

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 124
HOUSE BILL 2707

AN ACT

AMENDING SECTIONS 5-568, 15-101, 15-183, 15-184, 15-185, 15-187 AND 15-217, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-249.06; AMENDING SECTIONS 15-393, 15-393.01, 15-447.01 AND 15-824, ARIZONA REVISED STATUTES; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 15, SECTION 4; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, FIRST SPECIAL SESSION, CHAPTER 1, SECTION 1; AMENDING SECTIONS 15-902.03, 15-910, 15-943, 15-943.02 AND 15-945, ARIZONA REVISED STATUTES; REPEALING SECTION 15-948, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-951, 15-961, 15-973, 15-991, 15-1371, 15-1372, 15-2011, 15-2032 AND 15-2041, ARIZONA REVISED STATUTES; AMENDING LAWS 2014, CHAPTER 16, SECTION 5; REPEALING LAWS 2014, CHAPTER 16, SECTION 6, AS AMENDED BY LAWS 2014, CHAPTER 214, SECTION 5; AMENDING LAWS 2014, CHAPTER 17, SECTION 10; AMENDING LAWS 2014, CHAPTER 17, SECTION 19; APPROPRIATING MONIES; RELATING TO KINDERGARTEN THROUGH GRADE TWELVE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-568, Arizona Revised Statutes, is amended to
3 read:

4 5-568. Disposition of unclaimed prize money

5 Unclaimed prize money for the prize on a winning ticket or share shall
6 be retained for the person entitled to the prize for one hundred eighty days
7 after the drawing in which the prize was won in the case of a drawing prize
8 and for one hundred eighty days after the announced end of the game in
9 question in the case of a prize determined in any manner other than by means
10 of a drawing. If a claim is not made for the money within the applicable
11 period, the money shall be transferred in the following amounts:

12 1. Fifty-five percent of the prize money shall be held in the state
13 lottery prize fund for use as additional prizes in future games, except that
14 if the amount of monies transferred by the commission pursuant to section
15 5-554, subsection H, paragraph 1 is less than nine hundred thousand dollars
16 each fiscal year, the difference shall be transferred to the internet crimes
17 against children enforcement fund established by section 41-199 and if the
18 AMOUNT OF monies transferred by the commission pursuant to section 5-554,
19 subsection H, paragraph 2 is less than one hundred thousand dollars each
20 fiscal year, the difference shall be transferred to the victims' rights
21 enforcement fund established by section 41-1727.

22 2. Thirty percent shall be transferred quarterly to the court
23 appointed special advocate fund established by section 8-524.

24 3. Fifteen percent shall be transferred monthly to the tribal college
25 dual enrollment program fund established by section 15-244.01. The amount
26 transferred may not exceed ~~one~~ TWO hundred ~~sixty~~ FIFTY thousand dollars in
27 any fiscal year.

28 Sec. 2. Section 15-101, Arizona Revised Statutes, is amended to read:

29 15-101. Definitions

30 In this title, unless the context otherwise requires:

31 1. "Accommodation school" means either:

32 (a) A school that is operated through the county board of supervisors
33 and the county school superintendent and that the county school
34 superintendent administers to serve a military reservation or territory that
35 is not included within the boundaries of a school district.

36 (b) A school that provides educational services to homeless children
37 or alternative education programs as provided in section 15-308,
38 subsection B.

39 (c) A school that is established to serve a military reservation, the
40 boundaries of which are coterminous with the boundaries of the military
41 reservation on which the school is located.

42 2. "Assessed valuation" means the valuation derived by applying the
43 applicable percentage as provided in title 42, chapter 15, article 1 to the
44 full cash value or limited property value, whichever is applicable, of the
45 property.

- 1 3. "Charter holder" means a person that enters into a charter with the
2 state board for charter schools. For the purposes of this paragraph,
3 "person" means an individual, partnership, corporation, association or public
4 or private organization of any kind.
- 5 4. "Charter school" means a public school established by contract with
6 ~~a district governing board~~, the state board of education, the state board for
7 charter schools, a university under the jurisdiction of the Arizona board of
8 regents, a community college district with enrollment of more than fifteen
9 thousand full-time equivalent students or a group of community college
10 districts with a combined enrollment of more than fifteen thousand full-time
11 equivalent students pursuant to article 8 of this chapter to provide learning
12 that will improve pupil achievement.
- 13 5. "Child with a disability" means a child with a disability as
14 defined in section 15-761.
- 15 6. "Class A bonds" means general obligation bonds approved by a vote
16 of the qualified electors of a school district at an election held on or
17 before December 31, 1998.
- 18 7. "Class B bonds" means general obligation bonds approved by a vote
19 of the qualified electors of a school district at an election held from and
20 after December 31, 1998.
- 21 8. "Competency" means a demonstrated ability in a skill at a specified
22 performance level.
- 23 9. "Course" means organized subject matter in which instruction is
24 offered within a given period of time and for which credit toward promotion,
25 graduation or certification is usually given. A course consists of knowledge
26 selected from a subject for instructional purposes in the schools.
- 27 10. "Course of study" means a list of required and optional subjects to
28 be taught in the schools.
- 29 11. "Dual enrollment course" means a ~~college level~~ COLLEGE-LEVEL course
30 that is conducted on the campus of a high school or on the campus of a joint
31 technical education district, that is applicable to an established community
32 college academic degree or certificate program and that is transferable to a
33 university under the jurisdiction of the Arizona board of regents. A dual
34 enrollment course that is applicable to a community college occupational
35 degree or certificate program may be transferable to a university under the
36 jurisdiction of the Arizona board of regents.
- 37 12. "Elementary grades" means kindergarten programs and grades one
38 through eight.
- 39 13. "Fiscal year" means the year beginning July 1 and ending June 30.
- 40 14. "Governing board" means a body organized for the government and
41 management of the schools within a school district or a county school
42 superintendent in the conduct of an accommodation school.
- 43 15. "Lease" means an agreement for conveyance and possession of real or
44 personal property.

1 16. "Limited property value" means the value determined pursuant to
2 title 42, chapter 13, article 7. Limited property value shall be used as the
3 basis for assessing, fixing, determining and levying primary property taxes.

4 17. "Parent" means the natural or adoptive parent of a child or a
5 person who has custody of a child.

6 18. "Person who has custody" means a parent or legal guardian of a
7 child, a person to whom custody of the child has been given by order of a
8 court or a person who stands in loco parentis to the child.

9 19. "Primary property taxes" means all ad valorem taxes except for
10 secondary property taxes.

11 20. "Private school" means a nonpublic institution where instruction is
12 imparted.

13 21. "School" or "public school" means any public institution
14 established for the purposes of offering instruction to pupils in programs
15 for preschool children with disabilities, kindergarten programs or any
16 combination of elementary grades or secondary grades one through twelve.

17 22. "School district" means a political subdivision of this state with
18 geographic boundaries organized for the purpose of the administration,
19 support and maintenance of the public schools or an accommodation school.

20 23. "Secondary grades" means grades nine through twelve.

21 24. "Secondary property taxes" means ad valorem taxes used to pay the
22 principal of and the interest and redemption charges on any bonded
23 indebtedness or other lawful long-term obligation issued or incurred for a
24 specific purpose by a school district or a community college district and
25 amounts levied pursuant to an election to exceed a budget, expenditure or tax
26 limitation.

27 25. "Subject" means a division or field of organized knowledge, such as
28 English or mathematics, or a selection from an organized body of knowledge
29 for a course or teaching unit, such as the English novel or elementary
30 algebra.

31 Sec. 3. Section 15-183, Arizona Revised Statutes, is amended to read:

32 15-183. Charter schools; application; requirements; immunity;
33 exemptions; renewal of application; reprisal; fee;
34 funds; annual reports

35 A. An applicant seeking to establish a charter school shall submit a
36 written application to a proposed sponsor as prescribed in subsection C of
37 this section. The application, application process and application time
38 frames shall be posted on the sponsor's website and shall include the
39 following, as specified in the application adopted by the sponsor:

- 40 1. A detailed educational plan.
- 41 2. A detailed business plan.
- 42 3. A detailed operational plan.
- 43 4. Any other materials required by the sponsor.

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

1 C. The sponsor of a charter school may be either ~~a school district~~
2 ~~governing board~~, the state board of education, the state board for charter
3 schools, a university under the jurisdiction of the Arizona board of regents,
4 a community college district with enrollment of more than fifteen thousand
5 full-time equivalent students or a group of community college districts with
6 a combined enrollment of more than fifteen thousand full-time equivalent
7 students, subject to the following requirements:

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

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

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

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

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

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

7 ~~(f) Notwithstanding any other law, a school district governing board~~
8 ~~shall not grant a charter to a new charter school that begins initial~~
9 ~~operations after June 30, 2013 or convert an existing district public school~~
10 ~~to a charter school that begins initial operations after June 30, 2013.~~

11 1. AN APPLICANT MAY NOT SUBMIT AN APPLICATION FOR SPONSORSHIP TO ANY
12 PERSON OR ENTITY OTHER THAN THOSE PRESCRIBED IN THIS SUBSECTION.

13 2. The applicant may submit the application to the state board of
14 education or the state board for charter schools. Notwithstanding any other
15 law, neither the state board for charter schools nor the state board of
16 education shall grant a charter to a school district governing board for a
17 new charter school that begins initial operations after June 30, 2013 or for
18 the conversion of an existing district public school to a charter school that
19 begins initial operations after June 30, 2013. The state board of education
20 or the state board for charter schools may approve the application if the
21 application meets the requirements of this article and may approve the
22 charter if the proposed sponsor determines, within its sole discretion, that
23 the applicant is sufficiently qualified to operate a charter school and that
24 the applicant is applying to operate as a separate charter holder by
25 considering factors such as whether:

26 (a) The schools have separate governing bodies, governing body
27 membership, staff, facilities and student population.

28 (b) Daily operations are carried out by different administrators.

29 (c) The applicant intends to have an affiliation agreement for the
30 purpose of providing enrollment preferences.

31 (d) The applicant's charter management organization has multiple
32 charter holders serving varied grade configurations on one physical site or
33 nearby sites serving one community.

34 (e) It is reconstituting an existing school site population at the
35 same or new site.

36 (f) It is reconstituting an existing grade configuration from a prior
37 charter holder with at least one grade remaining on the original site with
38 the other grade or grades moving to a new site. The state board of education
39 or the state board for charter schools may approve any charter schools
40 transferring charters. ~~The state board of education and the state board for~~
41 ~~charter schools shall approve any charter schools transferring charters from~~
42 ~~a school district that is determined to be out of compliance with the uniform~~
43 ~~system of financial records pursuant to this section, but may require the~~
44 ~~charter school to sign a new charter that is equivalent to the charter~~
45 ~~awarded by the former sponsor.~~ If the state board of education or the state
46 board for charter schools rejects the preliminary application, the state

1 board of education or the state board for charter schools shall notify the
2 applicant in writing of the reasons for the rejection and of suggestions for
3 improving the application. An applicant may submit a revised application for
4 reconsideration by the state board of education or the state board for
5 charter schools. The applicant may request, and the state board of education
6 or the state board for charter schools may provide, technical assistance to
7 improve the application.

8 3. The applicant may submit the application to a university under the
9 jurisdiction of the Arizona board of regents, a community college district or
10 a group of community college districts. A university, a community college
11 district or a group of community college districts shall not grant a charter
12 to a school district governing board for a new charter school that begins
13 initial operations after June 30, 2013 or for the conversion of an existing
14 district public school to a charter school that begins initial operations
15 after June 30, 2013. A university, a community college district or a group
16 of community college districts may approve the application if it meets the
17 requirements of this article and if the proposed sponsor determines, in its
18 sole discretion, that the applicant is sufficiently qualified to operate a
19 charter school.

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

29 5. All persons engaged in instructional work directly as a classroom,
30 laboratory or other teacher or indirectly as a supervisory teacher, speech
31 therapist or principal shall have a valid fingerprint clearance card that is
32 issued pursuant to title 41, chapter 12, article 3.1, unless the person is a
33 volunteer or guest speaker who is accompanied in the classroom by a person
34 with a valid fingerprint clearance card. A charter school shall not employ a
35 teacher whose certificate has been surrendered or revoked, unless the
36 teacher's certificate has been subsequently reinstated by the state board of
37 education. All other personnel shall be fingerprint checked pursuant to
38 section 15-512, or the charter school may require those personnel to obtain a
39 fingerprint clearance card issued pursuant to title 41, chapter 12,
40 article 3.1. Before employment, the charter school shall make documented,
41 good faith efforts to contact previous employers of a person to obtain
42 information and recommendations that may be relevant to a person's fitness
43 for employment as prescribed in section 15-512, subsection F. The charter
44 school shall notify the department of public safety if the charter school or
45 sponsor receives credible evidence that a person who possesses a valid
46 fingerprint clearance card is arrested for or is charged with an offense

1 listed in section 41-1758.03, subsection B. Charter schools may hire
2 personnel that have not yet received a fingerprint clearance card if proof is
3 provided of the submission of an application to the department of public
4 safety for a fingerprint clearance card and if the charter school that is
5 seeking to hire the applicant does all of the following:

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

8 (b) Ensures that the department of public safety completes a statewide
9 criminal records check on the applicant. A statewide criminal records check
10 shall be completed by the department of public safety every one hundred
11 twenty days until the date that the fingerprint check is completed or the
12 fingerprint clearance card is issued or denied.

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

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

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

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

23 6. A charter school that complies with the fingerprinting requirements
24 of this section shall be deemed to have complied with section 15-512 and is
25 entitled to the same rights and protections provided to school districts by
26 section 15-512.

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

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

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

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

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

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

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

5 D. An entity that is authorized to sponsor charter schools pursuant to
6 this article has no legal authority over or responsibility for a charter
7 school sponsored by a different entity. This subsection does not apply to
8 the state board of education's duty to exercise general supervision over the
9 public school system pursuant to section 15-203, subsection A, paragraph 1.

10 E. The charter of a charter school shall do all of the following:

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

16 2. Ensure that it is nonsectarian in its programs, admission policies
17 and employment practices and all other operations.

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

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

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

33 6. Ensure that, except as provided in this article, it is subject to
34 the same financial and electronic data submission requirements as a school
35 district, including the uniform system of financial records as prescribed in
36 chapter 2, article 4 of this title, procurement rules as prescribed in
37 section 15-213 and audit requirements. The auditor general shall conduct a
38 comprehensive review and revision of the uniform system of financial records
39 to ensure that the provisions of the uniform system of financial records that
40 relate to charter schools are in accordance with commonly accepted accounting
41 principles used by private business. A school's charter may include
42 exceptions to the requirements of this paragraph that are necessary as
43 determined by ~~the district governing board,~~ the university, the community
44 college district, the group of community college districts, the state board
45 of education or the state board for charter schools. The department of

1 education or the office of the auditor general may conduct financial, program
2 or compliance audits.

3 7. Ensure compliance with all federal and state laws relating to the
4 education of children with disabilities in the same manner as a school
5 district.

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

12 9. Ensure that it provides a minimum of one hundred eighty
13 instructional days before June 30 of each fiscal year unless it is operating
14 on an alternative calendar approved by its sponsor. The superintendent of
15 public instruction shall adjust the apportionment schedule accordingly to
16 accommodate a charter school utilizing an alternative calendar.

17 F. A charter school shall keep on file the resumes of all current and
18 former employees who provide instruction to pupils at the charter school.
19 Resumes shall include an individual's educational and teaching background and
20 experience in a particular academic content subject area. A charter school
21 shall inform parents and guardians of the availability of the resume
22 information and shall make the resume information available for inspection on
23 request of parents and guardians of pupils enrolled at the charter school.
24 This subsection does not require any charter school to release personally
25 identifiable information in relation to any teacher or employee, including
26 the teacher's or employee's address, salary, social security number or
27 telephone number.

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

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

31 I. The charter is effective for fifteen years from the first day of
32 the fiscal year as specified in the charter, subject to the following:

33 1. At least eighteen months before the expiration of the charter, the
34 sponsor shall notify the charter school that the charter school may apply for
35 renewal and shall make the renewal application available to the charter
36 school. A charter school that elects to apply for renewal shall file a
37 complete renewal application at least fifteen months before the expiration of
38 the charter. A sponsor shall give written notice of its intent not to renew
39 the charter school's request for renewal to the charter school at least
40 twelve months before the expiration of the charter. The sponsor shall make
41 data used in making renewal decisions available to the school and the public
42 and shall provide a public report summarizing the evidence basis for each
43 decision. The sponsor may deny the request for renewal if, in its judgment,
44 the charter holder has failed to do any of the following:

45 (a) Meet or make sufficient progress toward the academic performance
46 expectations set forth in the performance framework.

1 (b) Meet the operational performance expectations set forth in the
2 performance framework or any improvement plans.

3 (c) Complete the obligations of the contract.

4 (d) Comply with this article or any provision of law from which the
5 charter school is not exempt.

6 2. A charter operator may apply for early renewal. At least nine
7 months before the charter school's intended renewal consideration, the
8 operator of the charter school shall submit a letter of intent to the sponsor
9 to apply for early renewal. The sponsor shall review fiscal audits and
10 academic performance data for the charter school that are annually collected
11 by the sponsor, review the current contract between the sponsor and the
12 charter school and provide the qualifying charter school with a renewal
13 application. On submission of a complete application, the sponsor shall give
14 written notice of its consideration of the renewal application. The sponsor
15 may deny the request for early renewal if, in the sponsor's judgment, the
16 charter holder has failed to do any of the following:

17 (a) Meet or make sufficient progress toward the academic performance
18 expectations set forth in the performance framework.

19 (b) Meet the operational performance expectations set forth in the
20 performance framework or any improvement plans.

21 (c) Complete the obligations of the contract.

22 (d) Comply with this article or any provision of law from which the
23 charter school is not exempt.

24 3. A sponsor shall review a charter at five-year intervals using a
25 performance framework adopted by the sponsor and may revoke a charter at any
26 time if the charter school breaches one or more provisions of its charter or
27 if the sponsor determines that the charter holder has failed to do any of the
28 following:

29 (a) Meet or make sufficient progress toward the academic performance
30 expectations set forth in the performance framework.

31 (b) Meet the operational performance expectations set forth in the
32 performance framework or any improvement plans.

33 (c) Comply with this article or any provision of law from which the
34 charter school is not exempt.

35 4. In determining whether to renew or revoke a charter holder, the
36 sponsor must consider making sufficient progress toward the academic
37 performance expectations set forth in the sponsor's performance framework as
38 one of the most important factors.

39 5. At least sixty days before the effective date of the proposed
40 revocation, the sponsor shall give written notice to the operator of the
41 charter school of its intent to revoke the charter. Notice of the sponsor's
42 intent to revoke the charter shall be delivered personally to the operator of
43 the charter school or sent by certified mail, return receipt requested, to
44 the address of the charter school. The notice shall incorporate a statement
45 of reasons for the proposed revocation of the charter. The sponsor shall
46 allow the charter school at least sixty days to correct the problems

1 associated with the reasons for the proposed revocation of the charter. The
2 final determination of whether to revoke the charter shall be made at a
3 public hearing called for such purpose.

4 J. The charter may be renewed for successive periods of twenty years.

5 K. A charter school that is sponsored by the state board of education,
6 the state board for charter schools, a university, a community college
7 district or a group of community college districts may not be located on the
8 property of a school district unless the district governing board grants this
9 authority.

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

22 1. With respect to a school district employee, results in one or more
23 of the following:

24 (a) Disciplinary or corrective action.

25 (b) Detail, transfer or reassignment.

26 (c) Suspension, demotion or dismissal.

27 (d) An unfavorable performance evaluation.

28 (e) A reduction in pay, benefits or awards.

29 (f) Elimination of the employee's position without a reduction in
30 force by reason of lack of monies or work.

31 (g) Other significant changes in duties or responsibilities that are
32 inconsistent with the employee's salary or employment classification.

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

35 (a) Suspension or termination of the program.

36 (b) Transfer or reassignment of the program to a less favorable
37 department.

38 (c) Relocation of the program to a less favorable site within the
39 school or school district.

40 (d) Significant reduction or termination of funding for the program.

41 M. Charter schools shall secure insurance for liability and property
42 loss. The governing body of a charter school that is sponsored by the state
43 board of education or the state board for charter schools may enter into an
44 intergovernmental agreement or otherwise contract to participate in an
45 insurance program offered by a risk retention pool established pursuant to
46 section 11-952.01 or 41-621.01 or the charter school may secure its own

1 insurance coverage. The pool may charge the requesting charter school
2 reasonable fees for any services it performs in connection with the insurance
3 program.

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

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

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

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

20 R. The sponsoring entity of a charter school shall have oversight and
21 administrative responsibility for the charter schools that it sponsors. In
22 implementing its oversight and administrative responsibilities, the sponsor
23 shall ground its actions in evidence of the charter holder's performance in
24 accordance with the performance framework adopted by the sponsor. The
25 performance framework shall be publicly available, shall be placed on the
26 sponsoring entity's website and shall include:

27 1. The academic performance expectations of the charter school and the
28 measurement of sufficient progress toward the academic performance
29 expectations.

30 2. The operational expectations of the charter school, including
31 adherence to all applicable laws and obligations of the charter contract.

32 3. Intervention and improvement policies.

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

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

37 U. Charter schools may not locate a school on property that is less
38 than one-fourth mile from agricultural land regulated pursuant to section
39 3-365, except that the owner of the agricultural land may agree to comply
40 with the buffer zone requirements of section 3-365. If the owner agrees in
41 writing to comply with the buffer zone requirements and records the agreement
42 in the office of the county recorder as a restrictive covenant running with
43 the title to the land, the charter school may locate a school within the
44 affected buffer zone. The agreement may include any stipulations regarding
45 the charter school, including conditions for future expansion of the school

1 and changes in the operational status of the school that will result in a
2 breach of the agreement.

3 V. A transfer of a charter to another sponsor, a transfer of a charter
4 school site to another sponsor or a transfer of a charter school site to a
5 different charter shall be completed before the beginning of the fiscal year
6 that the transfer is scheduled to become effective. An entity that sponsors
7 charter schools may accept a transferring school after the beginning of the
8 fiscal year if the transfer is approved by the superintendent of public
9 instruction. The superintendent of public instruction shall have the
10 discretion to consider each transfer during the fiscal year on a case by case
11 basis. ~~If a charter school is sponsored by a school district that is~~
12 ~~determined to be out of compliance with this title, the uniform system of~~
13 ~~financial records or any other state or federal law, the charter school may~~
14 ~~transfer to another sponsoring entity at any time during the fiscal year.~~ A
15 charter holder seeking to transfer sponsors shall comply with the current
16 charter terms regarding assignment of the charter. A charter holder
17 transferring sponsors shall notify the current sponsor that the transfer has
18 been approved by the new sponsor.

19 W. Notwithstanding subsection V of this section, a charter holder on
20 an improvement plan must notify parents or guardians of registered students
21 of the intent to transfer the charter and the timing of the proposed
22 transfer. On the approved transfer, the new sponsor shall enforce the
23 improvement plan but may modify the plan based on performance.

24 X. Notwithstanding subsection Y of this section, the state board for
25 charter schools shall charge a processing fee to any charter school that
26 amends its contract to participate in Arizona online instruction pursuant to
27 section 15-808. The charter Arizona online instruction processing fund is
28 established consisting of fees collected and administered by the state board
29 for charter schools. The state board for charter schools shall use monies in
30 the fund only for the processing of contract amendments for charter schools
31 participating in Arizona online instruction. Monies in the fund are
32 continuously appropriated.

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

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

45 AA. The sponsor of a charter school shall modify previously approved
46 curriculum requirements for a charter school that wishes to participate in

1 the board examination system prescribed in chapter 7, article 6 of this
2 title.

3 BB. If a charter school decides not to participate in the board
4 examination system prescribed in chapter 7, article 6 of this title, pupils
5 enrolled at that charter school may earn a Grand Canyon diploma by obtaining
6 a passing score on the same board examinations.

7 CC. Notwithstanding subsection Y of this section, a sponsor of charter
8 schools may charge a new charter application processing fee to any applicant.
9 The application fee shall fully cover the cost of application review and any
10 needed technical assistance. Authorizers may approve policies that allow a
11 portion of the fee to be returned to the applicant whose charter is approved.

12 DD. A charter school may choose to provide a preschool program for
13 children with disabilities pursuant to section 15-771.

14 EE. Pursuant to the prescribed graduation requirements adopted by the
15 state board of education, the governing body of a charter school operating a
16 high school may approve a rigorous computer science course that would fulfill
17 a mathematics course required for graduation from high school. The governing
18 body may approve a rigorous computer science course only if the rigorous
19 computer science course includes significant mathematics content and the
20 governing body determines the high school where the rigorous computer science
21 course is offered has sufficient capacity, infrastructure and qualified
22 staff, including competent teachers of computer science.

23 FF. A charter school may permit the use of school property, including
24 school buildings, grounds, buses and equipment, by any person, group or
25 organization for any lawful purpose, including a recreational, educational,
26 political, economic, artistic, moral, scientific, social, religious or other
27 civic or governmental purpose. The charter school may charge a reasonable
28 fee for the use of the school property.

29 GG. A charter school and its employees, including the governing body,
30 or chief administrative officer, are immune from civil liability with respect
31 to all decisions made and actions taken to allow the use of school property,
32 unless the charter school or its employees are guilty of gross negligence or
33 intentional misconduct. This subsection does not limit any other immunity
34 provisions that are prescribed by law.

35 HH. Sponsors authorized pursuant to this section shall submit an
36 annual report to the auditor general on or before October 1 ~~of each year~~.
37 The report shall include:

38 1. The current number of charters authorized and the number of schools
39 operated by authorized charter holders.

40 2. The academic and operational performance of the sponsor's charter
41 portfolio as measured by the sponsor's adopted performance framework.

42 3. **FOR THE PRIOR YEAR**, the number of new charters approved, ~~and~~ the
43 number of charter schools closed and **THE** reason for the closure ~~in the prior~~
44 ~~year~~.

1 4. The sponsor's application, amendment, renewal and revocation
2 processes, charter contract template and current performance framework as
3 required by this section.

4 II. The auditor general shall prescribe the format for the annual
5 report required by subsection HH of this section and may require that the
6 annual report be submitted electronically. The auditor general shall review
7 the submitted annual reports to ensure that the reports include the required
8 items in subsection HH of this section and shall make the annual reports
9 available upon request. If the auditor general finds significant
10 noncompliance or ~~a sponsor's failure~~ IF A SPONSOR FAILS to submit the annual
11 report required by subsection HH of this section, on or before December 31 of
12 each year the auditor general shall report to the governor, the president of
13 the senate, the speaker of the house of representatives and the chairs of the
14 senate and house education committees or their successor committees, and the
15 legislature shall consider revoking the sponsor's authority to sponsor
16 charter schools.

