are not public records.

15-244. Office of Indian education; definition

A. The office of Indian education is established in the department of education. The superintendent of public instruction shall hire appropriate personnel for the office.

B. The office of Indian education shall:

1. In collaboration with Indian nations, provide technical assistance to schools and Indian nations to meet the educational needs of native American pupils.
2. Provide technical assistance to schools and Indian nations in the planning, development, implementation and evaluation of curricula that are culturally relevant and aligned to state standards.
3. Provide technical assistance to schools and Indian nations to develop culturally appropriate curricula and instructional materials.
4. Establish an Indian education advisory council in the department of education that shall include at least parents who are not certificated teachers.
5. Encourage and foster parental involvement in the education of native American pupils.

C. At least once each year, representatives from all Indian nations, members of the state board, the governor's office, the Arizona commission of Indian affairs, the intertribal council of Arizona, the legislature, the superintendent of public instruction and the Indian education advisory council shall meet to assist in evaluating, consolidating and coordinating all activities relating to the education of native American pupils.

D. Based on data submitted pursuant to subsection E, the office of Indian education, in collaboration with entities that serve native American pupils, shall submit an annual statewide native American education status report to all Indian nations in this state. The division shall provide a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records.

E. A school district with tribal lands located within its boundaries shall provide a district-wide native American education status report to all Indian nations represented within the school district boundaries and to the department of education.

F. The status reports prescribed in subsections D and E shall be written in a brief format and shall include the following information, through which public school performance is measured and reported to the Indian nations:

1. Student achievement as measured by a statewide test approved by the state board, with results disaggregated by ethnicity.
2. School safety.
3. The dropout rate.
4. Attendance.
5. Parent and community involvement.
6. Educational programs that target native American pupils.
7. Financial reports.
8. The current status of federal Indian education policies and procedures.
9. School district initiatives to decrease the number of student dropouts and increase attendance.
10. Public school use of variable school calendars.
11. School district consultations with parent advisory committees.

G. The state board of education, in consultation with the Indian nations in this state, may adopt rules to implement this section.

H. For the purposes of this section, "Indian nations" means an Indian nation, tribe or pueblo located in this state.

15-502. Employment of school district personnel; payment of wages of discharged employee

A. The governing board at any time may employ and fix the salaries and benefits of employees necessary for the succeeding year. The contracts of all certificated employees shall be in writing, and all employees shall be employed subject to section 38-481. The governing board may obtain the services of any employee, including teachers, substitute teachers and administrators, by contracting with a private entity that employs personnel required by the school district.

B. A teacher shall not be employed if the teacher has not received a certificate for teaching granted by the proper authorities. If a teacher has filed an application and completed all of the requirements for a certificate but time does not allow a teacher to receive a certificate before the commencement of employment, the conditional certificate shall serve as a certificate for the payment of wages, provided that the teacher files the conditional certificate with the county school superintendent and the certificate is issued within three months of the date of commencing employment. In order to be paid wages beyond the three month period prescribed in this subsection, the teacher shall file the certificate with the county school superintendent. Any contract issued to a teacher who has completed certificate requirements but has not received a certificate shall be specifically contingent upon receipt of such a certificate. The governing board of a school district that is subject to section 15-914.01 shall adhere to the duties described in section 15-302, subsection A, paragraph 9 for purposes of this subsection.

C. No dependent, as defined in section 43-1001, of a governing board member may be employed in the school district in which the person to whom such dependent is so related is a governing board member, except by consent of the board.

D. The governing board may employ certificated teachers under contract as part-time classroom teachers. Notwithstanding any other statute, a certificated teacher who has been employed by the school district for more than the major portion of three consecutive school years does not lose the entitlement to the procedures prescribed in sections 15-538.01, 15-539 through 15-544 and 15-547 if the teacher is employed under contract on a part-time basis for at least forty per cent time. For the purposes of this subsection, "forty per cent time" means employed for at least forty per cent of the school day required of full-time teachers of the same grade level or for at least forty per cent of the class load assigned to full-time teachers of the same grade level, as determined by the governing board.

E. The governing board may employ a business manager who has expertise in finance. For the purposes of this subsection, "expertise in finance" means one or more of the following:

1. A baccalaureate degree in accounting, finance, school finance or public finance.
2. A graduate degree in accounting, finance, school finance or public finance.
3. Other finance training or finance experience that the governing board determines is sufficient to qualify the person to administer the business operations of the school district.

F. Notwithstanding sections 23-351 and 23-353, if an employee is discharged from the service of a school district, the school district shall pay the wages due to the employee within ten calendar days from the date of discharge.

G. Each school district shall establish policies and procedures to provide teachers with personal liability insurance.

H. Notwithstanding any other law, a school district shall not adopt policies that provide employment retention priority for teachers based on tenure or seniority.

15-533. Reciprocity; proficiency examination

A. To qualify for either a basic or standard teaching certificate, or equivalent certificate later adopted by the state board of education, a person must pass each component of the proficiency examination developed and administered by the state board of education. The proficiency examination shall consist of only a professional knowledge test and a subject knowledge test. A person is not required to take the examination if the person has passed a proficiency examination adopted by a state board of education or equivalent agency in another state. The state board of education may grant a basic or standard teaching certificate for not to exceed one year to a teacher who is a nonresident and who has not met the requirement of this section at the time of application.

B. A person is not required to pass the proficiency examination or the equivalent examination more than once, except that a person who passed the examination developed and administered in this state by the state board of education seven or more years before qualifying to teach in this state is required to repass the examination. A person who passed a proficiency examination adopted by a state board of education or equivalent agency in another state seven or more years before qualifying to teach in this state is required to pass the proficiency examination developed and administered in this state by the state board of education, except that a person who has been employed as a teacher in another state for at least five of the previous seven years before qualifying to teach in this state is not required to repass the examination.

C. A person who is not required to pass the proficiency examination developed and administered in this state by the state board of education pursuant to subsections A or B shall only be granted reciprocity for those proficiency examinations required in this state that pertain to the grade levels and content areas that the person is certified to teach in another state.

15-544. Limitations on reduction of salaries or personnel

- A. A governing board may reduce salaries or eliminate certificated teachers in a school district in order to effectuate economies in the operation of the district or to improve the efficient conduct and administration of the schools of the school district.
- B. Notice of a general salary reduction shall be given each certificated teacher affected.
- C. The provisions of this section do not apply to reductions in salary from monies from the classroom site fund pursuant to section 15-977.

15-701. Common school; promotions; requirements; certificate; supervision of eighth grades by superintendent of high school district; high school admissions; academic credit

A. The state board of education shall:

1. Prescribe a minimum course of study, as defined in section 15-101 and incorporating the academic standards adopted by the state board of education, to be taught in the common schools.
2. Prescribe competency requirements for the promotion of pupils from the eighth grade and competency requirements for the promotion of pupils from the third grade incorporating the academic standards in at least the areas of reading, writing, mathematics, science and social studies.
3. Distribute guidelines for the school districts to follow in prescribing criteria for the promotion of pupils from grade to grade in the common schools. These guidelines shall include recommended procedures for insuring that the cultural background of a pupil is taken into consideration when criteria for promotion are being applied.

B. Pursuant to the guidelines which the state board of education distributes, the governing board of a school district shall:

1. Prescribe curricula that include the academic standards in the required subject areas pursuant to subsection A, paragraph 1 of this section.
2. Prescribe criteria for the promotion of pupils from grade to grade in the common schools in the school district. These criteria shall include accomplishment of the academic standards in at least reading, writing, mathematics, science and social studies, as determined by district assessment. Other criteria may include additional measures of academic achievement and attendance.

C. The governing board may prescribe the course of study and competency requirements for promotion which are in addition to or higher than the course of study and competency requirements which the state board prescribes.

D. A teacher shall determine whether to promote or retain a pupil in grade in a common school as provided in section 15-521, paragraph 3 on the basis of the prescribed criteria. The governing board, if it reviews the decision of a teacher to promote or retain a pupil in grade in a common school as provided in section 15-342, paragraph 11, shall base its decision on the prescribed criteria.

E. A governing board may provide and issue certificates of promotion to pupils whom it promotes from the eighth grade of a common school. Such certificates shall be signed by the principal or superintendent of schools. Where there is no principal or superintendent of schools, the certificates shall be signed by the teacher of an eighth grade. The certificates shall admit the holders to any high school in the state.

F. A governing board may request certificates of promotion from the county school superintendent. If a governing board requests these certificates from the county school superintendent, the county school superintendent shall furnish and sign the certificates.

G. Within any high school district or union high school district, the superintendent of the high school district shall supervise the work of the eighth grade of all schools employing no superintendent or principal.

H. A school district shall not deny a pupil who is between the ages of sixteen and twenty-one years admission to a high school because the pupil does not hold an eighth grade certificate. Governing boards shall establish procedures for determining the admissibility of pupils who are under sixteen years of age and who do not hold eighth grade certificates.

I. The state board of education shall adopt rules to allow common school pupils who can demonstrate competency in a particular academic course or subject to obtain academic credit for the course or subject without enrolling in the course or subject.

15-701.01. High school; graduation; requirements; community college or university courses; transfer from private schools; academic credit

A. The state board of education shall:

1. Prescribe a minimum course of study, as defined in section 15-101 and incorporating the academic standards adopted by the state board of education, for the graduation of pupils from high school.
2. Prescribe competency requirements for the graduation of pupils from high school incorporating the academic standards in at least the areas of reading, writing, mathematics, science and social studies.
3. Develop and adopt competency tests pursuant to section 15-741 for the graduation of pupils from high school in at least the areas of reading, writing and mathematics and shall establish passing scores for each such test. For the purposes of satisfying the graduation requirements of this paragraph, a minimum score as determined by the state board of education on one or more nationally recognized college entrance examinations selected by the state board of education, if examination information may be accessed at no cost to this state, may be substituted for passing scores on the Arizona instrument to measure standards test if a pupil who is in grade twelve has previously taken the Arizona instrument to measure standards test at each administration of the test. A pupil shall not be required to pass the competency test required in this paragraph to graduate from high school if the pupil transfers into the district from out-of-state and has successfully passed a statewide assessment test on state adopted standards that are substantially equivalent to the state board adopted academic standards.

