



# Arizona State Senate Issue Brief

November 21, 2024

## Note to Reader:

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## ARIZONA ONLINE INSTRUCTION (AOI)

### INTRODUCTION

Arizona Online Instruction (AOI) was created to meet the needs of students using modern technology. The State Board of Education (SBE) and state-approved charter authorizers (charter authorizers) select schools to become online course providers or online schools which facilitate computer assisted learning platforms and virtual classrooms. All AOI students must reside in Arizona and are subject to state testing requirements.

### BACKGROUND

In 1998, Arizona created the Technology Assisted Project-Based Instruction (TAPBI) pilot program as an alternative approach for serving the educational needs of K-12 students. TAPBI focused on improving student achievement and extending academic options beyond the traditional classroom by utilizing computer assisted learning systems, virtual classrooms, virtual tutoring and non-computer based activities. The SBE and the State Board for Charter Schools (ASBCS) selected four schools to participate in the TAPBI program. Each pilot program was reviewed by the SBE and the Joint Legislative Budget Committee based on proposed curriculum and projected operational costs.<sup>1</sup>

The TAPBI program expanded in FY 2004 to seven district schools and seven charter schools. Eligibility was limited to students who were enrolled in and attending a public school during the previous school year, except for kindergarten students with a sibling already enrolled. TAPBI participants were also subject to the TerraNova and Arizona Instrument to Measure Standards (AIMS) assessments. Students not complying with the testing requirements were prohibited from participation.

In FY 2006, enrollment grew to more than 15,000 students, accounting for 4,475 average daily membership (ADM) and an estimated \$23.8 million in state and local funding.<sup>2</sup>

<sup>1</sup> [Laws 1998, Ch. 224, § 2](#)

<sup>2</sup> Arizona Auditor General:  
<https://www.azauditor.gov/sites/default/files/2023-11/TAPBI.pdf>

In 2009, TAPBI was renamed AOI, establishing a statutory program under the SBE and ASBCS<sup>3</sup> and lifting the cap on participating AOI school districts and charter schools. In 2015, charter authorizers were authorized to oversee an AOI program.<sup>4</sup>

### **REMOTE LEARNING OPTIONS**

Any school district or charter school wishing to offer remote learning must do so through an adopted instructional time model or through an AOI school.

Laws 2021, Chapter 299 authorizes a school district or charter school to adopt an instructional time model (ITM) to meet the minimum statutory instructional hour requirements for determining each school's ADM, daily attendance and student count. A school district or charter school may adopt an ITM that: 1) delivers the required instructional hours to students through any combination of direct instruction, project-based learning, independent learning and mastery-based learning; and 2) defines instructional time to include a combination of in-person and remote instruction. However, statute provides limitations on the amount of remote instructional hours a non-AOI school may include in its ITM.<sup>5</sup>

Beginning in the 2022-2023 school year, a non-AOI school may only provide up to 40 percent of its total instructional time in a remote setting without impact to the school's funding. If the school provides remote instructional time beyond this threshold, the Arizona Department of Education (ADE) must: 1) fund the instructional time exceeding the threshold at 95 percent of the base support level that would otherwise be calculated; and 2) annually provide a list to the SBE and ASBCS of the district or charter schools that exceed the threshold. Statute requires the SBE and ASBCS to respectively determine whether the district schools or charter schools that exceed the threshold must apply to become an AOI school.

<sup>3</sup> [Laws 2009, Ch. 95, § 27](#)

<sup>4</sup> [Laws 2015, Ch. 147, § 1](#)

<sup>5</sup> [Laws 2021, Ch. 299, § 4](#)

### **AOI STANDARDS**

Currently, the SBE and charter authorizers jointly develop standards for approving online course providers and online schools based upon the following criteria:

- 1) the depth and breadth of curriculum choices;
- 2) the variety of educational methodologies employed by the school and the means of addressing the unique needs and learning styles of targeted pupil populations;
- 3) the availability of an intranet or private network to safeguard pupils against predatory and pornographic elements of the internet;
- 4) the availability of filtered research access to the internet;
- 5) the availability of private individual e-mail between pupils, teachers, administrators and parents in order to protect the confidentiality of pupil records and information;
- 6) the availability of faculty members who are experienced with computer networks, the internet and computer animation;
- 7) the extent to which the school intends to develop partnerships with universities, community colleges and private businesses;
- 8) the services offered to populations with developmental disabilities; and
- 9) the grade levels that will be served.<sup>6</sup>

There are currently 93 approved AOI programs operated by school districts<sup>7</sup> and 40 AOI programs at charter schools.<sup>8</sup>

### **CREDIT TRANSFER**

A school district in Arizona must accept credits from courses or instructional programs taken by students previously enrolled in another school district or charter school. However, a school district governing board may determine whether transfer credits will be considered elective or core credit.<sup>9</sup>

Students transferring credit from a charter school, school district or AOI school to a school

<sup>6</sup> [A.R.S. § 15-808 \(A\)](#)

<sup>7</sup> State Board of Education: [Approved AOI Programs](#)

<sup>8</sup> Arizona State Board for Charter Schools: [Approved AOI Schools](#)

<sup>9</sup> [A.R.S. § 15-701.01 \(H\)](#)

district or charter school must be notified which elective and core credits will be accepted. Within 10 school days of receiving the notification, the student may request an examination in each course in which core credit was denied.

