

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
First Regular Session  
2001

CHAPTER 233

# HOUSE BILL 2634

AN ACT

REPEALING SECTIONS 15-747 AND 15-748, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 7, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-773; AMENDING SECTIONS 15-901 AND 15-943, ARIZONA REVISED STATUTES; RELATING TO STATE EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Repeal

3 Sections 15-747 and 15-748, Arizona Revised Statutes, are repealed.

4 Sec. 2. Title 15, chapter 7, article 4, Arizona Revised Statutes, is  
5 amended by adding section 15-773, to read:

6 15-773. Extraordinary special education needs fund:  
7 application; criteria

8 A. THE EXTRAORDINARY SPECIAL EDUCATION NEEDS FUND IS ESTABLISHED  
9 CONSISTING OF LEGISLATIVE APPROPRIATIONS, GIFTS, GRANTS AND  
10 DONATIONS. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION AND  
11 ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF  
12 APPROPRIATIONS. THE STATE BOARD OF EDUCATION SHALL ADMINISTER THE FUND.

13 B. A SCHOOL DISTRICT MAY APPLY TO THE STATE BOARD OF EDUCATION FOR AN  
14 EXTRAORDINARY SPECIAL EDUCATION NEEDS GRANT FROM THE FUND. THE STATE BOARD  
15 OF EDUCATION SHALL PRESCRIBE THE FORMAT OF THE APPLICATIONS. THE  
16 APPLICATIONS SHALL INCLUDE THE FOLLOWING:

17 1. DEMONSTRATION OF EXTRAORDINARY NEEDS, INCLUDING A DESCRIPTION AND  
18 DOCUMENTATION OF PUPIL SERVICES REQUIRED AND EVIDENCE THAT THE DISTRICT IS  
19 NOT ABLE TO ABSORB THE COSTS OF THESE SERVICES.

20 2. EVIDENCE THAT MONIES FROM THE FUND WILL NOT SUPPLANT FEDERAL, LOCAL  
21 OR OTHER STATE EFFORTS.

22 3. EVIDENCE THAT BEFORE MAKING AN APPLICATION FOR MONIES FROM THE FUND  
23 THE SCHOOL DISTRICT HAS MADE SUFFICIENT EFFORTS TO SEEK BUT HAS NOT RECEIVED  
24 FUNDING TO COVER THE EXTRAORDINARY COSTS APPLIED FOR PURSUANT TO PARAGRAPH 1  
25 OF THIS SUBSECTION FROM ALL OTHER SOURCES, INCLUDING FEDERAL AND OTHER STATE  
26 SOURCES OF FUNDING.

27 C. EXTRAORDINARY SPECIAL EDUCATION NEEDS GRANTS SHALL BE USED IN THE  
28 CURRENT YEAR. ALL UNSPENT GRANT MONIES SHALL BE RETURNED TO THE DEPARTMENT  
29 OF EDUCATION AT THE END OF THE FISCAL YEAR FOR DEPOSIT IN THE EXTRAORDINARY  
30 SPECIAL EDUCATION NEEDS FUND.

31 Sec. 3. Section 15-901, Arizona Revised Statutes, is amended to read:

32 15-901. Definitions

33 A. In this title, unless the context otherwise requires:

34 1. "Average daily attendance" or "ADA" means actual average daily  
35 attendance through the first one hundred days or two hundred days in session,  
36 as applicable.

37 2. "Average daily membership" means the total enrollment of fractional  
38 students and full-time students, minus withdrawals, of each school day  
39 through the first one hundred days or two hundred days in session, as  
40 applicable, for the current year. Withdrawals include students formally  
41 withdrawn from schools and students absent for ten consecutive school days,  
42 except for excused absences as identified by the department of  
43 education. For computation purposes, the effective date of withdrawal shall  
44 be retroactive to the last day of actual attendance of the student.

