

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

# SENATE BILL 1065

AN ACT

AMENDING SECTION 15-393, ARIZONA REVISED STATUTES; RELATING TO CAREER  
TECHNICAL EDUCATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-393, Arizona Revised Statutes, is amended to  
3 read:

4 15-393. Career technical education district governing board;  
5 report; definitions

6 A. The management and control of a career technical education  
7 district are vested in the career technical education district governing  
8 board, including the content and quality of the courses offered by the  
9 district, the quality of teachers who provide instruction on behalf of the  
10 district, the salaries of teachers who provide instruction on behalf of  
11 the district and the reimbursement of other entities for the facilities  
12 used by the district. This section does not restrict a school district  
13 from offering any career and technical education course that does not  
14 qualify for funding as a career technical education course or career  
15 technical education district program. Unless the governing boards of the  
16 school districts participating in the formation of the career technical  
17 education district vote to implement an alternative election system as  
18 provided in subsection B of this section, the career technical education  
19 board shall consist of five members elected from five single member  
20 districts formed within the career technical education district. The  
21 single member district election system shall be submitted as part of the  
22 plan for the career technical education district pursuant to section  
23 15-392 and shall be established in the plan as follows:

24 1. The governing boards of the school districts participating in  
25 the formation of the career technical education district shall define the  
26 boundaries of the single member districts so that the single member  
27 districts are as nearly equal in population as is practicable, except that  
28 if the career technical education district lies in part in each of two or  
29 more counties, at least one single member district may be entirely within  
30 each of the counties comprising the career technical education district if  
31 this district design is consistent with the obligation to equalize the  
32 population among single member districts.

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

36 3. A person who is a registered voter of this state and who is a  
37 resident of the single member district is eligible for election to the  
38 office of career technical education board member from the single member  
39 district. The terms of office of the members of the career technical  
40 education board shall be as prescribed in section 15-427, subsection B.  
41 An employee of a career technical education district or the spouse of an  
42 employee shall not hold membership on a governing board of a career  
43 technical education district by which the employee is employed. A member  
44 of one school district governing board or career technical education  
45 district governing board is ineligible to be a candidate for nomination or

1 election to or serve simultaneously as a member of any other governing  
2 board, except that a member of a governing board may be a candidate for  
3 nomination or election for any other governing board if the member is  
4 serving in the last year of a term of office. A member of a governing  
5 board shall resign the member's seat on the governing board before  
6 becoming a candidate for nomination or election to the governing board of  
7 any other school district or career technical education district, unless  
8 the member of the governing board is serving in the last year of a term of  
9 office. Members of a career technical education district governing board  
10 are subject to the conflict of interest requirements prescribed in section  
11 38-503.

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

14 B. The governing boards of the school districts participating in  
15 the formation of the career technical education district may vote to  
16 implement any other alternative election system for the election of career  
17 technical education district board members. If an alternative election  
18 system is selected, it shall be submitted as part of the plan for the  
19 career technical education district pursuant to section 15-392, and the  
20 implementation of the system shall be as approved by the United States  
21 justice department.

22 C. The career technical education district shall be subject to the  
23 following provisions of this title:

- 24 1. Chapter 1, articles 1 through 6.
- 25 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 26 3. Articles 2, 3 and 5 of this chapter.
- 27 4. Section 15-361.
- 28 5. Chapter 4, articles 1, 2 and 5.
- 29 6. Chapter 5, articles 1 and 3.
- 30 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728,  
31 15-729 and 15-730.
- 32 8. Chapter 7, article 5.
- 33 9. Chapter 8, articles 1, 3 and 4.
- 34 10. Sections 15-828 and 15-829.
- 35 11. Chapter 9, article 1, article 6, except for section 15-995, and  
36 article 7.
- 37 12. Sections 15-941, 15-943.01, 15-952, 15-953 and 15-973.
- 38 13. Sections 15-1101 and 15-1104.
- 39 14. Chapter 10, articles 2, 3, 4 and 8.

