



GOVERNING BOARD AGENDA ITEM
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

DATE OF MEETING: May 6, 2014

TITLE: Periodic Legislative Update

BACKGROUND:

The Second Regular Session of the 51st Arizona Legislature has adjourned *Sine Die* on April 24, 2014. The following legislation will become effective on July 24, 2014.

The proposed legislation is grouped together by the general topic.

RECOMMENDATION:

This item is presented for the Board's information only at this time. No action is required.

INITIATED BY:

Todd A. Jaeger, Associate to the Superintendent

Date: April 30, 2014

Patrick Nelson, Superintendent

**BILLS INTRODUCED
IN THE FIFTY-FIRST LEGISLATURE, SECOND REGULAR SESSION**

Employee-Related Bills

HB 2018 NOW: mortgages, trust deeds and deficiency actions

Formerly: ASRS; in service distributions

Removes anti-deficiency protection for mortgages and deeds originated after 12/31/14 for certain properties.

Status: SIGNED by the Governor.

HB 2050 ASRS membership; section 218 requirements

Decoupling of ASRS from 218 Agreements

- Decouples ASRS's eligibility requirements from the state's Section 218 agreement with the Social Security Administration. ASRS members will no longer be required to have coverage under these agreements.
- Defines *eligible employee* as one of the following:
 - an employee who is currently employed by an ASRS employer, who was previously enrolled in ASRS but was dis-enrolled because the employee was not included in agreements providing for the employee's Social Security coverage, and who had the member and employer contributions to ASRS returned to the employer and the employee's service credit reduced;
 - an employee who is currently employed by an ASRS employer and who was not enrolled in ASRS because the employee was not included in agreements providing for the employee's Social Security coverage; and
 - an employee who is currently employed by an ASRS employer and who was participating in the DC plan repealed by this act.
- Prohibits the following persons from membership in ASRS:
 - a person who performs services in a hospital, home or other institution as an inmate or patient at the hospital, home or other institution;
 - a person who performs agricultural labor services, as defined in Section 210 of the Social Security Act;
 - a person who is a nonresident alien temporarily residing in the United States and who holds an F-1, J-1, M-1 or Q-1 visa when services are performed;
 - a person who performs services for a school, college or university in this state at which the person is enrolled as a student, as defined by the employing institution. Requires the employing institution to maintain an appeal process; and
 - a person who performs services under a program designed to relieve the person from unemployment.
- Requires interest to be calculated from the date of the return of the employee's and employer's contributions, for an employee who was employed by an ASRS employer, but who had contributions to ASRS returned and service credit reduced,
- Repeals statute stipulating how employers were required to decide eligibility for ASRS before this legislation.

DC Plan

- Repeals ASRS's defined contribution plan established by Laws 2013, Chapter 216 (DC Plan).
- Requires any employee participating in the DC plan repealed by this act to discontinue employee contributions to the DC plan and the accompanying long-term disability program (LTD)

- Requires ASRS, at the request of the employee and within 180 days of the effective date to either distribute the balance of the employee's DC plan account or transfer the balance of the employee's account to another eligible retirement 401 (a)(31)(E) plan. If the employee does not make a designation within the required time, ASRS shall transfer the balance of the employee's account to an individual retirement account and designate the employee as the account holder.
- Allows an employee who was participating in the DC plan and who is receiving LTD benefits to receive those benefits until the earliest of the following:
 - the date the member ceases to be totally disabled;
 - the date the member ceases to be under the direct care of a doctor or refuses to undergo any medical examination or participate in any work rehabilitation program;
 - the later of: a) age 65; b) The month following 60 months of payments if the disability commences before the member reaches 65 years of age; c) The month after the member is at least 65 years of age if the disability commences when the member is at least 65 years of age;
 - The month following 12 months of payments if the disability commences when the member is at least 69 years of age; and
 - if the member is convicted of a criminal offense and sentenced to more than six months in a jail, prison or other penal institution, the first day of the month following the first 30 continuous days of the member's confinement for the remainder of the confinement.
- Allows an employee who elects to transfer the balance of the employee's DC plan to ASRS, to either pay the difference or to accept a reduced amount of service credits, if that balance is less than the amount required to purchase the employee's service credit.