17 Sec. 4. Section 15-184, Arizona Revised Statutes, is amended to read:
18 15-184. Charter schools; admissions requirements

19 A. A charter school shall enroll all eligible pupils who submit a
20 timely application, unless the number of applications exceeds the capacity of
21 a program, class, grade level or building.

22 B. A charter school shall give enrollment preference to pupils
23 returning to the charter school in the second or any subsequent year of its
24 operation and to siblings of pupils already enrolled in the charter school.

25 ~~C. A charter school that is sponsored by a school district governing
26 board shall give enrollment preference to eligible pupils who reside within
27 the boundaries of the school district where the charter school is physically
28 located.~~

29 ~~D.~~ C. A charter school may give enrollment preference to and reserve
30 capacity for pupils who either:

31 1. Are children, grandchildren or legal wards of any of the following:

32 (a) Employees of the school.

33 (b) Employees of the charter holder.

34 (c) Members of the governing body of the school.

35 (d) Directors, officers, partners or board members of the charter
36 holder.

37 2. Attended another charter school or are the siblings of that pupil
38 if the charter school previously attended by the pupil has the identical
39 charter holder, board and governing board membership as the enrolling charter
40 school or is managed by the same educational management organization, charter
41 management organization or educational service provider as determined by the
42 charter authorizer.

43 ~~E.~~ D. If remaining capacity is insufficient to enroll all pupils who
44 submit a timely application, the charter school shall select pupils through
45 an equitable selection process such as a lottery except that preference shall

1 be given to siblings of a pupil selected through an equitable selection
2 process such as a lottery.

3 ~~F.~~ E. Except as provided in subsections A through ~~D~~ C of this
4 section, a charter school shall not limit admission based on ethnicity,
5 national origin, gender, income level, disabling condition, proficiency in
6 the English language or athletic ability.

7 ~~G.~~ F. A charter school may limit admission to pupils within a given
8 age group or grade level.

9 ~~H.~~ G. A charter school may provide instruction to pupils of a single
10 gender with the approval of the sponsor of the charter school. An existing
11 charter school may amend its charter to provide instruction to pupils of a
12 single gender, and if approved by the sponsor of the charter school, may
13 provide instruction to pupils of a single gender at the beginning of the next
14 school year.

15 ~~I.~~ H. A charter school shall admit pupils who reside in the
16 attendance area of a school or who reside in a school district that is under
17 a court order of desegregation or that is a party to an agreement with the
18 United States department of education office for civil rights directed toward
19 remediating alleged or proven racial discrimination unless notice is received
20 from the resident school that the admission would violate the court order or
21 agreement. If a charter school admits a pupil after notice is received that
22 the admission would constitute such a violation, the charter school is not
23 allowed to include in its student count the pupils wrongfully admitted.

24 ~~J.~~ I. A charter school may refuse to admit any pupil who has been
25 expelled from another educational institution or who is in the process of
26 being expelled from another educational institution.

27 Sec. 5. Section 15-185, Arizona Revised Statutes, is amended to read:

28 15-185. Charter schools; financing; civil penalty;
29 transportation; definition

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

32 ~~1. The charter school shall be included in the district's budget and~~
33 ~~financial assistance calculations pursuant to paragraph 3 of this subsection~~
34 ~~and chapter 9 of this title, except for chapter 9, article 4 of this title.~~
35 ~~The charter of the charter school shall include a description of the methods~~
36 ~~of funding the charter school by the school district. The school district~~
37 ~~shall send a copy of the charter and application, including a description of~~
38 ~~how the school district plans to fund the school, to the state board of~~
39 ~~education before the start of the first fiscal year of operation of the~~
40 ~~charter school. The charter or application shall include an estimate of the~~
41 ~~student count for the charter school for its first fiscal year of operation.~~
42 ~~This estimate shall be computed pursuant to the requirements of paragraph 3~~
43 ~~of this subsection.~~

44 ~~2.~~ A. A school district is not financially responsible for any
45 charter school that is sponsored by the state board of education, the state
46 board for charter schools, a university under the jurisdiction of the Arizona

1 board of regents, a community college district or a group of community
2 college districts.

3 ~~3. A school district that sponsors a charter school may:~~

4 ~~(a) Increase its student count as provided in subsection B, paragraph~~
5 ~~2 of this section during the first year of the charter school's operation to~~
6 ~~include those charter school pupils who were not previously enrolled in the~~
7 ~~school district. A charter school sponsored by a school district governing~~
8 ~~board is eligible for the charter additional assistance prescribed in~~
9 ~~subsection B, paragraph 4 of this section. The district additional~~
10 ~~assistance allocation as provided in section 15-961 for the school district~~
11 ~~sponsoring the charter school shall be increased by the amount of the charter~~
12 ~~additional assistance. The school district shall include the full amount of~~
13 ~~the charter additional assistance in the funding provided to the charter~~
14 ~~school.~~

15 ~~(b) Compute separate weighted student counts pursuant to section~~
16 ~~15-943, paragraph 2, subdivision (a) for its noncharter school versus charter~~
17 ~~school pupils in order to maintain eligibility for small school district~~
18 ~~support level weights authorized in section 15-943, paragraph 1 for its~~
19 ~~noncharter school pupils only. The portion of a district's student count~~
20 ~~that is attributable to charter school pupils is not eligible for small~~
21 ~~school district support level weights.~~

22 ~~4. If a school district uses the provisions of paragraph 3 of this~~
23 ~~subsection, the school district is not eligible to include those pupils in~~
24 ~~its student count for the purposes of computing an increase in its revenue~~
25 ~~control limit and district support level as provided in section 15-948.~~

26 ~~5. A school district that sponsors a charter school is not eligible to~~
27 ~~include the charter school pupils in its student count for the purpose of~~
28 ~~computing an increase in its district additional assistance as provided in~~
29 ~~section 15-961, subsection B, except that if the charter school was~~
30 ~~previously a school in the district, the district may include in its student~~
31 ~~count any charter school pupils who were enrolled in the school district in~~
32 ~~the prior year.~~

33 ~~6. A school district that sponsors a charter school is not eligible to~~
34 ~~include the charter school pupils in its student count for the purpose of~~
35 ~~computing the revenue control limit which is used to determine the maximum~~
36 ~~budget increase as provided in chapter 4, article 4 of this title unless the~~
37 ~~charter school is located within the boundaries of the school district.~~

38 ~~7. If a school district converts one or more of its district public~~
39 ~~schools to a charter school and receives assistance as prescribed in~~
40 ~~subsection B, paragraph 4 of this section, and subsequently converts the~~
41 ~~charter school back to a district public school, the school district shall~~
42 ~~repay the state the total charter additional assistance received for the~~
43 ~~charter school for all years that the charter school was in operation. The~~
44 ~~repayment shall be in one lump sum and shall be reduced from the school~~
45 ~~district's current year equalization assistance. The school district's~~

1 ~~general budget limit shall be reduced by the same lump sum amount in the~~
2 ~~current year.~~

3 B. Financial provisions for a charter school that is sponsored by the
4 state board of education, the state board for charter schools, a university,
5 a community college district or a group of community college districts are as
6 follows:

7 1. The charter school shall calculate a base support level as
8 prescribed in section 15-943, except that:

9 (a) Section 15-941 does not apply to these charter schools.

10 (b) The small school weights prescribed in section 15-943, paragraph 1
11 apply if a charter holder, as defined in section 15-101, holds one charter
12 for one or more school sites and the average daily membership for the school
13 sites are combined for the calculation of the small school weight. The small
14 school weight shall not be applied individually to a charter holder if one or
15 more of the following conditions ~~exists~~ **EXIST** and the combined average daily
16 membership derived from the following conditions is greater than six hundred:

17 (i) The organizational structure or management agreement of the
18 charter holder requires the charter holder or charter school to contract with
19 a specific management company.

20 (ii) The governing body of the charter holder has identical membership
21 to another charter holder in this state.

22 (iii) The charter holder is a subsidiary of a corporation that has
23 other subsidiaries that are charter holders in this state.

24 (iv) The charter holder holds more than one charter in this state.

25 (c) Notwithstanding subdivision (b) of this paragraph, for fiscal ~~year~~
26 **YEARS** 2015-2016 **AND** 2016-2017 the department of education shall reduce by
27 thirty-three percent the amount provided by the small school weight for
28 charter schools prescribed in subdivision (b) of this paragraph.

29 ~~(d) Notwithstanding subdivision (b) of this paragraph, for fiscal year~~
30 ~~2016-2017 the department of education shall reduce by sixty seven percent the~~
31 ~~amount provided by the small school weight for affiliated charter schools~~
32 ~~prescribed in subdivision (b) of this paragraph.~~

33 2. Notwithstanding paragraph 1 of this subsection, the student count
34 shall be determined initially using an estimated student count based on
35 actual registration of pupils before the beginning of the school year.
36 Notwithstanding section 15-1042, subsection F, student level data submitted
37 to the department may be used to determine estimated student counts. After
38 the first forty days, one hundred days or two hundred days in session, as
39 applicable, the charter school shall revise the student count to be equal to
40 the actual average daily membership, as defined in section 15-901, of the
41 charter school. Before the fortieth day, one hundredth day or two hundredth
42 day in session, as applicable, the state board of education, the state board
43 for charter schools, the sponsoring university, the sponsoring community
44 college district or the sponsoring group of community college districts may
45 require a charter school to report periodically regarding pupil enrollment
46 and attendance, and the department of education may revise its computation of

1 equalization assistance based on the report. A charter school shall revise
2 its student count, base support level and charter additional assistance
3 before May 15. A charter school that overestimated its student count shall
4 revise its budget before May 15. A charter school that underestimated its
5 student count may revise its budget before May 15.

6 3. A charter school may utilize section 15-855 for the purposes of
7 this section. The charter school and the department of education shall
8 prescribe procedures for determining average daily membership.

9 4. Equalization assistance for the charter school shall be determined
10 by adding the amount of the base support level and charter additional
11 assistance. The amount of the charter additional assistance is one thousand
12 seven hundred ~~thirty-four~~ FIFTY-TWO dollars ~~ninety-two~~ TEN cents per student
13 count in preschool programs for children with disabilities, kindergarten
14 programs and grades one through eight and two thousand ~~twenty-two~~ FORTY-TWO
15 dollars ~~two~~ FOUR cents per student count in grades nine through twelve.

16 5. The state board of education shall apportion state aid from the
17 appropriations made for such purposes to the state treasurer for disbursement
18 to the charter schools in each county in an amount as determined by this
19 paragraph. The apportionments shall be made as prescribed in section 15-973,
20 subsection B.

21 6. The charter school shall not charge tuition for pupils who reside
22 in this state, levy taxes or issue bonds. A charter school may admit pupils
23 who are not residents of this state and shall charge tuition for those pupils
24 in the same manner prescribed in section 15-823.

25 7. Not later than noon on the day preceding each apportionment date
26 established by paragraph 5 of this subsection, the superintendent of public
27 instruction shall furnish to the state treasurer an abstract of the
28 apportionment and shall certify the apportionment to the department of
29 administration, which shall draw its warrant in favor of the charter schools
30 for the amount apportioned.

31 C. If a pupil is enrolled in both a charter school and a public school
32 that is not a charter school, the sum of the daily membership, which includes
33 enrollment as prescribed in section 15-901, subsection A, paragraph 1,
34 subdivisions (a) and (b) and daily attendance as prescribed in section
35 15-901, subsection A, paragraph 5, for that pupil in the school district and
36 the charter school shall not exceed 1.0. If a pupil is enrolled in both a
37 charter school and a public school that is not a charter school, the
38 department of education shall direct the average daily membership to the
39 school with the most recent enrollment date. On validation of actual
40 enrollment in both a charter school and a public school that is not a charter
41 school and if the sum of the daily membership or daily attendance for that
42 pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be
43 apportioned between the public school and the charter school based on the
44 percentage of total time that the pupil is enrolled or in attendance in the
45 public school and the charter school. The uniform system of financial

1 records shall include guidelines for the apportionment of the pupil
2 enrollment and attendance as provided in this section.

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

15 1. Equalization assistance shall not be less than zero.

16 2. For a charter school sponsored by the state board of education, the
17 state board for charter schools, a university, a community college district
18 or a group of community college districts, the total of the base support
19 level and the charter additional assistance shall not be less than zero.

20 ~~3. For a charter school sponsored by a school district, the base~~
21 ~~support level for the school district shall not be reduced by more than the~~
22 ~~amount that the charter school increased the district's base support level~~
23 ~~and district additional assistance allocation.~~

24 E. If a charter school was a district public school in the prior year
25 ~~and is now being operated for or by the same school district~~ and sponsored by
26 the state board of education, the state board for charter schools, a
27 university, a community college district, ~~OR~~ a group of community college
28 districts ~~or a school district governing board~~, the reduction in subsection D
29 of this section applies. The reduction to the base support level of the
30 charter school ~~or the sponsoring district of the charter school~~ shall equal
31 the sum of the base support level and the charter additional assistance
32 received in the current year for those pupils who were enrolled in the
33 traditional public school in the prior year and are now enrolled in the
34 charter school in the current year.

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

38 G. At the request of a charter school, the county school
39 superintendent of the county where the charter school is located may provide
40 the same educational services to the charter school as prescribed in section
41 15-308, subsection A. The county school superintendent may charge a fee to
42 recover costs for providing educational services to charter schools.

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

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

14 I. In addition to the withholding of state aid payments pursuant to
15 subsection H of this section, the sponsor of a charter school may impose a
16 civil penalty of one thousand dollars per occurrence if a charter school
17 fails to comply with the fingerprinting requirements prescribed in section
18 15-183, subsection C or section 15-512. The sponsor of a charter school
19 shall not impose a civil penalty if it is the first time that a charter
20 school is out of compliance with the fingerprinting requirements and if the
21 charter school provides proof within forty-eight hours of written
22 notification that an application for the appropriate fingerprint check has
23 been received by the department of public safety. The sponsor of the charter
24 school shall obtain proof that the charter school has been notified, and the
25 notification shall identify the date of the deadline and shall be signed by
26 both parties. The sponsor of a charter school shall automatically impose a
27 civil penalty of one thousand dollars per occurrence if the sponsor
28 determines that the charter school subsequently violates the fingerprinting
29 requirements. Civil penalties pursuant to this subsection shall be assessed
30 by requesting the department of education to reduce the amount of state aid
31 that the charter school would otherwise receive by an amount equal to the
32 civil penalty. The amount of state aid withheld shall revert to the state
33 general fund at the end of the fiscal year.

34 J. A charter school may receive and spend monies distributed by the
35 department of education pursuant to section 42-5029, subsection E and section
36 37-521, subsection B.

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

1 L. Notwithstanding any other law, a university under the jurisdiction
2 of the Arizona board of regents, a community college district or a group of
3 community college districts shall not include any student in the student
4 count of the university, community college district or group of community
5 college districts for state funding purposes if that student is enrolled in
6 and attending a charter school sponsored by the university, community college
7 district or group of community college districts.

8 M. The governing body of a charter school shall transmit a copy of its
9 proposed budget or the summary of the proposed budget and a notice of the
10 public hearing to the department of education for posting on the department
11 of education's website no later than ten days before the hearing and meeting.
12 If the charter school maintains a website, the charter school governing body
13 shall post on its website a copy of its proposed budget or the summary of the
14 proposed budget and a notice of the public hearing.

15 N. The governing body of a charter school shall collaborate with the
16 private organization that is approved by the state board of education
17 pursuant to section 15-792.02 to provide approved board examination systems
18 for the charter school.

19 O. If permitted by federal law, a charter school may opt out of
20 federal grant opportunities if the charter holder or the appropriate
21 governing body of the charter school determines that the federal requirements
22 impose unduly burdensome reporting requirements.

23 P. For the purposes of this section, ~~+~~
24 ~~+~~ "monies intended for the basic maintenance and operations of the
25 school" means monies intended to provide support for the educational program
26 of the school, except that it does not include supplemental assistance for a
27 specific purpose or title VIII of the elementary and secondary education act
28 of 1965 monies. The auditor general shall determine which federal or state
29 monies meet ~~the THIS definition in this paragraph.~~

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

36 Sec. 6. Section 15-187, Arizona Revised Statutes, is amended to read:
37 15-187. Charter schools; teachers; employment benefits

38 A. A teacher who is employed by or teaching at a charter school and
39 who was previously employed as a teacher at a school district shall not lose
40 any right of certification, retirement or salary status or any other benefit
41 provided by law, by the rules of the governing board of the school district
42 or by the rules of the board of directors of the charter school due to
43 teaching at a charter school on the teacher's return to the school district.

44 B. A teacher who is employed by or teaching at a charter school and
45 who submits an employment application to the school district where the
46 teacher was employed immediately before employment by or at a charter school

1 shall be given employment preference by the school district if both of the
2 following conditions are met:

3 1. The teacher submits an employment application to the school
4 district no later than three years after ceasing employment with the school
5 district.

6 2. A suitable position is available at the school district.

7 C. A charter school that is sponsored by ~~a school district governing~~
8 ~~board~~, a university, a community college district, a group of community
9 college districts, the state board of education or the state board for
10 charter schools is eligible to participate in the Arizona state retirement
11 system pursuant to title 38, chapter 5, article 2. The charter school is a
12 political subdivision of this state for purposes of title 38, chapter 5,
13 article 2.

14 D. Notwithstanding any other law, a charter school shall not adopt
15 policies that provide employment retention priority for teachers based on
16 tenure or seniority.

17 Sec. 7. Section 15-217, Arizona Revised Statutes, is amended to read:

18 15-217. K-6 technology-based language development and literacy
19 intervention pilot program; educational technology
20 provider; review; reports; fund

21 A. The state board of education shall develop a two-year pilot program
22 for K-6 technology-based language development and literacy intervention. The
23 state board shall develop application procedures and selection criteria for
24 school districts and charter schools that voluntarily decide to participate
25 in the pilot program.

26 B. The state board shall submit a request for proposals to educational
27 technology providers for the delivery of technology-based language
28 development and literacy intervention software to be made available to all
29 pupils in kindergarten programs and grades one through six who are enrolled
30 in schools that participate in the pilot program and who are identified as
31 English language learners.

32 C. The state board shall establish the format of the applications,
33 application procedures and selection criteria for educational technology
34 providers that wish to submit a proposal for the delivery of K-6
35 technology-based language development and literacy intervention software to
36 be used in the pilot program. The state board shall select and award a
37 contract to one educational technology provider to deliver K-6
38 technology-based language development and literacy intervention software
39 pursuant to this section. The state board shall distribute monies
40 appropriated for this purpose to the selected provider.

41 D. The K-6 technology-based language development and literacy
42 intervention software for English language learners must differentiate
43 instruction for each pupil and meet all of the following requirements:

44 1. Include instruction individualized to teach each pupil the
45 following five strands of literacy:

46 (a) Phonics.

- 1 (b) Phonemic awareness.
- 2 (c) Vocabulary.
- 3 (d) Comprehension.
- 4 (e) Fluency.

5 2. Have components that are created for and aligned to state academic
6 standards. The software must correlate to the Arizona English language
7 proficiency standards.

8 3. Contain internal assessments, checkpoints, tracking and reports for
9 teachers, administrators and parents.

10 4. Be used to address varied learner needs and to assist teachers in
11 tracking pupil growth toward important curricular goals. The software must
12 have tools and off-line resources that enable teachers to more effectively
13 meet the individual needs of each pupil.

14 5. Provide immediate feedback to pupils and provide automatic
15 remediation when needed. The software must provide scaffolding through
16 illustrations, front-loaded vocabulary, audio support, interactive glossary
17 words, instructional feedback, strategic questions and adaptive content that
18 provides extra practice as needed.

19 6. Include grade-appropriate digital books with literature text and
20 informational text. Pupils must be able to practice reading on the computer
21 by recording readings and comparing those readings to the reading model.

22 7. Provide implicit and explicit instruction. The software must teach
23 the core areas of listening and reading comprehension, including intertextual
24 comprehension.

25 8. Teach pupils academic vocabulary using real and virtual experience
26 and visuals to introduce vocabulary. The vocabulary must be related to core
27 content areas and provide additional language development activities for
28 those pupils requiring this assistance.

29 9. Teach basic interpersonal communicative skills and cognitive
30 academic language proficiency and assess a pupil's understanding of each.

31 E. The educational technology provider selected pursuant to subsection
32 C of this section must have experience with large statewide implementations
33 and the ability to support a statewide level of implementation. The provider
34 must submit evidence of pupil progress on an annual basis.

35 F. The joint legislative budget committee shall annually review the
36 results of the delivery of K-6 technology-based language development and
37 literacy intervention for English language learners through software provided
38 pursuant to this section.

39 G. On or before September 15, ~~2015~~ 2017, the state board of education
40 shall submit a progress report on the pilot program to the joint legislative
41 budget committee. On or before September 15, ~~2016~~ 2018, the state board
42 shall submit a report to the governor, the president of the senate and the
43 speaker of the house of representatives regarding the pilot program and
44 delivery of K-6 technology-based language development and literacy
45 intervention for English language learners through software provided pursuant
46 to this section. The report must include a recommendation of whether the

1 legislature should consider expanding the pilot program as a permanent
2 statewide program and information on the number of school districts, charter
3 schools and pupils who participated in the intervention. The state board
4 shall submit a copy of this report to the secretary of state.

5 H. The technology-based language development and literacy intervention
6 fund is established consisting of legislative appropriations and monies
7 transferred into the fund. The department of education shall administer the
8 fund. Monies in the fund are subject to legislative appropriation. Monies
9 in the fund must be used for the K-6 technology-based language development
10 and literacy intervention pilot program established pursuant to this section.
11 Monies in the fund are exempt from the provisions of section 35-190 relating
12 to lapsing of appropriations.

13 Sec. 8. Title 15, chapter 2, article 2, Arizona Revised Statutes, is
14 amended by adding section 15-249.06, to read:

15 15-249.06. College credit by examination incentive program;
16 incentive bonuses; report; program termination

17 A. THE COLLEGE CREDIT BY EXAMINATION INCENTIVE PROGRAM IS ESTABLISHED
18 WITHIN THE DEPARTMENT OF EDUCATION TO PROVIDE AN INCENTIVE BONUS TO TEACHERS,
19 SCHOOL DISTRICTS AND CHARTER SCHOOLS FOR STUDENTS WHO OBTAIN A PASSING SCORE
20 ON A QUALIFYING EXAMINATION FOR COLLEGE CREDIT WHILE IN HIGH SCHOOL.

21 B. THE ARIZONA BOARD OF REGENTS SHALL MAINTAIN A LIST OF QUALIFYING
22 EXAMINATIONS THAT A HIGH SCHOOL STUDENT MAY TAKE IN ORDER TO RECEIVE COLLEGE
23 CREDIT IN MATHEMATICS, ENGLISH LANGUAGE ARTS OR SCIENCE FROM ANY UNIVERSITY
24 UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AND THE PASSING SCORES
25 REQUIRED ON THOSE EXAMINATIONS IN ORDER TO RECEIVE COLLEGE CREDIT. ON OR
26 BEFORE SEPTEMBER 1 OF EACH YEAR, THE ARIZONA BOARD OF REGENTS SHALL PROVIDE
27 THE LIST OF QUALIFYING EXAMINATIONS AND PASSING SCORES TO THE DEPARTMENT OF
28 EDUCATION AND SHALL SUBMIT THIS LIST TO THE JOINT LEGISLATIVE BUDGET
29 COMMITTEE FOR REVIEW.

30 C. BEGINNING IN FISCAL YEAR 2017-2018, THE DEPARTMENT OF EDUCATION
31 SHALL PAY AN INCENTIVE BONUS TO SCHOOL DISTRICTS AND CHARTER SCHOOLS FOR EACH
32 STUDENT IN GRADES NINE THROUGH TWELVE WHO RECEIVES A PASSING SCORE DURING THE
33 PREVIOUS FISCAL YEAR ON A QUALIFYING EXAMINATION IDENTIFIED BY THE ARIZONA
34 BOARD OF REGENTS PURSUANT TO SUBSECTION B OF THIS SECTION. A STUDENT WHO
35 RECEIVES A PASSING SCORE ON A QUALIFYING EXAMINATION AND WHO IS ENROLLED IN A
36 SCHOOL WHERE FIFTY PERCENT OR MORE OF THE STUDENTS ARE ELIGIBLE FOR FREE OR
37 REDUCED PRICE LUNCHES SHALL GENERATE FOR THE SCHOOL DISTRICT OR CHARTER
38 SCHOOL A BONUS OF FOUR HUNDRED FIFTY DOLLARS PER PASSING SCORE ON A
39 QUALIFYING EXAMINATION. A STUDENT WHO RECEIVES A PASSING SCORE ON A
40 QUALIFYING EXAMINATION AND WHO IS ENROLLED IN A SCHOOL WHERE LESS THAN FIFTY
41 PERCENT OF THE STUDENTS ARE ELIGIBLE FOR FREE OR REDUCED PRICE LUNCHES SHALL
42 GENERATE FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL A BONUS OF THREE HUNDRED
43 DOLLARS PER PASSING SCORE ON A QUALIFYING EXAMINATION. IF THE STATEWIDE SUM
44 OF PER STUDENT BONUSES AWARDED PURSUANT TO THIS SUBSECTION EXCEEDS THE AMOUNT
45 OF AVAILABLE MONIES APPROPRIATED FOR INCENTIVE BONUSES, THE BONUS MONIES
46 SHALL BE REDUCED PROPORTIONALLY TO COVER ALL ELIGIBLE BONUS AWARDS.

1 D. A SCHOOL DISTRICT OR CHARTER SCHOOL THAT RECEIVES AN INCENTIVE
2 BONUS PURSUANT TO THIS SECTION SHALL DISTRIBUTE AT LEAST FIFTY PERCENT OF THE
3 BONUS MONIES TO THE ASSOCIATED CLASSROOM TEACHER FOR EACH STUDENT WHO PASSES
4 A QUALIFYING EXAMINATION. BONUS MONIES AWARDED TO A TEACHER PURSUANT TO THIS
5 SUBSECTION SHALL BE IN ADDITION TO ANY REGULAR WAGE, COMPENSATION OR OTHER
6 BONUS THE TEACHER RECEIVES OR IS SCHEDULED TO RECEIVE. THE REMAINDER OF ANY
7 BONUS MONIES RECEIVED BY A SCHOOL DISTRICT OR CHARTER SCHOOL SHALL BE USED
8 FOR TEACHER PROFESSIONAL DEVELOPMENT OR STUDENT INSTRUCTIONAL SUPPORT OR
9 MATERIALS. ANY BONUS MONIES RECEIVED BY A SCHOOL DISTRICT OR CHARTER SCHOOL
10 PURSUANT TO THIS SUBSECTION SHALL BE SEPARATELY ACCOUNTED FOR IN THE SCHOOL
11 DISTRICT'S OR CHARTER SCHOOL'S ANNUAL FINANCIAL REPORT.