40 D. Notwithstanding subsection C of this section, the following  
41 apply to a career technical education district:

- 42 1. A career technical education district may issue bonds for the  
43 purposes specified in section 15-1021 and in chapter 4, article 5 of this  
44 title to an amount in the aggregate, including the existing indebtedness,  
45 not exceeding one percent of the net assessed value of the full cash value

1 of the property within the career technical education district. For the  
2 purposes of this paragraph, "full cash value" and "net assessed value"  
3 have the same meanings prescribed in section 42-11001.

4 2. The number of governing board members for a career technical  
5 education district shall be as prescribed in subsection A of this section.

6 3. The student count for the first year of operation of a career  
7 technical education district as provided in this article shall be  
8 determined as follows:

9 (a) Determine the estimated student count for career technical  
10 education district classes that will operate in the first year of  
11 operation. This estimate shall be based on actual registration of pupils  
12 as of March 30 scheduled to attend classes that will be operated by the  
13 career technical education district. The student count for the school  
14 district of residence of the pupils registered at the career technical  
15 education district shall be adjusted. The adjustment shall cause the  
16 school district of residence to reduce the student count for the pupil to  
17 reflect the courses to be taken at the career technical education  
18 district. The school district of residence shall review and approve the  
19 adjustment of its own student count as provided in this subdivision before  
20 the pupils from the school district can be added to the student count of  
21 the career technical education district.

22 (b) The student count for the new career technical education  
23 district shall be the student count as determined in subdivision (a) of  
24 this paragraph.

25 (c) For the first year of operation, the career technical education  
26 district shall revise the student count to the actual average daily  
27 membership as prescribed in section 15-901, subsection A, paragraph 1 for  
28 students attending classes in the career technical education district. A  
29 career technical education district shall revise its student count, the  
30 base support level as provided in section 15-943.02, the revenue control  
31 limit as provided in section 15-944.01 and the district additional  
32 assistance as provided in section 15-962.01 before May 15. A career  
33 technical education district that overestimated its student count shall  
34 revise its budget before May 15. A career technical education district  
35 that underestimated its student count may revise its budget before May 15.

36 (d) After March 15 of the first year of operation, the school  
37 district of residence shall adjust its student count by reducing it to  
38 reflect the courses actually taken at the career technical education  
39 district. The school district of residence shall revise its student  
40 count, the base support level as provided in section 15-943, the revenue  
41 control limit as provided in section 15-944 and the district additional  
42 assistance as provided in section 15-962.01 prior to May 15. A district  
43 that underestimated the student count for students attending the career  
44 technical education district shall revise its budget before May 15. A

1 district that overestimated the student count for students attending the  
2 career technical education district may revise its budget before May 15.

3 (e) The procedures for implementing this paragraph shall be as  
4 prescribed in the uniform system of financial records.

5 (f) Pupils in an approved career technical education district  
6 centralized program may generate an average daily membership of 1.0 during  
7 any day of the week and at any time between July 1 and June 30 of each  
8 fiscal year. For the purposes of this paragraph, "school district of  
9 residence" means the school district that included the pupil in its  
10 average daily membership for the year before the first year of operation  
11 of the career technical education district and that would have included  
12 the pupil in its student count for the purposes of computing its base  
13 support level for the fiscal year of the first year of operation of the  
14 career technical education district if the pupil had not enrolled in the  
15 career technical education district.

16 4. A student includes any person enrolled in the career technical  
17 education district without regard to the person's age or high school  
18 graduation status, except that:

19 (a) A student in a kindergarten program or in any of grades one  
20 through ~~nine~~ EIGHT who enrolls in courses offered by the career technical  
21 education district shall not be included in the career technical education  
22 district's student count or average daily membership.

23 (b) A student in a kindergarten program or in any of grades one  
24 through ~~nine~~ EIGHT who is enrolled in career and technical education  
25 courses shall not be funded in whole or in part with monies provided by a  
26 career technical education district, except that a pupil in grade eight or  
27 nine may be funded with monies generated by the five cent qualifying tax  
28 rate authorized in subsection F of this section.

29 (c) A student who has graduated from high school or received a  
30 general equivalency diploma or who is over twenty-one years of age shall  
31 not be included in the student count of the career technical education  
32 district for the purposes of chapter 9, articles 3, 4 and 5 of this title.