45 (a) "Fractional student" means:

1 (i) For common schools, until fiscal year 2001-2002, a preschool child  
2 who is enrolled in a program for preschool children with disabilities of at  
3 least three hundred sixty minutes each week or a kindergarten student at  
4 least five years of age prior to January 1 of the school year and enrolled in  
5 a school kindergarten program that meets at least three hundred forty-six  
6 instructional hours during the minimum number of days required in a school  
7 year as provided in section 15-341. In fiscal year 2001-2002, the  
8 kindergarten program shall meet at least three hundred forty-eight hours. In  
9 fiscal year 2002-2003, the kindergarten program shall meet at least three  
10 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program  
11 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,  
12 the kindergarten program shall meet at least three hundred fifty-four hours.  
13 In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten  
14 program shall meet at least three hundred fifty-six hours. Lunch periods and  
15 recess periods may not be included as part of the instructional hours unless  
16 the child's individualized education program requires instruction during  
17 those periods and the specific reasons for such instruction are fully  
18 documented. In computing the average daily membership, preschool children  
19 with disabilities and kindergarten students shall be counted as one-half of a  
20 full-time student. For common schools, a part-time student is a student  
21 enrolled for less than the total time for a full-time student as defined in  
22 this section. A part-time common school student shall be counted as  
23 one-fourth, one-half or three-fourths of a full-time student if the student  
24 is enrolled in an instructional program that is at least one-fourth, one-half  
25 or three-fourths of the time a full-time student is enrolled as defined in  
26 subdivision (b) of this paragraph.

27 (ii) For high schools, a part-time student who is enrolled in less  
28 than four subjects that count toward graduation as defined by the state board  
29 of education in a recognized high school and who is taught in less than  
30 twenty instructional hours per week prorated for any week with fewer than  
31 five school days. A part-time high school student shall be counted as  
32 one-fourth, one-half or three-fourths of a full-time student if the student  
33 is enrolled in an instructional program that is at least one-fourth, one-half  
34 or three-fourths of a full-time instructional program as defined in  
35 subdivision (c) of this paragraph.

36 (b) "Full-time student" means:

37 (i) For common schools, a student who is at least six years of age  
38 prior to January 1 of a school year, who has not graduated from the highest  
39 grade taught in the school district and who is regularly enrolled in a course  
40 of study required by the state board of education. Until fiscal year  
41 2001-2002, first, second and third grade students, ungraded students at least  
42 six, but under nine, years of age by September 1 or ungraded group B children  
43 with disabilities who are at least five, but under six, years of age by  
44 September 1 must be enrolled in an instructional program that meets for a  
45 total of at least six hundred ninety-two hours during the minimum number of  
46 days required in a school year as provided in section 15-341. In fiscal year

1 2001-2002, the program shall meet at least six hundred ninety-six hours. In  
2 fiscal year 2002-2003, the program shall meet at least seven hundred hours.  
3 In fiscal year 2003-2004, the program shall meet at least seven hundred four  
4 hours. In fiscal year 2004-2005, the program shall meet at least seven  
5 hundred eight hours. In fiscal year 2005-2006 and in each fiscal year  
6 thereafter, the program shall meet at least seven hundred twelve  
7 hours. Until fiscal year 2001-2002, fourth, fifth and sixth grade students  
8 or ungraded students at least nine, but under twelve, years of age by  
9 September 1 must be enrolled in an instructional program that meets for a  
10 total of at least eight hundred sixty-five hours during the minimum number of  
11 school days required in a school year as provided in section 15-341. In  
12 fiscal year 2001-2002, the program shall meet at least eight hundred seventy  
13 hours. In fiscal year 2002-2003, the program shall meet at least eight  
14 hundred seventy-five hours. In fiscal year 2003-2004, the program shall meet  
15 at least eight hundred eighty hours. In fiscal year 2004-2005, the program  
16 shall meet at least eight hundred eighty-five hours. In fiscal year  
17 2005-2006 and each fiscal year thereafter, the program shall meet at least  
18 eight hundred ninety hours. Until fiscal year 2001-2002, seventh and eighth  
19 grade students or ungraded students at least twelve, but under fourteen,  
20 years of age by September 1 must be enrolled in an instructional program that  
21 meets for a total of at least one thousand thirty-eight hours during the  
22 minimum number of days required in a school year as provided in section  
23 15-341. In fiscal year 2001-2002, the program shall meet at least one  
24 thousand forty-four hours. In fiscal year 2002-2003, the program shall meet  
25 at least one thousand fifty hours. In fiscal year 2003-2004, the program  
26 shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005,  
27 the program shall meet at least one thousand sixty-two hours. In fiscal year  
28 2005-2006 and each fiscal year thereafter, the program shall meet at least  
29 one thousand sixty-eight hours. Lunch periods and recess periods may not be  
30 included as part of the instructional hours unless the student is a child  
31 with a disability and the child's individualized education program requires  
32 instruction during those periods and the specific reasons for such  
33 instruction are fully documented.