12 E. INCENTIVE BONUSES DISTRIBUTED TO AND ANY BONUS MONIES RECEIVED BY A
13 SCHOOL DISTRICT OR CHARTER SCHOOL PURSUANT TO THIS SECTION ARE NOT SUBJECT TO
14 COLLECTIVE BARGAINING.

15 F. ON OR BEFORE DECEMBER 15, 2018 AND ON OR BEFORE DECEMBER 15 OF EACH
16 YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL SUBMIT TO THE PRESIDENT OF
17 THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE GOVERNOR AND THE
18 SECRETARY OF STATE A REPORT ON ALL OF THE FOLLOWING:

19 1. THE NUMBER OF STUDENTS WHO TOOK A QUALIFYING EXAMINATION AT EACH
20 SCHOOL.

21 2. THE NUMBER OF STUDENTS WHO RECEIVED A PASSING SCORE ON A QUALIFYING
22 EXAMINATION AND THE NUMBER OF INCENTIVE BONUS AWARDS DISTRIBUTED.

23 3. THE NUMBER AND TYPES OF QUALIFYING EXAMINATIONS TAKEN BY STUDENTS.

24 G. INCENTIVE BONUSES DISTRIBUTED TO AND ANY BONUS MONIES RECEIVED BY A
25 TEACHER ARE NOT COMPENSATION AS DEFINED IN SECTION 38-711.

26 H. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2026
27 PURSUANT TO SECTION 41-3102.

28 Sec. 9. Section 15-393, Arizona Revised Statutes, is amended to read:

29 15-393. Joint technical education district governing board:
30 report; definitions

31 A. The management and control of the joint district are vested in the
32 joint technical education district governing board, including the content and
33 quality of the courses offered by the district, the quality of teachers who
34 provide instruction on behalf of the district, the salaries of teachers who
35 provide instruction on behalf of the district and the reimbursement of other
36 entities for the facilities used by the district. Unless the governing
37 boards of the school districts participating in the formation of the joint
38 district vote to implement an alternative election system as provided in
39 subsection B of this section, the joint board shall consist of five members
40 elected from five single member districts formed within the joint district.
41 The single member district election system shall be submitted as part of the
42 plan for the joint district pursuant to section 15-392 and shall be
43 established in the plan as follows:

44 1. The governing boards of the school districts participating in the
45 formation of the joint district shall define the boundaries of the single
46 member districts so that the single member districts are as nearly equal in

1 population as is practicable, except that if the joint district lies in part
2 in each of two or more counties, at least one single member district may be
3 entirely within each of the counties comprising the joint district if this
4 district design is consistent with the obligation to equalize the population
5 among single member districts.

6 2. The boundaries of each single member district shall follow election
7 precinct boundary lines, as far as practicable, in order to avoid further
8 segmentation of the precincts.

9 3. A person who is a registered voter of this state and who is a
10 resident of the single member district is eligible for election to the office
11 of joint board member from the single member district. The terms of office
12 of the members of the joint board shall be as prescribed in section 15-427,
13 subsection B. An employee of a joint technical education district or the
14 spouse of an employee shall not hold membership on a governing board of a
15 joint technical education district by which the employee is employed. A
16 member of one school district governing board or joint technical education
17 district governing board is ineligible to be a candidate for nomination or
18 election to or serve simultaneously as a member of any other governing board,
19 except that a member of a governing board may be a candidate for nomination
20 or election for any other governing board if the member is serving in the
21 last year of a term of office. A member of a governing board shall resign
22 the member's seat on the governing board before becoming a candidate for
23 nomination or election to the governing board of any other school district or
24 joint technical education district, unless the member of the governing board
25 is serving in the last year of a term of office.

26 4. Nominating petitions shall be signed by the number of qualified
27 electors of the single member district as provided in section 16-322.

28 B. The governing boards of the school districts participating in the
29 formation of the joint district may vote to implement any other alternative
30 election system for the election of joint district board members. If an
31 alternative election system is selected, it shall be submitted as part of the
32 plan for the joint district pursuant to section 15-392, and the
33 implementation of the system shall be as approved by the United States
34 justice department.

35 C. The joint technical education district shall be subject to the
36 following provisions of this title:

- 37 1. Chapter 1, articles 1 through 6.
- 38 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 39 3. Articles 2, 3 and 5 of this chapter.
- 40 4. Section 15-361.
- 41 5. Chapter 4, articles 1, 2 and 5.
- 42 6. Chapter 5, articles 1, 2 and 3.
- 43 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729
44 and 15-730.
- 45 8. Chapter 7, article 5.
- 46 9. Chapter 8, articles 1, 3 and 4.

1 10. Sections 15-828 and 15-829.

2 11. Chapter 9, article 1, article 6, except for section 15-995, and
3 article 7.

4 12. Sections 15-941, 15-943.01, ~~15-948~~, 15-952, 15-953 and 15-973.

5 13. Sections 15-1101 and 15-1104.

6 14. Chapter 10, articles 2, 3, 4 and 8.

7 D. Notwithstanding subsection C of this section, the following apply
8 to a joint technical education district:

9 1. A joint district may issue bonds for the purposes specified in
10 section 15-1021 and in chapter 4, article 5 of this title to an amount in the
11 aggregate, including the existing indebtedness, not exceeding one percent of
12 the taxable property used for secondary tax purposes, as determined pursuant
13 to title 42, chapter 15, article 1, within the joint technical education
14 district as ascertained by the last property tax assessment previous to
15 issuing the bonds.

16 2. The number of governing board members for a joint district shall be
17 as prescribed in subsection A of this section.

18 3. The student count for the first year of operation of a joint
19 technical education district as provided in this article shall be determined
20 as follows:

21 (a) Determine the estimated student count for joint district classes
22 that will operate in the first year of operation. This estimate shall be
23 based on actual registration of pupils as of March 30 scheduled to attend
24 classes that will be operated by the joint district. The student count for
25 the district of residence of the pupils registered at the joint district
26 shall be adjusted. The adjustment shall cause the district of residence to
27 reduce the student count for the pupil to reflect the courses to be taken at
28 the joint district. The district of residence shall review and approve the
29 adjustment of its own student count as provided in this subdivision before
30 the pupils from the school district can be added to the student count of the
31 joint district.

32 (b) The student count for the new joint district shall be the student
33 count as determined in subdivision (a) of this paragraph.

34 (c) For the first year of operation, the joint district shall revise
35 the student count to the actual average daily membership as prescribed in
36 section 15-901, subsection A, paragraph 1 for students attending classes in
37 the joint district. A joint district shall revise its student count, the
38 base support level as provided in section 15-943.02, the revenue control
39 limit as provided in section 15-944.01 and the district additional assistance
40 as provided in section 15-962.01 prior to May 15. A joint district that
41 overestimated its student count shall revise its budget prior to May 15. A
42 joint district that underestimated its student count may revise its budget
43 prior to May 15.

44 (d) After March 15 of the first year of operation, the district of
45 residence shall adjust its student count by reducing it to reflect the
46 courses actually taken at the joint district. The district of residence

1 shall revise its student count, the base support level as provided in section
2 15-943, the revenue control limit as provided in section 15-944 and the
3 district additional assistance as provided in section 15-962.01 prior to
4 May 15. A district that underestimated the student count for students
5 attending the joint district shall revise its budget prior to May 15. A
6 district that overestimated the student count for students attending the
7 joint district may revise its budget prior to May 15.

8 ~~(e) A joint district for the first year of operation shall not be~~
9 ~~eligible for adjustment pursuant to section 15-948.~~

10 ~~(f)~~ (e) The procedures for implementing this paragraph shall be as
11 prescribed in the uniform system of financial records.

12 ~~(g)~~ (f) Pupils in an approved joint technical education district
13 centralized program may generate an average daily membership of 1.0 during
14 any day of the week and at any time between July 1 and June 30 of each fiscal
15 year.

16 For the purposes of this paragraph, "district of residence" means the
17 district that included the pupil in its average daily membership for the year
18 before the first year of operation of the joint district and that would have
19 included the pupil in its student count for the purposes of computing its
20 base support level for the fiscal year of the first year of operation of the
21 joint district if the pupil had not enrolled in the joint district.

22 4. A student includes any person enrolled in the joint district
23 without regard to the person's age or high school graduation status, except
24 that:

25 (a) A student in a kindergarten program or in grades one through nine
26 who enrolls in courses offered by the joint technical education district
27 shall not be included in the joint district's student count or average daily
28 membership.

29 (b) A student in a kindergarten program or in grades one through nine
30 who is enrolled in career and technical education courses shall not be funded
31 in whole or in part with monies provided by a joint technical education
32 district, except that a pupil in grade eight or nine may be funded with
33 monies generated by the five cent qualifying tax rate authorized in
34 subsection F of this section.

35 (c) Beginning July 1, 2016, a student who has graduated from high
36 school or received a general equivalency diploma or who is over twenty-one
37 years of age shall not be included in the student count of the joint district
38 for the purposes of chapter 9, articles 3, 4 and 5 of this title. ~~A student~~
39 ~~who has yet to graduate or receive a general equivalency diploma and was~~
40 ~~lawfully enrolled in a joint technical education district program on January~~
41 ~~1, 2016 may continue to participate in the program after the effective date~~
42 ~~of this amendment to this section.~~

43 (d) A student who is enrolled in any internship course as part of a
44 joint technical education district program shall not be included in the
45 student count of the joint district for that internship course for the
46 purposes of chapter 9, articles 3, 4 and 5 of this title.

1 5. A joint district may operate for more than one hundred eighty days
2 per year, with expanded hours of service.

3 6. A joint district may use the carryforward provisions of section
4 15-943.01.

5 7. A school district that is part of a joint district shall use any
6 monies received pursuant to this article to supplement and not supplant base
7 year career and technical education courses, and directly related equipment
8 and facilities, except that a school district that is part of a joint
9 technical education district and that has used monies received pursuant to
10 this article to supplant career and technical education courses that were
11 offered before the first year that the school district participated in the
12 joint district or the first year that the school district used monies
13 received pursuant to this article or that used the monies for purposes other
14 than for career and technical education courses shall use one hundred percent
15 of the monies received pursuant to this article to supplement and not
16 supplant base year career and technical education courses.

17 8. A joint technical education district shall use any monies received
18 pursuant to this article to enhance and not supplant career and technical
19 education courses and directly related equipment and facilities.

20 9. A joint technical education district or a school district that is
21 part of a joint district or a charter school shall only include pupils in
22 grades ten through twelve in the calculation of student count or average
23 daily membership if the pupils are enrolled in courses that are approved
24 jointly by the governing board of the joint technical education district and
25 each participating school district or charter school for satellite courses
26 taught within the participating school district or charter school, or
27 approved solely by the joint technical education district for centrally
28 located courses. Student count and average daily membership from courses
29 that are not part of an approved program for career and technical education
30 shall not be included in student count and average daily membership of a
31 joint technical education district.

32 E. The joint board shall appoint a superintendent as the executive
33 officer of the joint district.

34 F. Taxes may be levied for the support of the joint district as
35 prescribed in chapter 9, article 6 of this title, except that a joint
36 technical education district shall not levy a property tax pursuant to law
37 that exceeds five cents per one hundred dollars assessed valuation except for
38 bond monies pursuant to subsection D, paragraph 1 of this section. Except
39 for the taxes levied pursuant to section 15-994, such taxes shall be obtained
40 from a levy of taxes on the taxable property used for secondary tax purposes.

41 G. The schools in the joint district are available to all persons who
42 reside in the joint district and to pupils whose district of residence within
43 this state is paying tuition on behalf of the pupils to a district of
44 attendance that is a member of the joint technical education district,
45 subject to the rules for admission prescribed by the joint board.

1 H. The joint board may collect tuition for adult students and the
2 attendance of pupils who are residents of school districts that are not
3 participating in the joint district pursuant to arrangements made between the
4 governing board of the district and the joint board.

5 I. The joint board may accept gifts, grants, federal monies, tuition
6 and other allocations of monies to erect, repair and equip buildings and for
7 the cost of operation of the schools of the joint district.

8 J. One member of the joint board shall be selected chairman. The
9 chairman shall be selected annually on a rotation basis from among the
10 participating school districts. The chairman of the joint board shall be a
11 voting member.

12 K. A joint board and a community college district may enter into
13 agreements for the provision of administrative, operational and educational
14 services and facilities.

15 L. Beginning July 1, 2016, any agreement between the governing board
16 of a joint technical education district and another joint technical education
17 district, a school district, a charter school or a community college district
18 shall be in the form of an intergovernmental agreement or other written
19 contract. The auditor general shall modify the uniform system of financial
20 records and budget forms in accordance with this subsection. The
21 intergovernmental agreement or other written contract shall completely and
22 accurately specify each of the following:

23 1. The financial provisions of the intergovernmental agreement or
24 other written contract and the format for the billing of all services.

25 2. The accountability provisions of the intergovernmental agreement or
26 other written contract.

27 3. The responsibilities of each joint technical education district,
28 each school district, each charter school and each community college district
29 that is a party to the intergovernmental agreement or other written contract.

30 4. The type of instruction that will be provided under the
31 intergovernmental agreement or other written contract, including
32 individualized education programs pursuant to section 15-763.

33 5. The quality of the instruction that will be provided under the
34 intergovernmental agreement or other written contract.

35 6. The transportation services that will be provided under the
36 intergovernmental agreement or other written contract and the manner in which
37 transportation costs will be paid.

38 7. The amount that the joint technical education district will
39 contribute to a course and the amount of support required by the school
40 district or the community college.

41 8. That the services provided by the joint technical education
42 district, the school district, the charter school or the community college
43 district be proportionally calculated in the cost of delivering the service.

44 9. That the payment for services shall not exceed the cost of the
45 services provided.

46 10. That the joint technical education district will provide the

1 following minimum services for all member districts:

2 (a) Professional development of career and technical teachers in the
3 joint district who are teaching programs or courses at a satellite campus.

4 (b) Ongoing evaluation and support of satellite campus programs and
5 courses to ensure quality and compliance.

6 11. An itemized listing of other goods and services that are provided
7 to the member district and that are paid for by the retention of satellite
8 campus student funding.

9 M. A member school district or charter school may not submit requests
10 for the approval or addition of satellite campus joint district programs or
11 courses directly to the career and technical education division of the
12 department of education, but shall submit all appropriate application
13 documentation and materials for programs or courses to the joint district.
14 On approval from the joint board, a joint district shall only submit requests
15 for the approval or addition of satellite campus joint district programs or
16 courses directly to the career and technical education division of the
17 department of education. If the career and technical education division of
18 the department of education determines that a course does not meet the
19 criteria for approval as a joint technical education course, the governing
20 board of the joint technical education district may appeal this decision to
21 the state board of education acting as the state board of vocational
22 education.

23 N. Notwithstanding any other law, the average daily membership for a
24 pupil who is enrolled in a joint technical education course defined in
25 section 15-391 and who does not meet the criteria specified in subsection P
26 or Q of this section shall be 0.25 for each course, except the sum of the
27 average daily membership shall not exceed the limits prescribed by subsection
28 D, P or Q of this section, as applicable.

29 O. If a career and technical education course or program is provided
30 on a satellite campus, the sum of the average daily membership, as provided
31 in section 15-901, subsection A, paragraph 1, for that pupil in the school
32 district or charter school and joint technical education district shall not
33 exceed 1.25. The school district or charter school and the joint district
34 shall determine the apportionment of the average daily membership for that
35 pupil between the school district or charter school and the joint district.
36 A pupil who attends a course or program at a satellite campus and who is not
37 enrolled in the school district or charter school where the satellite campus
38 is located may generate the average daily membership pursuant to this
39 subsection if the pupil is enrolled in a school district that is a member
40 district in the same joint technical education district.

41 P. The sum of the average daily membership of a pupil who is enrolled
42 in both the school district and joint technical education district course or
43 program provided at a community college pursuant to subsection K of this
44 section or at a centralized campus shall not exceed 1.75. The member school
45 district and the joint district shall determine the apportionment of the
46 average daily membership and student enrollment for that pupil between the

1 member school district and the joint district, except that the amount
2 apportioned shall not exceed 1.0 for either entity. Notwithstanding any
3 other law, the average daily membership for a pupil in grade ten, eleven or
4 twelve who is enrolled in a course that meets for at least one hundred fifty
5 minutes per class period at a centralized campus shall be 0.75. To qualify
6 for funding pursuant to this subsection, a centralized campus shall offer
7 programs and courses to all eligible students in each member district of the
8 joint technical education district.

9 Q. The average daily membership for a pupil in grade ten, eleven or
10 twelve who is enrolled in a course that meets for at least one hundred fifty
11 minutes per class period at a leased centralized campus shall not exceed
12 0.75. The sum of the average daily membership, as provided in section
13 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the
14 school district and in joint technical education district courses provided at
15 a leased centralized campus shall not exceed 1.75 if all of the following
16 conditions are met:

17 1. The course qualifies as a joint technical education course as
18 defined in section 15-391.

19 2. The course is offered to all eligible students in each member
20 district of the joint technical education district and enrolls students from
21 multiple high schools.

22 3. The joint technical education district program in which the course
23 is included addresses a specific industry need and has been developed in
24 cooperation with that industry, or the leased facility is a state or federal
25 asset that would otherwise be unused or underutilized.

26 4. The lease is established at fair market value if the lease is
27 executed for a facility located on the site of a member district and was
28 approved by the joint committee on capital review, except that a lease that
29 was executed or renewed before December 31, 2012 is not subject to approval
30 by the joint committee on capital review.

31 R. A student who is enrolled in an accommodation school as defined in
32 section 15-101 may be treated as a student of the school district in which
33 the student physically resides for the purposes of enrollment in a joint
34 technical education district and shall be included in the calculation of
35 average daily membership for either the joint technical education district or
36 the accommodation school, or both.

37 S. Notwithstanding any other law, the student count for a joint
38 technical education district shall be equivalent to the joint technical
39 education district's average daily membership.

40 T. A school district or charter school may not prohibit or discourage
41 students who are enrolled in that school district or charter school from
42 attending courses offered by a joint technical education district, including
43 requiring students to generate a full 1.0 average daily membership or
44 ~~enrolling~~ **TO ENROLL** in more courses than are needed ~~for a particular student~~
45 to graduate before enrolling **IN** and attending programs or courses offered by
46 a joint district.

1 U. The governing board of the joint technical education district may
2 contract with any charter school that is located within the boundaries of the
3 joint technical education district to allow that charter school to offer
4 career and technical education courses or programs as a satellite campus.

5 V. Beginning in 2020 and every five years thereafter, the career and
6 technical education division of the department of education shall review
7 joint technical education district programs and joint technical education
8 courses to ensure compliance, quality and eligibility. Any program or course
9 deemed to not meet the requirements set forth by law shall not be funded for
10 the preceding school year and shall be removed from the approved program and
11 course list. The career and technical education division may establish a
12 staggered schedule for reviewing each joint technical education district.

13 W. For the purposes of this section:

14 1. "Base year" means the complete school year in which voters of a
15 school district elected to join a joint technical education district.

16 2. "Centralized campus" means a facility that is owned and operated by
17 a joint technical education district for the purpose of offering joint
18 technical education district programs or joint technical education courses.

19 3. "Lease" means a written agreement in which the right of occupancy
20 or use of real property is conveyed from one person or entity to another
21 person or entity for a specified period of time.

22 4. "Leased centralized campus" means a facility that is leased and
23 operated by a joint technical education district for the purpose of offering
24 joint technical education district programs or joint technical education
25 courses.

26 5. "Satellite campus" means a facility that is owned or operated by a
27 school district or charter school for the purpose of offering joint technical
28 education district programs or joint technical education courses.

29 Sec. 10. Section 15-393.01, Arizona Revised Statutes, is amended to
30 read:

31 15-393.01. Joint technical education districts: annual report:
32 performance and accountability

33 A. The department of education shall include each joint technical
34 education district in the department's annual achievement profiles required
35 by section 15-241. Subject to approval by the state board of education, the
36 department of education shall develop specific criteria applicable to joint
37 districts and include joint districts in the letter grade classification
38 system prescribed in section 15-241. The department shall include all of the
39 following performance indicators in the annual achievement profiles and
40 letter grade classification:

41 1. The graduation rate of all students enrolled in a career and
42 technical education program or course.

43 2. The completion rate for each program offered by the joint district.

44 3. Performance on assessments required pursuant to section 15-391,
45 paragraph 5, subdivision (b).

1 4. Postgraduation employment rates for students who complete a career
2 and technical education program.

3 B. A joint district is subject to the performance audits pursuant to
4 section 41-1279.03, subsection A, paragraph 9. The auditor general shall
5 consider the differences and applicable laws for a joint district when
6 conducting a performance audit for a joint district.

7 C. On or before December 31 of each year, the career and technical
8 education division of the department of education shall submit a joint
9 technical education district annual report to the governor, the president of
10 the senate and the speaker of the house of representatives and shall submit a
11 copy of this report to the secretary of state. The career and technical
12 education division of the department of education shall submit a copy of this
13 report to the joint legislative budget committee for review. The annual
14 report shall include the following:

15 1. The average daily membership of each joint district, including the
16 average daily membership of each centralized campus, satellite campus and
17 leased centralized campus as defined in section 15-393.

18 2. The actual student count of each joint district, including the
19 student count of each centralized campus, satellite campus and leased
20 centralized campus as defined in section 15-393.

21 3. The programs and corresponding courses offered by each joint
22 district, including the location of each program and course.

23 4. ~~The student enrollment of each program and corresponding course~~ For
24 each joint district based on program or course location: ~~—~~

25 (a) THE STUDENT ENROLLMENT OF EACH PROGRAM AND CORRESPONDING COURSE.

26 (b) THE PERCENTAGE OF STUDENTS WHO ENROLLED IN THE SECOND YEAR OF EACH
27 PROGRAM AND CORRESPONDING COURSE RELATIVE TO THE NUMBER OF STUDENTS IN THE
28 SAME COHORT WHO ENROLLED IN THE FIRST YEAR OF EACH PROGRAM AND CORRESPONDING
29 COURSE.

30 (c) THE PERCENTAGE OF STUDENTS WHO COMPLETED EACH PROGRAM RELATIVE TO
31 THE NUMBER OF STUDENTS IN THE SAME COHORT WHO BEGAN THE PROGRAM.

32 5. The costs associated with each program offered by the joint
33 district.

34 6. A listing of any programs or courses that were discontinued by
35 review of the career and technical education division pursuant to section
36 15-393, subsection V.

37 7. A listing of any programs or courses that were continued by review
38 of the career and technical education division pursuant to section 15-393,
39 subsection V.

40 8. A listing of any programs or courses that were added by the career
41 and technical education division.

42 9. Any other data or information deemed necessary by the department of
43 education.

44 D. The office of the auditor general, in consultation with the
45 department of education, shall develop and establish uniform cost reporting
46 guidelines, policies and procedures for joint technical education district

1 programs. Any guideline, policy or procedure shall allow for the effective
2 comparison of cost between joint technical education district programs.

3 Sec. 11. Section 15-447.01, Arizona Revised Statutes, is amended to
4 read:

5 15-447.01. Common school districts; offer of instruction in
6 grade nine

7 A. Before a common school district offers instruction in grade nine
8 pursuant to section 15-901, subsection A, paragraph ~~4~~ 3, subdivision (b),
9 the common school district governing board shall:

10 1. Conduct a preliminary vote at a public meeting to consider the
11 question of offering instruction in grade nine.

12 2. Send a letter expressing the common school district's interest in
13 offering instruction in grade nine to the union high school district or the
14 unified school district where a majority of the common school pupils would
15 otherwise enroll in grade nine.

16 3. Hold a public hearing on the issue at least ninety days after the
17 letter of interest is sent as prescribed in paragraph 2 of this subsection.

18 4. Conduct a final vote on the issue of offering instruction in grade
19 nine. The final vote prescribed in this paragraph shall occur no later than
20 January 15 of the school year that precedes the school year in which
21 instruction in grade nine will first be offered and at least thirty days
22 after the public hearing prescribed in paragraph 3 of this subsection.

23 B. Notwithstanding any other law, a common school district that offers
24 instruction in grade nine pursuant to section 15-901, subsection A, paragraph
25 ~~4~~ 3, subdivision (b) may:

26 1. Conduct an election to exceed the revenue control limit as provided
27 in sections 15-481 and 15-482 and use the weighted student count of pupils in
28 grade nine as part of the calculation for the increase in the revenue control
29 limit.

30 ~~2. Use the weighted student count of pupils in grade nine to determine~~
31 ~~equalization assistance for career ladder and optional performance incentive~~
32 ~~programs pursuant to sections 15-918.05 and 15-919.05, as applicable, if the~~
33 ~~common school district currently participates in the career ladder program or~~
34 ~~the optional performance incentive program, or both.~~

35 ~~3.~~ 2. Use the count of pupils in grade nine to determine equalization
36 assistance pursuant to section 15-971.

37 ~~C. Notwithstanding any other law, a common school district that offers~~
38 ~~instruction in grade nine pursuant to section 15-901, subsection A, paragraph~~
39 ~~4, subdivision (b) shall not increase the revenue control limit and district~~
40 ~~support level for the school district for the current year due to growth in~~
41 ~~the grade nine pupil population pursuant to section 15-948.~~

42 ~~D.~~ C. A common school district may not offer instruction in grade
43 nine in a school facility where instruction is provided to pupils in
44 kindergarten programs and grades one through six, or any combination of
45 kindergarten instruction or grades one through six.