Service Purchase within 180 Days

- Requires an ASRS employer to enroll an eligible employee in ASRS and allows the eligible employee to have the previous period of continuous employment credited for pension purposes if both of the following conditions are met:
 - the eligible employee elects to purchase eligible service credit within 90 days after the effective date of this act; and
 - the eligible employee pays into the ASRS depository the prescribed amounts within 180 days after the effective date of this act.
- Requires the employee to pay member contributions that would have been contributed by the employer on the employee's behalf, plus interest, equal to the interest rate assumption approved by the ASRS board for actuarial equivalency, through the date of deposit.
- Requires ASRS to proportionately reduce the amount of service credited to the member's account if the eligible employee pays less than the amount required.
- Requires the employer whose eligible employee is purchasing service credit to pay the employer contributions that would have been contributed by the employer on behalf of the member, except that the employer is required to pay for only the amount of service credit the eligible employee elects to purchase.
- Requires the employer to also pay interest, equal to the interest rate assumption approved by the ASRS board for actuarial equivalency, through the date of deposit into the ASRS depository. The employer shall pay the amounts within 12 months after the eligible employee elects to purchase eligible service credit.
- Allows the employer whose eligible employee is purchasing credit to elect to pay all or a portion of the interest due on the member contributions.

Service Purchase Outside 180 Days

- Allows employees with at least five years of credited service to purchase up to 60 months of eligible service at a later date, in an amount equal to the present value of the additional benefit that is derived

from the purchased credited service using the actuarial assumptions that are approved by the ASRS Board.

- Allows employees who pay less than the full amount, to purchase the remaining amount of eligible service credit in an amount equal to the present value of the additional benefit at a later date.

Status: SIGNED by the Governor.

HB 2122 ASRS; election; EORP defined contribution

- Clarifies that an elected official who is or has already been an active, inactive, retired, or disabled member of ASRS will maintain or resume membership within this system upon election, retroactive to January 1, 2014.
- Requires a member of Elected Officials' Defined Contribution Retirement System (EODCRS) to apply for disability benefits within one year of terminating office.
- Stipulates that payments of EODCRS disability benefits may be made retroactive only to the date the PSPRS board of trustees receives the application.

Status: SIGNED by the Governor.

HB 2306 fingerprint clearance checks; periodic checks

- Requires, instead of allows, DPS to conduct periodic state criminal history records checks on fingerprint clearance cardholders.
- Permits DPS to conduct federal criminal history records checks on fingerprint clearance cardholders, when authorized under federal law.

Status: SIGNED by the Governor.

SB 1084 ASRS; long-term disability compensation

Clarifies the definition of *monthly compensation* in the ASRS long-term disability statutes.

Status: SIGNED by the Governor.

Scholarships

HB 2150 empowerment scholarship; military families

Establishes Empowerment Scholarship Account (ESA) eligibility exceptions for children of certain military families

- Includes children whose parent or guardian was killed in the line of duty in the definition of an ESA *qualified student*.
- Excludes children whose parent or guardian is an active duty member of the armed forces or who was killed in the line of duty from additional eligibility requirements to meet the definition of an ESA *qualified student*.

Status: SIGNED by the Governor.

SB 1237 empowerment scholarship accounts; revisions

- Replaces the requirement for the ADE to provide a copy of an ESA contract to the county school superintendent with a list of students participating in the ESA program.
- Specifies that:
 - kindergarten eligible students must reside within the attendance boundary of a *D* or *F* school to be an ESA *qualified student*.
 - ESA monies may be used for tutoring or teaching services provided by an individual or facility accredited by a state, regional or national accrediting organization.

- all ESA *qualified students* receive 90% of the sum of the base support level and charter school additional assistance.
- Requires:
 - the ADE to contract with an independent third party who determines if a *qualified student* is eligible to receive educational therapies or services.
 - parents of an ESA student to use a portion of the ESA monies allocated each quarter to provide an education, unless ESA monies are on a non-quarterly transfer schedule.
- Includes a child identified by the third party as a child with a disability in the definition of *qualified student*.
- Prohibits ESA monies from being used for educational therapies or services unless the student has been identified as having a disability by the school district or an independent third party contracted with the ADE.
- Allows the ADE to make ESA money transfers on a non-quarterly basis if the ADE determines that another transfer schedule is necessary for the operation of the ESA.