34 (ii) For high schools, a student not graduated from the highest grade  
35 taught in the school district, or an ungraded student at least fourteen years  
36 of age by September 1, and enrolled in at least a full-time instructional  
37 program of subjects that count toward graduation as defined by the state  
38 board of education in a recognized high school. A full-time student shall  
39 not be counted more than once for computation of average daily membership.

40 (iii) For homebound or hospitalized, a student receiving at least four  
41 hours of instruction per week.

42 (c) "Full-time instructional program" means at least four subjects,  
43 each of which, if taught each school day for the minimum number of days  
44 required in a school year, through fiscal year 2000-2001, would meet a  
45 minimum of one hundred twenty hours a year, or the equivalent, or one or more  
46 subjects taught in amounts of time totalling at least twenty hours per week

1 prorated for any week with fewer than five school days. For fiscal years  
2 after 2000-2001:

3 (i) In fiscal years 2001-2002 and 2002-2003, each subject shall meet  
4 at least one hundred twenty-two hours. In fiscal year 2003-2004 and each  
5 fiscal year thereafter, each subject shall meet at least one hundred  
6 twenty-three hours.

7 (ii) For grades nine, ten and eleven, the total program shall meet at  
8 least eight hundred eighty hours in fiscal year 2001-2002. In fiscal year  
9 2002-2003, the total program shall meet at least eight hundred eighty-five  
10 hours. In fiscal year 2003-2004, the total program shall meet at least eight  
11 hundred ninety hours. In fiscal year 2004-2005, the total program shall meet  
12 at least eight hundred ninety-five hours. In fiscal year 2005-2006 and each  
13 fiscal year thereafter, the total program shall meet at least nine hundred  
14 hours.

15 3. "Budget year" means the fiscal year for which the school district  
16 is budgeting and which immediately follows the current year.

17 4. "Common school district" means a political subdivision of this  
18 state offering instruction to students in programs for preschool children  
19 with disabilities and kindergarten programs and grades one through eight.

20 5. "Current year" means the fiscal year in which a school district is  
21 operating.

22 6. "Daily attendance" means:

23 (a) For common schools, days in which a pupil:

24 (i) Of a kindergarten program or ungraded, but not group B children  
25 with disabilities, and at least five, but under six, years of age by  
26 September 1 attends at least three-quarters of the instructional time  
27 scheduled for the day. If the total instruction time scheduled for the year  
28 is at least three hundred forty-six hours but is less than six hundred  
29 ninety-two hours such attendance shall be counted as one-half day of  
30 attendance. If the instructional time scheduled for the year is at least six  
31 hundred ninety-two hours, "daily attendance" means days in which a pupil  
32 attends at least one-half of the instructional time scheduled for the day.  
33 Such attendance shall be counted as one-half day of attendance.