46 Sec. 12. Section 15-824, Arizona Revised Statutes, is amended to read:

1 E. If tuition is required to be charged for pupils attending school in
2 a school district other than that of their residence, the tuition shall be
3 determined and paid in the following manner:

4 1. The number of high school pupils for which tuition may be charged
5 to a common school district that is not within a high school district is
6 equal to the average daily membership in the district of attendance from the
7 common school district for the prior fiscal year, except that for the first
8 year in which a common school district not within a high school district
9 stops teaching high school subjects, the district of attendance may charge
10 tuition for the number of pupils ~~which~~ THAT is equal to the average daily
11 membership for high school pupils in the common school district for the prior
12 fiscal year. This number may be adjusted if the common school district
13 increases its revenue control limit and district support level ~~or recomputes~~
14 ~~its revenue control limit as provided in section 15-948.~~

15 2. The tuition for pupils attending school in a school district other
16 than that of their residence, except pupils provided for by section 15-825,
17 subsections B and D and any pupils included in the definition of child with a
18 disability in section 15-761, shall not exceed the cost per student count of
19 the school district attended, as determined for the current school year.
20 Tuition for pupils included in the definition of child with a disability in
21 section 15-761 shall not exceed the actual cost of the school attended for
22 each pupil as determined for the current year. The school district of
23 attendance shall not include in the cost per student count a charge for
24 transportation if no transportation is provided, and the charge for
25 transportation shall not exceed the actual costs of providing transportation
26 for the pupils served, as prescribed in the uniform system of financial
27 records. The school district of attendance shall provide the school district
28 of residence with the final tuition charge for the current year and with an
29 estimate of the budget year's tuition charge by May 1 of the current year.
30 The school district of residence shall pay at least one-fourth of the total
31 amount of the estimated tuition by September 30, December 31 and March 31,
32 and it shall pay the remaining amount it owes after adjustments are made by
33 June 30.

34 3. Notwithstanding paragraph 2 of this subsection and subsection G of
35 this section, if two school districts enter into a voluntary agreement for
36 the payment of tuition, the agreement shall specify the method for computing
37 the tuition amount and the timing of the payments. The agreement shall not
38 be longer than five consecutive years. If two school districts enter into an
39 agreement and choose to renew the agreement, each renewal shall not be longer
40 than five consecutive years. The agreement shall specify that a parent or
41 legal guardian of a pupil affected by a tuition agreement entered pursuant to
42 this section or section 15-816.01 may choose not to send the pupil or pupils
43 to a school district or school that is a party to the agreement.

44 4. Tuition of pupils as provided in section 15-825, subsection D shall
45 not exceed the excess costs for group B children with disabilities minus the
46 amount generated by the equalization base as determined in section 15-971,

1 subsection A for these pupils. A school district may submit to the
2 superintendent of public instruction a record of actual excess costs to
3 educate a group B child with a disability if the costs are higher than the
4 calculated excess costs or if a pupil has been placed in a private school for
5 special education services. The superintendent shall determine if the
6 additional costs will be paid, and if the costs are paid, whether the
7 additional costs will be paid by the state or the resident district.

8 5. The amount received representing contributions to capital outlay as
9 provided in subsection G, paragraph 1, subdivision (b) of this section shall
10 be applied to the capital outlay fund or the debt service fund of the school
11 district.

12 6. The amount received representing contributions to debt service as
13 provided in subsection G, paragraph 1, subdivisions (c) and (d) of this
14 section shall be applied to the debt service fund of the school district if
15 there is one. Otherwise ~~such~~ THE amount shall be credited to the capital
16 outlay fund of the school district.

17 F. A school district may submit to the superintendent of public
18 instruction a record of actual costs paid by the school district to educate a
19 pupil who qualifies for a certificate of educational convenience under
20 section 15-825, subsection B. If the actual costs for that pupil exceed the
21 costs per student count computed pursuant to subsection G of this section,
22 the superintendent of public instruction shall reimburse the school district
23 for these additional costs subject to legislative appropriation.

24 G. For the purposes of this section:

25 1. "Costs per student count" means the sum of the following for the
26 common or high school portion of the school district attended, whichever is
27 applicable to the pupil involved, as prescribed in the uniform system of
28 financial records:

29 (a) The actual school district expenditures for the regular education
30 program subsection of the maintenance and operation section of the budget
31 divided by the school district's student count for the common or high school
32 portion of the school district, whichever is applicable.

33 (b) The actual school district expenditures for the capital outlay
34 section of the budget as provided in sections 15-903 and 15-905 excluding
35 expenditures for transportation equipment and buildings if no transportation
36 is provided and expenditures for the acquisition of building sites, divided
37 by the school district's student count for the common or high school portion
38 of the school district, whichever is applicable.

39 (c) The actual school district expenditures for debt service divided
40 by the school district's student count for the common or high school portion
41 of the school district, whichever is applicable.

42 (d) The result obtained in subdivision (c) of this paragraph shall not
43 exceed:

44 (i) Seven hundred fifty dollars if the pupil's school district of
45 residence pays tuition for seven hundred fifty or fewer pupils to other
46 school districts or one hundred fifty dollars if the state pays tuition for

1 seven hundred fifty or fewer pupils to a school district pursuant to section
2 15-825, subsection D or section 15-976.

3 (ii) Eight hundred dollars if the pupil's school district of residence
4 pays tuition for one thousand or fewer, but more than seven hundred fifty,
5 pupils to other school districts or two hundred dollars if the state pays
6 tuition for one thousand or fewer, but more than seven hundred fifty, pupils
7 to a school district pursuant to section 15-825, subsection D or section
8 15-976.

9 (iii) The actual cost per student count if either the pupil's school
10 district of residence or the state pays tuition for more than one thousand
11 pupils to other school districts.

12 2. "Legal custody" means:

13 (a) Custody exercised by the natural or adoptive parents with whom a
14 pupil resides.

15 (b) Custody granted by order of a court of competent jurisdiction to a
16 person or persons with whom a pupil resides unless the primary purpose for
17 which custody was requested was to circumvent the payment of tuition as
18 provided in this section.

19 Sec. 13. Section 15-901, Arizona Revised Statutes, as amended by Laws
20 2015, chapter 15, section 4, is amended to read:

21 15-901. Definitions

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

23 1. "Average daily membership" means the total enrollment of fractional
24 students and full-time students, minus withdrawals, of each school day
25 through the first one hundred days or two hundred days in session, as
26 applicable, for the current year. Withdrawals include students WHO ARE
27 formally withdrawn from schools and students WHO ARE absent for ten
28 consecutive school days, except for excused absences identified by the
29 department of education. For the purposes of this section, school districts
30 and charter schools shall report student absence data to the department of
31 education at least once every sixty days in session. For computation
32 purposes, the effective date of withdrawal shall be retroactive to the last
33 day of actual attendance of the student or excused absence.

34 (a) "Fractional student" means:

35 (i) For common schools, a preschool child who is enrolled in a program
36 for preschool children with disabilities of at least three hundred sixty
37 minutes each week that meets at least two hundred sixteen hours over the
38 minimum number of days or a kindergarten student who is at least five years
39 of age before January 1 of the school year and enrolled in a school
40 kindergarten program that meets at least three hundred fifty-six hours for a
41 one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours
42 prescribed in this section. Lunch periods and recess periods may not be
43 included as part of the instructional hours unless the child's individualized
44 education program requires instruction during those periods and the specific
45 reasons for such instruction are fully documented. In computing the average
46 daily membership, preschool children with disabilities and kindergarten

1 students shall be counted as one-half of a full-time student. For common
2 schools, a part-time student is a student enrolled for less than the total
3 time for a full-time student as defined in this section. A part-time common
4 school student shall be counted as one-fourth, one-half or three-fourths of a
5 full-time student if the student is enrolled in an instructional program that
6 is at least one-fourth, one-half or three-fourths of the time a full-time
7 student is enrolled as defined in subdivision (b) of this paragraph.

8 (ii) For high schools, a part-time student who is enrolled in less
9 than four subjects that count toward graduation as defined by the state board
10 of education, each of which, if taught each school day for the minimum number
11 of days required in a school year, would meet a minimum of one hundred
12 twenty-three hours a year, or the equivalent, in a recognized high school.
13 The average daily membership of a part-time high school student shall be 0.75
14 if the student is enrolled in an instructional program of three subjects that
15 meet at least five hundred forty hours for a one hundred ~~eighty-day~~
16 EIGHTY-DAY school year, or the instructional hours prescribed in this
17 section. The average daily membership of a part-time high school student
18 shall be 0.5 if the student is enrolled in an instructional program of two
19 subjects that meet at least three hundred sixty hours for a one hundred
20 ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in
21 this section. The average daily membership of a part-time high school
22 student shall be 0.25 if the student is enrolled in an instructional program
23 of one subject that meets at least one hundred eighty hours for a one hundred
24 ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in
25 this section.

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

27 (i) For common schools, a student who is at least six years of age
28 before January 1 of a school year, who has not graduated from the highest
29 grade taught in the school district and who is regularly enrolled in a course
30 of study required by the state board of education. First, second and third
31 grade students or ungraded group B children with disabilities who are at
32 least five, but under six, years of age by September 1 must be enrolled in an
33 instructional program that meets for a total of at least seven hundred twelve
34 hours for a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the
35 instructional hours prescribed in this section. Fourth, fifth and sixth
36 grade students must be enrolled in an instructional program that meets for a
37 total of at least eight hundred ninety hours for a one hundred ~~eighty-day~~
38 EIGHTY-DAY school year, or the instructional hours prescribed in this
39 section. Seventh and eighth grade students must be enrolled in an
40 instructional program that meets for at least one thousand hours. Lunch
41 periods and recess periods may not be included as part of the instructional
42 hours unless the student is a child with a disability and the child's
43 individualized education program requires instruction during those periods
44 and the specific reasons for such instruction are fully documented.

45 (ii) For high schools, a student WHO HAS not graduated from the
46 highest grade taught in the school district and WHO IS enrolled in at least

1 an instructional program of four or more subjects that count toward
2 graduation as defined by the state board of education, each of which, if
3 taught each school day for the minimum number of days required in a school
4 year, would meet a minimum of one hundred twenty-three hours a year, or the
5 equivalent, that meets for a total of at least seven hundred twenty hours for
6 a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours
7 prescribed in this section in a recognized high school. A full-time student
8 shall not be counted more than once for computation of average daily
9 membership. The average daily membership of a full-time high school student
10 shall be 1.0 if the student is enrolled in at least four subjects that meet
11 at least seven hundred twenty hours for a one hundred ~~eighty-day~~ EIGHTY-DAY
12 school year, or the equivalent instructional hours prescribed in this
13 section.

14 (iii) If a child who has not reached five years of age before
15 September 1 of the current school year is admitted to kindergarten and
16 repeats kindergarten in the following school year, a school district or
17 charter school is not eligible to receive basic state aid on behalf of that
18 child during the child's second year of kindergarten. If a child who has not
19 reached five years of age before September 1 of the current school year is
20 admitted to kindergarten but does not remain enrolled, a school district or
21 charter school may receive a portion of basic state aid on behalf of that
22 child in the subsequent year. A school district or charter school may charge
23 tuition for any child who is ineligible for basic state aid pursuant to this
24 item.

25 (iv) Except as otherwise provided by law, for a full-time high school
26 student who is concurrently enrolled in two school districts or two charter
27 schools, the average daily membership shall not exceed 1.0.

28 (v) Except as otherwise provided by law, for any student who is
29 concurrently enrolled in a school district and a charter school, the average
30 daily membership shall be apportioned between the school district and the
31 charter school and shall not exceed 1.0. The apportionment shall be based on
32 the percentage of total time that the student is enrolled in or in attendance
33 at the school district and the charter school.

34 (vi) Except as otherwise provided by law, for any student who is
35 concurrently enrolled, pursuant to section 15-808, in a school district and
36 Arizona online instruction or a charter school and Arizona online
37 instruction, the average daily membership shall be apportioned between the
38 school district and Arizona online instruction or the charter school and
39 Arizona online instruction and shall not exceed 1.0. The apportionment shall
40 be based on the percentage of total time that the student is enrolled in or
41 in attendance at the school district and Arizona online instruction or the
42 charter school and Arizona online instruction.

43 (vii) For homebound or hospitalized, a student receiving at least four
44 hours of instruction per week.

45 2. "Budget year" means the fiscal year for which the school district
46 is budgeting and that immediately follows the current year.

1 3. "Common school district" means a political subdivision of this
2 state offering instruction to students in programs for preschool children
3 with disabilities and kindergarten programs and either:

4 (a) Grades one through eight.

5 (b) Grades one through nine pursuant to section 15-447.01.

6 4. "Current year" means the fiscal year in which a school district is
7 operating.

8 5. "Daily attendance" means:

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

10 (i) Of a kindergarten program or ungraded, but not group B children
11 with disabilities, ~~and~~ WHO IS at least five, but under six, years of age by
12 September 1 attends at least three-quarters of the instructional time
13 scheduled for the day. If the total instruction time scheduled for the year
14 is at least three hundred fifty-six hours but is less than seven hundred
15 twelve hours, such attendance shall be counted as one-half day of attendance.
16 If the instructional time scheduled for the year is at least six hundred
17 ninety-two hours, "daily attendance" means days in which a pupil attends at
18 least one-half of the instructional time scheduled for the day. Such
19 attendance shall be counted as one-half day of attendance.

20 (ii) Of the first, second or third grades attends more than
21 three-quarters of the instructional time scheduled for the day.

22 (iii) Of the fourth, fifth or sixth grades attends more than
23 three-quarters of the instructional time scheduled for the day, except as
24 provided in section 15-797.

25 (iv) Of the seventh or eighth grades attends more than three-quarters
26 of the instructional time scheduled for the day, except as provided in
27 section 15-797.

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

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

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

40 (c) For common schools, the attendance of a preschool child with
41 disabilities shall be counted as one-fourth day's attendance for each
42 thirty-six minutes of attendance not including lunch periods and recess
43 periods, except as provided in paragraph 1, subdivision (a), item (i) of this
44 subsection for children with disabilities up to a maximum of three hundred
45 sixty minutes each week.

1 (d) For high schools, the attendance of a pupil shall not be counted
2 as a full day unless the pupil is actually and physically in attendance and
3 enrolled in and carrying four subjects, each of which, if taught each school
4 day for the minimum number of days required in a school year, would meet a
5 minimum of one hundred twenty-three hours a year, or the equivalent, that
6 count toward graduation in a recognized high school except as provided in
7 section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil
8 carrying less than the load prescribed shall be prorated.

9 (e) For high schools, the attendance of a pupil may be counted as
10 one-fourth of a day's attendance for each sixty minutes of instructional time
11 in a subject that counts toward graduation, except that attendance for a
12 pupil shall not exceed the pupil's full or fractional membership.

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

16 (g) For school districts that maintain school for an approved
17 year-round school year operation, attendance shall be based on a computation,
18 as prescribed by the superintendent of public instruction, of the one hundred
19 eighty days' equivalency or two hundred days' equivalency, as applicable, of
20 instructional time as approved by the superintendent of public instruction
21 during which each pupil is enrolled.

22 6. "Daily route mileage" means the sum of:

23 (a) The total number of miles driven daily by all buses of a school
24 district while transporting eligible students from their residence to the
25 school of attendance and from the school of attendance to their residence on
26 scheduled routes approved by the superintendent of public instruction.

27 (b) The total number of miles driven daily on routes approved by the
28 superintendent of public instruction for which a private party, a political
29 subdivision or a common or a contract carrier is reimbursed for bringing an
30 eligible student from the place of ~~his~~ THE STUDENT'S residence to a school
31 transportation pickup point or to the school of attendance and from the
32 school transportation scheduled return point or from the school of attendance
33 to ~~his~~ THE STUDENT'S residence. Daily route mileage includes the total
34 number of miles necessary to drive to transport eligible students from and to
35 their residence as provided in this paragraph.

36 7. "District support level" means the base support level plus the
37 transportation support level.

38 8. "Eligible students" means:

39 (a) Students who are transported by or for a school district and who
40 qualify as full-time students or fractional students, except students for
41 whom transportation is paid by another school district or a county school
42 superintendent, and:

43 (i) For common school students, whose place of actual residence within
44 the school district is more than one mile from the school facility of
45 attendance or students who are admitted pursuant to section 15-816.01 and who
46 meet the economic eligibility requirements established under the national

1 school lunch and child nutrition acts (42 United States Code sections 1751
2 through 1785) for free or reduced price lunches and whose actual place of
3 residence outside the school district boundaries is more than one mile from
4 the school facility of attendance.

5 (ii) For high school students, whose place of actual residence within
6 the school district is more than one and one-half miles from the school
7 facility of attendance or students who are admitted pursuant to section
8 15-816.01 and who meet the economic eligibility requirements established
9 under the national school lunch and child nutrition acts (42 United States
10 Code sections 1751 through 1785) for free or reduced price lunches and whose
11 actual place of residence outside the school district boundaries is more than
12 one and one-half miles from the school facility of attendance.

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

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

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

25 9. "Enrolled" or "enrollment" means ~~when~~ THAT a pupil is currently
26 registered in the school district.

27 10. "GDP price deflator" means the average of the four implicit price
28 deflators for the gross domestic product reported by the United States
29 department of commerce for the four quarters of the calendar year.

30 11. "High school district" means a political subdivision of this state
31 offering instruction to students for grades nine through twelve or that
32 portion of the budget of a common school district that is allocated to
33 teaching high school subjects with permission of the state board of
34 education.

35 12. "Revenue control limit" means the base revenue control limit plus
36 the transportation revenue control limit.

37 13. "Student count" means ~~+-~~

38 ~~(a) Through June 30, 2016,~~ average daily membership as prescribed in
39 this subsection for the fiscal year before the current year, except that for
40 the purpose of budget preparation student count means average daily
41 membership as prescribed in this subsection for the current year.

42 ~~(b) Beginning July 1, 2016, average daily membership as prescribed in~~
43 ~~this subsection for the current year.~~

44 14. "Submit electronically" means submitted in a format and in a
45 manner prescribed by the department of education.

- 1 15. "Total bus mileage" means the total number of miles driven by all
2 buses of a school district during the school year.
- 3 16. "Total students transported" means all eligible students
4 transported from their place of residence to a school transportation pickup
5 point or to the school of attendance and from the school of attendance or
6 from the school transportation scheduled return point to their place of
7 residence.
- 8 17. "Unified school district" means a political subdivision of ~~the~~ THIS
9 state offering instruction to students in programs for preschool children
10 with disabilities and kindergarten programs and grades one through twelve.
- 11 B. In this title, unless the context otherwise requires:
- 12 1. "Base" means the revenue level per student count specified by the
13 legislature.
- 14 2. "Base level" means the following amounts plus the percentage
15 increases to the base level as provided in sections 15-902.04, ~~15-918.04,~~
16 ~~15-919.04~~ and 15-952, except that if a school district or charter school is
17 eligible for an increase in the base level as provided in two or more of
18 these sections, the base level amount shall be calculated by compounding
19 rather than adding the sum of one plus the percentage of the increase from
20 those different sections:
- 21 (a) For fiscal year 2007-2008, three thousand two hundred twenty-six
22 dollars eighty-eight cents.
- 23 (b) For fiscal year 2008-2009, three thousand two hundred ninety-one
24 dollars forty-two cents.
- 25 (c) For fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013,
26 three thousand two hundred sixty-seven dollars seventy-two cents.
- 27 (d) For fiscal year 2013-2014, three thousand three hundred twenty-six
28 dollars fifty-four cents.
- 29 (e) For fiscal year 2014-2015, three thousand three hundred
30 seventy-three dollars eleven cents.
- 31 (f) For fiscal year 2015-2016, three thousand four hundred twenty-six
32 dollars seventy-four cents.
- 33 (g) FOR FISCAL YEAR 2016-2017, THREE THOUSAND FOUR HUNDRED SIXTY
34 DOLLARS SIXTY-SIX CENTS.
- 35 3. "Base revenue control limit" means the base revenue control limit
36 computed as provided in section 15-944.
- 37 4. "Base support level" means the base support level as provided in
38 section 15-943.
- 39 5. "Certified teacher" means a person who is certified as a teacher
40 pursuant to the rules adopted by the state board of education, who renders
41 direct and personal services to ~~school children~~ SCHOOLCHILDREN in the form of
42 instruction related to the school district's educational course of study and
43 who is paid from the maintenance and operation section of the budget.
- 44 6. "DD" means programs for children with developmental delays who are
45 at least three years of age but under ten years of age. A preschool child

1 who is categorized under this paragraph is not eligible to receive funding
2 pursuant to section 15-943, paragraph 2, subdivision (b).

3 7. "ED, MIID, SLD, SLI and OHI" means programs for children with
4 emotional disabilities, mild intellectual disabilities, a specific learning
5 disability, a speech/language impairment and other health impairments. A
6 preschool child who is categorized as SLI under this paragraph is not
7 eligible to receive funding pursuant to section 15-943, paragraph 2,
8 subdivision (b).

9 8. "ED-P" means programs for children with emotional disabilities who
10 are enrolled in private special education programs as prescribed in section
11 15-765, subsection D, paragraph 1 or in an intensive school district program
12 as provided in section 15-765, subsection D, paragraph 2.

13 9. "ELL" means English learners who do not speak English or whose
14 native language is not English, who are not currently able to perform
15 ordinary classroom work in English and who are enrolled in an English
16 language education program pursuant to sections 15-751, 15-752 and 15-753.

17 10. "Full-time equivalent certified teacher" or "FTE certified
18 teacher" 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 11. "Group A" means educational programs for career exploration, a
25 specific learning disability, an emotional disability, a mild intellectual
26 disability, remedial education, a speech/language impairment, developmental
27 delay, homebound, bilingual, other health impairments and gifted pupils.

28 12. "Group B" means educational improvements for pupils in
29 kindergarten programs and grades one through three, educational programs for
30 autism, a hearing impairment, a moderate intellectual disability, multiple
31 disabilities, multiple disabilities with severe sensory impairment,
32 orthopedic impairments, preschool severe delay, a severe intellectual
33 disability and emotional disabilities for school age pupils enrolled in
34 private special education programs or in school district programs for
35 children with severe disabilities or visual impairment and English learners
36 enrolled in a program to promote English language proficiency pursuant to
37 section 15-752.

38 13. "HI" means programs for pupils with hearing impairment.

39 14. "Homebound" or "hospitalized" means a pupil who is capable of
40 profiting from academic instruction but is unable to attend school due to
41 illness, disease, accident or other health conditions, who has been examined
42 by a competent medical doctor and who is certified by that doctor as being
43 unable to attend regular classes for a period of not less than three school
44 months or a pupil who is capable of profiting from academic instruction but
45 is unable to attend school regularly due to chronic or acute health problems,
46 who has been examined by a competent medical doctor and who is certified by

1 that doctor as being unable to attend regular classes for intermittent
2 periods of time totaling three school months during a school year. The
3 medical certification shall state the general medical condition, such as
4 illness, disease or chronic health condition, that is the reason that the
5 pupil is unable to attend school. Homebound or hospitalized includes a
6 student who is unable to attend school for a period of less than three months
7 due to a pregnancy if a competent medical doctor, after an examination,
8 certifies that the student is unable to attend regular classes due to risk to
9 the pregnancy or to the student's health.

10 15. "K-3" means kindergarten programs and grades one through three.

11 16. "K-3 reading" means reading programs for pupils in kindergarten
12 programs and grades one, two and three.

13 17. "MD-R, A-R and SID-R" means resource programs for pupils with
14 multiple disabilities, autism and severe intellectual disability.

15 18. "MD-SC, A-SC and SID-SC" means self-contained programs for pupils
16 with multiple disabilities, autism and severe intellectual disability.

17 19. "MD-SSI" means a program for pupils with multiple disabilities
18 with severe sensory impairment.

19 20. "MOID" means programs for pupils with moderate intellectual
20 disability.

21 21. "OI-R" means a resource program for pupils with orthopedic
22 impairments.

23 22. "OI-SC" means a self-contained program for pupils with orthopedic
24 impairments.

25 23. "PSD" means preschool programs for children with disabilities as
26 provided in section 15-771.

27 24. "P-SD" means programs for children who meet the definition of
28 preschool severe delay as provided in section 15-771.

29 25. "Qualifying tax rate" means the qualifying tax rate specified in
30 section 15-971 applied to the assessed valuation used for primary property
31 taxes.

32 26. "Small isolated school district" means a school district that
33 meets all of the following:

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

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

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

43 27. "Small school district" means a school district that meets all of
44 the following:

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

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

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

6 28. "Transportation revenue control limit" means the transportation
7 revenue control limit computed as prescribed in section 15-946.

8 29. "Transportation support level" means the support level for pupil
9 transportation operating expenses as provided in section 15-945.

10 30. "VI" means programs for pupils with visual impairments.

11 ~~31. "Voc. Ed." means career and technical education and vocational~~
12 ~~education programs, as defined in section 15-781.~~

13 Sec. 14. Section 15-901, Arizona Revised Statutes, as amended by Laws
14 2015, first special session, chapter 1, section 1, is amended to read:

15 15-901. Definitions

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

17 1. "Average daily membership" means the total enrollment of fractional
18 students and full-time students, minus withdrawals, of each school day
19 through the first one hundred days or two hundred days in session, as
20 applicable, for the current year. Withdrawals include students WHO ARE
21 formally withdrawn from schools and students WHO ARE absent for ten
22 consecutive school days, except for excused absences identified by the
23 department of education. For the purposes of this section, school districts
24 and charter schools shall report student absence data to the department of
25 education at least once every sixty days in session. For computation
26 purposes, the effective date of withdrawal shall be retroactive to the last
27 day of actual attendance of the student or excused absence.

28 (a) "Fractional student" means:

29 (i) For common schools, a preschool child who is enrolled in a program
30 for preschool children with disabilities of at least three hundred sixty
31 minutes each week that meets at least two hundred sixteen hours over the
32 minimum number of days or a kindergarten student who is at least five years
33 of age before January 1 of the school year and enrolled in a school
34 kindergarten program that meets at least three hundred fifty-six hours for a
35 one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours
36 prescribed in this section. Lunch periods and recess periods may not be
37 included as part of the instructional hours unless the child's individualized
38 education program requires instruction during those periods and the specific
39 reasons for such instruction are fully documented. In computing the average
40 daily membership, preschool children with disabilities and kindergarten
41 students shall be counted as one-half of a full-time student. For common
42 schools, a part-time student is a student enrolled for less than the total
43 time for a full-time student as defined in this section. A part-time common
44 school student shall be counted as one-fourth, one-half or three-fourths of a
45 full-time student if the student is enrolled in an instructional program that

1 is at least one-fourth, one-half or three-fourths of the time a full-time
2 student is enrolled as defined in subdivision (b) of this paragraph.

3 (ii) For high schools, a part-time student who is enrolled in less
4 than four subjects that count toward graduation as defined by the state board
5 of education, each of which, if taught each school day for the minimum number
6 of days required in a school year, would meet a minimum of one hundred
7 twenty-three hours a year, or the equivalent, in a recognized high school.
8 The average daily membership of a part-time high school student shall be 0.75
9 if the student is enrolled in an instructional program of three subjects that
10 meet at least five hundred forty hours for a one hundred ~~eighty-day~~
11 EIGHTY-DAY school year, or the instructional hours prescribed in this
12 section. The average daily membership of a part-time high school student
13 shall be 0.5 if the student is enrolled in an instructional program of two
14 subjects that meet at least three hundred sixty hours for a one hundred
15 ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in
16 this section. The average daily membership of a part-time high school
17 student shall be 0.25 if the student is enrolled in an instructional program
18 of one subject that meets at least one hundred eighty hours for a one hundred
19 ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in
20 this section.