This Bill was **amended** in the House Committee on Education to:

- Removes language specifying that all ESA students receive 90% of the base support level plus charter school additional assistance.
- Stipulates that all ESA students receive 90% of the base support level.
 - Allows students who previously attended a charter school to receive 90% of the charter additional assistance in addition to 90% of the base support level.
- Determines, as session law, that students enrolled in the ESA program before the effective date of this act will continue to receive funding at the current amount for the duration of time that the child remains continuously enrolled in the ESA program.

Status: Transmitted to the Governor 4/24.

Charter/Private Schools/JTEDs

HB 2039 charter schools; higher education charters

Allows all charter schools to participate in the ASRS and all charter sponsors to include exceptions to financial and electronic data submission requirements in a school's charter, retroactive to June 30, 2013.

Status: SIGNED by the Governor.

SB 1391 schools; noncertificated employees; fingerprinting

As amended in the Senate, this bill now:

- Requires:
 - noncertificated and [volunteers] to obtain a fingerprint clearance card.
 - no later than five years after the general effective date.
 - at least 20 percent of those personnel to comply each year until all personnel are in compliance.
- Exempts volunteers accompanied by fingerprint clearance cardholders from the requirement [such as a guest speaker].

Status: SIGNED by the Governor.

Finance/Budget

HB 2328 STOs; grants; corporate tax credit

Modifies requirements for qualified students under Lexie's Law so that any student who is a prior qualified student who continues to attend a qualified school, is placed in foster care, or is identified as having a disability under relevant laws is eligible for the program.

Status: Transmitted to the Governor 4/24.

HB 2395 property tax calculations; school districts

Requires a county school superintendent to report primary and secondary property tax calculations to the Property Tax Oversight Commission (PTOC) and school district governing boards by July 10 and requires the PTOC to review, and correct if necessary, such estimates which are then reported to the County Board of Supervisors by the third Monday in August. Provides for a hearing before the PTOC if the PTOC notifies a school district of an incorrect calculation and the school district disputes the finding. An amendment passed in the Senate Finance Committee eliminates the authority for the PTOC to recalculate primary property tax calculations as necessary.

Status: SIGNED by the Governor.

SB 1048 tax credits; STOs; preapproval; entities

Would have permitted shareholders of an S-Corporations to claim tax credits for contributions to school tuition organizations; would have prohibited the award of grants or scholarships to students enrolled in multiple schools.

Status: VETOED by the Governor.

SB 1182 school district overrides; bonds; information

School District Overrides

- Requires the purpose statement contained in any override election informational report to only present factual information in a neutral manner.
- Specifies that advocacy for the expenditures contained in any override election informational report is strictly limited to the arguments section of the informational report.
- Requires District Additional Assistance override informational reports to include the estimated cost of each capital improvement for an owner-occupied residence with an average assessed valuation of Class Three property in the school district for the current year.
- Eliminates the prohibition of a second override continuation request and modifies election pamphlet language.
- Modifies the purpose statement and arguments sections of override and bond election informational pamphlets.

Bonds

- Requires the purpose statement contained in any political subdivision bond election informational pamphlet to only present factual information in a neutral manner.
- Specifies that advocacy for the expenditures contained in any political subdivision bond election informational pamphlet is strictly limited to the arguments section of the informational pamphlet.
- Requires the bond election informational pamphlet to contain information on the projects and expenditures for which the bonds are to be issued.

Status: SIGNED by the Governor.

SB 1350 ADE school finance revisions

Revises ARS 15-101 (definitions):

- *student count* revised to *average daily membership*;
- *Elementary grades* means kindergarten programs and grades one through eight; and
- *Secondary grades* means grades nine through twelve.

Charters

- may use initial estimated student counts derived from student level data;

- State-sponsored 1st year charters are eligible for K-3 reading support level weight.

Requires preschool children with disabilities to meet 216 hours over a minimum number of days.

Finance:

- DOE ADM computation moved from April 15 to August 30; Schools count notification moved from April 22 to September 15; and
- Previous fiscal year State Aid calculations must be finalized/budget limits adjusted by November 1.

Transport:

- Clarifies that an eligible student who is transported part by contract/part by school may not be counted as more than one eligible student; and
- Adds that miles driven to transport eligible students may not be reported by more than 1 school district.