34 (ii) Of the first, second or third grades, ungraded and at least six,  
35 but under nine, years of age by September 1 or ungraded group B children with  
36 disabilities and at least five, but under six, years of age by September 1  
37 attends more than three-quarters of the instructional time scheduled for the  
38 day.

39 (iii) Of the fourth, fifth or sixth grades or ungraded and at least  
40 nine, but under twelve, years of age by September 1 attends more than  
41 three-quarters of the instructional time scheduled for the day, except as  
42 provided in section 15-797.

43 (iv) Of the seventh or eighth grades or ungraded and at least twelve,  
44 but under fourteen, years of age by September 1 attends more than  
45 three-quarters of the instructional time scheduled for the day, except as  
46 provided in section 15-797.

1 (b) For common schools, the attendance of a pupil at three-quarters or  
2 less of the instructional time scheduled for the day shall be counted as  
3 follows, except as provided in section 15-797 and except that attendance for  
4 a fractional student shall not exceed the pupil's fractional membership:

5 (i) If attendance for all pupils in the school is based on quarter  
6 days, the attendance of a pupil shall be counted as one-fourth of a day's  
7 attendance for each one-fourth of full-time instructional time attended.

8 (ii) If attendance for all pupils in the school is based on half days,  
9 the attendance of at least three-quarters of the instructional time scheduled  
10 for the day shall be counted as a full day's attendance and attendance at a  
11 minimum of one-half but less than three-quarters of the instructional time  
12 scheduled for the day equals one-half day of attendance.

13 (c) For common schools, the attendance of a preschool child with  
14 disabilities shall be counted as one-fourth day's attendance for each  
15 thirty-six minutes of attendance not including lunch periods and recess  
16 periods, except as provided in paragraph 2, subdivision (a), item (i) of this  
17 subsection for children with disabilities up to a maximum of three hundred  
18 sixty minutes each week.

19 (d) For high schools or ungraded schools in which the pupil is at  
20 least fourteen years of age by September 1, the attendance of a pupil shall  
21 not be counted as a full day unless the pupil is actually and physically in  
22 attendance and enrolled in and carrying four subjects, each of which, if  
23 taught each school day for the minimum number of days required in a school  
24 year, would meet a minimum of one hundred twenty hours a year, or the  
25 equivalent, that count toward graduation in a recognized high school except  
26 as provided in section 15-797 and subdivision (e) of this paragraph.  
27 Attendance of a pupil carrying less than the load prescribed shall be  
28 prorated.

29 (e) For high schools or ungraded schools in which the pupil is at  
30 least fourteen years of age by September 1, the attendance of a pupil may be  
31 counted as one-fourth of a day's attendance for each sixty minutes of  
32 instructional time in a subject that counts toward graduation, except that  
33 attendance for a pupil shall not exceed the pupil's full or fractional  
34 membership.

35 (f) For homebound or hospitalized, a full day of attendance may be  
36 counted for each day during a week in which the student receives at least  
37 four hours of instruction.

38 (g) For school districts which maintain school for an approved  
39 year-round school year operation, attendance shall be based on a computation,  
40 as prescribed by the superintendent of public instruction, of the one hundred  
41 eighty days' equivalency or two hundred days' equivalency, as applicable, of  
42 instructional time as approved by the superintendent of public instruction  
43 during which each pupil is enrolled.

44 7. "Daily route mileage" means the sum of:

45 (a) The total number of miles driven daily by all buses of a school  
46 district while transporting eligible students from their residence to the

1 school of attendance and from the school of attendance to their residence on  
2 scheduled routes approved by the superintendent of public instruction.

3 (b) The total number of miles driven daily on routes approved by the  
4 superintendent of public instruction for which a private party, a political  
5 subdivision or a common or a contract carrier is reimbursed for bringing an  
6 eligible student from the place of his residence to a school transportation  
7 pickup point or to the school of attendance and from the school  
8 transportation scheduled return point or from the school of attendance to his  
9 residence.