B. If the state board of education adopts a competency test as a graduation requirement for a child with a disability as defined in section 15-761 or a child who receives special education pursuant to section 15-763, pupils with individualized education programs shall not be required to achieve passing scores on competency tests in order to graduate from high school unless the pupil is learning at a level appropriate for the pupil's grade level in a specific academic area and unless passing scores on a competency test are specifically required in a specific academic area by the pupil's individualized education program as mutually agreed on by the pupil's parents and the pupil's individualized education program team or the pupil, if the pupil is at least eighteen years of age. These competency tests shall be administered to pupils in a manner prescribed in the pupil's individualized education program, and school districts and charter schools shall make specific and appropriate accommodations for pupils with individualized education programs. Pupils with section 504 plans as defined in section 15-731 shall not be required to achieve passing scores on competency tests in order to graduate from high school unless the pupil is learning at a level appropriate for the pupil's grade level in a specific academic area and unless passing scores on a competency test are specifically required in a specific academic area by the pupil's section 504 plan that is developed in consultation with the pupil's parents. These competency tests shall be administered to pupils in a manner prescribed in the pupil's section 504 plan, and school districts and charter schools shall make specific and appropriate accommodations for pupils with a section 504 plan. A pupil with an individualized education program or a section 504 plan who graduates from high school but who is not required to achieve a passing score on a competency test in order to graduate from high school shall receive the standard diploma issued by the school district or charter school.

C. The governing board of a school district shall:

1. Prescribe curricula that include the academic standards in the required subject areas pursuant to subsection A, paragraph 1 of this section.
2. Prescribe criteria for the graduation of pupils from the high schools in the school district. These criteria shall include accomplishment of the academic standards in at least reading, writing,

mathematics, science and social studies, as determined by district assessment. Other criteria may include additional measures of academic achievement and attendance.

D. The governing board may prescribe the course of study and competency requirements for the graduation of pupils from high school that are in addition to or higher than the course of study and competency requirements which the state board prescribes.

E. The governing board may prescribe competency requirements for the passage of pupils in courses that are required for graduation from high school.

F. A teacher shall determine whether to pass or fail a pupil in a course in high school as provided in section 15-521, paragraph 3 on the basis of the competency requirements, if any have been prescribed. The governing board, if it reviews the decision of a teacher to pass or fail a pupil in a course in high school as provided in section 15-342, paragraph 11, shall base its decision on the competency requirements, if any have been prescribed.

G. Graduation requirements established by the governing board may be met by a pupil who passes courses in the required or elective subjects at a community college or university, if the course is at a higher level than the course taught in the high school attended by the pupil or, if the course is not taught in the high school, the level of the course is equal to or higher than the level of a high school course. The governing board shall determine if the subject matter of the community college or university course is appropriate to the specific requirement the pupil intends it to fulfill and if the level of the community college or university course is less than, equal to or higher than a high school course, and the governing board shall award one-half of a Carnegie unit for each three semester hours of credit the pupil earns in an appropriate community college or university course. If a pupil is not satisfied with the decision of the governing board regarding the amount of credit granted or the subjects for which credit is granted, the pupil may request that the state board of education review the decision of the governing board, and the state board shall make the final determination of the amount of credit to be given the pupil and for which subjects. The governing board shall not limit the number of credits that is required for high school graduation and that may be met by taking community college or university courses. For the purposes of this subsection:

1. "Community college" means an educational institution that is operated by a community college district as defined in section 15-1401 or a postsecondary educational institution under the jurisdiction of an Indian tribe recognized by the United States department of the interior.

2. "University" means a university under the jurisdiction of the Arizona board of regents.

H. A pupil who transfers from a private school shall be provided with a list that indicates those credits that have been accepted and denied by the school district. A pupil may request to take an examination in each particular course in which credit has been denied. The school district shall accept the credit for each particular course in which the pupil takes an examination and receives a passing score on a test designed and evaluated by a teacher in the school district who teaches the subject matter on which the examination is based. In addition to the above requirements, the governing board of a school district may prescribe requirements for the acceptance of the credits of pupils who transfer from a private school.

I. If a pupil who was previously enrolled in a charter school or school district enrolls in a school district in this state, the school district shall accept credits earned by the pupil in courses or instructional programs at the charter school or school district. The governing board of a school district may adopt a policy concerning the application of transfer credits for the purpose of determining whether a credit earned by a pupil who was previously enrolled in a school district or charter school will be assigned as an elective or core credit.

J. A pupil who transfers from a charter school or school district shall be provided with a list that indicates which credits have been accepted as an elective credit and which credits have been accepted as a core credit by the school district. Within ten school days after receiving the list, a pupil may request to take an examination in each particular course in which core credit has been denied. The school district shall accept the credit as a core credit for each particular course in which the pupil takes an examination and receives a passing score on a test designed and evaluated by a teacher in the school district who teaches the subject matter on which the examination is based.

K. The state board of education shall adopt rules to allow high school pupils who can demonstrate competency in a particular academic course or subject to obtain academic credit for the course or subject without enrolling in the course or subject.

15-704. Reading proficiency; definitions

- A. Each school district or charter school that provides instruction in kindergarten programs and grades one through three shall select and administer screening, ongoing diagnostic and classroom based instructional reading assessments, including a motivational assessment, as defined by the state board of education, to monitor student progress. Each school shall use the diagnostic information to plan appropriate and effective intervention.
- B. Each school district or charter school that provides instruction for pupils in kindergarten programs and grades one through three shall conduct a curriculum evaluation and adopt a scientifically based reading curriculum that includes the essential components of reading instruction. All school districts and charter schools that offer instruction in kindergarten programs and grades one through three shall provide ongoing teacher training based on scientifically based reading research.
- C. Each school district or charter school that provides instruction in kindergarten programs and grades one through three shall devote reasonable amounts of time to explicit instruction and independent reading in grades one through three.
- D. A pupil in grade three who does not meet or exceed the reading standards measured by the Arizona instrument to measure standards test administered pursuant to section 15-741 shall be provided intensive reading instruction as defined by the state board of education until the pupil meets these standards.
- E. The governing board of each school district and the governing body of each charter school shall determine the percentage of pupils at each school in grade three who do not meet the reading standards prescribed by the state board of education and measured by the Arizona instrument to measure standards test administered pursuant to section 15-741. If more than twenty per cent of students in grade three at either the individual school level or at the school district level do not meet the standards, the governing board or governing body shall conduct a review of its reading program that includes curriculum and professional development in light of current, scientifically based reading research.
- F. Based on the review required in subsection E of this section, the governing board or governing body and the school principal of each school that does not meet the reading standards, in conjunction with school council members, if applicable, shall develop methods of best practices for teaching reading based on essential components of reading instruction and supported by scientifically based reading research. These methods shall be adopted at a public meeting and shall be implemented the following academic year.
- G. Subsections E and F of this section shall be coordinated with efforts to develop and implement an improvement plan if required pursuant to section 15-241.
- H. For the purposes of this section:
1. "Essential components of reading instruction" means explicit and systematic instruction in the following:
 - (a) Phonemic awareness.
 - (b) Phonics.
 - (c) Vocabulary development.
 - (d) Reading fluency.
 - (e) Reading comprehension.
 2. "Reading" means a complex system of deriving meaning from print that requires all of the following:
 - (a) The skills and knowledge to understand how phonemes or speech sounds are connected to print.

- (b) The ability to decode unfamiliar words.
 - (c) The ability to read fluently.
 - (d) Sufficient background information and vocabulary to foster reading comprehension.
 - (e) The development of appropriate active strategies to construct meaning from print.
 - (f) The development and maintenance of a motivation to read.
3. "Scientifically based reading research" means research that meets all of the following:
- (a) Applies rigorous, systematic and objective procedures to obtain valid knowledge relevant to reading development, reading instruction and reading difficulties.
 - (b) Employs systematic empirical methods that draw on observation or experiment.
 - (c) Involves rigorous data analyses that are adequate to test the stated hypotheses and justify the general conclusions drawn.
 - (d) Relies on measurements or observational methods that provide valid data across evaluators and observers and across multiple measurements and observations.
 - (e) Has been accepted by a peer reviewed journal or approved by a panel of independent experts through a comparably rigorous, objective and scientific review.
 - (f) Contains all of the elements of the essential components of reading instruction.