For each passing score a student receives on an examination, the school district or charter school must accept the credit as core credit. All other credit will be considered elective credit. The examination must be aligned to statutory competency requirements and be designed and evaluated by a teacher in the school district or charter school who teaches the subject matter on which the exam is based.<sup>10</sup>

A school district or charter school may not assess a fee to a student that takes an examination to earn academic credit from the school district or charter school if the course credit was earned in an AOI course or at any public school within Arizona.<sup>11</sup>

### **REPORTING**

Each new school approved for online instruction is placed on a probationary status. After an AOI school demonstrates the academic integrity of its instruction with improvement in student academic performance, the AOI school may apply to be removed from probationary status.

The SBE or charter authorizers must remove any probationary school from AOI that fails to demonstrate improvement in academic performance when measured against goals in its approved application and the state's accountability system over the course of three years.<sup>12</sup>

The SBE and charter authorizers establish annual reporting mechanisms for participating AOI schools. ADE then compiles a report for submittal to the Governor, the Speaker of the House of Representatives and President of the Senate by November 15 of each year.<sup>13</sup>

### **FUNDING**

Students can be concurrently enrolled in a school district or charter school and also participate in AOI. For these students, the sum of their ADM and daily attendance cannot exceed 1.0. If the sum of the ADM or daily attendance is greater than 1.0, the sum will be reduced to 1.0 and be apportioned between the school district (unless the school district is a career technical education district) or a charter school and AOI. This amount is based upon the percentage of total time the student is enrolled or in attendance in the school district or charter school and AOI.<sup>14</sup> According to statute, ADM is calculated for the first 100 or 200 days in session, as applicable, for the current year.<sup>15</sup> However, for AOIs, ADM is not calculated on the 100th day of instruction. AOI students do not incur absences and may generate average daily attendance of 1.0 during any hour of the day, any day of the week and at any time between July 1 and June 30 of each fiscal year.<sup>16</sup>

Each AOI school must maintain a daily log accounting for the time spent on academic tasks by each AOI student. The daily log is used to qualify the students participating in AOI to calculate the average daily attendance for each school district or charter school.<sup>17</sup>

A full-time enrolled student in AOI will be funded at 95 percent of the base support level that would be calculated if that student was enrolled full-time in a school district or charter school that does not participate in AOI. A part-time enrolled student in AOI will be funded at 85 percent of the base support level that would be calculated if that student were enrolled part-time in a school district or charter school that does not participate in AOI. In both cases, district additional assistance and charter additional assistance will be calculated in the same way as if the student were enrolled in a district or a charter school that does not participate in AOI.<sup>18</sup> For additional information about the base support level, please see the [Arizona School Finance Issue Brief](#).

<sup>10</sup> [A.R.S. § 15-701.01 \(I\)](#)

<sup>11</sup> [A.R.S. § 15-808 \(I\)](#)

<sup>12</sup> [A.R.S. § 15-808 \(B\)](#)

<sup>13</sup> [A.R.S. § 15-808 \(D\)](#)

<sup>14</sup> [A.R.S. § 15-901\(vi\)](#)

<sup>15</sup> [A.R.S. § 15-901 \(A\)\(1\)](#)

<sup>16</sup> [A.R.S. § 15-808 \(F\)](#)

<sup>17</sup> [A.R.S. § 15-808 \(E\)](#)

<sup>18</sup> [A.R.S. § 15-808 \(F\)\(1\) and \(2\)](#)

## ADDITIONAL RESOURCES

- Arizona Department of Education  
Arizona Online Instruction Guidance  
September 2024  
<https://www.azed.gov/sites/default/files/2024/09/K%20Arizona%20Online%20Instruction%20-Posted%2009-18-2024.pdf>
- State Board of Education  
Arizona Online Instruction Program  
<https://azsbe.az.gov/schools/arizona-online-instruction-program>
- Annual Report of the Arizona Superintendent of Public Instruction  
<https://www.azed.gov/sites/default/files/2024/01/SAFR2023vol1.pdf>
- National Education Policy Center Virtual Schools Report 2023  
[https://nepc.colorado.edu/sites/default/files/publications/Complete%202023%20Virtual%20Schools\\_0.pdf](https://nepc.colorado.edu/sites/default/files/publications/Complete%202023%20Virtual%20Schools_0.pdf)