10 Daily route mileage includes the total number of miles necessary to drive to  
11 transport eligible students from and to their residence as provided in this  
12 paragraph.

13 8. "District support level" means the base support level plus the  
14 transportation support level.

15 9. "Eligible students" means:

16 (a) Students who are transported by or for a school district and who  
17 qualify as full-time students or fractional students, except students for  
18 whom transportation is paid by another school district or a county school  
19 superintendent, and:

20 (i) For common school students, whose place of actual residence within  
21 the school district is more than one mile from the school facility of  
22 attendance or students who are admitted pursuant to section 15-816.01 and who  
23 meet the economic eligibility requirements established under the national  
24 school lunch and child nutrition acts (42 United States Code sections 1751  
25 through 1785) for free or reduced price lunches and whose actual place of  
26 residence outside the school district boundaries is more than one mile from  
27 the school facility of attendance.

28 (ii) For high school students, whose place of actual residence within  
29 the school district is more than one and one-half miles from the school  
30 facility of attendance or students who are admitted pursuant to section  
31 15-816.01 and who meet the economic eligibility requirements established  
32 under the national school lunch and child nutrition acts (42 United States  
33 Code sections 1751 through 1785) for free or reduced price lunches and whose  
34 actual place of residence outside the school district boundaries is more than  
35 one and one-half miles from the school facility of attendance.

36 (b) Kindergarten students, for purposes of computing the number of  
37 eligible students under subdivision (a), item (i) of this paragraph, shall be  
38 counted as full-time students, notwithstanding any other provision of law.

39 (c) Children with disabilities, as defined by section 15-761, who are  
40 transported by or for the school district or who are admitted pursuant to  
41 chapter 8, article 1.1 of this title and who qualify as full-time students or  
42 fractional students regardless of location or residence within the school  
43 district or children with disabilities whose transportation is required by  
44 the pupil's individualized education program.

1 (d) Students whose residence is outside the school district and who  
2 are transported within the school district on the same basis as students who  
3 reside in the school district.

4 10. "Enrolled" or "enrollment" means when a pupil is currently  
5 registered in the school district.

6 11. "GDP price deflator" means the average of the four implicit price  
7 deflators for the gross domestic product reported by the United States  
8 department of commerce for the four quarters of the calendar year.

9 12. "High school district" means a political subdivision of this state  
10 offering instruction to students for grades nine through twelve or that  
11 portion of the budget of a common school district which is allocated to  
12 teaching high school subjects with permission of the state board of  
13 education.

14 13. "Revenue control limit" means the base revenue control limit plus  
15 the transportation revenue control limit.

16 14. "Student count" means average daily membership as prescribed in  
17 this subsection for the fiscal year prior to the current year, except that  
18 for the purpose of budget preparation student count means average daily  
19 membership as prescribed in this subsection for the current year.

20 15. "Submit electronically" means submitted in a format and in a manner  
21 prescribed by the department of education.

22 16. "Total bus mileage" means the total number of miles driven by all  
23 buses of a school district during the school year.

24 17. "Total students transported" means all eligible students  
25 transported from their place of residence to a school transportation pickup  
26 point or to the school of attendance and from the school of attendance or  
27 from the school transportation scheduled return point to their place of  
28 residence.

29 18. "Unified school district" means a political subdivision of the  
30 state offering instruction to students in programs for preschool children  
31 with disabilities and kindergarten programs and grades one through twelve.

32 B. In this title, unless the context otherwise requires:

33 1. "Base" means the revenue level per student count specified by the  
34 legislature.

35 2. "Base level" means:

36 (a) For fiscal year 1999-2000, two thousand five hundred fifty-nine  
37 dollars ninety-three cents.

38 (b) For fiscal year 2000-2001, two thousand five hundred eighty-five  
39 dollars sixty cents.