15-756.01. Arizona English language learners task force; research based models of structured English immersion for English language learners; budget requests; definitions

- A. The Arizona English language learners task force is established in the department of education. The task force shall consist of:
1. Three members appointed by the superintendent of public instruction.
 2. Two members who are appointed by the governor.
 3. Two members who are appointed by the president of the senate.
 4. Two members who are appointed by the speaker of the house of representatives.
- B. Members of the task force shall serve four year terms. Members of the task force shall elect a chairperson from among the members of the task force. The department of education shall provide adequate staff support for the task force.
- C. By September 1, 2006, the task force shall develop and adopt research based models of structured English immersion programs for use by school districts and charter schools. The models shall take into consideration at least the size of the school, the location of the school, the grade levels at the school, the number of English language learners and the percentage of English language learners. The models shall be limited to programs for English language learners to participate in a structured English immersion program not normally intended to exceed one year. The task force shall identify the minimum amount of English language development per day for all models. The task force shall develop separate models for the first year in which a pupil is classified as an English language learner that includes a minimum of four hours per day of English language development.
- D. The research based models of structured English immersion adopted by the task force shall be the most cost-efficient models that meet all state and federal laws.
- E. The research based models of structured English immersion shall be limited to a regular school year and school day. Instruction outside the regular school year or school day shall be provided with compensatory instruction and may be eligible for funding from the statewide compensatory instruction fund established by section 15-756.11.
- F. The research based models of structured English immersion shall be submitted by the task force to the president of the senate, the speaker of the house of representatives, the governor and the state board of education. At least thirty days before adoption, the task force shall submit the research based models of structured English immersion to the joint legislative budget committee for review.
- G. The task force shall review research based models of structured English immersion annually and delete, add or modify the existing models. When adopting or modifying English language learner programs, the task force shall review and consider the information and data obtained as a result of the department of education's monitoring of English language learner programs pursuant to section 15-756.08.
- H. The task force shall establish procedures for school districts and charter schools to determine the incremental costs for implementation of the research based models of structured English immersion developed by the task force.
- I. The task force shall establish a form for school districts and charter schools to determine the structured English immersion budget request amount. Notwithstanding any other law, the maximum amount of the budget request shall be the incremental costs of the model selected offset by the following monies:
1. All federal title III monies and any other federal monies designated solely for the educational needs of English language learners.

2. The portion of title I and title IIA monies determined by the English language learner population as a percentage of the qualified population.

3. The portion of impact aid monies determined by the English language learner population as a percentage of the qualified population. A school district or charter school shall only apply unexpended impact aid monies to English language learner programs after it has applied its impact aid monies for other allowable uses as permitted by state law.

4. The portion of desegregation monies levied pursuant to section 15-910 determined by the English language learner population as a percentage of the qualified population.

5. The ELL support level weight prescribed in section 15-943.

J. The difference calculated pursuant to subsection I of this section shall be the maximum amount of the structured English immersion budget request pursuant to section 15-756.03 for monies from the Arizona structured English immersion fund established by section 15-756.04. Beginning July 15, 2008, school districts and charter schools shall not include the incremental costs of any pupil who is classified as an English language learner after July 1, 2007 and who has been classified as an English language learner for more than two years in the calculation of the school district's or charter school's structured English immersion budget request.

K. In consultation with the auditor general, the department of education shall develop and adopt forms to be used by school districts and charter schools to submit budget requests for the Arizona structured English immersion fund, including the form prescribed in subsection I of this section.

L. For the purposes of this section:

1. "Compensatory instruction" has the same meaning prescribed in section 15-756.11.

2. "Incremental costs" means costs that are associated with a structured English immersion program pursuant to section 15-752 or a program pursuant to section 15-753 and that are in addition to the normal costs of conducting programs for English proficient students. Incremental costs do not include costs that replace the same types of services provided to English proficient students or compensatory instruction.

15-756.02. School districts and charter schools; English language learner models; adoption and implementation

A. Each school district governing board and each governing body of a charter school shall select one or more of the task force approved models for structured English immersion for implementation on a school by school basis.

B. If a school district or charter school wants to adopt an English language learner program that is not based on a model adopted by the task force, the school district or charter school shall first submit the proposed program along with supporting documentation regarding the expected outcomes of the program on the district's or charter school's English language learner students to the task force for approval.

C. On receipt of a proposed program from a school district or charter school, the task force may do one of the following:

1. Approve the proposed program.
2. Provide limited approval subject to specific stipulations prescribed by the state board.
3. Reject the proposed program and identify a model approved by the task force for the school district or charter school to adopt.

D. School districts and charter schools shall include a copy of the adopted English language learner program in the annual report required in section 15-756.10.

15-816. Definitions

In this article, unless the context otherwise requires:

1. "Nonresident pupil" means a pupil who resides in this state and who is enrolled in or is seeking enrollment in a school district other than the school district in which the pupil resides.
2. "Open enrollment" means a policy adopted and implemented by a school district governing board to allow resident transfer pupils to enroll in any school within the school district, to allow resident pupils to enroll in any school located within other school districts in this state and to allow nonresident pupils to enroll in any school within the district pursuant to section 15-816.01.
3. "Resident school" means a school within the designated attendance area in which a pupil resides.
4. "Resident transfer pupil" means a resident pupil who is enrolled in or seeking enrollment in a school that is within the school district but outside the attendance area of the pupil's residence.

15-816.01. Enrollment policies

A. School district governing boards shall establish policies and shall implement an open enrollment policy without charging tuition. Tuition may be charged to nonresident pupils only if the tuition is authorized under section 15-764, subsection C, section 15-797, subsection C, section 15-823, subsection A, section 15-824, subsection A or section 15-825 or if two school districts have entered into a voluntary agreement for the payment of tuition for certain pupils. These policies shall include admission criteria, application procedures and transportation provisions. A school district may give enrollment preference to and reserve capacity for pupils who are children of persons who are employed by or at a school in the school district. A copy of the district policies for open enrollment shall be filed with the department of education.

B. The governing board of the district educating the pupil may provide transportation limited to no more than twenty miles each way to and from the school of attendance or to and from a pickup point on a regular transportation route or for the total miles traveled each day to an adjacent district for eligible nonresident pupils who meet the economic eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) for free or reduced price lunches.

C. The governing board of the district educating the pupil shall provide transportation limited to no more than twenty miles each way to and from the school of attendance or to and from a pickup point on a regular transportation route or for the total miles traveled each day to an adjacent district for nonresident pupils with disabilities whose individualized education program specifies that transportation is necessary for fulfillment of the program.

15-816.02. Desegregation provisions

A school shall admit pupils who reside in the attendance area of a school that is under a court order of desegregation or that is a party to an agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination unless notice is received from the resident school that the admission would violate the court order or agreement. If a school admits a pupil after notice is received that the admission would constitute such a violation, the school's district is not allowed to include in its student count the pupils wrongfully admitted. A school shall not be required to admit nonresident or resident transfer pupils if the admission would violate the provisions of the court order or agreement.

15-816.07. District and school immunity

A school district and its employees are immune from civil liability for decisions that concern the acceptance or rejection of a nonresident pupil for enrollment and that are based on a good faith application of the requirements of this article and the standards adopted pursuant to this article.

15-901. Definitions

A. In this title, unless the context otherwise requires:

1. "Average daily attendance" or "ADA" means actual average daily attendance through the first one hundred days or two hundred days in session, as applicable.
2. "Average daily membership" means the total enrollment of fractional students and full-time students, minus withdrawals, of each school day through the first one hundred days or two hundred days in session, as applicable, for the current year. Withdrawals include students formally withdrawn from schools and students absent for ten consecutive school days, except for excused absences as identified by the department of education. For computation purposes, the effective date of withdrawal shall be retroactive to the last day of actual attendance of the student.

(a) "Fractional student" means:

- (i) For common schools, until fiscal year 2001-2002, a preschool child who is enrolled in a program for preschool children with disabilities of at least three hundred sixty minutes each week or a kindergarten student at least five years of age prior to January 1 of the school year and enrolled in a school kindergarten program that meets at least three hundred forty-six instructional hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the kindergarten program shall meet at least three hundred forty-eight hours. In fiscal year 2002-2003, the kindergarten program shall meet at least three hundred fifty hours. In fiscal year 2003-2004, the kindergarten program shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005, the kindergarten program shall meet at least three hundred fifty-four hours. In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten program shall meet at least three hundred fifty-six hours. Lunch periods and recess periods may not be included as part of the instructional hours unless the child's individualized education program requires instruction during those periods and the specific reasons for such instruction are fully documented. In computing the average daily membership, preschool children with disabilities and kindergarten students shall be counted as one-half of a full-time student. For common schools, a part-time student is a student enrolled for less than the total time for a full-time student as defined in this section. A part-time common school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of the time a full-time student is enrolled as defined in subdivision (b) of this paragraph.
- (ii) For high schools, a part-time student who is enrolled in less than four subjects that count toward graduation as defined by the state board of education in a recognized high school and who is taught in less than twenty instructional hours per week prorated for any week with fewer than five school days. A part-time high school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of a full-time instructional program as defined in subdivision (c) of this paragraph.

(b) "Full-time student" means:

- (i) For common schools, a student who is at least six years of age prior to January 1 of a school year, who has not graduated from the highest grade taught in the school district and who is regularly enrolled in a course of study required by the state board of education. Until fiscal year 2001-2002, first, second and third grade students, ungraded students at least six, but under nine, years of age by September 1 or ungraded group B children with disabilities who are at least five, but under six, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least six hundred ninety-two hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least six hundred ninety-six hours. In fiscal year 2002-2003, the program shall meet at least seven hundred hours. In

fiscal year 2003-2004, the program shall meet at least seven hundred four hours. In fiscal year 2004-2005, the program shall meet at least seven hundred eight hours. In fiscal year 2005-2006 and in each fiscal year thereafter, the program shall meet at least seven hundred twelve hours. Until fiscal year 2001-2002, fourth, fifth and sixth grade students or ungraded students at least nine, but under twelve, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least eight hundred sixty-five hours during the minimum number of school days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least eight hundred seventy hours. In fiscal year 2002-2003, the program shall meet at least eight hundred seventy-five hours. In fiscal year 2003-2004, the program shall meet at least eight hundred eighty hours. In fiscal year 2004-2005, the program shall meet at least eight hundred eighty-five hours. In fiscal year 2005-2006 and each fiscal year thereafter, the program shall meet at least eight hundred ninety hours. Until fiscal year 2001-2002, seventh and eighth grade students or ungraded students at least twelve, but under fourteen, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least one thousand thirty-eight hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least one thousand forty-four hours. In fiscal year 2002-2003, the program shall meet at least one thousand fifty hours. In fiscal year 2003-2004, the program shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005, the program shall meet at least one thousand sixty-two hours. In fiscal year 2005-2006 and each fiscal year thereafter, the program shall meet at least one thousand sixty-eight hours. Lunch periods and recess periods may not be included as part of the instructional hours unless the student is a child with a disability and the child's individualized education program requires instruction during those periods and the specific reasons for such instruction are fully documented.