33 (d) A student who is enrolled in any internship course as part of a  
34 career technical education district program shall not be included in the  
35 student count of the career technical education district for that  
36 internship course for the purposes of chapter 9, articles 3, 4 and 5 of  
37 this title.

38 5. A career technical education district may operate for more than  
39 one hundred eighty days per year, with expanded hours of service.

40 6. A career technical education district may use the carryforward  
41 provisions of section 15-943.01.

42 7. A school district that is part of a career technical education  
43 district shall use any monies received pursuant to this article to  
44 supplement and not supplant base year career and technical education  
45 courses, and directly related equipment and facilities, except that a

1 school district that is part of a career technical education district and  
2 that has used monies received pursuant to this article to supplant career  
3 and technical education courses that were offered before the first year  
4 that the school district participated in the career technical education  
5 district or the first year that the school district used monies received  
6 pursuant to this article or that used the monies for purposes other than  
7 for career and technical education courses shall use one hundred percent  
8 of the monies received pursuant to this article to supplement and not  
9 supplant base year career and technical education courses. Each  
10 applicable school district shall provide a report to the career technical  
11 education board and the department of education outlining the required  
12 maintenance of effort and how monies were used to supplement and not  
13 supplant base year career and technical education courses and directly  
14 related equipment and facilities.

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

18 9. A career technical education district or a school district that  
19 is part of a career technical education district or a charter school shall  
20 only include pupils in grades ~~ten~~ NINE through twelve AND PUPILS IN THE  
21 SCHOOL YEAR IMMEDIATELY FOLLOWING GRADUATION in the calculation of student  
22 count or average daily membership if the pupils are enrolled in courses  
23 that are approved jointly by the governing board of the career technical  
24 education district and each participating school district or charter  
25 school for satellite courses taught within the participating school  
26 district or charter school, or approved solely by the career technical  
27 education district for centrally located courses. FUNDING SHALL NOT BE  
28 PROVIDED FOR MORE THAN FOUR YEARS FOR THE SAME STUDENT. Student count and  
29 average daily membership from courses that are not part of an approved  
30 program for career and technical education shall not be included in  
31 student count and average daily membership of a career technical education  
32 district.

33 E. The career technical education board shall appoint a  
34 superintendent as the executive officer of the career technical education  
35 district.

36 F. Taxes may be levied for the support of the career technical  
37 education district as prescribed in chapter 9, article 6 of this title,  
38 except that a career technical education district shall not levy a  
39 property tax pursuant to law that exceeds five cents per ~~one hundred~~  
40 ~~dollars~~ \$100 assessed valuation except for bond monies pursuant to  
41 subsection D, paragraph 1 of this section. Except for the taxes levied  
42 pursuant to section 15-994, such taxes shall be obtained from a levy of  
43 taxes on the taxable property used for secondary tax purposes.

44 G. The schools in the career technical education district are  
45 available to all persons who reside in the career technical education

1 district and to pupils whose school district of residence within this  
2 state is paying tuition on behalf of the pupils to a district of  
3 attendance that is a member of the career technical education district,  
4 subject to the rules for admission prescribed by the career technical  
5 education board.

6 H. The career technical education board may collect tuition for  
7 adult students and the attendance of pupils who are residents of school  
8 districts that are not participating in the career technical education  
9 district pursuant to arrangements made between the governing board of the  
10 school district and the career technical education board.

11 I. The career technical education board may accept gifts, grants,  
12 federal monies, tuition and other allocations of monies to erect, repair  
13 and equip buildings and for the cost of operation of the schools of the  
14 career technical education district.

15 J. One member of the career technical education board shall be  
16 selected chairman. The chairman shall be selected annually on a rotation  
17 basis from among the participating school districts. The chairman of the  
18 career technical education board shall be a voting member.

19 K. A career technical education board and a community college  
20 district may enter into agreements for the provision of administrative,  
21 operational and educational services and facilities.

22 L. Any agreement between the governing board of a career technical  
23 education district and another career technical education district, a  
24 school district, a charter school or a community college district shall be  
25 in the form of an intergovernmental agreement or other written contract.  
26 The auditor general shall modify the uniform system of financial records  
27 and budget forms in accordance with this subsection. The  
28 intergovernmental agreement or other written contract shall completely and  
29 accurately specify each of the following:

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

32 2. The accountability provisions of the intergovernmental agreement  
33 or other written contract.