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

22 (i) For common schools, a student who is at least six years of age
23 before January 1 of a school year, who has not graduated from the highest
24 grade taught in the school district and who is regularly enrolled in a course
25 of study required by the state board of education. First, second and third
26 grade students or ungraded group B children with disabilities who are at
27 least five, but under six, years of age by September 1 must be enrolled in an
28 instructional program that meets for a total of at least seven hundred twelve
29 hours for a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the
30 instructional hours prescribed in this section. Fourth, fifth and sixth
31 grade students must be enrolled in an instructional program that meets for a
32 total of at least eight hundred ninety hours for a one hundred ~~eighty-day~~
33 EIGHTY-DAY school year, or the instructional hours prescribed in this
34 section. Seventh and eighth grade students must be enrolled in an
35 instructional program that meets for at least one thousand hours. Lunch
36 periods and recess periods may not be included as part of the instructional
37 hours unless the student is a child with a disability and the child's
38 individualized education program requires instruction during those periods
39 and the specific reasons for such instruction are fully documented.

40 (ii) For high schools, a student WHO HAS not graduated from the
41 highest grade taught in the school district and WHO IS enrolled in at least
42 an instructional program of four or more subjects that count toward
43 graduation as defined by the state board of education, each of which, if
44 taught each school day for the minimum number of days required in a school
45 year, would meet a minimum of one hundred twenty-three hours a year, or the
46 equivalent, that meets for a total of at least seven hundred twenty hours for

1 a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours
2 prescribed in this section in a recognized high school. A full-time student
3 shall not be counted more than once for computation of average daily
4 membership. The average daily membership of a full-time high school student
5 shall be 1.0 if the student is enrolled in at least four subjects that meet
6 at least seven hundred twenty hours for a one hundred ~~eighty-day~~ EIGHTY-DAY
7 school year, or the equivalent instructional hours prescribed in this
8 section.

9 (iii) If a child who has not reached five years of age before
10 September 1 of the current school year is admitted to kindergarten and
11 repeats kindergarten in the following school year, a school district or
12 charter school is not eligible to receive basic state aid on behalf of that
13 child during the child's second year of kindergarten. If a child who has not
14 reached five years of age before September 1 of the current school year is
15 admitted to kindergarten but does not remain enrolled, a school district or
16 charter school may receive a portion of basic state aid on behalf of that
17 child in the subsequent year. A school district or charter school may charge
18 tuition for any child who is ineligible for basic state aid pursuant to this
19 item.

20 (iv) Except as otherwise provided by law, for a full-time high school
21 student who is concurrently enrolled in two school districts or two charter
22 schools, the average daily membership shall not exceed 1.0.

23 (v) Except as otherwise provided by law, for any student who is
24 concurrently enrolled in a school district and a charter school, the average
25 daily membership shall be apportioned between the school district and the
26 charter school and shall not exceed 1.0. The apportionment shall be based on
27 the percentage of total time that the student is enrolled in or in attendance
28 at the school district and the charter school.

29 (vi) Except as otherwise provided by law, for any student who is
30 concurrently enrolled, pursuant to section 15-808, in a school district and
31 Arizona online instruction or a charter school and Arizona online
32 instruction, the average daily membership shall be apportioned between the
33 school district and Arizona online instruction or the charter school and
34 Arizona online instruction and shall not exceed 1.0. The apportionment shall
35 be based on the percentage of total time that the student is enrolled in or
36 in attendance at the school district and Arizona online instruction or the
37 charter school and Arizona online instruction.

38 (vii) For homebound or hospitalized, a student receiving at least four
39 hours of instruction per week.

40 2. "Budget year" means the fiscal year for which the school district
41 is budgeting and that immediately follows the current year.

42 3. "Common school district" means a political subdivision of this
43 state offering instruction to students in programs for preschool children
44 with disabilities and kindergarten programs and either:

45 (a) Grades one through eight.

46 (b) Grades one through nine pursuant to section 15-447.01.

1 4. "Current year" means the fiscal year in which a school district is
2 operating.

3 5. "Daily attendance" means:

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

5 (i) Of a kindergarten program or ungraded, but not group B children
6 with disabilities, ~~and~~ WHO IS at least five, but under six, years of age by
7 September 1 attends at least three-quarters of the instructional time
8 scheduled for the day. If the total instruction time scheduled for the year
9 is at least three hundred fifty-six hours but is less than seven hundred
10 twelve hours, such attendance shall be counted as one-half day of attendance.
11 If the instructional time scheduled for the year is at least six hundred
12 ninety-two hours, "daily attendance" means days in which a pupil attends at
13 least one-half of the instructional time scheduled for the day. Such
14 attendance shall be counted as one-half day of attendance.

15 (ii) Of the first, second or third grades attends more than
16 three-quarters of the instructional time scheduled for the day.

17 (iii) Of the fourth, fifth or sixth grades attends more than
18 three-quarters of the instructional time scheduled for the day, except as
19 provided in section 15-797.

20 (iv) Of the seventh or eighth grades attends more than three-quarters
21 of the instructional time scheduled for the day, except as provided in
22 section 15-797.

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

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

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

35 (c) For common schools, the attendance of a preschool child with
36 disabilities shall be counted as one-fourth day's attendance for each
37 thirty-six minutes of attendance not including lunch periods and recess
38 periods, except as provided in paragraph 1, subdivision (a), item (i) of this
39 subsection for children with disabilities up to a maximum of three hundred
40 sixty minutes each week.

41 (d) For high schools, the attendance of a pupil shall not be counted
42 as a full day unless the pupil is actually and physically in attendance and
43 enrolled in and carrying four subjects, each of which, if taught each school
44 day for the minimum number of days required in a school year, would meet a
45 minimum of one hundred twenty-three hours a year, or the equivalent, that
46 count toward graduation in a recognized high school except as provided in

1 section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil
2 carrying less than the load prescribed shall be prorated.

3 (e) For high schools, the attendance of a pupil may be counted as
4 one-fourth of a day's attendance for each sixty minutes of instructional time
5 in a subject that counts toward graduation, except that attendance for a
6 pupil shall not exceed the pupil's full or fractional membership.

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

10 (g) For school districts that maintain school for an approved
11 year-round school year operation, attendance shall be based on a computation,
12 as prescribed by the superintendent of public instruction, of the one hundred
13 eighty days' equivalency or two hundred days' equivalency, as applicable, of
14 instructional time as approved by the superintendent of public instruction
15 during which each pupil is enrolled.

16 6. "Daily route mileage" means the sum of:

17 (a) The total number of miles driven daily by all buses of a school
18 district while transporting eligible students from their residence to the
19 school of attendance and from the school of attendance to their residence on
20 scheduled routes approved by the superintendent of public instruction.

21 (b) The total number of miles driven daily on routes approved by the
22 superintendent of public instruction for which a private party, a political
23 subdivision or a common or a contract carrier is reimbursed for bringing an
24 eligible student from the place of ~~his~~ THE STUDENT'S residence to a school
25 transportation pickup point or to the school of attendance and from the
26 school transportation scheduled return point or from the school of attendance
27 to ~~his~~ THE STUDENT'S residence. Daily route mileage includes the total
28 number of miles necessary to drive to transport eligible students from and to
29 their residence as provided in this paragraph.

30 7. "District support level" means the base support level plus the
31 transportation support level.

32 8. "Eligible students" means:

33 (a) Students who are transported by or for a school district and who
34 qualify as full-time students or fractional students, except students for
35 whom transportation is paid by another school district or a county school
36 superintendent, and:

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

45 (ii) For high school students, whose place of actual residence within
46 the school district is more than one and one-half miles from the school

1 facility of attendance or students who are admitted pursuant to section
2 15-816.01 and who meet the economic eligibility requirements established
3 under the national school lunch and child nutrition acts (42 United States
4 Code sections 1751 through 1785) for free or reduced price lunches and whose
5 actual place of residence outside the school district boundaries is more than
6 one and one-half miles from the school facility of attendance.

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

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

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

19 9. "Enrolled" or "enrollment" means ~~when~~ THAT a pupil is currently
20 registered in the school district.

21 10. "GDP price deflator" means the average of the four implicit price
22 deflators for the gross domestic product reported by the United States
23 department of commerce for the four quarters of the calendar year.

24 11. "High school district" means a political subdivision of this state
25 offering instruction to students for grades nine through twelve or that
26 portion of the budget of a common school district that is allocated to
27 teaching high school subjects with permission of the state board of
28 education.

29 12. "Revenue control limit" means the base revenue control limit plus
30 the transportation revenue control limit.

31 13. "Student count" means ~~←~~

32 ~~(a) Through June 30, 2016,~~ average daily membership as prescribed in
33 this subsection for the fiscal year before the current year, except that for
34 the purpose of budget preparation student count means average daily
35 membership as prescribed in this subsection for the current year.

36 ~~(b) Beginning July 1, 2016, average daily membership as prescribed in~~
37 ~~this subsection for the current year.~~

38 14. "Submit electronically" means submitted in a format and in a
39 manner prescribed by the department of education.

40 15. "Total bus mileage" means the total number of miles driven by all
41 buses of a school district during the school year.

42 16. "Total students transported" means all eligible students
43 transported from their place of residence to a school transportation pickup
44 point or to the school of attendance and from the school of attendance or
45 from the school transportation scheduled return point to their place of
46 residence.

1 17. "Unified school district" means a political subdivision of ~~the~~
2 **THIS** state offering instruction to students in programs for preschool
3 children with disabilities and kindergarten programs and grades one through
4 twelve.

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

6 1. "Base" means the revenue level per student count specified by the
7 legislature.

8 2. "Base level" means the following amounts plus the percentage
9 increases to the base level as provided in sections 15-902.04 and 15-952,
10 except that if a school district or charter school is eligible for an
11 increase in the base level as provided in two or more of these sections, the
12 base level amount shall be calculated by compounding rather than adding the
13 sum of one plus the percentage of the increase from those different sections:

14 (a) For fiscal year 2007-2008, three thousand two hundred twenty-six
15 dollars eighty-eight cents.

16 (b) For fiscal year 2008-2009, three thousand two hundred ninety-one
17 dollars forty-two cents.

18 (c) For fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013,
19 three thousand two hundred sixty-seven dollars seventy-two cents.

20 (d) For fiscal year 2013-2014, three thousand three hundred twenty-six
21 dollars fifty-four cents.

22 (e) For fiscal year 2014-2015, three thousand three hundred
23 seventy-three dollars eleven cents.

24 (f) For fiscal year 2015-2016, three thousand six hundred dollars zero
25 cents.

26 (g) **FOR FISCAL YEAR 2016-2017, THREE THOUSAND SIX HUNDRED THIRTY-FIVE**
27 **DOLLARS SIXTY-FOUR CENTS.**

28 3. "Base revenue control limit" means the base revenue control limit
29 computed as provided in section 15-944.

30 4. "Base support level" means the base support level as provided in
31 section 15-943.

32 5. "Certified teacher" means a person who is certified as a teacher
33 pursuant to the rules adopted by the state board of education, who renders
34 direct and personal services to ~~school-children~~ **SCHOOLCHILDREN** in the form of
35 instruction related to the school district's educational course of study and
36 who is paid from the maintenance and operation section of the budget.

37 6. "DD" means programs for children with developmental delays who are
38 at least three years of age but under ten years of age. A preschool child
39 who is categorized under this paragraph is not eligible to receive funding
40 pursuant to section 15-943, paragraph 2, subdivision (b).

41 7. "ED, MIID, SLD, SLI and OHI" means programs for children with
42 emotional disabilities, mild intellectual disabilities, a specific learning
43 disability, a speech/language impairment and other health impairments. A
44 preschool child who is categorized as SLI under this paragraph is not
45 eligible to receive funding pursuant to section 15-943, paragraph 2,
46 subdivision (b).

1 8. "ED-P" means programs for children with emotional disabilities who
2 are enrolled in private special education programs as prescribed in section
3 15-765, subsection D, paragraph 1 or in an intensive school district program
4 as provided in section 15-765, subsection D, paragraph 2.

5 9. "ELL" means English learners who do not speak English or whose
6 native language is not English, who are not currently able to perform
7 ordinary classroom work in English and who are enrolled in an English
8 language education program pursuant to sections 15-751, 15-752 and 15-753.

9 10. "Full-time equivalent certified teacher" or "FTE certified
10 teacher" means for a certified teacher the following:

11 (a) If employed full time as defined in section 15-501, 1.00.

12 (b) If employed less than full time, multiply 1.00 by the percentage
13 of a full school day, or its equivalent, or a full class load, or its
14 equivalent, for which the teacher is employed as determined by the governing
15 board.

16 11. "Group A" means educational programs for career exploration, a
17 specific learning disability, an emotional disability, a mild intellectual
18 disability, remedial education, a speech/language impairment, developmental
19 delay, homebound, bilingual, other health impairments and gifted pupils.

20 12. "Group B" means educational improvements for pupils in
21 kindergarten programs and grades one through three, educational programs for
22 autism, a hearing impairment, a moderate intellectual disability, multiple
23 disabilities, multiple disabilities with severe sensory impairment,
24 orthopedic impairments, preschool severe delay, a severe intellectual
25 disability and emotional disabilities for school age pupils enrolled in
26 private special education programs or in school district programs for
27 children with severe disabilities or visual impairment and English learners
28 enrolled in a program to promote English language proficiency pursuant to
29 section 15-752.

30 13. "HI" means programs for pupils with hearing impairment.

31 14. "Homebound" or "hospitalized" means a pupil who is capable of
32 profiting from academic instruction but is unable to attend school due to
33 illness, disease, accident or other health conditions, who has been examined
34 by a competent medical doctor and who is certified by that doctor as being
35 unable to attend regular classes for a period of not less than three school
36 months or a pupil who is capable of profiting from academic instruction but
37 is unable to attend school regularly due to chronic or acute health problems,
38 who has been examined by a competent medical doctor and who is certified by
39 that doctor as being unable to attend regular classes for intermittent
40 periods of time totaling three school months during a school year. The
41 medical certification shall state the general medical condition, such as
42 illness, disease or chronic health condition, that is the reason that the
43 pupil is unable to attend school. Homebound or hospitalized includes a
44 student who is unable to attend school for a period of less than three months
45 due to a pregnancy if a competent medical doctor, after an examination,

- 1 certifies that the student is unable to attend regular classes due to risk to
2 the pregnancy or to the student's health.
- 3 15. "K-3" means kindergarten programs and grades one through three.
4 16. "K-3 reading" means reading programs for pupils in kindergarten
5 programs and grades one, two and three.
6 17. "MD-R, A-R and SID-R" means resource programs for pupils with
7 multiple disabilities, autism and severe intellectual disability.
8 18. "MD-SC, A-SC and SID-SC" means self-contained programs for pupils
9 with multiple disabilities, autism and severe intellectual disability.
10 19. "MD-SSI" means a program for pupils with multiple disabilities
11 with severe sensory impairment.
12 20. "MOID" means programs for pupils with moderate intellectual
13 disability.
14 21. "OI-R" means a resource program for pupils with orthopedic
15 impairments.
16 22. "OI-SC" means a self-contained program for pupils with orthopedic
17 impairments.
18 23. "PSD" means preschool programs for children with disabilities as
19 provided in section 15-771.
20 24. "P-SD" means programs for children who meet the definition of
21 preschool severe delay as provided in section 15-771.
22 25. "Qualifying tax rate" means the qualifying tax rate specified in
23 section 15-971 applied to the assessed valuation used for primary property
24 taxes.
25 26. "Small isolated school district" means a school district that
26 meets all of the following:
27 (a) Has a student count of fewer than six hundred in kindergarten
28 programs and grades one through eight or grades nine through twelve.
29 (b) Contains no school that is fewer than thirty miles by the most
30 reasonable route from another school, or, if road conditions and terrain make
31 the driving slow or hazardous, fifteen miles from another school that teaches
32 one or more of the same grades and is operated by another school district in
33 this state.
34 (c) Is designated as a small isolated school district by the
35 superintendent of public instruction.
36 27. "Small school district" means a school district that meets all of
37 the following:
38 (a) Has a student count of fewer than six hundred in kindergarten
39 programs and grades one through eight or grades nine through twelve.
40 (b) Contains at least one school that is fewer than thirty miles by
41 the most reasonable route from another school that teaches one or more of the
42 same grades and is operated by another school district in this state.
43 (c) Is designated as a small school district by the superintendent of
44 public instruction.
45 28. "Transportation revenue control limit" means the transportation
46 revenue control limit computed as prescribed in section 15-946.

1 29. "Transportation support level" means the support level for pupil
2 transportation operating expenses as provided in section 15-945.

3 30. "VI" means programs for pupils with visual impairments.

4 ~~31. "Voc. Ed." means career and technical education and vocational~~
5 ~~education programs, as defined in section 15-781.~~

6 Sec. 15. Section 15-902.03, Arizona Revised Statutes, is amended to
7 read:

8 15-902.03. Procedures for determining average daily membership

9 A. The department of education shall recompute and aggregate average
10 daily membership for the previous fiscal year no later than August 30. The
11 department shall inform school districts and charter schools of their final
12 average daily membership no later than September 15. No later than
13 November 1 of each year, state aid calculations for all school districts and
14 charter schools for the previous fiscal year must be finalized and the budget
15 limits for school districts must be adjusted. Any future adjustments in
16 student counts, if discovered by the school district or charter school, shall
17 be made pursuant to section 15-915.

18 B. Notwithstanding subsection A of this section, school districts may
19 continue to make budget adjustments pursuant to section 15-905, ~~AND~~ make
20 corrections pursuant to section 15-915 ~~and use the adjustment for growth in~~
21 ~~student count pursuant to section 15-948.~~

22 Sec. 16. Section 15-910, Arizona Revised Statutes, is amended to read:

23 15-910. School district budgets; excess utility costs;
24 desegregation costs; tuition costs for bond issues;
25 costs for registering warrants; report

26 A. The governing board may budget for the district's excess utility
27 costs ~~which~~ THAT are specifically exempt from the district's revenue control
28 limit. If approved by the qualified electors voting at a statewide general
29 election, the exemption from the revenue control limit under this subsection
30 expires at the end of the 2008-2009 budget year. The uniform system of
31 financial records shall specify expenditure items allowable as excess utility
32 costs, which are limited to direct operational costs of heating, cooling,
33 water and electricity, telephone communications and sanitation fees. The
34 department of education and the auditor general shall include in the
35 maintenance and operation section of the budget format, as provided in
36 section 15-903, a separate line for utility expenditures and a special excess
37 utility cost category. The special excess utility cost category shall
38 contain budgeted expenditures for excess utility costs, determined as
39 follows:

40 1. Determine the lesser of the total budgeted or total actual utility
41 expenditures for fiscal year 1984-1985.

42 2. Multiply the amount in paragraph 1 of this subsection by the total
43 percentage increase or decrease in the revenue control limit and the capital
44 outlay revenue limit for the budget year over the revenue control limit and
45 the capital outlay revenue limit for fiscal year 1984-1985 excluding monies

1 available from ~~a career ladder program or~~ a teacher compensation program
2 provided for in section 15-952.

3 3. The sum of the amounts in paragraphs 1 and 2 of this subsection is
4 the amount budgeted in the utility expenditure line.

5 4. Additional expenditures for utilities are budgeted in the excess
6 utility cost category.

7 B. The governing board shall apply the same percentage increase or
8 decrease allowed in the revenue control limit and the capital outlay revenue
9 limit as provided in section 15-905, subsection E ~~or section 15-948~~ to the
10 utility expenditure line of the budget.

11 C. The governing board may expend from the excess utility cost
12 category only after it has expended for utility purposes the full amount
13 budgeted in the utility expenditure line of the budget.

14 D. The governing board, after notice is given and a public meeting is
15 held as provided in section 15-905, subsection D, may revise at any time
16 before May 15 the amount budgeted in the excess utility cost category for the
17 current year. Not later than May 18, the budget as revised shall be
18 submitted electronically to the superintendent of public instruction.

19 E. If the revised excess utility cost category results in an
20 expenditure of monies in excess of school district revenues for the current
21 year, the county school superintendent shall include within the revenue
22 estimate for the budget year monies necessary to meet the liabilities
23 incurred by the school district in the current year in excess of revenues
24 received for the current year.

25 F. If a school district receives a refund of utility expenditures or a
26 rebate on energy saving devices or services, the refund or rebate shall be
27 applied against utility expenditures for the current year as a reduction of
28 the expenditures, except that the reduction of expenditures shall not exceed
29 the amount of actual utility expenditures.

30 G. The governing board may budget for expenses of complying with or
31 continuing to implement activities ~~which~~ THAT were required or permitted by a
32 court order of desegregation or administrative agreement with the United
33 States department of education office for civil rights directed toward
34 remediating alleged or proven racial discrimination ~~which~~ THAT are
35 specifically exempt in whole or in part from the revenue control limit and
36 district additional assistance. This exemption applies only to expenses
37 incurred for activities ~~which~~ THAT are begun before the termination of the
38 court order or administrative agreement. If a district is levying a primary
39 property tax on February 23, 2006 and using those monies to administer an
40 English language learner program to remedy alleged or proven discrimination
41 under title VI of the civil rights act of 1964 (42 United States Code section
42 2000d), the district may spend those monies to remedy a violation of the
43 equal ~~education~~ EDUCATIONAL OPPORTUNITIES act of 1974 (20 United States Code
44 section 1703(f)). Nothing in this subsection allows a school district to
45 levy a primary property tax for violations of the equal ~~education~~ EDUCATIONAL
46 OPPORTUNITIES act of 1974 (20 United States Code section 1703(f)) in the

1 absence of an alleged or proven discrimination under title VI of the civil
2 rights act of 1964 (42 United States Code section 2000d).

3 H. If a governing board chooses to budget monies outside of the
4 revenue control limit as provided in subsection G of this section, the
5 governing board may do one of the following:

6 1. Use monies from the maintenance and operation fund equal to any
7 excess desegregation or compliance expenses beyond the revenue control limit
8 before June 30 of the current year.

9 2. Notify the county school superintendent to include the cost of the
10 excess expenses in the county school superintendent's estimate of the
11 additional amount needed for the school district from the primary property
12 tax as provided in section 15-991.

13 3. Employ the provisions of both paragraphs 1 and 2 of this
14 subsection, provided that the total amount transferred and included in the
15 amount needed from property taxes does not exceed the total amount budgeted
16 as prescribed in subsection J, paragraph 1 of this section.

17 I. If a governing board chooses to budget monies outside of district
18 additional assistance as provided in subsection G of this section, the
19 governing board may notify the county school superintendent to include the
20 cost of the excess expenses in the county school superintendent's estimate of
21 the additional amount needed for the school district from the primary
22 property tax as provided in section 15-991.

23 J. A governing board using subsections G, H and I of this section:

24 1. Shall prepare and employ a separate maintenance and operation
25 desegregation budget and capital outlay desegregation budget on a form
26 prescribed by the superintendent of public instruction in conjunction with
27 the auditor general. The budget format shall be designed to allow a school
28 district to plan and provide in detail for expenditures to be incurred solely
29 as a result of compliance with or continuing to implement activities ~~which~~
30 ~~THAT~~ were required or permitted by a court order of desegregation or
31 administrative agreement with the United States department of education
32 office for civil rights directed toward remediating alleged or proven racial
33 discrimination.

34 2. Shall prepare as a part of the annual financial report a detailed
35 report of expenditures incurred solely as a result of compliance with or
36 continuing to implement activities ~~which~~ ~~THAT~~ were required or permitted by a
37 court order of desegregation or administrative agreement with the United
38 States department of education office for civil rights directed toward
39 remediating alleged or proven racial discrimination, in a format prescribed
40 by the auditor general in conjunction with the Arizona department of
41 education as provided by section 15-904.

42 3. On or before July 15, ~~2006~~ and each year ~~thereafter~~, shall collect
43 and report data regarding activities related to a court order of
44 desegregation or an administrative agreement with the United States
45 department of education office for civil rights directed toward remediating
46 alleged or proven racial discrimination in a format prescribed by the Arizona

1 department of education. The ARIZONA department OF EDUCATION shall compile
2 and submit copies of the reports to the governor, the president of the
3 senate, the speaker of the house of representatives and the chairpersons of
4 the education committees of the senate and the house of representatives AND
5 SHALL SUBMIT A COPY TO THE SECRETARY OF STATE. A school district that
6 becomes subject to a new court order of desegregation or a party to an
7 administrative agreement with the United States department of education
8 office for civil rights directed toward remediating alleged or proven racial
9 discrimination shall submit these reports on or before July 15 or within
10 ninety days of the date of the court order or administrative agreement,
11 whichever occurs first. The Arizona department of education, in consultation
12 with the auditor general, shall develop reporting requirements to ensure that
13 school districts submit at least the following information and documentation
14 to the Arizona department of education ~~beginning in fiscal year 2006-2007:~~

15 (a) A district-wide budget summary and a budget summary on a ~~school-by~~
16 ~~school~~ SCHOOL-BY-SCHOOL basis for each school in the school district that
17 lists the sources and uses of monies that are designated for desegregation
18 purposes.

19 (b) A detailed list of desegregation activities on a district-wide
20 basis and on a ~~school-by-school~~ SCHOOL-BY-SCHOOL basis for each school in the
21 school district.

22 (c) The date that the school district was determined to be out of
23 compliance with title VI of the civil rights act of 1964 (42 United States
24 Code section 2000d) and the basis for that determination.

25 (d) The initial date that the school district began to levy property
26 taxes to provide funding for desegregation expenses and any dates that these
27 property tax levies were increased.

28 (e) If applicable, a current and accurate description of all magnet
29 type programs that are in operation pursuant to the court order during the
30 current school year on a district-wide basis and on a ~~school-by-school~~
31 ~~SCHOOL-BY-SCHOOL~~ basis. This information shall contain the eligibility and
32 attendance criteria of each magnet type program, the capacity of each magnet
33 type program, the ethnic composition goals of each magnet type program, the
34 actual attending ethnic composition of each magnet type program and the
35 specific activities offered in each magnet type program.

36 (f) The number of pupils who participate in desegregation activities
37 on a district-wide basis and on a ~~school-by-school~~ SCHOOL-BY-SCHOOL basis for
38 each school in the school district.

39 (g) A detailed summary of the academic achievement of pupils on a
40 district-wide basis and on a ~~school-by-school~~ SCHOOL-BY-SCHOOL basis for each
41 school in the school district.