(ii) For high schools, except as provided in section 15-105, a student not graduated from the highest grade taught in the school district, or an ungraded student at least fourteen years of age by September 1, and enrolled in at least a full-time instructional program of subjects that count toward graduation as defined by the state board of education in a recognized high school. A full-time student shall not be counted more than once for computation of average daily membership.

(iii) Except as otherwise provided by law, for a full-time high school student who is concurrently enrolled in two school districts or two charter schools, the average daily membership shall not exceed 1.0.

(iv) Except as otherwise provided by law, for any student who is concurrently enrolled in a school district and a charter school, the average daily membership shall be apportioned between the school district and the charter school and shall not exceed 1.0. The apportionment shall be based on the percentage of total time that the student is enrolled in or in attendance at the school district and the charter school.

(v) Except as otherwise provided by law, for any student who is concurrently enrolled, pursuant to section 15-808, in a school district and Arizona online instruction or a charter school and Arizona online instruction, the average daily membership shall be apportioned between the school district and Arizona online instruction or the charter school and Arizona online instruction and shall not exceed 1.0. The apportionment shall be based on the percentage of total time that the student is enrolled in or in attendance at the school district and Arizona online instruction or the charter school and Arizona online instruction.

(vi) For homebound or hospitalized, a student receiving at least four hours of instruction per week.

(c) "Full-time instructional program" means:

(i) Through fiscal year 2000-2001, at least four subjects, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(ii) For fiscal year 2001-2002, an instructional program that meets at least a total of seven hundred four hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-two hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(iii) For fiscal year 2002-2003, an instructional program that meets at least a total of seven hundred eight hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-two hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(iv) For fiscal year 2003-2004, an instructional program that meets at least a total of seven hundred twelve hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(v) For fiscal year 2004-2005, an instructional program that meets at least a total of seven hundred sixteen hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(vi) For fiscal year 2005-2006 and each fiscal year thereafter, an instructional program that meets at least a total of seven hundred twenty hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

3. "Budget year" means the fiscal year for which the school district is budgeting and which immediately follows the current year.

4. "Common school district" means a political subdivision of this state offering instruction to students in programs for preschool children with disabilities and kindergarten programs and grades one through eight.

5. "Current year" means the fiscal year in which a school district is operating.

6. "Daily attendance" means:

(a) For common schools, days in which a pupil:

(i) Of a kindergarten program or ungraded, but not group B children with disabilities, and at least five, but under six, years of age by September 1 attends at least three-quarters of the instructional time scheduled for the day. If the total instruction time scheduled for the year is at least three hundred forty-six hours but is less than six hundred ninety-two hours such attendance shall be counted as one-

half day of attendance. If the instructional time scheduled for the year is at least six hundred ninety-two hours, "daily attendance" means days in which a pupil attends at least one-half of the instructional time scheduled for the day. Such attendance shall be counted as one-half day of attendance.

(ii) Of the first, second or third grades, ungraded and at least six, but under nine, years of age by September 1 or ungraded group B children with disabilities and at least five, but under six, years of age by September 1 attends more than three-quarters of the instructional time scheduled for the day.

(iii) Of the fourth, fifth or sixth grades or ungraded and at least nine, but under twelve, years of age by September 1 attends more than three-quarters of the instructional time scheduled for the day, except as provided in section 15-797.

(iv) Of the seventh or eighth grades or ungraded and at least twelve, but under fourteen, years of age by September 1 attends more than three-quarters of the instructional time scheduled for the day, except as provided in section 15-797.

(b) For common schools, the attendance of a pupil at three-quarters or less of the instructional time scheduled for the day shall be counted as follows, except as provided in section 15-797 and except that attendance for a fractional student shall not exceed the pupil's fractional membership:

(i) If attendance for all pupils in the school is based on quarter days, the attendance of a pupil shall be counted as one-fourth of a day's attendance for each one-fourth of full-time instructional time attended.

(ii) If attendance for all pupils in the school is based on half days, the attendance of at least three-quarters of the instructional time scheduled for the day shall be counted as a full day's attendance and attendance at a minimum of one-half but less than three-quarters of the instructional time scheduled for the day equals one-half day of attendance.

(c) For common schools, the attendance of a preschool child with disabilities shall be counted as one-fourth day's attendance for each thirty-six minutes of attendance not including lunch periods and recess periods, except as provided in paragraph 2, subdivision (a), item (i) of this subsection for children with disabilities up to a maximum of three hundred sixty minutes each week.

(d) For high schools or ungraded schools in which the pupil is at least fourteen years of age by September 1, the attendance of a pupil shall not be counted as a full day unless the pupil is actually and physically in attendance and enrolled in and carrying four subjects, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty hours a year, or the equivalent, that count toward graduation in a recognized high school except as provided in section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil carrying less than the load prescribed shall be prorated.

(e) For high schools or ungraded schools in which the pupil is at least fourteen years of age by September 1, the attendance of a pupil may be counted as one-fourth of a day's attendance for each sixty minutes of instructional time in a subject that counts toward graduation, except that attendance for a pupil shall not exceed the pupil's full or fractional membership.

(f) For homebound or hospitalized, a full day of attendance may be counted for each day during a week in which the student receives at least four hours of instruction.

(g) For school districts which maintain school for an approved year-round school year operation, attendance shall be based on a computation, as prescribed by the superintendent of public instruction, of the one hundred eighty days' equivalency or two hundred days' equivalency, as applicable, of instructional time as approved by the superintendent of public instruction during which each pupil is enrolled.

7. "Daily route mileage" means the sum of:

(a) The total number of miles driven daily by all buses of a school district while transporting eligible students from their residence to the school of attendance and from the school of attendance to their residence on scheduled routes approved by the superintendent of public instruction.

(b) The total number of miles driven daily on routes approved by the superintendent of public instruction for which a private party, a political subdivision or a common or a contract carrier is reimbursed for bringing an eligible student from the place of his residence to a school transportation pickup point or to the school of attendance and from the school transportation scheduled return point or from the school of attendance to his residence. Daily route mileage includes the total number of miles necessary to drive to transport eligible students from and to their residence as provided in this paragraph.

8. "District support level" means the base support level plus the transportation support level.

9. "Eligible students" means:

(a) Students who are transported by or for a school district and who qualify as full-time students or fractional students, except students for whom transportation is paid by another school district or a county school superintendent, and:

(i) For common school students, whose place of actual residence within the school district is more than one mile from the school facility of attendance or students who are admitted pursuant to section 15-816.01 and who meet the economic eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) for free or reduced price lunches and whose actual place of residence outside the school district boundaries is more than one mile from the school facility of attendance.

(ii) For high school students, whose place of actual residence within the school district is more than one and one-half miles from the school facility of attendance or students who are admitted pursuant to section 15-816.01 and who meet the economic eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) for free or reduced price lunches and whose actual place of residence outside the school district boundaries is more than one and one-half miles from the school facility of attendance.

(b) Kindergarten students, for purposes of computing the number of eligible students under subdivision (a), item (i) of this paragraph, shall be counted as full-time students, notwithstanding any other provision of law.

(c) Children with disabilities, as defined by section 15-761, who are transported by or for the school district or who are admitted pursuant to chapter 8, article 1.1 of this title and who qualify as full-time students or fractional students regardless of location or residence within the school district or children with disabilities whose transportation is required by the pupil's individualized education program.

(d) Students whose residence is outside the school district and who are transported within the school district on the same basis as students who reside in the school district.

10. "Enrolled" or "enrollment" means when a pupil is currently registered in the school district.

11. "GDP price deflator" means the average of the four implicit price deflators for the gross domestic product reported by the United States department of commerce for the four quarters of the calendar year.

12. "High school district" means a political subdivision of this state offering instruction to students for grades nine through twelve or that portion of the budget of a common school district which is allocated to teaching high school subjects with permission of the state board of education.

13. "Revenue control limit" means the base revenue control limit plus the transportation revenue control limit.