34 3. The responsibilities of each career technical education  
35 district, each school district, each charter school and each community  
36 college district that is a party to the intergovernmental agreement or  
37 other written contract.

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

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

43 6. The transportation services that will be provided under the  
44 intergovernmental agreement or other written contract and the manner in  
45 which transportation costs will be paid.

1           7. The amount that the career technical education district will  
2 contribute to a course and the amount of support required by the school  
3 district or the community college.

4           8. That the services provided by the career technical education  
5 district, the school district, the charter school or the community college  
6 district be proportionally calculated in the cost of delivering the  
7 service.

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

10          10. That the career technical education district will provide the  
11 following minimum services for all member districts:

12           (a) Professional development of career and technical teachers in  
13 the career technical education district who are teaching programs or  
14 courses at a satellite campus.

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

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

20          M. A member school district or charter school may not submit  
21 requests for the approval or addition of satellite campus career technical  
22 education district programs or courses directly to the career and  
23 technical education division of the department of education, but shall  
24 submit all appropriate application documentation and materials for  
25 programs or courses to the career technical education district. On  
26 approval from the career technical education board, a career technical  
27 education district shall only submit requests for the approval or addition  
28 of satellite campus career technical education district programs or  
29 courses directly to the career and technical education division of the  
30 department of education, which shall determine whether the criteria  
31 prescribed in section 15-391, paragraphs 2 and 4 have been met. If the  
32 career and technical education division of the department of education  
33 determines that a course does not meet the criteria for approval as a  
34 career technical education course, the governing board of the career  
35 technical education district may appeal this decision to the state board  
36 of education acting as the state board of vocational education.

37          N. Notwithstanding any other law, the average daily membership for  
38 a pupil who is enrolled in a career technical education course and who  
39 does not meet the criteria specified in subsection P or Q of this section  
40 shall be 0.25 for each course, except the sum of the average daily  
41 membership shall not exceed the limits prescribed by subsection D, P or Q  
42 of this section, as applicable.

43          O. If a career and technical education course or program is  
44 provided on a satellite campus, the sum of the average daily membership,  
45 as provided in section 15-901, subsection A, paragraph 1, for that pupil



1 in the school district or charter school and career technical education  
2 district shall not exceed 1.25. The school district or charter school and  
3 the career technical education district shall determine the apportionment  
4 of the average daily membership for that pupil between the school district  
5 or charter school and the career technical education district. A pupil  
6 who attends a course or program at a satellite campus and who is not  
7 enrolled in the school district or charter school where the satellite  
8 campus is located may generate the average daily membership pursuant to  
9 this subsection if the pupil is enrolled in a school district that is a  
10 member district in the same career technical education district.

11 P. The sum of the average daily membership of a pupil who is  
12 enrolled in both the school district and career technical education course  
13 or career technical education program provided at a community college  
14 pursuant to subsection K of this section or at a centralized campus shall  
15 not exceed 1.75. The member school district and the career technical  
16 education district shall determine the apportionment of the average daily  
17 membership and student enrollment for that pupil between the member school  
18 district and the career technical education district, except that the  
19 amount apportioned shall not exceed 1.0 for either entity.  
20 Notwithstanding any other law, the average daily membership for a pupil in  
21 grade NINE, ten, eleven or twelve OR A PUPIL IN THE SCHOOL YEAR  
22 IMMEDIATELY FOLLOWING GRADUATION AND who is enrolled in a course that  
23 meets for at least one hundred fifty minutes per class period at a  
24 centralized campus shall be 0.75. To qualify for funding pursuant to this  
25 subsection, a centralized campus shall offer programs and courses to all  
26 eligible students in each member district of the career technical  
27 education district.