An Amendments adopted by the Education Committee grants school districts eligibility for supplemental state aid if the district loses a qualifying amount of property tax revenue resulting from decreased assessed valuation due to a natural disaster.

Status: Transmitted to the Governor 4/23

Student Discipline

HB 2453 synthetic drugs; reporting

Expands of the definitions of *dangerous drug* and *narcotic drugs* by adding additional synthetic substances and eliminates a reporting requirement relating to the sale of precursor or regulated chemicals.

Status: SIGNED by the Governor.

HB 2515 unlawful distribution of private images

Prohibits a person from knowingly promulgating photographs, videotape, film or digital recording of a person engaged in a sexual act or in a state of nudity without that person's written consent. Exemptions for law enforcement procedures; medical treatment; voluntary exposure.

Status: Transmitted to the Governor 4/24.

Curriculum

HB 2265 computer science courses; math credit

Allows school district governing boards to approve a computer science course to fulfill a required math course and directs the Board of Regents to accept approved computer science courses for university admissions if meet SBE's prescribed graduation requirements. An amendment passed in the Senate Education Committee adds requirements that a rigorous computer science course must to meet in order to be approved as fulfillment for a mathematics course required for high school graduation.

Status: SIGNED by the Governor.

HB 2501 promotion; ceremony; 8th grade

Removes a governing board's authority to request certificates of promotion from the county school superintendent and allows school districts to conduct eighth grade promotion ceremonies

Status: SIGNED by the Governor.

SB 1242 critical languages; economic development; pilot

Authorizes SBE to establish a 6-year pilot program to develop and implement critical language courses; may use paraprofessionals to are native or heritage speakers; *Critical languages* defined as those languages described in the national security language initiative, including Chinese, Russian, French, Spanish, Japanese, Arabic and Portuguese. *Native or heritage speakers* means either persons who were born in a country where

the critical language is the primary spoken language or persons whose parents were born in a country where the critical language is the primary spoken language.

Status: SIGNED by the Governor.

Safety

HB 2362 DPS; school bus rules oversight

Sets forth methods to provide written notice to persons on the school bus advisory council's mailing list.

Status: SIGNED by the Governor.

School Operation

HB 2316 schools; local control; student privacy

- Prohibits SBE/ADE from:
 - adopting any federally mandated educational standards, curricula or instructional approaches;
 - applying for any federal grant that requires, as a condition of application, the adoption of any federally developed educational standards, curricula or instructional approaches.
- ADE may provide guidance and technical assistance to schools, but may not require the adoption of specific curricula or instructional approaches.
- Requires:
 - “transparent public rulemaking process” to make changes to the state academic standards
 - student data collection to be designed to protect student/family privacy
 - standardized test subject matter to comply with “generally accepted moral, civic and ethical values.”

An amendment was passed in the Senate Education Committee that eliminates the prohibition of certain subject matter in test questions and makes other changes regarding personal information and public review of state academic standards.

Status: Transmitted to the Governor 4/22

HB 2438 schools; transporting district conversion

Allows a school district with less than 100 students enrolled for 3 years may petition to transport its students to another district.

Status: SIGNED by the Governor.

SB 1288 school letter classification; science scores

SBE directed to separately compute the percentage of pupils who meet or exceed the standard on the science portion of AIMS; it may add a plus symbol to the letter grade assigned if sufficient numbers of the students meet or exceed the standard on the science portion.

Status: SIGNED by the Governor.

Buildings/Property

SB 1102 school facilities board revisions

- Specifies that:
 - the SFB building database must include all buildings that are owned by school districts.
 - square footage used solely for district administration, storage of vehicles and other nonacademic purposes must be excluded from the net, rather than the gross, square footage when determining minimum adequacy standards.

- routine preventative maintenance for school facilities includes services recommended by the manufacturer of the specific building system or equipment.
- Requires school districts to include in their building reports any school or school buildings that have been closed, leased to another entity or that operate as a charter school.
- Eliminates language specifying the SFB must inventory and inspect all school buildings in the state in order to develop a database for the administration of the Building Renewal Grant Fund and the New School Facilities formula.

Status: SIGNED by the Governor.

SB 1123 property; liability; schools; recreational users

Specifies that students who are registered at a school and who are in transit to or from the school are not considered recreational users of school grounds.

Status: SIGNED by the Governor.