14. "Student count" means average daily membership as prescribed in this subsection for the fiscal year prior to the current year, except that for the purpose of budget preparation student count means average daily membership as prescribed in this subsection for the current year.
15. "Submit electronically" means submitted in a format and in a manner prescribed by the department of education.
16. "Total bus mileage" means the total number of miles driven by all buses of a school district during the school year.
17. "Total students transported" means all eligible students transported from their place of residence to a school transportation pickup point or to the school of attendance and from the school of attendance or from the school transportation scheduled return point to their place of residence.
18. "Unified school district" means a political subdivision of the state offering instruction to students in programs for preschool children with disabilities and kindergarten programs and grades one through twelve.
- B. In this title, unless the context otherwise requires:
1. "Base" means the revenue level per student count specified by the legislature.
 2. "Base level" means:
 - (a) For fiscal year 2007-2008, three thousand two hundred twenty-six dollars eighty-eight cents.
 - (b) For fiscal year 2008-2009, three thousand two hundred ninety-one dollars forty-two cents.
 - (c) For fiscal year 2009-2010, three thousand two hundred sixty-seven dollars seventy-two cents.
 3. "Base revenue control limit" means the base revenue control limit computed as provided in section 15-944.
 4. "Base support level" means the base support level as provided in section 15-943.
 5. "Certified teacher" means a person who is certified as a teacher pursuant to the rules adopted by the state board of education, who renders direct and personal services to school children in the form of instruction related to the school district's educational course of study and who is paid from the maintenance and operation section of the budget.
 6. "DD" means programs for children with developmental delays who are at least three years of age but under ten years of age. A preschool child who is categorized under this paragraph is not eligible to receive funding pursuant to section 15-943, paragraph 2, subdivision (b).
 7. "ED, MIMR, SLD, SLI and OHI" means programs for children with emotional disabilities, mild mental retardation, a specific learning disability, a speech/language impairment and other health impairments. A preschool child who is categorized as SLI under this paragraph is not eligible to receive funding pursuant to section 15-943, paragraph 2, subdivision (b).
 8. "ED-P" means programs for children with emotional disabilities who are enrolled in private special education programs as prescribed in section 15-765, subsection D, paragraph 1 or in an intensive school district program as provided in section 15-765, subsection D, paragraph 2.
 9. "ELL" means English learners who do not speak English or whose native language is not English, who are not currently able to perform ordinary classroom work in English and who are enrolled in an English language education program pursuant to sections 15-751, 15-752 and 15-753.
 10. "Full-time equivalent certified teacher" or "FTE certified teacher" means for a certified teacher the following:
 - (a) If employed full time as defined in section 15-501, 1.00.
 - (b) If employed less than full time, multiply 1.00 by the percentage of a full school day, or its equivalent, or a full class load, or its equivalent, for which the teacher is employed as determined by the governing board.

11. "Group A" means educational programs for career exploration, a specific learning disability, an emotional disability, mild mental retardation, remedial education, a speech/language impairment, developmental delay, homebound, bilingual, other health impairments and gifted pupils.
12. "Group B" means educational improvements for pupils in kindergarten programs and grades one through three, educational programs for autism, a hearing impairment, moderate mental retardation, multiple disabilities, multiple disabilities with severe sensory impairment, orthopedic impairments, preschool severe delay, severe mental retardation and emotional disabilities for school age pupils enrolled in private special education programs or in school district programs for children with severe disabilities or visual impairment and English learners enrolled in a program to promote English language proficiency pursuant to section 15-752.
13. "HI" means programs for pupils with hearing impairment.
14. "Homebound" or "hospitalized" means a pupil who is capable of profiting from academic instruction but is unable to attend school due to illness, disease, accident or other health conditions, who has been examined by a competent medical doctor and who is certified by that doctor as being unable to attend regular classes for a period of not less than three school months or a pupil who is capable of profiting from academic instruction but is unable to attend school regularly due to chronic or acute health problems, who has been examined by a competent medical doctor and who is certified by that doctor as being unable to attend regular classes for intermittent periods of time totaling three school months during a school year. The medical certification shall state the general medical condition, such as illness, disease or chronic health condition, that is the reason that the pupil is unable to attend school. Homebound or hospitalized includes a student who is unable to attend school for a period of less than three months due to a pregnancy if a competent medical doctor, after an examination, certifies that the student is unable to attend regular classes due to risk to the pregnancy or to the student's health.
15. "K" means kindergarten programs.
16. "K-3" means kindergarten programs and grades one through three.
17. "MD-R, A-R and SMR-R" means resource programs for pupils with multiple disabilities, autism and severe mental retardation.
18. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils with multiple disabilities, autism and severe mental retardation.
19. "MDSSEI" means a program for pupils with multiple disabilities with severe sensory impairment.
20. "MOMR" means programs for pupils with moderate mental retardation.
21. "OI-R" means a resource program for pupils with orthopedic impairments.
22. "OI-SC" means a self-contained program for pupils with orthopedic impairments.
23. "PSD" means preschool programs for children with disabilities as provided in section 15-771.
24. "P-SD" means programs for children who meet the definition of preschool severe delay as provided in section 15-771.
25. "Qualifying tax rate" means the qualifying tax rate specified in section 15-971 applied to the assessed valuation used for primary property taxes.
26. "Small isolated school district" means a school district which meets all of the following:
 - (a) Has a student count of fewer than six hundred in kindergarten programs and grades one through eight or grades nine through twelve.
 - (b) Contains no school which is fewer than thirty miles by the most reasonable route from another school, or, if road conditions and terrain make the driving slow or hazardous, fifteen miles from another school which teaches one or more of the same grades and is operated by another school district in this state.

(c) Is designated as a small isolated school district by the superintendent of public instruction.

27. "Small school district" means a school district which meets all of the following:

(a) Has a student count of fewer than six hundred in kindergarten programs and grades one through eight or grades nine through twelve.

(b) Contains at least one school which is fewer than thirty miles by the most reasonable route from another school which teaches one or more of the same grades and is operated by another school district in this state.

(c) Is designated as a small school district by the superintendent of public instruction.

28. "Transportation revenue control limit" means the transportation revenue control limit computed as prescribed in section 15-946.

29. "Transportation support level" means the support level for pupil transportation operating expenses as provided in section 15-945.

30. "VI" means programs for pupils with visual impairments.

31. "Voc. Ed." means career and technical education and vocational education programs, as defined in section 15-781.

15-902. Determination of student count

A. For a common or a unified school district in which the average daily membership through the first one hundred days or two hundred days in session, as applicable, of the current year has exceeded the average daily attendance through the first one hundred days or two hundred days in session, as applicable, of the current year by more than six per cent, the student count shall be determined by an adjusted average daily membership computed by multiplying the actual average daily attendance by one hundred six per cent.

B. For a high school district in which the average daily membership through the first one hundred days in session of the current year exceeds the average daily attendance through the first one hundred days in session of the current year by more than eight and one-half per cent, the student count shall be determined by an adjusted average daily membership computed by multiplying the actual average daily attendance by one hundred eight and one-half per cent. If the high school district which utilized adjusted average daily membership pursuant to this subsection does not qualify for equalization assistance as provided by section 15-971, the computation of additional state aid for education as provided in section 15-972 for that district shall not include in the primary property tax rate the amount of primary property taxes necessary to fund an amount computed as follows:

1. Determine the revenue control limit, capital outlay revenue limit and soft capital allocation using the adjusted average daily membership.
2. Add the amounts determined in paragraph 1 of this subsection.
3. Determine the revenue control limit, capital outlay revenue limit and soft capital allocation using a student count computed by multiplying the actual average daily attendance by one hundred six per cent.
4. Add the amounts determined in paragraph 3 of this subsection.
5. Subtract the sum determined under paragraph 4 of this subsection from the sum determined under paragraph 2 of this subsection.

C. A school district required to utilize adjusted average daily membership as provided in this section may apply to the department of education for a further adjustment if student absences result from any of the following reasons:

1. Widespread illness for any period of three consecutive days or more.
2. Adverse weather conditions for any period of three consecutive days or more.
3. Concerted refusal by students to attend classes for any period of three consecutive days or more.
4. Threats of violence against school property, school personnel or students for any period of one day or more.
5. School closure due to situations affecting the safety of persons or property resulting from fire, flooding or floodwater, an earthquake, a hazardous material event or other causes if approved by the department of education.

D. All student absence figures shall be submitted by the school district on a school by school basis to the department of education pursuant to subsection C of this section and shall be certified by the governing board of the school district. The department of education shall review the materials and documents submitted and may, if it determines that the absences resulted from the reasons prescribed by this section, further adjust the average daily membership figures of the school district.

E. A school district required to use adjusted average daily membership as provided in this section may apply to the department of education for a further adjustment due to absences of pupils with chronic health problems as defined in section 15-346 if the school district is providing services to the pupils during their absence from school.

F. A pupil is enrolled if the pupil is currently registered in the school district. In addition, the uniform system of financial records shall contain procedures to ensure that enrollment is determined by all school districts on a uniform basis.

G. Any determination of average daily attendance and average daily membership shall be based on the records of the superintendent of public instruction.

H. For school districts which maintain an approved year-round school year operation program, an educational program offered on the basis of a four day school week or an alternative kindergarten program offered on the basis of a three day school week, student count shall be based on a computation as prescribed by the superintendent of public instruction on the one hundred seventy-five days' equivalency or two hundred days' equivalency, as applicable, of instructional time as approved by the superintendent of public instruction during which each pupil is enrolled.

I. School districts shall be required to record electronically membership and attendance on a school by school basis for each day school is in session. Records shall be certified and forwarded to the department of education electronically within twelve days after the first forty days in session and within twelve days after the first one hundred days in session.

J. Absences shall be made part of the attendance record and shall be forwarded electronically by the school district on a school by school basis with other records to the department of education.

K. If a new school district is formed by the subdivision of an existing school district as provided in section 15-458, the new school district shall determine its student count, the approved daily route mileage and the number of eligible students transported on the basis of where pupils reside within the boundaries of the new school district when computing assistance as provided in this chapter. The school district shall determine its student count, the approved daily route mileage and the number of eligible students transported on the basis of where pupils reside within the diminished boundaries of the school district when computing a school district budget limit and assistance as provided in this chapter. The combined student count in the new districts may not exceed the student count of the school district which would have existed if the subdivision had not occurred.

15-902.02. Optional two hundred day average daily membership calculation

A school district governing board shall calculate its average daily membership on the two hundredth day of instruction if the school district elects to provide two hundred days of instruction. A school district that elects to provide two hundred days of instruction may calculate its budget based on an estimated average daily membership and may increase its base level by five per cent. A school district shall adjust its budget for the budget year based on any discrepancies between the estimated average daily membership for the previous year and the actual average daily membership on the two hundredth day of instruction for the previous year. A school district that elects to provide two hundred days of instruction shall ensure that the last day of instruction in any school year occurs before June 30.