42 (h) The number of employees, including teachers and administrative
43 personnel, on a district-wide basis and on a ~~school-by-school~~
44 ~~SCHOOL-BY-SCHOOL~~ basis for each school in the school district that is
45 necessary to conduct desegregation activities.

1 (i) The number of employees, including teachers and administrative
2 personnel, on a district-wide basis and on a ~~school-by-school~~
3 SCHOOL-BY-SCHOOL basis for each school in the school district and the number
4 of employees at school district administrative offices that are funded in
5 whole or in part with desegregation monies received pursuant to this section.

6 (j) The amount of monies that is not derived through a primary or
7 secondary property tax levy and that is budgeted and spent on desegregation
8 activities on a district-wide basis and on a ~~school-by-school~~
9 SCHOOL-BY-SCHOOL basis for each school in the school district.

10 (k) Verification that the desegregation funding will supplement and
11 not supplant funding for other academic and extracurricular activities.

12 (l) Verification that the desegregation funding is educationally
13 justifiable.

14 (m) Any documentation that supports the proposition that the requested
15 desegregation funding is intended to result in equal education opportunities
16 for all pupils in the school district.

17 (n) Verification that the desegregation funding will be used to
18 promote systemic and organizational changes within the school district.

19 (o) Verification that the desegregation funding will be used in
20 accordance with the academic standards adopted by the state board of
21 education pursuant to sections 15-701 and 15-701.01.

22 (p) Verification that the desegregation funding will be used to
23 accomplish specific actions to remediate proven discrimination pursuant to
24 title VI of the civil rights act of 1964 (42 United States Code section
25 2000d) as specified in the court order or administrative agreement.

26 (q) An evaluation by the school district of the effectiveness of the
27 school district's desegregation measures.

28 (r) An estimate of when the school district will be in compliance with
29 the court order or administrative agreement and a detailed account of the
30 steps that the school district will take to achieve compliance.

31 (s) Any other information that the ARIZONA department of education
32 deems necessary to carry out the purposes of this paragraph.

33 K. If a school district governing board budgets for expenses of
34 complying with a court order of desegregation or an administrative agreement
35 with the United States department of education office for civil rights
36 directed toward remediating alleged or proven racial discrimination, the
37 governing board shall ensure that the desegregation expenses will:

38 1. Be educationally justifiable.

39 2. Result in equal education opportunities for all pupils in the
40 school district.

41 3. Be used to promote systemic and organizational changes within the
42 school district.

43 4. Be used in accordance with the academic standards adopted by the
44 state board of education pursuant to sections 15-701 and 15-701.01.

45 5. Be used to accomplish specific actions to remediate proven
46 discrimination pursuant to title VI of the civil rights act of 1964 (42

1 United States Code section 2000d) as specified in the court order or
2 administrative agreement.

3 6. Be used in accordance with a plan submitted to the department of
4 education that includes an estimate of the amount of monies that will be
5 required to bring the school district into compliance with the court order or
6 administrative agreement and an estimate of when the school district will be
7 in compliance with the court order or administrative agreement.

8 7. ~~Beginning in fiscal year 2009-2010 and continuing~~ Each fiscal year
9 ~~thereafter~~, not exceed the amount budgeted by the school district for
10 desegregation expenses in fiscal year 2008-2009.

11 L. The governing board may budget for the bond issues portion of the
12 cost of tuition charged the district as provided in section 15-824 for the
13 pupils attending school in another school district, except that if the
14 district is a common school district not within a high school district, the
15 district may only include that part of tuition ~~which~~ THAT is excluded from
16 the revenue control limit and district support level as provided in section
17 15-951. The bond issues portion of the cost of tuition charged is
18 specifically exempt from the revenue control limit of the school district of
19 residence, and the primary property tax rate set to fund this amount shall
20 not be included in the computation of additional state aid for education as
21 provided in section 15-972, except as provided in section 15-972,
22 subsection E. The department of education and the auditor general shall
23 include in the maintenance and operation section of the budget format, as
24 provided in section 15-903, a separate category for the bond issues portion
25 of the cost of tuition.

26 M. The governing board may budget for interest expenses it incurred
27 for registering warrants drawn against a fund of the school district or net
28 interest expense on tax anticipation notes as prescribed in section
29 35-465.05, subsection C for the fiscal year preceding the current year if the
30 county treasurer pooled all school district monies for investment as provided
31 in section 15-996 for the fiscal year preceding the current year and, in
32 those school districts that receive state aid, the school districts applied
33 for an apportionment of state aid before the date set for the apportionment
34 as provided in section 15-973 for the fiscal year preceding the current year.
35 The governing board may budget an amount for interest expenses for
36 registering warrants or issuing tax anticipation notes equal to or less than
37 the amount of the warrant interest expense or net interest expense on tax
38 anticipation notes as prescribed in section 35-465.05, subsection C for the
39 fiscal year preceding the current year as provided in this subsection ~~which~~
40 THAT is specifically exempt from the revenue control limit. For the purposes
41 of this subsection, "state aid" means state aid as determined in sections
42 15-971 and 15-972.

43 Sec. 17. Section 15-943, Arizona Revised Statutes, is amended to read:
44 15-943. Base support level

45 The base support level for each school district shall be computed as
46 follows:

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

3 (a) For school districts whose student count in kindergarten programs
4 and grades one through eight is classified in column 1 of this subdivision,
5 the support level weight for kindergarten programs and grades one through
6 eight is the corresponding support level weight prescribed in column 2 or 3
7 of this subdivision, whichever is appropriate:

| <u>Column 1</u> | <u>Column 2</u> | <u>Column 3</u> |
|----------------------|---|--|
| <u>Student Count</u> | Support Level Weight For Small Isolated <u>School Districts</u> | Support Level Weight For Small <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)] |

17 (b) For school districts whose student count in grades nine through
18 twelve is classified in column 1 of this subdivision, the support level
19 weight for grades nine through twelve is the corresponding support level
20 weight prescribed in column 2 or 3 of this subdivision, whichever is
21 appropriate:

| <u>Column 1</u> | <u>Column 2</u> | <u>Column 3</u> |
|----------------------|---|--|
| <u>Student Count</u> | Support Level Weight For Small Isolated <u>School Districts</u> | Support Level Weight For Small <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)] |

31 2. Subject to paragraph 1 of this section, determine the weighted
32 student count as follows:

33 (a)

| <u>Grade Base</u> | <u>Group A</u> | <u>Support Level Weight</u> | <u>Student Count</u> | <u>Weighted Student Count</u> |
|-------------------------------|----------------|-----------------------------|----------------------|-------------------------------|
| 36 PSD 1.000 + 0.450 = 1.450 | | x | _____ | = _____ |
| 38 K-8 1.000 + 0.158 = 1.158 | | x | _____ | = _____ |
| 39 9-12 1.163 + 0.105 = 1.268 | | x | _____ | = _____ |
| 40 | | | Subtotal | A _____ |

41 (b)

| <u>Funding Category</u> | <u>Support Level Weight</u> | <u>Student Count</u> | <u>Weighted Student Count</u> |
|-------------------------|-----------------------------|----------------------|-------------------------------|
| 45 HI | 4.771 | x _____ | = _____ |
| 46 K-3 | 0.060 | x _____ | = _____ |

| | | | | | |
|----|--------------------|-------|----------|---|-------|
| 1 | K-3 reading | 0.040 | x | = | |
| 2 | ELL | 0.115 | x | = | _____ |
| 3 | MD-R, A-R and | | | | |
| 4 | SID-R | 6.024 | x | = | _____ |
| 5 | MD-SC, A-SC and | | | | |
| 6 | SID-SC | 5.833 | x | = | _____ |
| 7 | MD-SSI | 7.947 | x | = | _____ |
| 8 | OI-R | 3.158 | x | = | _____ |
| 9 | OI-SC | 6.773 | x | = | _____ |
| 10 | P-SD | 3.595 | x | = | _____ |
| 11 | DD, ED, MIID, SLD, | | | | |
| 12 | SLI and OHI | 0.003 | x | = | _____ |
| 13 | ED-P | 4.822 | x | = | _____ |
| 14 | MOID | 4.421 | x | = | _____ |
| 15 | VI | 4.806 | x | = | _____ |
| 16 | | | Subtotal | B | _____ |

17 (c) Total of subtotals A and B: _____
 18 3. Multiply the total determined in paragraph 2 of this section by the
 19 base level.

20 4. Multiply the teacher experience index of the district or 1.00,
 21 whichever is greater, by the product obtained in paragraph 3 of this section.

22 5. FOR THE PURPOSES OF THIS SECTION, THE STUDENT COUNT IS THE AVERAGE
 23 DAILY MEMBERSHIP AS PRESCRIBED IN SECTION 15-901 FOR THE CURRENT YEAR, EXCEPT
 24 THAT FOR THE PURPOSES OF COMPUTING THE BASE SUPPORT LEVEL USED IN DETERMINING
 25 SCHOOL DISTRICT ROLLOVER ALLOCATIONS AND SCHOOL DISTRICT BUDGET OVERRIDE
 26 AMOUNTS, THE STUDENT COUNT IS THE AVERAGE DAILY MEMBERSHIP AS PRESCRIBED IN
 27 SECTION 15-901 FOR THE PRIOR YEAR.

28 Sec. 18. Section 15-943.02, Arizona Revised Statutes, is amended to
 29 read:

30 15-943.02. Base support level for joint technical education
 31 districts

32 A. The base support level for each joint technical education district
 33 shall be computed as follows:

| 34 | Grade/ | Support | Student | Weighted |
|----|----------|---------|---------|----------|
| 35 | Category | Level | Count | Student |
| 36 | | Weight | | Count |
| 37 | 9-12 | 1.339 | x _____ | = _____ |

38 B. Multiply the total determined in subsection A by the base level.

39 C. Multiply the teacher experience index of the district or 1.00,
 40 whichever is greater, by the product obtained in subsection B.

41 D. FOR THE PURPOSES OF THIS SECTION, THE STUDENT COUNT IS THE AVERAGE
 42 DAILY MEMBERSHIP AS PRESCRIBED IN SECTION 15-901 FOR THE CURRENT YEAR, EXCEPT
 43 THAT FOR THE PURPOSES OF COMPUTING THE BASE SUPPORT LEVEL USED IN DETERMINING
 44 SCHOOL DISTRICT ROLLOVER ALLOCATIONS, THE STUDENT COUNT IS THE AVERAGE DAILY
 45 MEMBERSHIP AS PRESCRIBED IN SECTION 15-901 FOR THE PRIOR YEAR.

46 Sec. 19. Section 15-945, Arizona Revised Statutes, is amended to read:

1 15-945. Transportation support level
 2 A. The support level for to and from school for each school district
 3 for the current year shall be computed as follows:
 4 1. Determine the approved daily route mileage of the school district
 5 for the fiscal year prior to the current year.
 6 2. Multiply the figure obtained in paragraph 1 of this subsection by
 7 one hundred eighty, or for a school district that elects to provide two
 8 hundred days of instruction pursuant to section 15-902.04, multiply the
 9 figure obtained in paragraph 1 of this subsection by two hundred.
 10 3. Determine the number of eligible students transported in the fiscal
 11 year prior to the current year.
 12 4. Divide the amount determined in paragraph 1 of this subsection by
 13 the amount determined in paragraph 3 of this subsection to determine the
 14 approved daily route mileage per eligible student transported.
 15 5. Determine the classification in column 1 of this paragraph for the
 16 quotient determined in paragraph 4 of this subsection. Multiply the product
 17 obtained in paragraph 2 of this subsection by the corresponding state support
 18 level for each route mile as provided in column 2 of this paragraph.

| <u>Column 1</u> | <u>Column 2</u> |
|----------------------------|--|
| Approved Daily Route | State Support Level per |
| Mileage per Eligible | Route Mile for |
| <u>Student Transported</u> | <u>Fiscal Year</u> 2015-2016 <u>2016-2017</u> |
| 0.5 or less | 2.53 2.56 |
| More than 0.5 through 1.0 | 2.07 2.09 |
| More than 1.0 | 2.53 2.56 |

26 6. Add the amount spent during the prior fiscal year for bus tokens
 27 and bus passes for students who qualify as eligible students as defined in
 28 section 15-901.

29 B. The support level for academic education, career and technical
 30 education, vocational education and athletic trips for each school district
 31 for the current year is computed as follows:

32 1. Determine the classification in column 1 of paragraph 2 of this
 33 subsection for the quotient determined in subsection A, paragraph 4 of this
 34 section.

35 2. Multiply the product obtained in subsection A, paragraph 5 of this
 36 section by the corresponding state support level for academic education,
 37 career and technical education, vocational education and athletic trips as
 38 provided in column 2, 3 or 4 of this paragraph, whichever is appropriate for
 39 the type of district.

| <u>Column 1</u> | <u>Column 2</u> | <u>Column 3</u> | <u>Column 4</u> |
|----------------------------|-----------------|-----------------|-----------------|
| Approved Daily Route | District Type | District Type | District Type |
| Mileage per Eligible | <u>02 or 03</u> | <u>04</u> | <u>05</u> |
| <u>Student Transported</u> | | | |
| 0.5 or less | 0.15 | 0.10 | 0.25 |
| More than 0.5 through 1.0 | 0.15 | 0.10 | 0.25 |
| More than 1.0 | 0.18 | 0.12 | 0.30 |

1 For the purposes of this paragraph, "district type 02" means a unified school
2 district or an accommodation school that offers instruction in grades nine
3 through twelve, "district type 03" means a common school district not within
4 a high school district, "district type 04" means a common school district
5 within a high school district or an accommodation school that does not offer
6 instruction in grades nine through twelve and "district type 05" means a high
7 school district.

8 C. The support level for extended school year services for pupils with
9 disabilities is computed as follows:

10 1. Determine the sum of the following:

11 (a) The total number of miles driven by all buses of a school district
12 while transporting eligible pupils with disabilities on scheduled routes from
13 their residence to the school of attendance and from the school of attendance
14 to their residence on routes for extended school year services in accordance
15 with section 15-881.

16 (b) The total number of miles driven on routes approved by the
17 superintendent of public instruction for which a private party, a political
18 subdivision or a common or a contract carrier is reimbursed for bringing an
19 eligible pupil with a disability from the place of the pupil's residence to a
20 school transportation pickup point or to the school facility of attendance
21 and from the school transportation scheduled return point or from the school
22 facility to the pupil's residence for extended school year services in
23 accordance with section 15-881.

24 2. Multiply the sum determined in paragraph 1 of this subsection by
25 the state support level for the district determined as provided in subsection
26 A, paragraph 5 of this section.

27 D. The transportation support level for each school district for the
28 current year is the sum of the support level for to and from school as
29 determined in subsection A of this section, the support level for academic
30 education, career and technical education, vocational education and athletic
31 trips as determined in subsection B of this section and the support level for
32 extended school year services for pupils with disabilities as determined in
33 subsection C of this section.

34 E. The state support level for each approved route mile, as provided
35 in subsection A, paragraph 5 of this section, shall be adjusted by the growth
36 rate prescribed by law, subject to appropriation.

37 F. School districts must provide the odometer reading for each bus as
38 of the end of the current year and the total bus mileage during the current
39 year.

40 Sec. 20. Repeal

41 Section 15-948, Arizona Revised Statutes, is repealed.

42 Sec. 21. Section 15-951, Arizona Revised Statutes, is amended to read:

43 15-951. District additional assistance, district support level
44 and student count for a common school district not
45 within a high school district

1 A. Notwithstanding section 15-947, the revenue control limit for a
2 common school district not within a high school district is the sum of the
3 following:

4 1. The base revenue control limit computed as prescribed in section
5 15-944 but excluding pupils admitted to another school district as provided
6 in section 15-824, subsection A, paragraph 2.

7 2. The tuition payable for high school pupils who attend school in
8 another school district as provided in section 15-824, subsection A,
9 paragraph 2, including any transportation charge, except as provided in
10 subsection F of this section.

11 3. The transportation revenue control limit for all pupils who reside
12 in the district except those high school pupils transported by another
13 district.

14 B. Notwithstanding subsection A of this section, for the purposes of
15 sections 15-481, 15-482 and 15-1102, the revenue control limit for a common
16 school district not within a high school district is the sum of the
17 following:

18 1. The base revenue control limit for pupils computed as prescribed in
19 section 15-944 but excluding pupils admitted to another school district as
20 provided in section 15-824, subsection A, paragraph 2.

21 2. The transportation revenue control limit for all pupils who reside
22 in the district except those high school pupils transported by another
23 district.

24 C. Notwithstanding section 15-961, district additional assistance for
25 a common school district not within a high school district is district
26 additional assistance as prescribed in section 15-961 but excluding pupils
27 who are admitted to another school district as provided in section 15-824,
28 subsection A, paragraph 2, except that if the school district transports high
29 school pupils, the district additional assistance amount prescribed in
30 section 15-961 shall be increased by an amount equal to fifty ~~per cent~~
31 PERCENT of the district additional assistance per pupil amount prescribed for
32 the school district pursuant to section 15-961 multiplied by the number of
33 high school pupils transported.

34 D. Notwithstanding section 15-947, the district support level for a
35 common school district not within a high school district is the sum of the
36 following:

37 1. The base support level computed as prescribed in section 15-943 but
38 excluding pupils who are admitted to another school district as provided in
39 section 15-824, subsection A, paragraph 2.

40 2. The tuition payable for high school pupils who are admitted to
41 another school district as provided in section 15-824, subsection A,
42 paragraph 2, including any transportation charge, except as provided in
43 subsection F of this section.

44 3. The transportation support level for all pupils who reside in the
45 school district except those high school pupils transported by another school
46 district.

1 E. For the purpose of determining eligibility to increase the revenue
2 control limit and district support level ~~or recompute the revenue control~~
3 ~~limit as provided in section 15-948~~, the student count for a common school
4 district not within a high school district is the student count for pupils in
5 kindergarten programs and grades one through twelve, including pupils
6 enrolled in another school district as provided in section 15-824, subsection
7 A, paragraph 2.

8 F. The tuition amount in subsections A and D of this section shall not
9 include amounts per student count for bond issues as prescribed by section
10 15-824, subsection G, paragraph 1, subdivision (c) in excess of the
11 following:

12 1. One hundred fifty dollars if the pupil's school district of
13 residence pays tuition for seven hundred fifty or fewer pupils to other
14 school districts.

15 2. Two hundred dollars if the pupil's school district of residence
16 pays tuition for one thousand or fewer, but more than seven hundred fifty
17 pupils to other school districts.

18 3. The actual cost per student count if the pupil's school district of
19 residence pays tuition for more than one thousand pupils to other school
20 districts.

21 Sec. 22. Section 15-961, Arizona Revised Statutes, is amended to read:
22 15-961. District additional assistance; growth rate

23 A. District additional assistance per student count is established as
24 follows:

25 1. For school districts with a student count of less than one hundred
26 for kindergarten programs and grades one through eight, five hundred
27 forty-four dollars fifty-eight cents. For school districts with a student
28 count of one hundred or more and less than six hundred for kindergarten
29 programs and grades one through eight, multiply three hundred eighty-nine
30 dollars twenty-five cents by the weight that corresponds to the student count
31 for kindergarten programs and grades one through eight for the school
32 district as provided in section 15-943, paragraph 1, subdivision (a),
33 column 3. For a school district with a student count of six hundred or more
34 in kindergarten programs and grades one through eight, the limit is four
35 hundred fifty dollars seventy-six cents.

36 2. For school districts with a student count of less than one hundred
37 for grades nine through twelve, six hundred one dollars twenty-four cents.
38 For school districts with a student count of one hundred or more and less
39 than six hundred for grades nine through twelve, multiply four hundred five
40 dollars fifty-nine cents by the weight that corresponds to the student count
41 for grades nine through twelve for the school district as provided in section
42 15-943, paragraph 1, subdivision (b), column 3. For a school district with a
43 student count of six hundred or more in grades nine through twelve, the limit
44 is four hundred ninety-two dollars ninety-four cents.

45 3. For programs for preschool children with disabilities, four hundred
46 fifty dollars seventy-six cents.

1 B. District additional assistance for a school district shall be
2 computed as follows:

3 1. Select the applicable district additional assistance per student
4 count for the school district.

5 2. Multiply the amount or amounts selected in paragraph 1 of this
6 subsection by the appropriate student count of the school district. ~~The~~
7 ~~student count of the school district shall not include any pupils in a~~
8 ~~charter school sponsored by the district pursuant to section 15-185,~~
9 ~~subsection A, paragraph 3.~~

10 3. If a school district's student count used for the budget year is
11 greater than one hundred five ~~per cent~~ PERCENT of the student count used for
12 the current year's budget, increase the adjusted district additional
13 assistance determined in paragraph 2 of this subsection by fifty ~~per cent~~
14 PERCENT of the actual percentage increase in the school district's student
15 count.

16 C. An amount for the purchase of required textbooks and related
17 printed subject matter materials shall be used to increase the district
18 additional assistance for a school district as determined in subsection B,
19 paragraph 2 or 3 of this section, whichever is applicable. This amount shall
20 equal the student count in grades nine through twelve multiplied by
21 sixty-nine dollars sixty-eight cents.

22 Sec. 23. Section 15-973, Arizona Revised Statutes, is amended to read:
23 15-973. Apportionment of funds; expenditure limitation

24 A. The state board of education shall apportion state aid from
25 appropriations made for ~~such~~ THAT purpose to the several counties on the
26 basis of state aid entitlement for the school districts in each county. ~~No~~
27 AN allowance shall NOT be made for nonresident alien children ~~nor~~ OR for
28 wards of the United States for whom tuition is paid, but attendance of a
29 student in a school of a county adjoining the county of ~~his~~ THE STUDENT'S
30 residence outside the state under a certificate of educational convenience as
31 provided by section 15-825 shall be deemed to be enrollment in the school of
32 the county or school district of ~~his~~ THE STUDENT'S residence.

33 B. Apportionments shall be made as follows:

34 1. By the close of business on the first day of business of August,
35 one-twelfth of the total amount to be apportioned during the fiscal year.

36 2. By the close of business on the first day of business of September,
37 one-twelfth of the total amount to be apportioned during the fiscal year.

38 3. By the close of business on the first day of business of October,
39 one-twelfth of the total amount to be apportioned during the fiscal year.

40 4. By the close of business on the first day of business of November,
41 one-twelfth of the total amount to be apportioned during the fiscal year.

42 5. By the close of business on the first day of business of
43 December, one-twelfth of the total amount to be apportioned during the fiscal
44 year.

45 6. By the close of business on the first day of business of January,
46 one-twelfth of the total amount to be apportioned during the fiscal year.

1 7. By the close of business on the first day of business of February,
2 one-twelfth of the total amount to be apportioned during the fiscal year.

3 8. By the close of business on the first day of business of March,
4 one-twelfth of the total amount to be apportioned during the fiscal year.

5 9. By the close of business on the first day of business of April,
6 one-twelfth of the total amount to be apportioned during the fiscal year.

7 10. By the close of business on the first day of business of May,
8 one-twelfth of the total amount to be apportioned during the fiscal year.

9 11. By the close of business on the first day of business of June,
10 one-twelfth of the total amount to be apportioned during the fiscal year.

11 12. By the close of business on the last day of business of
12 June, one-twelfth of the total amount to be apportioned during the fiscal
13 year.

14 The superintendent of public instruction shall furnish to the county
15 treasurer and the county school superintendent an abstract of the
16 apportionment and shall certify the apportionment to the department of
17 administration, which shall draw its warrant in favor of the county treasurer
18 of each county for the amount apportioned. ~~Upon~~ ON receipt of the warrant,
19 the county treasurer shall notify the county school superintendent of the
20 amount, together with any other monies standing to the credit of ~~such~~ THAT
21 school district, in the county school fund.

22 C. Notwithstanding subsection B of this section, if sufficient
23 appropriated ~~funds~~ MONIES are available and on a showing by a school district
24 that additional state monies are necessary for current expenses, an
25 apportionment or part of an apportionment of state aid may be paid to the
26 school district prior to the date set for ~~such~~ THAT apportionment by
27 subsection B of this section. ~~After the first forty days in session of the~~
28 ~~current year, a school district may request additional state monies to fund~~
29 ~~the increased state aid due to anticipated student growth through the first~~
30 ~~one hundred days or two hundred days in session, as applicable, of the~~
31 ~~current year as provided in section 15-948. In no event shall~~ A school
32 district ~~have received~~ MAY NOT RECEIVE more than three-fourths of its total
33 apportionment before May 1 of the fiscal year. Early payments pursuant to
34 this subsection must be approved by the state treasurer, the director of the
35 department of administration and the superintendent of public instruction.

36 D. The superintendent of public instruction shall not make application
37 to the federal government to utilize title VIII of the elementary and
38 secondary education act of 1965 monies in determining the apportionment
39 prescribed in this section.

40 E. If a school district ~~which~~ THAT is eligible to receive monies
41 pursuant to this article is unable to meet a scheduled payment on any
42 lawfully incurred long-term obligation for debt service as provided in
43 section 15-1022, the county treasurer shall use any amount distributed
44 pursuant to this section to make the payment. The county treasurer shall
45 keep a record of all the instances in which a payment is made pursuant to
46 this subsection. Any monies subsequently collected by the district to make

1 the scheduled payment shall be used to replace the amount diverted pursuant
2 to this subsection. When determining the total amount to be funded by a levy
3 of secondary taxes ~~upon~~ ON property within the school district for the
4 following fiscal year, the county board of supervisors shall add to the
5 amounts budgeted to be expended during the following fiscal year an amount
6 equal to the total of all payments pursuant to this subsection during the
7 current fiscal year ~~which~~ THAT were not repaid during the current year.

8 F. The total amount of state monies that may be spent in any fiscal
9 year by the state board of education for apportionment of state aid for
10 education shall not exceed the amount appropriated or authorized by section
11 35-173 for that purpose. This section ~~shall~~ DOES not ~~be construed to~~ impose
12 a duty on an officer, agent or employee of this state to discharge a
13 responsibility or ~~to~~ create any right in a person or group if the discharge
14 or right would require an expenditure of state monies in excess of the
15 expenditure authorized by legislative appropriation for that specific
16 purpose.

17 Sec. 24. Section 15-991, Arizona Revised Statutes, is amended to read:
18 15-991. Annual estimate by county school superintendent of
19 monies for ensuing year; review and approval by
20 property tax oversight commission

21 A. The county school superintendent shall recompute the equalization
22 assistance for education for each school district pursuant to section 15-971,
23 subsection A and compute the additional amount to be levied pursuant to
24 section 15-992, subsection B using the property values provided by the county
25 assessor under section 42-17052. The county school superintendent must
26 certify in writing to the property tax oversight commission on or before July
27 25 of each year the amount of equalization assistance for education and the
28 amount to be levied for each school district from the primary property tax
29 pursuant to section 15-992.