40 (c) For fiscal year 2001-2002, ~~and each subsequent fiscal year, the~~  
41 ~~base level for the prior year adjusted by any growth rate prescribed by law,~~  
42 ~~subject to appropriation. TWO THOUSAND SIX HUNDRED EIGHTY-SEVEN DOLLARS~~  
43 ~~THIRTY-TWO CENTS.~~

44 (d) FOR FISCAL YEAR 2002-2003, TWO THOUSAND SEVEN HUNDRED FIFTY-THREE  
45 DOLLARS NINETY CENTS.



- 1           3. "Base revenue control limit" means the base revenue control limit  
2 computed as provided in section 15-944.
- 3           4. "Base support level" means the base support level as provided in  
4 section 15-943.
- 5           5. "Certified teacher" means a person who is certified as a teacher  
6 pursuant to the rules adopted by the state board of education, who renders  
7 direct and personal services to school children in the form of instruction  
8 related to the school district's educational course of study and who is paid  
9 from the maintenance and operation section of the budget.
- 10          6. "ED, MIMR, SLD, SLI and OHI" means programs for children with  
11 emotional disabilities, mild mental retardation, a specific learning  
12 disability, a speech/language impairment and other health impairments.
- 13          7. "ED-P" means programs for children with emotional disabilities who  
14 are enrolled in private special education programs as prescribed in section  
15 15-765, subsection D, paragraph 1 or in an intensive school district program  
16 as provided in section 15-765, subsection D, paragraph 2.
- 17          8. "Full-time equivalent certified teacher" or "FTE certified teacher"  
18 means for a certified teacher the following:  
19           (a) If employed full time as defined in section 15-501, 1.00.  
20           (b) If employed less than full time, multiply 1.00 by the percentage  
21 of a full school day, or its equivalent, or a full class load, or its  
22 equivalent, for which the teacher is employed as determined by the governing  
23 board.
- 24          9. "Group A" means educational programs for career exploration, a  
25 specific learning disability, an emotional disability, mild mental  
26 retardation, remedial education, a speech/language impairment, homebound,  
27 bilingual, preschool moderate delay, preschool speech/language delay, other  
28 health impairments and gifted pupils.
- 29          10. "Group B" means educational improvements for pupils in kindergarten  
30 programs and grades one through three, educational programs for autism, a  
31 hearing impairment, moderate mental retardation, multiple disabilities,  
32 multiple disabilities with severe sensory impairment, orthopedic impairments,  
33 preschool severe delay, severe mental retardation and emotional disabilities  
34 for school age pupils enrolled in private special education programs or in  
35 school district programs for children with severe disabilities or visual  
36 impairment and limited English proficient pupils enrolled in a program to  
37 promote English language proficiency pursuant to section 15-754.
- 38          11. "HI" means programs for pupils with hearing impairment.

1           12. "Homebound" or "hospitalized" means a pupil who is capable of  
2           profiting from academic instruction but is unable to attend school due to  
3           illness, disease, accident or other health conditions, who has been examined  
4           by a competent medical doctor and who is certified by that doctor as being  
5           unable to attend regular classes for a period of not less than three school  
6           months or a pupil who is capable of profiting from academic instruction but  
7           is unable to attend school regularly due to chronic or acute health problems,  
8           who has been examined by a competent medical doctor and who is certified by  
9           that doctor as being unable to attend regular classes for intermittent  
10          periods of time totaling three school months during a school year. The  
11          medical certification shall state the general medical condition, such as  
12          illness, disease or chronic health condition, that is the reason that the  
13          pupil is unable to attend school.

14          13. "K-3" means kindergarten programs and grades one through three.

15          14. "LEP" means limited English proficient pupils who are enrolled in a  
16          program to promote English language proficiency pursuant to section 15-754.

17          15. "MD-R, A-R and SMR-R" means resource programs for pupils with  
18          multiple disabilities, autism and severe mental retardation.

19          16. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils  
20          with multiple disabilities, autism and severe mental retardation.