15-914. Financial and compliance audits

A. The governing board of a school district that is required to comply with the single audit act amendments of 1996 (P.L. 104-156; 110 Stat. 1396; 31 United States Code sections 7501 through 7507) shall contract for at least annual financial and compliance audits of financial transactions and accounts subject to the single audit act amendments of 1996 and kept by or for the school district. Beginning with fiscal year 2003-2004, the governing board of a school district that is not required to comply with the single audit act and that has adopted an expenditure budget of two million dollars or more for the maintenance and operation fund pursuant to section 15-905 shall contract for an annual financial statement audit. Beginning with fiscal year 2004-2005, the governing board of a school district that is not required to comply with the single audit act and that has adopted an expenditure budget of less than two million dollars but more than seven hundred thousand dollars for the maintenance and operation fund pursuant to section 15-905 shall contract for a biennial financial statement audit. An independent certified public accountant shall conduct the audit in accordance with generally accepted governmental auditing standards. To the extent permitted by federal law, a school district that is required to participate in an annual audit pursuant to this subsection may convert to a biennial audit schedule if the previous annual audit did not contain any significant negative findings. If a biennial audit of a school district conducted pursuant to this subsection contains any significant negative findings, the school district shall convert back to an annual audit schedule. If a school district is required to convert back to an annual audit schedule pursuant to this subsection because of significant negative findings, the school district may subsequently convert to a biennial audit schedule if the previous two annual audits did not contain any significant negative findings. For the purposes of this subsection, "significant negative finding" means a finding that results in the issuance of a letter of noncompliance from the auditor general.

B. The governing board of a charter school that is required to comply with the single audit act amendments of 1996 shall contract for an annual financial and compliance audit of financial transactions and accounts subject to the single audit act amendments of 1996 and kept by or for the charter school.

C. A charter school that is not subject to the single audit act amendments of 1996 shall contract for at least an annual financial statement audit conducted in accordance with generally accepted governmental auditing standards. An independent certified public accountant shall conduct the audit.

D. For all audits referred to in subsections A, B and C of this section, the independent certified public accountant shall submit a uniform system of financial records compliance questionnaire to the auditor general with the applicable audit reports.

E. Contracts for all financial and compliance audits and financial statement audits and the completed audits shall be approved by the auditor general as provided in section 41-1279.21. Contracts for all financial and compliance audits and financial statement audits shall comply with the rules for competitive sealed proposals as prescribed by the state board of education in section 15-213.

F. If the school district or charter school will incur costs of financial and compliance audits for the budget year, the governing board of a school district or the governing body of the charter school may increase its base support level for the budget year by an amount equal to the amount expended for the district's or charter school's financial and compliance audits in the year before the current year, increased by the growth rate as prescribed by law, subject to appropriation. In determining the amount expended for the district's or charter school's financial and compliance audits, the school district or charter school shall include only the portion of the audit that must be paid from monies other than federal monies. The department of education and the auditor general shall prescribe a

method for determining the increase in the base support level and shall include in the maintenance and operation section of the budget format, as provided in section 15-903, a separate line for financial and compliance audits expenditures.

G. Beginning in fiscal year 2003-2004, every audit contract shall include a systematic review of average daily membership, as defined in section 15-901, using methodology that is consistent with guidelines established by the auditor general. The auditor general shall consider cost when establishing guidelines pursuant to this subsection and, to the extent possible, shall attempt to minimize the cost of the review. The purpose of the review is to determine whether the average daily membership reported by the charter school or school district is in compliance with the laws of this state and the uniform systems of financial records for charter schools and school districts.

15-918. Career ladder programs; definitions

A. A school district governing board may apply to the state board of education for approval to budget for a career ladder program under the provisions established in this article. The application may be for one or more schools in the district or for the entire district. Applications for initial program approval or reapproval shall be submitted annually by November 15 to the state career ladder advisory committee which is established pursuant to section 15-918.01 and which shall review the applications and forward recommendations to the state board. The board shall provide notice to the applicants of approval or disapproval by February 15.

B. Based on the requirements established in this article and the recommendations of the state career ladder advisory committee, the state board shall prescribe specific procedures for application and requirements as needed for approval to budget for a career ladder program.

C. If a governing board receives approval to budget for a career ladder program, it may calculate its budget using an increase in the base level authorized by the state board. Dependent on the district's implementation stage pursuant to section 15-918.03 and other criteria as prescribed in section 15-918.02, the state board may authorize an increase of up to five and one-half per cent of the base level.

D. The total amount of state monies that may be expended in any fiscal year for the state board of education for career ladder programs shall not exceed the amount appropriated or authorized by section 35-173 for that purpose. This section shall not be construed to impose a duty on an officer, agent or employee of this state to discharge a responsibility or to create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the expenditure authorized by legislative appropriation for that specific purpose.

E. For the purposes of this article:

1. "Career ladder program" means a program which:

(a) Establishes a multilevel system of teaching positions.

(b) Provides opportunities to teachers for continued professional advancement.

(c) Requires at least improved or advanced teaching skill for advancement to a higher level and other components such as additional higher level instructional responsibilities and demonstration of pupil academic progress.

(d) Uses a performance based compensation system.

2. "Governing board" means any of the following:

(a) A school district governing board.

(b) The governing body of a school if it has been delegated authority over a career ladder program by a school district governing board.

15-918.01. State career ladder advisory committee

A. The state board of education shall establish a state career ladder advisory committee which shall:

1. Provide recommendations to the state board on matters related to the implementation, operation and monitoring of career ladder programs in this state's school districts.
2. Develop criteria for the additional incentive components allowed pursuant to section 15-918.02, subsection B subject to the approval of the state board of education.
3. Oversee and administer the optional performance incentive programs in this state's school districts pursuant to this article.

B. The advisory committee shall consist of no more than fifteen members and shall be composed of representatives from the educational, business and general community. No more than one-third of the members of the advisory committee may represent districts which have been authorized to budget for a career ladder program.

C. The state board of education shall appoint the members of the advisory committee for staggered three year terms. Vacancies shall be filled for an unexpired term in the same manner as original appointments. The advisory committee shall annually elect a chair and vice-chair.

D. Members of the committee are not eligible to receive compensation, but if monies are available, members are eligible to receive reimbursement of expenses pursuant to title 38, chapter 4, article 2.

15-918.02. Career ladder program; requirements; optional component

A. To receive approval to budget for a career ladder program as provided in this article, a school district's career ladder program or the district's plan for the implementation of its program must contain at least the following components:

1. A structure which provides teachers with opportunities for professional career advancement based primarily on improved or advanced teaching skills, evidence of pupil academic progress and higher level instructional responsibilities. Advancement shall not be based on years of teaching experience or the number of educational credits earned.

2. Provisions requiring all teachers new to the district to be evaluated for the career ladder program.

3. Provisions for ensuring that the placement of teachers on the career ladder shall be based on more than one measure of teacher performance incorporating the areas of instructional performance and pupil academic progress and requirements for higher level instructional responsibilities. The following specific requirements shall exist:

(a) The evaluation of teacher performance shall be based on an evaluation system as provided in section 15-537 and shall include at least the following:

(i) A minimum of one evaluation that consists of both announced and unannounced observations of teacher performance.

(ii) Procedures for ongoing review and refinement of the evaluation instruments and procedures, including a process for establishing inter-rater reliability among all evaluators.

(iii) Increasingly higher levels of instructional criteria against which teachers are evaluated for placement on higher career ladder levels.

(iv) Provisions for formative evaluations and other opportunities for improvement of teacher performance.

(b) The evaluation of a teacher's pupil academic progress shall include at least the following:

(i) Specific criteria and requirements for the demonstration of pupil academic progress for placement at each level of the career ladder. Teachers shall be required to demonstrate increasingly higher levels of pupil academic progress for placement at the higher levels of the career ladder.

(ii) The use of various methods of assessment which have been established by the district for the evaluation of pupil progress. A variety of evaluation procedures may be used depending on the grade levels and the academic disciplines involved. The system must evaluate the teacher in terms of pupil progress as opposed to absolute performance which does not take into account entering ability.

(iii) Specific district procedures for the review and refinement of pupil academic progress criteria, assessments and procedures. Means for measuring pupil progress and the methodology for incorporating this information into the teacher's placement on the ladder must be consistent for all teachers.

(c) The requirement that teachers must perform higher level instructional responsibilities as part of placement at the highest career ladder levels. In addition to these higher level instructional responsibilities required for placement, districts may utilize monies budgeted for the career ladder program to support additional higher level instructional responsibilities for teachers placed on the career ladder.

4. Provisions for the placement of teachers on the career ladder include at least the following:

(a) Specific criteria for placement at each level and step on the ladder.

(b) More than one person who is responsible for determining the placement of the teacher on the ladder.

(c) An appeal process which includes both teachers and administrators to review situations in which teachers disagree with their placement.

(d) Procedures for ensuring the fair and objective placement of teachers on the career ladder including the establishment of inter-rater reliability among persons responsible for determining placement.

5. The program shall utilize a compensation system which is based on a completely restructured salary schedule in which a salary range is established for each career ladder level and a salary is set for each step within a level. The salary range established for a teacher is determined by that teacher's performance and subsequent career ladder placement and not by that teacher's salary at the time of placement. The compensation system must be based on equal pay for equal performance and shall not be the traditional schedule based on experience and education with additional stipends for career ladder placement. If participation in the career ladder program is optional for teachers already teaching in the district when the program is implemented, the traditional salary schedule may be retained for those teachers who choose not to participate in the program.

6. The program shall include provisions for the administration of the career ladder program which include the establishment of at least the following:

(a) A steering committee composed of teachers, administrators, board members and parents to assist in the development and refinement of the district's career ladder program.

(b) Procedures to allow for regular communication of information related to the district's career ladder program, including formalized procedures for teacher, administrator and community input.