30 B. The county school superintendent must prepare and file with the
31 governing board of each school district in the county and the property tax
32 oversight commission on or before July 25 of each year a written estimate of
33 the amount of monies required by each school district for the ensuing school
34 year based on the proposed budget adopted by each school district governing
35 board. The estimate shall contain:

36 1. A statement of the student count of each school district.

37 2. The total amount to be received for the year by each school
38 district from the county school fund and the special county school reserve
39 fund.

40 3. The projected ending cash balance from the previous year adjusted
41 for encumbrances and payables for each school district as provided by the
42 school district and as certified by the president of the school district
43 governing board. A governing board may delegate to a superintendent, head
44 teacher or business manager the authority to certify the projected cash
45 balance.

46 4. The anticipated interest earnings for each school district.

1 5. Revenues equal to the amount included in the adopted budget for the
2 maintenance and operation section of the budget permitted by section 15-947,
3 subsection C, paragraph 2, subdivision (a), items (ii), (iii), (iv), (v) and
4 (vi) and subdivision (c). The county school superintendent shall subtract
5 from each school district's budgeted expenditures the total amount of
6 estimated revenues including the projected ending cash balance from the
7 previous year adjusted for encumbrances and payables in order to estimate the
8 additional amounts needed for each school district from the primary property
9 tax and the secondary property tax. The county school superintendent shall
10 certify ~~such~~ THOSE amounts to the board of supervisors and the property tax
11 oversight commission in writing at the time of filing the estimate. ~~When~~
12 ~~estimating the additional amount needed from the primary property tax for a~~
13 ~~school district that is not eligible for any equalization assistance as~~
14 ~~provided in section 15-971, the county school superintendent shall include~~
15 ~~the school district governing board's estimate of the increase in the revenue~~
16 ~~control limit as prescribed by section 15-948 for the applicable year, except~~
17 ~~that the percentage increase in average daily membership used to compute the~~
18 ~~estimated increase in the revenue control limit may not exceed the average of~~
19 ~~the percentage increase in average daily membership in the three years before~~
20 ~~the year for which the estimate is made.~~

21 6. The calculation of the amount to be levied as prescribed by section
22 15-992 using the values provided by the county assessor under section
23 42-17052.

24 C. The property tax oversight commission must review the primary
25 property tax calculations filed under subsection B, paragraph 6 of this
26 section.

27 D. The county school superintendent must file in writing with the
28 county board of supervisors and the property tax oversight commission on or
29 before the third Monday in August of each year the amount that is required to
30 be levied for each school district from both the primary property tax
31 prescribed by section 15-992 and the secondary property tax.

32 E. On or before September 1, the governing board of a school district
33 shall file with the county school superintendent an estimate of the amount of
34 title VIII of the elementary and secondary education act of 1965 monies it is
35 eligible to receive during the current year. On or before June 1, the
36 governing board shall file with the county school superintendent and the
37 superintendent of public instruction a statement of the actual amount of
38 title VIII of the elementary and secondary education act of 1965 monies it
39 received during the current year. This subsection does not apply to
40 accommodation schools.

41 F. The department may collect any other similar or related information
42 from school districts that the department may determine is necessary to carry
43 out the purposes of this section.

44 Sec. 25. Section 15-1371, Arizona Revised Statutes, is amended to
45 read:

1 15-1371. Equalization assistance for state educational system
2 for committed youth; state education fund for
3 committed youth

4 A. The superintendent of the state educational system for committed
5 youth shall calculate a base support level as prescribed in section 15-943
6 and district additional assistance as prescribed in section 15-961 for the
7 educational system established pursuant to section 41-2831, except that:

8 1. Notwithstanding section 15-901:

9 (a) The student count shall be determined using the following
10 definitions:

11 (i) "Daily attendance" means days in which a pupil attends an
12 educational program for a minimum of two hundred forty minutes, not including
13 meal and recess periods. Attendance for one hundred twenty or more minutes
14 but fewer than two hundred forty minutes shall be counted as one-half day's
15 attendance.

16 (ii) "Fractional student" means a pupil WHO IS enrolled in an
17 educational program of one hundred twenty or more minutes but fewer than two
18 hundred forty minutes a day, not including meal and recess periods. A
19 fractional student shall be counted as one-half of a full-time student.

20 (iii) "Full-time student" means a pupil WHO IS enrolled in an
21 educational program for a minimum of two hundred forty minutes a day, not
22 including meal and recess periods.

23 (b) "Pupils with serious emotional disabilities enrolled in a school
24 district program as provided in section 15-765" includes pupils with serious
25 emotional disabilities enrolled in the department of juvenile corrections
26 school system.

27 2. All pupils shall be counted as if they were enrolled in grades nine
28 through twelve.

29 3. The teacher experience index is 1.00.

30 4. The base support level shall be calculated using the base level
31 multiplied by 1.0, except that the state educational system for committed
32 youth is also eligible ~~beginning with fiscal year 1992-1993~~ for additional
33 teacher compensation monies as specified in section 15-952.

34 5. Section 15-943, paragraph 1 does not apply.

35 B. The superintendent may use ~~sections~~ SECTION 15-855 ~~and 15-948~~ in
36 making the calculations prescribed in subsection A of this section, ~~except~~
37 ~~that for the 1992-1993 fiscal year rapid decline shall not be used~~. The
38 superintendent of the system and the department of education shall prescribe
39 procedures for determining average daily membership.

40 C. Equalization assistance for the state educational system for
41 committed youth for the budget year is determined by adding the amount of the
42 base support level and district additional assistance for the budget year
43 calculated as prescribed in subsection A of this section.

44 D. The state educational system for committed youth shall not receive
45 twenty-five ~~per cent~~ PERCENT of the equalization assistance unless it is

1 accredited by the north central association of colleges and secondary
2 schools.

3 E. The state education fund for committed youth is established. Fund
4 monies shall be used for the purposes of the state educational system for
5 committed youth, and notwithstanding section 35-173, monies appropriated to
6 the fund shall not be transferred to or used for any program **THAT IS** not
7 within the state educational system for committed youth. State equalization
8 assistance for the state educational system for committed youth as determined
9 in subsection A of this section, other state and federal monies received from
10 the department of education for the state educational system for committed
11 youth and monies appropriated for the state educational system for committed
12 youth, except monies appropriated pursuant to subsection F of this section,
13 shall be deposited in the fund. The state treasurer shall maintain separate
14 accounts for fund monies if the separate accounts are required by statute or
15 federal law.

16 F. The department of juvenile corrections may seek appropriations for
17 capital needs for land, buildings and improvements, including repairs and
18 maintenance, **THAT ARE** required to maintain the state educational system for
19 committed youth.

20 G. The state board of education shall apportion state aid and deposit
21 it, pursuant to sections 35-146 and 35-147, in the state education fund for
22 committed youth in an amount as determined by subsection A of this section.
23 The apportionments shall be as follows:

24 1. On July 1, one-third of the total amount to be apportioned during
25 the fiscal year.

26 2. On October 15, one-twelfth of the total amount to be apportioned
27 during the fiscal year.

28 3. On December 15, one-twelfth of the total amount to be apportioned
29 during the fiscal year.

30 4. On January 15, one-twelfth of the total amount to be apportioned
31 during the fiscal year.

32 5. On February 15, one-twelfth of the total amount to be apportioned
33 during the fiscal year.

34 6. On March 15, one-twelfth of the total amount to be apportioned
35 during the fiscal year.

36 7. On April 15, one-twelfth of the total amount to be apportioned
37 during the fiscal year.

38 8. On May 15, one-twelfth of the total amount to be apportioned during
39 the fiscal year.

40 9. On June 15, one-twelfth of the total amount to be apportioned
41 during the fiscal year.

42 H. In conjunction with the department of administration, the
43 superintendent of the state educational system for committed youth shall
44 establish procedures to account for the receipt and expenditure of state
45 education fund for committed youth monies by modifying the current accounting
46 system used for state agencies as necessary.

1 Sec. 26. Section 15-1372, Arizona Revised Statutes, is amended to
2 read:

3 15-1372. Equalization assistance for state educational system
4 for persons in the state department of corrections;
5 fund

6 A. The state department of corrections shall provide educational
7 services for pupils who are under the age of eighteen years and pupils with
8 disabilities who are age twenty-one or younger who are committed to the state
9 department of corrections. The department of education shall provide
10 technical assistance to the state department of corrections on request and
11 shall assist the state department of corrections in establishing program and
12 personnel standards.

13 B. The state education fund for correctional education is established.
14 Subject to legislative appropriation, fund monies shall be used for the
15 purposes of providing education to pupils as specified in subsection A of
16 this section. Notwithstanding section 35-173, monies appropriated to the
17 fund shall not be transferred to or used for any program **THAT IS** not directly
18 related to the educational services required by this section. State
19 equalization assistance, other state and federal monies received from the
20 department of education for which the pupils in correctional education
21 programs qualify and monies appropriated for correctional education except
22 monies appropriated pursuant to subsection C of this section shall be
23 deposited in the fund. The state treasurer shall maintain separate accounts
24 for fund monies if the separate accounts are required by statute or federal
25 law.

26 C. The state department of corrections may seek appropriations for
27 capital needs for land, buildings and improvements, including repairs and
28 maintenance, **THAT ARE** required to maintain the educational services required
29 by this section.

30 D. The state board of education shall apportion state aid and deposit
31 it, pursuant to sections 35-146 and 35-147, in the state education fund for
32 correctional education in an amount as determined by subsection E of this
33 section. The apportionments are as follows:

34 1. On July 1, one-third of the total amount to be apportioned during
35 the fiscal year.

36 2. On October 15, one-twelfth of the total amount to be apportioned
37 during the fiscal year.

38 3. On December 15, one-twelfth of the total amount to be apportioned
39 during the fiscal year.

40 4. On January 15, one-twelfth of the total amount to be apportioned
41 during the fiscal year.

42 5. On February 15, one-twelfth of the total amount to be apportioned
43 during the fiscal year.

44 6. On March 15, one-twelfth of the total amount to be apportioned
45 during the fiscal year.

1 7. On April 15, one-twelfth of the total amount to be apportioned
2 during the fiscal year.

3 8. On May 15, one-twelfth of the total amount to be apportioned during
4 the fiscal year.

5 9. On June 15, one-twelfth of the total amount to be apportioned
6 during the fiscal year.

7 E. The director of the state department of corrections shall calculate
8 a base support level as prescribed in section 15-943 and district additional
9 assistance as prescribed in section 15-961 for the educational services
10 required by this section, except that:

11 1. Notwithstanding section 15-901, the student count shall be
12 determined using the following definitions:

13 (a) "Daily attendance" means days in which a pupil attends an
14 educational program for a minimum of one hundred eighty minutes, not
15 including meal and recess periods. Attendance for ninety or more minutes but
16 fewer than one hundred eighty minutes shall be counted as one-half day's
17 attendance.

18 (b) "Fractional student" means a pupil WHO IS enrolled in an
19 educational program of ninety or more minutes but fewer than one hundred
20 eighty minutes per day, not including meal and recess periods. A fractional
21 student shall be counted as one-half of a full-time student.

22 (c) "Full-time student" means a pupil WHO IS enrolled in an
23 educational program for a minimum of one hundred eighty minutes per day, not
24 including meal and recess periods.

25 (d) "Pupil with a disability" has the same meaning as child with a
26 disability prescribed in section 15-761.

27 2. All pupils shall be counted as if they were enrolled in grades nine
28 through twelve.

29 3. The teacher experience index is 1.00.

30 4. The calculation for additional teacher compensation monies as
31 prescribed in section 15-952 is available.

32 5. Section 15-943, paragraph 1 does not apply.

33 6. The base support level and capital outlay amounts calculated
34 pursuant to this section shall be multiplied by 0.67.

35 7. The school year shall consist of a period of not less than two
36 hundred eight days.

37 F. The director of the state department of corrections may use
38 ~~sections~~ SECTION 15-855 ~~and 15-948~~ in making the calculations prescribed in
39 subsection E of this section. The director of the state department of
40 corrections and the department of education shall prescribe procedures for
41 calculating average daily membership.

42 G. Equalization assistance for correctional education programs
43 provided for those pupils specified in subsection A of this section is
44 determined by adding the amount of the base support level and district
45 additional assistance for the budget year calculated as prescribed in
46 subsection E of this section.

1 H. The director of the state department of corrections shall keep
2 records and provide information as the department of education requires to
3 determine the appropriate amount of equalization assistance. Equalization
4 assistance shall be used to provide educational services in this section.

5 I. The department of education and the state department of corrections
6 shall enter into an intergovernmental agreement that establishes the
7 necessary accountability between the two departments regarding the
8 administrative and funding requirements contained in subsections A and B of
9 this section. The agreement shall:

10 1. Provide for appropriate education to all committed youths as
11 required by state and federal law.

12 2. Provide financial information to meet requirements for equalization
13 assistance.

14 3. Provide for appropriate pupil intake and assessment procedures.

15 4. Require pupil performance assessment and the reporting of results.

16 Sec. 27. Section 15-2011, Arizona Revised Statutes, is amended to
17 read:

18 15-2011. Minimum school facility adequacy requirements;
19 definition

20 A. The school facilities board, as determined and prescribed in this
21 chapter, shall provide funding to school districts for new construction as
22 the number of pupils in the district fills the existing school facilities and
23 requires more pupil space.

24 B. School buildings in a school district are adequate if all of the
25 following requirements are met:

26 1. The buildings contain sufficient and appropriate space and
27 equipment that comply with the minimum school facility adequacy guidelines
28 established pursuant to subsection F of this section. The state shall not
29 fund facilities for elective courses that require the school district
30 facilities to exceed minimum school facility adequacy requirements. The
31 school facilities board shall determine whether a school building meets the
32 requirements of this paragraph by analyzing the total square footage that is
33 available for each pupil in conjunction with the need for specialized spaces
34 and equipment.

35 2. The buildings are in compliance with federal, state and local
36 building and fire codes and laws that are applicable to the particular
37 building, except that a school with an aggregate area of less than five
38 thousand square feet is subject to permitting and inspection by a local fire
39 marshal and is only subject to regulation or inspection by the state fire
40 marshal if the county, city or town in which the school is located does not
41 employ a local fire marshal. An existing school building is not required to
42 comply with current requirements for new buildings unless this compliance is
43 specifically mandated by law or by the building or fire code of the
44 jurisdiction where the building is located.

1 3. The building systems, including roofs, plumbing, telephone systems,
2 electrical systems, heating systems and cooling systems, are in working order
3 and are capable of being properly maintained.

4 4. The buildings are structurally sound.

5 C. The standards that shall be used by the school facilities board to
6 determine whether a school building meets the minimum adequate gross square
7 footage requirements are as follows:

8 1. For a school district that provides instruction to pupils in
9 programs for preschool children with disabilities, kindergarten programs and
10 grades one through six, eighty square feet per pupil in programs for
11 preschool children with disabilities, kindergarten programs and grades one
12 through six.

13 2. For a school district that provides instruction to up to eight
14 hundred pupils in grades seven and eight, eighty-four square feet per pupil
15 in grades seven and eight.

16 3. For a school district that provides instruction to more than eight
17 hundred pupils in grades seven and eight, eighty square feet per pupil in
18 grades seven and eight or sixty-seven thousand two hundred square feet,
19 whichever is more.

20 4. For a school district that provides instruction to up to four
21 hundred pupils in grades nine through twelve, one hundred twenty-five square
22 feet per pupil in grades nine through twelve.

23 5. For a school district that provides instruction to more than four
24 hundred and up to one thousand pupils in grades nine through twelve, one
25 hundred twenty square feet per pupil in grades nine through twelve or fifty
26 thousand square feet, whichever is more.

27 6. For a school district that provides instruction to more than one
28 thousand and up to one thousand eight hundred pupils in grades nine through
29 twelve, one hundred twelve square feet per pupil in grades nine through
30 twelve or one hundred twenty thousand square feet, whichever is more.

31 7. For a school district that provides instruction to more than one
32 thousand eight hundred pupils in grades nine through twelve, ninety-four
33 square feet per pupil in grades nine through twelve or two hundred one
34 thousand six hundred square feet, whichever is more.

35 D. The school facilities board may modify the square footage
36 requirements prescribed in subsection C of this section or modify the amount
37 of monies awarded to cure the square footage deficiency pursuant to this
38 section for particular school districts based on extraordinary circumstances
39 for any of the following considerations:

40 1. The number of pupils served by the school district.

41 2. Geographic factors.

42 3. Grade configurations other than those prescribed in subsection C of
43 this section.

44 E. In measuring the square footage per pupil requirements of
45 subsection C of this section, the school facilities board shall:

46 1. Use the most recent one hundredth day average daily membership.

- 1 2. For each school, use the lesser of either:
2 (a) Total gross square footage.
3 (b) Student capacity multiplied by the appropriate square footage per
4 pupil prescribed by subsection C of this section.
5 3. Consider the total space available in all schools in use in the
6 school district, except that the school facilities board shall allow an
7 exclusion of the square footage for certain schools and the pupils within the
8 schools' boundaries if the school district demonstrates to the board's
9 satisfaction unusual or excessive busing of pupils or unusual attendance
10 boundary changes between schools.
11 4. Compute the gross square footage of all buildings by measuring from
12 exterior wall to exterior wall. Square footage used solely for district
13 administration, storage of vehicles and other nonacademic purposes shall be
14 excluded from the net square footage.
15 5. Include all portable and modular buildings.
16 6. Include in the net square footage new construction funded wholly or
17 partially by the school facilities board based on the square footage funded
18 by the school facilities board. If the new construction is to exceed the
19 square footage funded by the school facilities board, the excess square
20 footage shall not be included in the net square footage if any of the
21 following applies:
22 (a) The excess square footage was constructed before July 1, 2002 or
23 funded by a class B bond, impact aid revenue bond or capital outlay override
24 approved by the voters after August 1, 1998 and before June 30, 2002 or
25 funded from unrestricted capital outlay expended before June 30, 2002.
26 (b) The excess square footage of new school facilities does not exceed
27 twenty-five percent of the minimum square footage requirements pursuant to
28 subsection C of this section.
29 (c) The excess square footage of expansions to school facilities does
30 not exceed twenty-five percent of the minimum square footage requirements
31 pursuant to subsection C of this section.
32 7. Exclude square footage built under a developer agreement according
33 to section 15-342, paragraph 33 until the school facilities board provides
34 funding for the square footage under section 15-2041, subsection 0.
35 8. Include square footage that a school district has leased to another
36 entity, ~~including square footage leased to a charter school that is sponsored~~
37 ~~by a school district pursuant to section 15-183.~~
38 F. The school facilities board shall adopt rules establishing minimum
39 school facility adequacy guidelines. The guidelines shall provide the
40 minimum quality and quantity of school buildings and facilities and equipment
41 necessary and appropriate to enable pupils to achieve the academic standards
42 pursuant to section 15-203, subsection A, paragraphs 12 and 13 and sections
43 15-701 and 15-701.01. At a minimum, the school facilities board shall
44 address all of the following in developing these guidelines:

- 1 1. School sites.
- 2 2. Classrooms.
- 3 3. Libraries and media centers, or both.
- 4 4. Cafeterias.
- 5 5. Auditoriums, multipurpose rooms or other multiuse space.
- 6 6. Technology.
- 7 7. Transportation.
- 8 8. Facilities for science, arts and physical education.
- 9 9. Other facilities and equipment that are necessary and appropriate
- 10 to achieve the academic standards prescribed pursuant to section 15-203,
- 11 subsection A, paragraphs 12 and 13 and sections 15-701 and 15-701.01.
- 12 10. Appropriate combinations of facilities or uses listed in this
- 13 section.

14 G. The board shall consider the facilities and equipment of the

15 schools with the highest academic productivity scores, as prescribed in

16 section 15-2002, subsection A, paragraph 9, subdivision (d), and the highest

17 parent quality ratings in the establishment of the guidelines.

18 H. The school facilities board may consider appropriate combinations

19 of facilities or uses in making assessments of and curing existing

20 deficiencies pursuant to section 15-2002, subsection A, paragraph 1 and in

21 certifying plans for new school facilities pursuant to section 15-2002,

22 subsection A, paragraph 5.

23 I. For the purposes of this section, "student capacity" means the

24 capacity adjusted to include any additions to or deletions of space,

25 including modular or portable buildings at the school. The school facilities

26 board shall determine the student capacity for each school in conjunction

27 with each school district, recognizing each school's allocation of space as

28 of July 1, 1998, to achieve the academic standards prescribed pursuant to

29 section 15-203, subsection A, paragraphs 12 and 13 and sections 15-701 and

30 15-701.01.

31 Sec. 28. Section 15-2032, Arizona Revised Statutes, is amended to

32 read:

33 15-2032. School facilities board building renewal grant fund:

34 definitions

35 A. The building renewal grant fund is established consisting of monies

36 appropriated to the fund by the legislature. The school facilities board

37 shall administer the fund and distribute monies to school districts for the

38 purpose of maintaining the adequacy of existing school facilities. Monies in

39 the fund are exempt from the provisions of section 35-190 relating to lapsing

40 of appropriations.

41 B. The school facilities board shall distribute monies from the fund

42 based on grant requests from school districts to fund primary building

43 renewal projects. Project requests shall be prioritized by the school

44 facilities board, with priority given to school districts that have provided

45 routine preventative maintenance on the facility, and to school districts

46 that can provide a match of monies provided by the fund. The school

1 facilities board shall approve only projects that will be completed within
2 twelve months, unless similar projects on average take longer to complete.

3 C. School districts that receive monies from the fund shall use these
4 monies on projects for buildings or any part of a building in the school
5 facilities board's database for any of the following:

- 6 1. Major renovations and repairs to a building.
- 7 2. Upgrading systems and areas that will maintain or extend the useful
8 life of the building.
- 9 3. Infrastructure costs.

10 D. Monies received from the fund shall not be used for any of the
11 following purposes:

- 12 1. New construction.
- 13 2. Remodeling interior space for aesthetic or preferential reasons.
- 14 3. Exterior beautification.
- 15 4. Demolition.
- 16 5. Routine preventative maintenance.
- 17 6. Any project in a building, or part of a building, that is being
18 leased to another entity, ~~including a charter school that is sponsored by a~~
19 ~~school district pursuant to section 15-183.~~

20 E. Accommodation schools are not eligible for monies from the building
21 renewal grant fund.

22 F. If the school facilities board or a court of competent jurisdiction
23 determines that a school district received monies from the building renewal
24 grant fund that must be reimbursed to the school facilities board due to
25 legal action associated with improper construction by a hired contractor, the
26 school district shall reimburse the school facilities board an agreed-on
27 amount for deposit into the building renewal grant fund.

28 G. For the purposes of this section:

29 1. "Primary building renewal projects" means projects that are
30 necessary for buildings owned by school districts that are required to meet
31 the minimum adequacy standards for student capacity and that fall below the
32 minimum school facility adequacy guidelines, as adopted by the school
33 facilities board pursuant to section 15-2011, for school districts that have
34 provided routine preventative maintenance to the school facility.

35 2. "Routine preventative maintenance" means services that are
36 performed on a regular schedule at intervals ranging from four times a year
37 to once every three years, or on the schedule of services recommended by the
38 manufacturer of the specific building system or equipment, AND that are
39 intended to extend the useful life of a building system and reduce the need
40 for major repairs.

41 3. "Student capacity" has the same meaning prescribed in section
42 15-2011.

1 Sec. 29. Section 15-2041, Arizona Revised Statutes, is amended to
2 read:

3 15-2041. New school facilities fund; capital plan; report

4 A. A new school facilities fund is established consisting of monies
5 appropriated by the legislature and monies credited to the fund pursuant to
6 section 37-221. The school facilities board shall administer the fund and
7 distribute monies, as a continuing appropriation, to school districts for the
8 purpose of constructing new school facilities and for contracted expenses
9 pursuant to section 15-2002, subsection B, paragraphs 2, 3 and 4. On June 30
10 of each fiscal year, any unobligated contract monies in the new school
11 facilities fund shall be transferred to the capital reserve fund established
12 by section 15-2003.

13 B. The school facilities board shall prescribe a uniform format for
14 use by the school district governing board in developing and annually
15 updating a capital plan that consists of each of the following:

16 1. Enrollment projections for the next five years for elementary
17 schools and eight years for middle and high schools, including a description
18 of the methods used to make the projections.

19 2. A description of new schools or additions to existing schools
20 needed to meet the building adequacy standards prescribed in section 15-2011.
21 The description shall include:

22 (a) The grade levels and the total number of pupils that the school or
23 addition is intended to serve.

24 (b) The year in which it is necessary for the school or addition to
25 begin operations.

26 (c) A timeline that shows the planning and construction process for
27 the school or addition.

28 3. Long-term projections of the need for land for new schools.

29 4. Any other necessary information required by the school facilities
30 board to evaluate a school district's capital plan.

31 5. If a school district pays tuition for all or a portion of the
32 school district's high school pupils to another school district, the capital
33 plan shall indicate the number of pupils for which the district pays tuition
34 to another district. If a school district accepts pupils from another school
35 district pursuant to section 15-824, subsection A, the school district shall
36 indicate the projections for this population separately. This paragraph does
37 not apply to a small isolated school district as defined in section 15-901.

38 C. If the capital plan indicates a need for a new school or an
39 addition to an existing school within the next four years or a need for land
40 within the next ten years, the school district shall submit its plan to the
41 school facilities board by September 1 and shall request monies from the new
42 school facilities fund for the new construction or land. The school
43 facilities board may require a school district to sell land that was
44 previously purchased entirely with monies provided by the school facilities
45 board if the school facilities board determines that the property is no
46 longer needed within the ~~ten-year~~ TEN-YEAR period specified in this

1 subsection for a new school or no longer needed within that ~~ten-year~~ TEN-YEAR
2 period for an addition to an existing school. Monies provided for land shall
3 be in addition to any monies provided pursuant to subsection D of this
4 section.

5 D. The school facilities board shall distribute monies from the new
6 school facilities fund as follows:

7 1. The school facilities board shall review and evaluate the
8 enrollment projections. On or before March 1, following the submission of
9 the enrollment projections, the school facilities board shall either approve
10 the projections as submitted or revise the projections. In approving or
11 revising the enrollment projections, the school facilities board shall use
12 the most recent average daily membership data available. On request from the
13 school facilities board, the department of education shall make available the
14 most recent average daily membership data for use in revising the enrollment
15 projections. In determining new construction requirements, the school
16 facilities board shall determine the net new growth of pupils that will
17 require additional square footage that exceeds the building adequacy
18 standards prescribed in section 15-2011. If the projected growth and the
19 existing number of pupils exceed three hundred fifty pupils who are served in
20 a school district other than the pupil's resident school district, the school
21 facilities board, the receiving school district and the resident school
22 district shall develop a capital facilities plan on how to best serve those
23 pupils. A small isolated school district as defined in section 15-901 is not
24 required to develop a capital facilities plan pursuant to this paragraph.