28 Q. The average daily membership for a pupil in grade NINE, ten,  
29 eleven or twelve OR A PUPIL IN THE SCHOOL YEAR IMMEDIATELY FOLLOWING  
30 GRADUATION AND who is enrolled in a course that meets for at least one  
31 hundred fifty minutes per class period at a leased centralized campus  
32 shall not exceed 0.75. THE MEMBER SCHOOL DISTRICT AND THE CAREER  
33 TECHNICAL EDUCATION DISTRICT SHALL DETERMINE THE APPORTIONMENT OF THE  
34 AVERAGE DAILY MEMBERSHIP AND STUDENT ENROLLMENT FOR THAT PUPIL BETWEEN THE  
35 MEMBER SCHOOL DISTRICT AND THE CAREER TECHNICAL EDUCATION DISTRICT, EXCEPT  
36 THAT THE AMOUNT APPORTIONED SHALL NOT EXCEED 1.0 FOR EITHER ENTITY. The  
37 sum of the average daily membership, as provided in section 15-901,  
38 subsection A, paragraph 1, of a pupil who is enrolled in both the school  
39 district and in career technical education courses provided at a leased  
40 centralized campus shall not exceed 1.75 if all of the following  
41 conditions are met:

- 42 1. The course qualifies as a career technical education course.
- 43 2. The course is offered to all eligible students in each member  
44 district of the career technical education district and enrolls students  
45 from multiple high schools.

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

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

10          R. A student who is enrolled in an accommodation school may be  
11 treated as a student of the school district in which the student  
12 physically resides for the purposes of enrollment in a career technical  
13 education district and shall be included in the calculation of average  
14 daily membership for either the career technical education district or the  
15 accommodation school, or both.

16          S. Notwithstanding any other law, the student count for a career  
17 technical education district shall be equivalent to the career technical  
18 education district's average daily membership.

19          T. A school district or charter school may not prohibit or  
20 discourage students who are enrolled in that school district or charter  
21 school from attending courses offered by a career technical education  
22 district, including requiring students to generate a full 1.0 average  
23 daily membership or to enroll in more courses than are needed to graduate  
24 before enrolling in and attending programs or courses offered by a career  
25 technical education district.

26          U. The governing board of the career technical education district  
27 may contract with any charter school that is located within the boundaries  
28 of the career technical education district to allow that charter school to  
29 offer career and technical education courses or programs as a satellite  
30 campus.

31          V. Beginning in 2020 and every five years thereafter, the career  
32 and technical education division of the department of education shall  
33 review career technical education district programs and career technical  
34 education courses to ensure compliance, quality and eligibility. Any  
35 program or course deemed to not meet the requirements set forth by law  
36 shall not be funded for the current school year and shall be removed from  
37 the approved program and course list for the purposes of funding. The  
38 career and technical education division may establish a staggered schedule  
39 for reviewing each career technical education district.

40          W. NOTWITHSTANDING SUBSECTION D, PARAGRAPHS 4 AND 9 AND SUBSECTIONS  
41 P AND Q OF THIS SECTION, FOR A PUPIL IN GRADE NINE, FUNDING SHALL NOT BE  
42 PROVIDED PURSUANT TO THIS SECTION UNTIL THE PUPIL REACHES GRADE TEN. AT  
43 THAT TIME FUNDING SHALL BE PROVIDED FOR THAT PUPIL FOR GRADE NINE AND FOR  
44 ANY SUBSEQUENT YEAR IN WHICH THE PUPIL IS ELIGIBLE FOR FUNDING PURSUANT TO  
45 THIS SECTION.

- 1           ~~W.~~ X. For the purposes of this section:
- 2           1. "Base year" means the complete school year in which voters of a
- 3 school district elected to join a career technical education district.
- 4           2. "Centralized campus" means a facility that is owned and operated
- 5 by a career technical education district for the purpose of offering
- 6 career technical education district programs or career technical education
- 7 courses.
- 8           3. "Lease" means a written agreement in which the right of
- 9 occupancy or use of real property is conveyed from one person or entity to
- 10 another person or entity for a specified period of time.
- 11           4. "Leased centralized campus" means a facility that is leased and
- 12 operated by a career technical education district for the purpose of
- 13 offering career technical education district programs or career technical
- 14 education courses.
- 15           5. "Satellite campus" means a facility that is owned or operated by
- 16 a school district or charter school for the purpose of offering career
- 17 technical education district programs or career technical education
- 18 courses.