(c) Provisions for adequate program management in which the district recognizes the additional responsibilities associated with the management of the program and assigns this task to a person or group of people.

(d) Provisions to provide additional support to building level administrators in recognition of the additional responsibilities associated with the evaluation of teachers for the career ladder program.

7. The program shall include provisions for the periodic review and evaluation of the district's career ladder program and procedures for refining program components based on the evaluation results.

8. The program shall include provisions for providing appropriate amounts and types of staff development for teachers and administrators on the requirements of the career ladder program and assistance in improving performance.

B. In addition to the requirements of subsection A of this section, the program may include additional incentive components in which awards are based upon group, team, school, or district performance, except that awards shall not be based upon extra pay for extra work. Monies budgeted for the career ladder program may be used to support these additional incentive components. These components may provide performance rewards to a single school regardless of whether the components are provided to other schools in the district or to employees regardless of whether they are participating in the main career ladder program as prescribed in subsection A of this section. Examples of incentive components that may be included pursuant to this subsection are as follows:

1. A system for basing rewards on improved performance of a school on the measures included in the school's report card as provided in section 15-743, subsection A, or other objective measures.

2. A system which is based on principles of effective organizations, teamwork, parental and pupil involvement and support of teachers, that utilizes measures of quality including parental satisfaction or rating of educational quality, teacher job satisfaction or rating of support and pupil satisfaction with the quality of education being received.

C. Each district that includes an additional incentive component as provided in subsection B of this section shall develop an assessment plan for the measures of performance by November 1 of each

year. Monies used for the planning and development of the additional incentive components shall not exceed five per cent of the monies that are allocated for the additional incentive components.

15-918.03. Career ladder programs; implementation phases

The state board of education shall utilize the following implementation phases and requirements when approving districts to budget for a career ladder program:

1. The application phase is the first phase of the career ladder implementation process. During this phase, districts shall assess their readiness to implement a career ladder program and shall develop the general outline of their program based on model components adopted by the advisory committee but are not authorized to increase their budgets. To receive approval for advancement to the second phase, districts must submit, at a minimum, evidence that the plan was developed in consultation with teachers, administrators and school board members, the district's readiness to implement the plan and a time line indicating when various components, such as the refinement of the district's teacher evaluation instrument and procedures, an appropriate staff development program and the development of pupil assessments, will occur.
2. The development phase is the second implementation phase undertaken by districts following their completion of the application phase. During this phase, districts shall develop the specifics of their career ladder programs and are allowed to budget for a career ladder program as provided in section 15-918.04. To receive approval for advancement to the third phase, districts must submit, at a minimum, evidence that teacher and pupil academic progress evaluation instruments and procedures have been refined and pilot tested, appropriate levels of staff development have been provided and any specific areas of weaknesses associated with the district's readiness to implement a career ladder program have been adequately rectified.
3. The evaluation phase is the third implementation phase undertaken by districts following their completion of the development phase. During this phase, districts shall evaluate teachers, shall provide teacher career ladder placement contracts for the following year and are allowed to budget for a career ladder program as provided in section 15-918.04. To receive approval for advancement to the fourth phase, districts must submit, at a minimum, evidence that teachers have been fairly evaluated and placed and that the district is evaluating its program.
4. The placement phase is the fourth implementation phase undertaken by districts following their completion of the evaluation phase. During this phase, a district shall continue to evaluate teachers and is allowed to budget for a career ladder program as provided in section 15-918.04. To receive approval for advancement to the fifth phase, a district must submit, at a minimum, evidence that the program participation rate is at least fifty per cent, except that if a school district is devoting at least thirty per cent of its career ladder funding to additional incentive components pursuant to section 15-918.02, subsection B, the school district may report its program participation rate to be one hundred per cent, that district level pupil academic progress has occurred and, if not already included, that provisions to require all teachers new to the district to be evaluated for the career ladder program have been included. The state board of education shall prescribe a method of computing the program participation rate that treats all career ladder programs equitably by taking into account variations in program definitions.
5. The effective career ladder phase is the fifth and final implementation phase undertaken by districts following their completion of the placement phase. During this phase, districts shall fully implement their career ladder programs and are allowed to budget for a career ladder program as provided in section 15-918.04. During this phase, the state board may grant districts up to a five year waiver of any program requirements prescribed in section 15-918, subsection B, or section 15-918.02. Waivers may be granted to districts that meet all of the following conditions:

- (a) The district has submitted a request for the waiver that explains how the proposed waiver will improve its program and how this program improvement will enhance pupil achievement.
- (b) The district has integrated its career ladder program with other reforms or programs that are designed to improve pupil achievement.
- (c) The district is actively evaluating and reviewing its career ladder program and making adjustments as necessary, including analysis of the impact of the program on pupil achievement.
- (d) The career ladder program is strongly supported by teachers, administrators and the governing board.

15-918.04. Career ladder programs

A. To budget for a career ladder program as approved by the state board, a school district that is implementing the program in all schools in the district may calculate its budget using an increase in the base level as follows:

1. For the fiscal year or years a district is implementing the program at the development phase, 0.5 per cent, except that a district shall:

(a) Be allowed to budget at least the amount in column 2 of this subdivision that corresponds to the student count classification in column 1 of this subdivision:

<u>Column 1</u> <u>Student count</u>	<u>Column 2</u> <u>Minimum amount</u>
1-199	\$ 5,000
200-599	\$10,000
600-999	\$15,000
1,000-1,399	\$20,000
1,400 or more	\$25,000

(b) Not budget more than one hundred fifty thousand dollars.

2. For the fiscal year or years a district is implementing the program at the evaluation phase, 1.0 per cent, except that a district shall:

(a) Be allowed to budget the amount in column 2 of this subdivision that corresponds to the student count classification in column 1 of this subdivision:

<u>Column 1</u> <u>Student count</u>	<u>Column 2</u> <u>Minimum amount</u>
1-199	\$10,000
200-599	\$20,000
600-999	\$30,000
1,000-1,399	\$40,000
1,400 or more	\$50,000

(b) Not budget more than three hundred thousand dollars.

3. For the fiscal year or years a district is implementing the program at the placement phase, not greater than 2.5 per cent. After the successful completion of at least one year in the placement phase, the board may approve a funding level of not greater than 4.0 per cent.

4. For the fiscal years a district is implementing the program at the effective career ladder phase, not greater than 5.5 per cent.

5. In addition to the amount authorized in paragraphs 3 and 4, a school district for which the formula produces an amount of less than three hundred thousand dollars may increase its base support level by an amount computed as follows:

(a) Determine ten per cent of the funding increase.

(b) Subtract the amount determined in subdivision (a) of this paragraph from the amount in column 2 of this subdivision that corresponds to the student count classification in column 1 of this subdivision:

<u>Column 1</u> <u>Student count</u>	<u>Column 2</u> <u>Small district adjustment</u>
1-599	\$10,000
600-1,399	\$20,000
1,400 or more	\$30,000

B. If a career ladder program has been approved for fewer than all of the schools in a school district, the percentage increase in the base level prescribed in subsection A of this section shall be reduced proportionately, based on the ratio of the student count in the career ladder schools to the student count of the school district as a whole. The minimum and maximum dollar amounts apply to the school or schools in one school district as if they were a school district.

C. Notwithstanding any other law, a school district that has implemented a career ladder program may budget any budget balance in the maintenance and operation section of the budget that is directly attributable to a budgeted increase in the base level as prescribed in this section from the current fiscal year for use in career ladder programs in the budget year. The amount budgeted pursuant to this subsection shall not be included in the allowable budget balance carry forward calculated pursuant to section 15-943.01. The amount budgeted pursuant to this subsection is specifically exempt from the revenue control limit. For purposes of this subsection, "budget balance" means the difference between actual career ladder expenditures and the budgeted increase in the base level as prescribed in this section.

15-918.05. Career ladder programs; determination of equalization assistance payments from county and state monies

A school district that has chosen to calculate its budget using an increase in the base level, as prescribed in section 15-918.04, shall notify the state board of its decision and shall have its equalization assistance for education as computed in section 15-971 computed as follows:

1. For a high school district or a common school district within a high school district that does not offer instruction in high school subjects as provided in section 15-447, the qualifying tax rate as provided in section 15-971, subsection B, paragraph 1 shall be increased by two cents for each percentage increase in the base level as provided in section 15-918.04.
2. For a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects as provided in section 15-447, the qualifying tax rate as provided in section 15-971, subsection B, paragraph 2 shall be increased by four cents for each percentage increase in the base level as provided in section 15-918.04.