21          17. "MDSSI" means a program for pupils with multiple disabilities with  
22          severe sensory impairment.

23          18. "MOMR" means programs for pupils with moderate mental retardation.

24          19. "OI-R" means a resource program for pupils with orthopedic  
25          impairments.

26          20. "OI-SC" means a self-contained program for pupils with orthopedic  
27          impairments.

28          21. "PSD" means preschool programs for children with disabilities as  
29          provided in section 15-771.

30          22. "P-SD" means programs for children who meet the definition of  
31          preschool severe delay as provided in section 15-771.

32          23. "Qualifying tax rate" means the qualifying tax rate specified in  
33          section 15-971 applied to the assessed valuation used for primary property  
34          taxes.

35          24. "Small isolated school district" means a school district which  
36          meets all of the following:

37               (a) Has a student count of fewer than six hundred in kindergarten  
38               programs and grades one through eight or grades nine through twelve.

39               (b) Contains no school which is fewer than thirty miles by the most  
40               reasonable route from another school, or, if road conditions and terrain make  
41               the driving slow or hazardous, fifteen miles from another school which  
42               teaches one or more of the same grades and is operated by another school  
43               district in this state.

44               (c) Is designated as a small isolated school district by the  
45               superintendent of public instruction.

1           25. "Small school district" means a school district which meets all of  
2 the following:

3           (a) Has a student count of fewer than six hundred in kindergarten  
4 programs and grades one through eight or grades nine through twelve.

5           (b) Contains at least one school which is fewer than thirty miles by  
6 the most reasonable route from another school which teaches one or more of  
7 the same grades and is operated by another school district in this state.

8           (c) Is designated as a small school district by the superintendent of  
9 public instruction.

10          26. "Transportation revenue control limit" means the transportation  
11 revenue control limit computed as prescribed in section 15-946.

12          27. "Transportation support level" means the support level for pupil  
13 transportation operating expenses as provided in section 15-945.

14          28. "VI" means programs for pupils with visual impairments.

15          29. "Voc. Ed." means vocational and technological education programs,  
16 as defined in section 15-781, except that for the purpose of computing the  
17 district support level as provided in this title vocational and technological  
18 education programs only include approved vocational and technological  
19 programs for students in grades nine through twelve.

20          Sec. 4. Section 15-943, Arizona Revised Statutes, is amended to read:  
21 15-943. Base support level

22          The base support level for each school district shall be computed as  
23 follows:

24          1. The following support level weights shall be used in paragraph 2,  
25 subdivision (a) for the following school districts:

26          (a) For school districts whose student count in kindergarten programs  
27 and grades one through eight is classified in column 1 of this subdivision,  
28 the support level weight for kindergarten programs and grades one through  
29 eight is the corresponding support level weight prescribed in column 2 or 3  
30 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> 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)]

40          (b) For school districts whose student count in grades nine through  
41 twelve is classified in column 1 of this subdivision, the support level  
42 weight for grades nine through twelve is the corresponding support level  
43 weight prescribed in column 2 or 3 of this subdivision, whichever is  
44 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>		
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, determine the weighted student count as follows:

(a)

<u>Grade 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			X _____	= _____
K-8 1.000 + 0.158 = 1.158			X _____	= _____
9-12 1.163 + 0.105 = 1.268			X _____	= _____
			Subtotal	A _____

(b)

<u>Funding Category</u>	<u>Support Level Weight</u>	<u>Student Count</u>	<u>Weighted Student Count</u>
HI	<del>3.341</del> 4.771 x	_____	= _____
K-3	0.060 x	_____	= _____
LEP	0.060 x	_____	= _____
MD-R, A-R and SMR-R	<del>4.235</del> 6.024 x	_____	= _____
MD-SC, A-SC and SMR-SC	<del>5.015</del> 5.833 x	_____	= _____
MD-SSI	<del>6.025</del> 6.531 x	_____	= _____
OI-R	<del>3.868</del> 3.158 x	_____	= _____
OI-SC	<del>5.641</del> 5.576 x	_____	= _____
P-SD	<del>4.979</del> 3.595 x	_____	= _____
ED, MIMR, SLD, SLI and OHI	0.003 x	_____	= _____
ED-P	<del>4.127</del> 4.647 x	_____	= _____
MOMR	<del>4.244</del> 4.421 x	_____	= _____
VI	<del>4.832</del> 4.806 x	_____	= _____
		Subtotal	B _____