25 2. If the approved projections indicate that additional space would
26 not have been needed during the current school year in order to meet the
27 building adequacy standards prescribed in section 15-2011, the request shall
28 be held for consideration by the school facilities board for possible future
29 funding and the school district shall annually submit an updated plan until
30 the additional space is needed.

31 3. If the approved projections indicate that additional space would
32 have been needed during the current school year in order to meet the building
33 adequacy standards prescribed in section 15-2011, the school facilities board
34 shall provide an amount as follows:

35 (a) Determine the number of pupils requiring additional square footage
36 to meet building adequacy standards. This amount for elementary schools
37 shall not be less than the number of new pupils for whom space will be needed
38 in the next year and shall not exceed the number of new pupils for whom space
39 will be needed in the next five years. This amount for middle and high
40 schools shall not be less than the number of new pupils for whom space will
41 be needed in the next four years and shall not exceed the number of new
42 pupils for whom space will be needed in the next eight years.

43 (b) Multiply the number of pupils determined in subdivision (a) of
44 this paragraph by the square footage per pupil. The square footage per pupil
45 is ninety square feet per pupil for preschool children with disabilities,
46 kindergarten programs and grades one through six, one hundred square feet for

1 grades seven and eight, one hundred thirty-four square feet for a school
2 district that provides instruction in grades nine through twelve for fewer
3 than one thousand eight hundred pupils and one hundred twenty-five square
4 feet for a school district that provides instruction in grades nine through
5 twelve for at least one thousand eight hundred pupils. The total number of
6 pupils in grades nine through twelve in the district shall determine the
7 square footage factor to use for net new pupils. The school facilities board
8 may modify the square footage requirements prescribed in this subdivision for
9 particular schools based on any of the following factors:

10 (i) The number of pupils served or projected to be served by the
11 school district.

12 (ii) Geographic factors.

13 (iii) Grade configurations other than those prescribed in this
14 subdivision.

15 (iv) Compliance with minimum school facility adequacy requirements
16 established pursuant to section 15-2011.

17 (c) Multiply the product obtained in subdivision (b) of this paragraph
18 by the cost per square foot. The cost per square foot is ninety dollars for
19 preschool children with disabilities, kindergarten programs and grades one
20 through six, ninety-five dollars for grades seven and eight and one hundred
21 ten dollars for grades nine through twelve. The cost per square foot shall
22 be adjusted annually for construction market considerations based on an index
23 identified or developed by the joint legislative budget committee as
24 necessary but not less than once each year. The school facilities board
25 shall multiply the cost per square foot by 1.05 for any school district
26 located in a rural area. The school facilities board may only modify the
27 base cost per square foot prescribed in this subdivision for particular
28 schools based on geographic conditions or site conditions. For the purposes
29 of this subdivision, "rural area" means an area outside a ~~thirty-five mile~~
30 THIRTY-FIVE-MILE radius of a boundary of a municipality with a population of
31 more than fifty thousand persons.

32 (d) Once the school district governing board obtains approval from the
33 school facilities board for new facility construction ~~funds~~ MONIES,
34 additional portable or modular square footage created for the express purpose
35 of providing temporary space for pupils until the completion of the new
36 facility shall not be included by the school facilities board for the purpose
37 of new construction funding calculations. On completion of the new facility
38 construction project, if the portable or modular facilities continue in use,
39 the portable or modular facilities shall be included as prescribed by this
40 chapter, unless the school facilities board approves their continued use for
41 the purpose of providing temporary space for pupils until the completion of
42 the next new facility that has been approved for funding from the new school
43 facilities fund.

44 4. For projects approved after December 31, 2001, and notwithstanding
45 paragraph 3 of this subsection, a unified school district that does not have
46 a high school is not eligible to receive high school space as prescribed by

1 section 15-2011 and this section unless the unified district qualifies for
2 geographic factors prescribed by paragraph 3, subdivision (b), item (ii) of
3 this subsection.

4 5. If a joint technical education district leases a building from a
5 school district, that building shall be included in the school district's
6 square footage calculation for the purposes of new construction pursuant to
7 this section.

8 6. If a school district leases a building to another entity, ~~including~~
9 ~~a charter school that is sponsored by a school district pursuant to section~~
10 ~~15-193~~, that building shall be included in the school district's square
11 footage calculation for purposes of new construction pursuant to this
12 section.

13 7. A school district shall qualify for monies from the new school
14 facilities fund in a fiscal year only if the school facilities board has
15 approved or revised its enrollment projection under paragraph 3 of this
16 subsection on or before March 1 of the prior fiscal year.

17 E. Monies for architectural and engineering fees, project management
18 services and preconstruction services shall be distributed on the completion
19 of the analysis by the school facilities board of the school district's
20 request. After receiving monies pursuant to this subsection, the school
21 district shall submit a design development plan for the school or addition to
22 the school facilities board before any monies for construction are
23 distributed. If the school district's request meets the building adequacy
24 standards, the school facilities board may review and comment on the
25 district's plan with respect to the efficiency and effectiveness of the plan
26 in meeting state square footage and facility standards before distributing
27 the remainder of the monies. If the school facilities board modifies the
28 cost per square foot as prescribed in subsection D, paragraph 3, subdivision
29 (c) of this section, the school facilities board may deduct the cost of
30 project management services and preconstruction services from the required
31 cost per square foot. The school facilities board may decline to fund the
32 project if the square footage is no longer required due to revised enrollment
33 projections.

34 F. The school facilities board shall distribute the monies needed for
35 land for new schools so that land may be purchased at a price that is less
36 than or equal to fair market value and in advance of the construction of the
37 new school. If necessary, the school facilities board may distribute monies
38 for land to be leased for new schools if the duration of the lease exceeds
39 the life expectancy of the school facility by at least fifty ~~per cent~~
40 **PERCENT**. A school district shall not use land purchased or partially
41 purchased with monies provided by the school facilities board for a purpose
42 other than a site for a school facility without obtaining prior written
43 approval from the school facilities board. A school district shall not
44 lease, sell or take any action that would diminish the value of land
45 purchased or partially purchased with monies provided by the school
46 facilities board without obtaining prior written approval from the school

1 facilities board. The proceeds derived through the sale of any land
2 purchased or partially purchased, or the sale of buildings funded or
3 partially funded, with monies provided by the school facilities board shall
4 be returned to the state fund from which it was appropriated and to any other
5 participating entity on a proportional basis. Except as provided in section
6 15-342, paragraph 33, if a school district acquires real property by donation
7 at an appropriate school site approved by the school facilities board, the
8 school facilities board shall distribute an amount equal to twenty ~~per cent~~
9 PERCENT of the fair market value of the donated real property that can be
10 used for academic purposes. The school district shall place the monies in
11 the unrestricted capital outlay fund and increase the unrestricted capital
12 budget limit by the amount of monies placed in the fund. Monies distributed
13 under this subsection shall be distributed from the new school facilities
14 fund. A school district that receives monies from the new school facilities
15 fund for a donation of land pursuant to section 15-342, paragraph 33 shall
16 not receive monies from the school facilities board for the donation of real
17 property pursuant to this subsection. A school district shall not pay a
18 consultant a percentage of the value of any of the following:

19 1. Donations of real property, services or cash from any of the
20 following:

21 (a) Entities that have offered to provide construction services to the
22 school district.

23 (b) Entities that have been contracted to provide construction
24 services to the school district.

25 (c) Entities that build residential units in that school district.

26 (d) Entities that develop land for residential use in that school
27 district.

28 2. Monies received from the school facilities board on behalf of the
29 school district.

30 3. Monies paid by the school facilities board on behalf of the school
31 district.

32 G. In addition to distributions to school districts based on pupil
33 growth projections, a school district may submit an application to the school
34 facilities board for monies from the new school facilities fund if one or
35 more school buildings have outlived their useful life. If the school
36 facilities board determines that the school district needs to build a new
37 school building for these reasons, the school facilities board shall remove
38 the square footage computations that represent the building from the
39 computation of the school district's total square footage for purposes of
40 this section. If the square footage recomputation reflects that the school
41 district no longer meets building adequacy standards, the school district
42 qualifies for a distribution of monies from the new school construction
43 formula in an amount determined pursuant to subsection D of this section.
44 The school facilities board may only modify the base cost per square foot
45 prescribed in this subsection under extraordinary circumstances for
46 geographic factors or site conditions.

1 H. School districts that receive monies from the new school facilities
2 fund shall establish a district new school facilities fund and shall use the
3 monies in the district new school facilities fund only for the purposes
4 prescribed in this section. By October 15 of each year, each school district
5 shall report to the school facilities board the projects funded at each
6 school in the previous fiscal year with monies from the district new school
7 facilities fund and shall provide an accounting of the monies remaining in
8 the new school facilities fund at the end of the previous fiscal year.

9 I. If a school district has surplus monies received from the new
10 school facilities fund, the school district may use the surplus monies only
11 for capital purposes for the project for up to one year after completion of
12 the project. If the school district possesses surplus monies from the new
13 school construction project that have not been expended within one year of
14 the completion of the project, the school district shall return the surplus
15 monies to the school facilities board for deposit in the new school
16 facilities fund.

17 J. The board's consideration of any application filed after
18 December 31 of the year in which the property becomes territory in the
19 vicinity of a military airport or ancillary military facility as defined in
20 section 28-8461 for monies to fund the construction of new school facilities
21 proposed to be located in territory in the vicinity of a military airport or
22 ancillary military facility shall include, if after notice is transmitted to
23 the military airport pursuant to section 15-2002 and before the public
24 hearing the military airport provides comments and an analysis concerning
25 compatibility of the proposed school facilities with the high noise or
26 accident potential generated by military airport or ancillary military
27 facility operations that may have an adverse effect on public health and
28 safety, consideration and analysis of the comments and analysis provided by
29 the military airport before making a final determination.

30 K. If a school district uses its own project manager for new school
31 construction, the members of the school district governing board and the
32 project manager shall sign an affidavit stating that the members and the
33 project manager understand and will follow the minimum adequacy requirements
34 prescribed in section 15-2011.

35 L. The school facilities board shall establish a separate account in
36 the new school facilities fund designated as the litigation account to pay
37 attorney fees, expert witness fees and other costs associated with litigation
38 in which the school facilities board pursues the recovery of damages for
39 deficiencies correction that resulted from alleged construction defects or
40 design defects that the school facilities board believes caused or
41 contributed to a failure of the school building to conform to the building
42 adequacy requirements prescribed in section 15-2011. Attorney fees paid
43 pursuant to this subsection shall not exceed the market rate for similar
44 types of litigation. On or before December 1 of each year, the school
45 facilities board shall report to the joint committee on capital review the

1 costs associated with current and potential litigation that may be paid from
2 the litigation account.

3 M. Until the state board of education and the auditor general adopt
4 rules pursuant to section 15-213, subsection I, the school facilities board
5 may allow school districts to contract for construction services and
6 materials through the qualified select bidders list method of project
7 delivery for new school facilities pursuant to this section.

8 N. The school facilities board shall submit electronically a report on
9 project management services and preconstruction services to the governor, the
10 president of the senate and the speaker of the house of representatives by
11 December 31 of each year. The report shall compare projects that use project
12 management and preconstruction services with those that do not. The report
13 shall address cost, schedule and other measurable components of a
14 construction project. School districts, construction manager at risk firms
15 and project management firms that participate in a school facilities board
16 funded project shall provide the information required by the school
17 facilities board in relation to this report.

18 O. If a school district constructs new square footage according to
19 section 15-342, paragraph 33, the school facilities board shall review the
20 design plans and location of any new school facility submitted by school
21 districts and another party to determine whether the design plans comply with
22 the adequacy standards prescribed in section 15-2011 and the square footage
23 per pupil requirements pursuant to subsection D, paragraph 3, subdivision (b)
24 of this section. When the school district qualifies for a distribution of
25 monies from the new school facilities fund according to this section, the
26 school facilities board shall distribute monies to the school district from
27 the new school facilities fund for the square footage constructed under
28 section 15-342, paragraph 33 at the same cost per square foot established by
29 this section that was in effect at the time of the beginning of the
30 construction of the school facility. Before the school facilities board
31 distributes any monies pursuant to this subsection, the school district shall
32 demonstrate to the school facilities board that the facilities to be funded
33 pursuant to this section meet the minimum adequacy standards prescribed in
34 section 15-2011. The agreement entered into pursuant to section 15-342,
35 paragraph 33 shall set forth the procedures for the allocation of these funds
36 to the parties that participated in the agreement.

37 P. Accommodation schools are not eligible for monies from the new
38 school facilities fund.

39 Sec. 30. Laws 2014, chapter 16, section 5 is amended to read:

40 Sec. 5. School district charter schools; adjustments

41 A. Notwithstanding any other law, for fiscal year 2015-2016, the
42 department of education shall compute K-12 equalization formula funding for
43 students who in fiscal year 2014-2015 attended school district charter
44 schools that converted to charter school status or that began operating as
45 new schools under charter school status in fiscal year 2013-2014 as if those
46 students had attended school district non-charter schools in fiscal year

1 2014-2015 and shall adjust student counts and budget limits for fiscal year
2 2015-2016 accordingly, EXCEPT THAT ANY ADJUSTMENT IN STUDENT COUNTS THAT IS
3 MADE PURSUANT TO THIS SUBSECTION DOES NOT MAKE A SCHOOL DISTRICT ELIGIBLE FOR
4 DISTRICT ADDITIONAL ASSISTANCE GROWTH FUNDING PURSUANT TO SECTION 15-961,
5 SUBSECTION B, PARAGRAPH 3, ARIZONA REVISED STATUTES.

6 B. NOTWITHSTANDING ANY OTHER LAW, FOR FISCAL YEAR 2016-2017, THE
7 DEPARTMENT OF EDUCATION SHALL COMPUTE DISTRICT ADDITIONAL ASSISTANCE FUNDING
8 FOR STUDENTS WHO ATTENDED SCHOOL DISTRICT CHARTER SCHOOLS IN FISCAL YEAR
9 2015-2016 AS IF THOSE STUDENTS HAD ATTENDED SCHOOL DISTRICT NON-CHARTER
10 SCHOOLS IN FISCAL YEAR 2015-2016 AND SHALL ADJUST STUDENT COUNTS AND BUDGET
11 LIMITS PERTAINING TO DISTRICT ADDITIONAL ASSISTANCE FOR FISCAL YEAR 2016-2017
12 ACCORDINGLY, EXCEPT THAT ANY ADJUSTMENT IN STUDENT COUNTS THAT IS MADE
13 PURSUANT TO THIS SUBSECTION DOES NOT MAKE A SCHOOL DISTRICT ELIGIBLE FOR
14 DISTRICT ADDITIONAL ASSISTANCE GROWTH FUNDING PURSUANT TO SECTION 15-961,
15 SUBSECTION B, PARAGRAPH 3, ARIZONA REVISED STATUTES.

16 Sec. 31. Delayed repeal

17 Laws 2014, chapter 16, section 6, as amended by Laws 2014, chapter 214,
18 section 5, is repealed from and after June 30, 2016.

19 Sec. 32. Laws 2014, chapter 17, section 10 is amended to read:

20 Sec. 10. Delayed repeal

21 Section ~~15-216~~ 15-217, Arizona Revised Statutes, as ~~added~~ AMENDED by
22 this act, is repealed from and after December 31, ~~2017~~ 2019.

23 Sec. 33. Laws 2014, chapter 17, section 19 is amended to read:

24 Sec. 19. Appropriations; K-6 technology-based language
25 development and literacy intervention pilot program;
26 exemption from lapsing

27 The sum of \$300,000 is appropriated to the ~~state board of education~~
28 SUPERINTENDENT OF PUBLIC INSTRUCTION in fiscal ~~years~~ YEAR 2014-2015 and THE
29 SUM OF \$246,800 IS APPROPRIATED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION
30 IN FISCAL YEAR 2015-2016 from the technology-based language development and
31 literacy intervention fund established by section ~~15-216~~ 15-217, Arizona
32 Revised Statutes, as ~~added~~ AMENDED by this act, for the purpose of providing
33 payment to the educational technology provider selected by the state board
34 pursuant to section ~~15-216~~ 15-217, Arizona Revised Statutes, as ~~added~~ AMENDED
35 by this act. THE MONIES APPROPRIATED FOR FISCAL YEAR 2014-2015 ARE EXEMPT
36 FROM THE PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO
37 LAPSING OF APPROPRIATIONS, THROUGH FISCAL YEAR 2016-2017, AND THE MONIES
38 APPROPRIATED FOR FISCAL YEAR 2015-2016 ARE EXEMPT FROM THE PROVISIONS OF
39 SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO LAPSING OF
40 APPROPRIATIONS, THROUGH FISCAL YEAR 2017-2018.

41 Sec. 34. Pilot program on school emergency readiness; report;
42 delayed repeal

43 A. The \$3,646,500 state general fund appropriation to the department
44 of education for the school safety program for fiscal year 2016-2017 in the
45 general appropriation act includes \$100,000 for a pilot program on school
46 emergency readiness.

1 B. On or before September 30, 2016, school districts shall submit
2 applications to the department of education to participate in the pilot
3 program.

4 C. On or before November 30, 2016, the department of education shall
5 select three school districts to participate in the pilot program. The
6 selected school districts shall collectively consist of no more than
7 thirty-one individual school sites and shall include:

8 1. One school district that is located in a county with a population
9 of eight hundred thousand persons or more according to the 2010 United States
10 decennial census.

11 2. One school district that is located in a county with a population
12 of one hundred thousand persons or more but less than eight hundred thousand
13 persons according to the 2010 United States decennial census.

14 3. One school district that is located in a county with a population
15 of less than one hundred thousand persons according to the 2010 United States
16 decennial census.

17 D. School districts that are selected to participate in the pilot
18 program shall be provided and use a readiness and emergency management
19 program that incorporates the following:

20 1. Education-specific emergency management software. All plans and
21 critical emergency readiness information, including contacts, floor plans and
22 critical equipment photos and locations, shall be accessible online and
23 off-line via mobile device applications. The software used in the pilot
24 program shall comply with the national emergency information management
25 system adopted by the federal emergency management agency.

26 2. Training of teachers and administrators in the readiness and
27 emergency management program.

28 3. The development, implementation and maintenance of a comprehensive
29 crisis plan for participating school districts and their teachers and
30 administrators.

31 E. On or before November 1, 2017, the department of education shall
32 submit to the governor, the president of the senate and the speaker of the
33 house of representatives a report that summarizes the results of the pilot
34 program. The department of education shall provide a copy of the report to
35 the secretary of state.

36 F. This section is repealed from and after December 31, 2017.

37 Sec. 35. District additional assistance for school districts;
38 reduction for fiscal year 2016-2017; classroom
39 spending

40 A. For fiscal year 2016-2017, the department of education shall reduce
41 by \$352,442,700 the amount of basic state aid that otherwise would be
42 apportioned to school districts statewide for fiscal year 2016-2017 for
43 district additional assistance prescribed in section 15-961, Arizona Revised
44 Statutes, and shall reduce school district budget limits accordingly.

45 B. For fiscal year 2016-2017, the department of education shall reduce
46 district additional assistance for a school district that is not eligible to

1 receive basic state aid funding for fiscal year 2016-2017 by the amount that
2 its district additional assistance would be reduced pursuant to subsection A
3 of this section if the school district were eligible to receive basic state
4 aid funding for fiscal year 2016-2017 and shall reduce the school district's
5 budget limits accordingly.

6 C. It is the intent of the governor and the legislature that school
7 districts increase the total percentage of classroom spending over the
8 previous year's percentages in the combined categories of instruction,
9 student support and instructional support as defined by the auditor general.

10 Sec. 36. K-12 formula reductions; small districts; maximum

11 Notwithstanding any other law, the sum of district additional
12 assistance reductions in fiscal year 2016-2017 for school districts with a
13 student count of fewer than 1,100 pupils may not exceed \$5,000,000.

14 Sec. 37. Additional assistance funding for charter schools;
15 reduction for fiscal year 2016-2017

16 The department of education shall reduce by \$18,656,000 the amount of
17 charter additional assistance funding that otherwise would be apportioned to
18 charter schools statewide for fiscal year 2016-2017 pursuant to section
19 15-185, subsection B, paragraph 4, Arizona Revised Statutes, as amended by
20 this act. The funding reduction required under this section shall be made on
21 a proportional basis based on the charter additional assistance funding that
22 each charter school in this state would have received for fiscal year
23 2016-2017 without the prescribed reduction.

24 Sec. 38. Joint technical education district equalization
25 funding; fiscal year 2016-2017

26 Notwithstanding section 15-393, Arizona Revised Statutes, as amended by
27 this act, or any other law, the department of education shall fund state aid
28 for joint technical education districts with a student count of more than two
29 thousand students for fiscal year 2016-2017 at ninety-five and one-half
30 percent of the amount that otherwise would be provided by law and shall
31 reduce its budget limits accordingly. The state aid reduction required for a
32 joint technical education district under this section shall be computed as if
33 the base support level portion of the district's equalization formula funding
34 for fiscal year 2016-2017 were based on the district's prior year rather than
35 current year average daily membership.

36 Sec. 39. Joint technical education district programs; student
37 eligibility; fiscal years 2015-2016 and 2016-2017;
38 retroactivity

39 A. Notwithstanding section 15-393, subsection D, paragraph 4,
40 subdivision (c), Arizona Revised Statutes, as amended by this act, a student
41 who is not over twenty-one years of age, including a student who has
42 graduated from high school or who has received a general equivalency diploma,
43 and who was lawfully enrolled in a joint technical education district
44 program:

1 1. During fiscal year 2015-2016 may continue to participate in the
2 program and remain in the average daily membership of the joint technical
3 education district through the end of fiscal year 2015-2016.

4 2. On February 1, 2016 may continue to participate in the program and
5 remain in the average daily membership of the joint technical education
6 district until the student completes the joint technical education program or
7 through the end of fiscal year 2016-2017, whichever occurs first.

8 B. This section is effective retroactively to from and after
9 June 30, 2015.

10 Sec. 40. Code writers initiative pilot program; appropriation;
11 exemption; fiscal year 2016-2017; program
12 termination

13 A. Notwithstanding section 41-3506, Arizona Revised Statutes, the sum
14 of \$500,000 in one-time funding is appropriated from the state web portal
15 fund established by section 41-3506, Arizona Revised Statutes, in fiscal year
16 2016-2017 to the department of education to provide grants on a competitive
17 basis pursuant to title 41, chapter 24, article 1, Arizona Revised Statutes,
18 for participation in the code writers initiative pilot program. The American
19 Indian advisory council in the department of education shall evaluate grant
20 applications and shall make award recommendations to the department of
21 education. The department shall maximize available funding by awarding
22 grants to participants who will leverage state monies by securing gifts,
23 grants and donations from other sources.

24 B. Grantees in the code writers initiative pilot program shall:

25 1. Introduce computer code writing curriculum for students in grades
26 nine through twelve.

27 2. Deliver a technology-focused education to Native American students
28 that will prepare the students for the global economy.

29 3. Instruct Native American students in computer code writing and work
30 with industry partners to develop internships and programs that will be made
31 available to initiative graduates.

32 4. Instruct teachers and administrators in a technology-focused
33 curriculum.

34 5. Develop assessment metrics to measure progress to be used to
35 determine the initiative's effectiveness.

36 6. Install audio video distance learning equipment at key delivery
37 points to maximize the number of program participants.

38 7. Determine the impacts from the initiative's curriculum and teacher
39 instruction on students' standardized test scores and graduation rates.

40 8. Submit annual reports to the American Indian advisory council and
41 the department of education not later than September 1, 2017 and September 1,
42 2018, if applicable, containing detailed information relating to the
43 requirements of this subsection for the most recent school year.

44 C. The department of education shall summarize the reports submitted
45 pursuant to subsection B, paragraph 8 of this section and submit summaries on
46 or before December 1, 2017 and December 1, 2018 to the president of the

1 senate, the speaker of the house and the director of the joint legislative
2 budget committee. The department shall submit a copy of each summary to the
3 secretary of state.

4 D. The appropriation made in subsection A of this section is exempt
5 from the provisions of section 35-190, Arizona Revised Statutes, relating to
6 lapsing of appropriations.

7 E. The program established pursuant to this section ends on July 1,
8 2019 pursuant to section 41-3102.

9 Sec. 41. District-sponsored charter schools; intent

10 It is the intent of the legislature that school districts that operated
11 district-sponsored charter schools in fiscal year 2015-2016 receive
12 approximately the same amount of incremental monies in fiscal year 2016-2017
13 for former district-sponsored charter school pupils that those school
14 districts received in fiscal year 2015-2016 for district-sponsored charter
15 school pupils. For the purposes of this section, "incremental monies" means
16 the additional funding that a district-sponsored charter school receives per
17 pupil from the state equalization funding formula above what it receives per
18 pupil under that formula for each district noncharter school pupil.

19 Sec. 42. New school facilities funding; fiscal years 2016-2017
20 and 2017-2018

21 A. Notwithstanding any other law, if the school facilities board
22 approves a school district for new school facilities funding and the full
23 legislative appropriation for the project is not available to the school
24 district in the fiscal year following the approval by the school facilities
25 board, the school district may use any legally available monies to pay for
26 the project approved by the school facilities board and may reimburse the
27 fund from which the monies were used in subsequent years with the remaining
28 legislative appropriations when made available by this state.

29 B. Subsection A of this section applies only to monies appropriated to
30 the school facilities board for new school facilities during fiscal years
31 2016-2017 and 2017-2018.

32 Sec. 43. Retroactivity

33 A. Section 15-185, Arizona Revised Statutes, as amended by this act,
34 applies retroactively to from and after June 30, 2016.

35 B. The repeal by this act of Laws 2014, chapter 16, section 6, as
36 amended by Laws 2014, chapter 214, section 5, is effective retroactively to
37 from and after June 30, 2016.

38 C. Laws 2014, chapter 16, section 5, as amended by this act, applies
39 retroactively to from and after June 30, 2015.

40 Sec. 44. Conditional enactment

41 Section 15-901, Arizona Revised Statutes, as amended by Laws 2015,
42 first special session, chapter 1, section 1 and by this act, does not become
43 effective unless the Constitution of Arizona is amended by Proposition 123 at
44 the special election conducted on May 17, 2016.

H.B. 2707

APPROVED BY THE GOVERNOR MAY 10, 2016.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 10, 2016.