15-943. Base support level

The base support level for each school district shall be computed as follows:

1. The following support level weights shall be used in paragraph 2, subdivision (a) of this section for the following school districts:

(a) For school districts whose student count in kindergarten programs and grades one through eight is classified in column 1 of this subdivision, the support level weight for kindergarten programs and grades one through eight is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
-	Support Level Weight For Small Isolated School Districts	Support Level Weight For Small School Districts
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.559	1.399
100-499	1.358 + [0.0005 x (500 - student count)]	1.278 + [0.0003 x (500 - student count)]
500-599	1.158 + [0.002 x (600 - student count)]	1.158 + [0.0012 x (600 - student count)]

(b) For school districts whose student count in grades nine through twelve is classified in column 1 of this subdivision, the support level weight for grades nine through twelve is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
-	Support Level Weight For Small Isolated School Districts	Support Level Weight For Small School Districts
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.669	1.559
100-499	1.468 + [0.0005 x (500 - student count)]	1.398 + [0.0004 x (500 - student count)]
500-599	1.268 + [0.002 x (600 - student count)]	1.268 + [0.0013 x (600 - student count)]

2. Subject to paragraph 1 of this section, determine the weighted student count as follows:

(a)

<u>Grade</u>	<u>Base</u>	<u>Group A</u>	<u>Support Level Weight</u>	<u>Student Count</u>	<u>Weighted Student Count</u>
PSD	1.000	+	0.450	=	1.450
K-8	1.000	+	0.158	=	1.158
9-12	1.163	+	0.105	=	1.268
					Subtotal A

(b)

<u>Funding Category</u>	<u>Support Level Weight</u>	<u>Student Count</u>	<u>Weighted Student Count</u>
HI	4.771	x	=
K, for fiscal year 2006-2007	0.835	x	=

K, for fiscal year

2007-2008 and each

fiscal year thereafter	1.352	x	_____	=	_____
K-3	0.060	x	_____	=	_____
ELL	0.115	x	_____	=	_____
MD-R, A-R and SMR-R	6.024	x	_____	=	_____
MD-SC, A-SC and SMR-SC	5.833	x	_____	=	_____
MD-SSI	7.947	x	_____	=	_____
OI-R	3.158	x	_____	=	_____
OI-SC	6.773	x	_____	=	_____
P-SD	3.595	x	_____	=	_____

DD, ED, MIMR, SLD,

SLI and OHI	0.003	x	_____	=	_____
ED-P	4.822	x	_____	=	_____
MOMR	4.421	x	_____	=	_____
VI	4.806	x	_____	=	_____
			Subtotal	=	B

(c) Total of subtotals A and B:

3. Multiply the total determined in paragraph 2 of this section by the base level.
4. Multiply the teacher experience index of the district or 1.00, whichever is greater, by the product obtained in paragraph 3 of this section.
5. Add the amount determined in section 15-910.04.

15-947. Revenue control limit; district support level; general budget limit; unrestricted total capital budget limit; soft capital allocation limit

A. The revenue control limit for a school district is equal to the sum of the base revenue control limit determined in section 15-944, the amount determined in section 15-910.04 and the transportation revenue control limit determined in section 15-946.

B. The district support level for a school district is equal to the sum of the base support level determined in section 15-943 and the transportation support level determined in section 15-945.

C. The general budget limit for each school district, for each fiscal year, is the sum of the following:

1. The maintenance and operations portion of the revenue control limit for the budget year.

2. The maintenance and operation portion of the following amounts:

(a) Amounts that are fully funded by revenues other than a levy of taxes upon the taxable property within the school district, as listed below:

(i) Amounts budgeted as the budget balance carryforward as provided in section 15-943.01.

(ii) Tuition revenues for attendance of nonresident pupils.

(iii) State assistance as provided in section 15-976.

(iv) Special education revenues as provided in section 15-825, subsection D and section 15-1204.

(v) Title VIII of the elementary and secondary education act of 1965 assistance determined for children with disabilities, children with specific learning disabilities, children residing on Indian lands and children residing within the boundaries of an accommodation school that is located on a military reservation and that is classified as a heavily impacted local educational agency pursuant to 20 United States Code section 7703 as provided in section 15-905, subsections K and O.

(vi) Title VIII of the elementary and secondary education act of 1965 administrative costs as provided in section 15-905, subsection P.

(vii) State assistance for excess tuition as provided in section 15-825.01.

(viii) Amounts received from the state board of education pursuant to section 15-973.01.

(ix) Transportation revenues for attendance of nonresident pupils.

(b) Amounts approved pursuant to an override election as provided in section 15-481 for the applicable fiscal year.

(c) Expenditures for excess utility costs as provided in section 15-910.

(d) Amounts authorized by the county school superintendent pursuant to section 15-974, subsection B.

(e) Expenditures for complying with a court order of desegregation as provided in section 15-910.

(f) Expenditures for the bond issues portion of the cost of tuition as provided in section 15-910.

(g) Interest on registered warrants or tax anticipation notes as provided in section 15-910.

(h) Amounts budgeted for a jointly owned and operated career and technical education and vocational education center as provided in section 15-910.01.

3. The maintenance and operations portion of the capital outlay revenue limit for the budget year.

4. Any other budget item that is budgeted in the maintenance and operation section of the budget and that is specifically exempt from the revenue control limit or the capital outlay revenue limit.

D. The unrestricted capital budget limit, for each school district for each fiscal year, is the sum of the following:

1. The federal impact adjustment as determined in section 15-964 for the budget year.

2. Any other budget item that is budgeted in the capital outlay section of the budget and that is specifically exempt from the capital outlay revenue limit.

3. The unrestricted capital portion of the amounts contained in subsection C of this section.

4. The unexpended budget balance in the unrestricted capital outlay fund from the previous fiscal year.
 5. The net interest earned in the unrestricted capital outlay fund the previous fiscal year.
 6. The budgeted amount as approved and determined pursuant to section 15-962, subsection F.
- E. The soft capital allocation limit for each school district for each fiscal year is the sum of the following:
1. The soft capital allocation for the budget year.
 2. The unexpended budget balance in the soft capital allocation fund from the previous fiscal year.
 3. The net interest earned in the soft capital allocation fund the previous fiscal year.

15-962. Soft capital allocation

A. A soft capital allocation per student count is established for fiscal year 1999-2000, as follows:

1. For kindergarten programs and grades one through eight, multiply one hundred ninety-four dollars thirty cents by the weight which corresponds to the student count for kindergarten programs and grades one through eight for the school district as provided in section 15-943, paragraph 1, subdivision (a), column 3.

2. For grades nine through twelve, multiply one hundred ninety-four dollars thirty cents by the weight which corresponds to the student count as provided in section 15-943, paragraph 1, subdivision (a), column 3.

3. For a school district with a student count of six hundred or more in kindergarten programs and grades one through eight or grades nine through twelve, multiply one hundred ninety-four dollars thirty cents by 1.158.

4. For programs for preschool children with disabilities, multiply one hundred ninety-four dollars thirty cents by 1.158.

B. Beginning with fiscal year 1999-2000, the soft capital allocation prescribed in subsection A of this section shall be adjusted by the growth rate prescribed by law, subject to appropriation.

C. Beginning in fiscal year 1999-2000, the soft capital allocation for a school district is computed as follows:

1. Select the applicable soft capital allocation per student count for the school district as provided in subsection A of this section.

2. Multiply the amount selected in paragraph 1 of this subsection by the appropriate student count of the school district. The student count of the school district shall not include any pupils in a charter school sponsored by the school district pursuant to section 15-185, subsection A, paragraph 3.

D. A school district shall receive its soft capital allocation in the amount determined in this section from monies appropriated for this purpose to the department of education. Soft capital allocation monies shall only be used for short-term capital items that are required to meet academic adequacy standards such as technology, textbooks, library resources, instructional aids, pupil transportation vehicles, furniture and equipment. School districts shall not use any portion of soft capital allocation monies for maintenance and operation expenses. School districts may use soft capital allocation monies to meet administrative soft capital purposes after complying with the adequacy standards prescribed in section 15-2011.

E. School districts shall establish a district soft capital allocation fund and shall use the monies only for the purposes prescribed in subsection D of this section. The ending unexpended budget balance in the school district's soft capital allocation fund may be used in following fiscal years for short-term capital items. School districts shall provide to the superintendent of public instruction an itemized accounting on forms provided by the department of education that details the expenditures of soft capital allocation monies at each school in the district. The superintendent of public instruction shall forward a copy of the report to the school facilities board established by section 15-2001.

F. A school district governing board may petition the state board of education for authority to budget and accumulate for school construction, building renovation or soft capital purposes a portion of the prior year's ending cash balance, not to exceed the amount of title VIII of the elementary and secondary education act of 1965 monies which the school district was entitled to receive in the prior year, as computed by the superintendent of public instruction, if:

1. The governing board filed with the United States department of education division of impact aid an approved application for federal assistance for construction under P.L. 81-815 for the current or

budget year and has been advised by the division of impact aid that no federal monies are available to fund its application.

2. The school district has a computed assessed valuation per pupil which is below the median amount computed by the superintendent of public instruction for all school districts.

3. The governing board has used any available revenues to reduce its primary tax rate to zero for any year in which it petitions to budget and accumulate monies received under title VIII of the elementary and secondary education act of 1965 for school construction purposes.

The state board of education may grant approval to a school district governing board to annually budget in the unrestricted capital outlay section of the budget a portion of the cash balance, not to exceed the amount of title VIII of the elementary and secondary education act of 1965 monies which the school district was entitled to receive in the prior year as computed by the superintendent of public instruction.

G. The state board of education shall not include in the aggregate expenditures of local revenues as determined in section 15-911 the amount of revenues collected pursuant to the soft capital allocation limit. The amount of revenues collected for the soft capital allocation limit is the capital levy as authorized by law.

42-11132. Property leased to an educational institution

A. Property, buildings and fixtures that are leased to a not for profit charter school and that are used for educational instruction in any grade or program through grade twelve shall be classified as class nine property pursuant to section 42-12009. If only part of a parcel of real property or improvements to real property is leased for operation of a charter school, only the portion so leased qualifies as class nine property.

B. Property, buildings and fixtures that are owned by an educational, a religious or a charitable organization, institution or association and leased to a not for profit educational organization, institution or association are exempt from taxation if the property is used for educational instruction in any grade or program through grade twelve.

C. If the educational, religious or charitable organization, institution or association that owns the property files with the assessor evidence of the organization's tax exempt status under section 501(c)(3) of the internal revenue code and an affidavit by the educational organization, institution or association that it uses the property for educational instruction as described in subsection B of this section, the property qualifies for the tax exemption under this section and is exempt from the requirement of filing subsequent affidavits under section 42-11152 until all or part of the property is conveyed to a new owner or is no longer used for educational purposes. At that time the religious or charitable organization, institution or association must notify the assessor of the change in writing.