(c) Total of subtotals A and B: \_\_\_\_\_

3. Multiply the total determined in paragraph 2 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.

1           Sec. 5. State treasurer; school facilities transfer

2           Notwithstanding section 15-2002, subsection A, paragraph 10, Arizona  
3 Revised Statutes, or any other law, the state treasurer shall disregard any  
4 instructions of the school facilities board relating to the deficiencies  
5 correction fund transfers for fiscal year 2001-2002 and fiscal year 2002-2003  
6 and instead shall not make any transfer in fiscal year 2001-2002 and shall  
7 transfer only the sum of \$12,000,000 in fiscal year 2002-2003 from  
8 transaction privilege revenues to the deficiencies correction fund  
9 established by section 15-2021, Arizona Revised Statutes.

10          Sec. 6. Board of regents; authorization for acquisition of  
11 projects and issuance of bonds

12          A. The Arizona board of regents may acquire for and on behalf of  
13 northern Arizona university one or more of the projects defined in section  
14 15-1681, Arizona Revised Statutes, and may issue revenue bonds for this  
15 purpose subject to subsections B and C of this section, in one or more series  
16 but not exceeding in the aggregate \$39,100,000 more than any remaining  
17 bonding authority of northern Arizona university.

18          B. Before the issuance of revenue bonds pursuant to this section, the  
19 Arizona board of regents shall provide a comprehensive multiyear bonding plan  
20 to the joint committee on capital review and to the governor. The joint  
21 committee on capital review shall review the multiyear bonding plan and any  
22 revisions that are submitted by the board of regents and shall solicit  
23 comment on the bonding plan from the governor's office. Revenue bonds shall  
24 not be issued for a project that does not appear in the multiyear bonding  
25 plan. The multiyear bonding plan shall include the following:

26           1. A description of the specific projects that will be financed with  
27 the revenue bonds.

28           2. An identification of the source of monies that will be used to  
29 repay the bonds for each project.

30           3. An estimate of the cost to service the debt for each project.

31          C. The Arizona board of regents shall not issue revenue bonds pursuant  
32 to this section for any project unless the project is included in the  
33 multiyear bonding plan required by subsection B of this section and the  
34 project is subsequently approved by the joint committee on capital review.

35          Sec. 7. Reduction of kindergarten and first grade average daily  
36 membership counts; early kindergarten and early first  
37 grade programs; definitions

38          A. Notwithstanding any other law, the department of education may  
39 reduce the average daily membership count of a school district or charter  
40 school for the 2000-2001 school year in order to eliminate pupils enrolled in  
41 early kindergarten or early first grade programs during the 1999-2000 or  
42 2000-2001 school years, but may not reduce the average daily membership count  
43 of a school district or charter school in order to eliminate pupils enrolled  
44 in early kindergarten or early first grade programs during school years prior  
45 to the 1999-2000 school year.

46          B. For the purposes of this section:

1           1. "Early first grade program" means a first grade program that was  
2 designed to prepare children for first grade and was not designed, based on  
3 state standards and district curriculum, to prepare children to advance to  
4 the second grade after completing the program.

5           2. "Early kindergarten program" means a kindergarten program that was  
6 designed to prepare children for kindergarten and was not designed, based on  
7 state standards and district curriculum, to prepare children to advance to  
8 the first grade after completing the program.

APPROVED BY THE GOVERNOR APRIL 24, 2001.

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