PREFILED DEC 28 2021 REFERENCE TITLE: CTEDS; revisions

State of Arizona House of Representatives Fifty-fifth Legislature Second Regular Session 2022

HB 2027

Introduced by Representative Udall

AN ACT

AMENDING SECTION 15-393, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2021, CHAPTER 252, SECTION 1 AND CHAPTER 404, SECTION 14; REPEALING SECTION 15-393, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2021, CHAPTER 252, SECTION 1 AND CHAPTER 416, SECTION 2; AMENDING SECTION 15-393.01, ARIZONA REVISED STATUTES; RELATING TO CAREER TECHNICAL EDUCATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona: Section 1. Section 15-393, Arizona Revised Statutes, as amended by Laws 2021, chapter 252, section 1 and chapter 404, section 14, is amended to read:

5 6 15-393. <u>Career technical education district governing board;</u> report; definitions

7 A. The management and control of a career technical education 8 district are vested in the career technical education district governing 9 board, including the content and quality of the courses offered by the district, the quality of teachers who provide instruction on behalf of the 10 11 district, the salaries of teachers who provide instruction on behalf of the district and the reimbursement of other entities for the facilities 12 13 used by the district. This section does not restrict a school district from offering any career and technical education course that does not 14 15 qualify for funding as a career technical education course or career 16 technical education district program. Unless the governing boards of the 17 school districts participating in the formation of the career technical 18 education district vote to implement an alternative election system as provided in subsection B of this section, the career technical education 19 20 board consists of five members elected from five single member districts 21 formed within the career technical education district. The single member 22 district election system shall be submitted as part of the plan for the 23 career technical education district pursuant to section 15-392 and shall 24 be established in the plan as follows:

1. The governing boards of the school districts participating in 25 26 the formation of the career technical education district shall define the 27 boundaries of the single member districts so that the single member 28 districts are as nearly equal in population as is practicable, except that 29 if the career technical education district lies in part in each of two or 30 more counties, at least one single member district may be entirely within 31 each of the counties comprising the career technical education district if 32 this district design is consistent with the obligation to equalize the 33 population among single member districts.

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

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

1 member of one school district governing board or career technical 2 education district governing board is ineligible to be a candidate for 3 nomination or election to or serve simultaneously as a member of any other 4 governing board, except that a member of a governing board may be a 5 candidate for nomination or election for any other governing board if the 6 member is serving in the last year of a term of office. A member of a 7 governing board shall resign the member's seat on the governing board 8 before becoming a candidate for nomination or election to the governing 9 board of any other school district or career technical education district, unless the member of the governing board is serving in the last year of a 10 11 term of office. Members of a career technical education district 12 governing board are subject to the conflict of interest requirements 13 prescribed in section 38-503.

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

16 Β. The governing boards of the school districts participating in 17 the formation of the career technical education district may vote to 18 implement any other alternative election system for the election of career technical education district board members. If an alternative election 19 20 system is selected, it shall be submitted as part of the plan for the 21 career technical education district pursuant to section 15-392, and the 22 implementation of the system shall be as approved by the United States 23 justice department.

C. Career technical education districts are subject to the following provisions of this title:

1. Chapter 1, articles 1 through 6.

2. Sections 15-208, 15-210, 15-213 and 15-234.

28 3. Articles 2, 3 and 5 of this chapter.

- 29 4. Section 15-361.
- 30 5. Chapter 4, articles 1, 2 and 5.
- 31 6. Chapter 5, articles 1 and 3.

327. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728,3315-729 and 15-730.

- 34 8. Chapter 7, article 5.
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9. Chapter 8, articles 1, 3 and 4.

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

37 11. Chapter 9, article 1, article 6, except for section 15-995, and 38 article 7.

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 - Sections 15-941, 15-943.01, 15-952, 15-953 and 15-973.
 Sections 15-1101 and 15-1104.
- 40 41
- 14. Chapter 10, articles 2, 3, 4 and 8.

42 D. Notwithstanding subsection C of this section, the following 43 apply to a career technical education district: 1 1. A career technical education district may issue bonds for the 2 purposes specified in section 15-1021 and in chapter 4, article 5 of this 3 title to an amount in the aggregate, including the existing indebtedness, 4 not exceeding one percent of the net assessed value of the full cash value 5 of the property within the career technical education district. For the 6 purposes of this paragraph, "full cash value" and "net assessed value" 7 have the same meanings prescribed in section 42-11001.

8 2. The number of governing board members for a career technical 9 education district shall be as prescribed in subsection A of this section.

10 3. The student count for the first year of operation of a career 11 technical education district as provided in this article shall be 12 determined as follows:

13 (a) Determine the estimated student count for career technical education district classes that will operate in the first year of 14 operation. This estimate shall be based on actual registration of pupils 15 16 as of March 30 scheduled to attend classes that will be operated by the 17 career technical education district. The student count for the school 18 district of residence of the pupils registered at the career technical education district shall be adjusted. The adjustment shall cause the 19 20 school district of residence to reduce the student count for the pupil to 21 reflect the courses to be taken at the career technical education 22 district. The school district of residence shall review and approve the adjustment of its own student count as provided in this subdivision before 23 24 the pupils from the school district can be added to the student count of 25 the career technical education district.

26 (b) The student count for the new career technical education 27 district shall be the student count as determined in subdivision (a) of 28 this paragraph.

29 (c) For the first year of operation, the career technical education 30 district shall revise the student count to the actual average daily 31 membership as prescribed in section 15-901, subsection A, paragraph 1 for students attending classes in the career technical education district. A 32 33 career technical education district shall revise its student count, the base support level as provided in section 15-943.02, the revenue control 34 35 limit as provided in section 15-944.01 and the district additional 36 assistance as provided in section 15-962.01 before May 15. A career 37 technical education district that overestimated its student count shall revise its budget before May 15. A career technical education district 38 39 that underestimated its student count may revise its budget before May 15.

40 (d) After March 15 of the first year of operation, the school 41 district of residence shall adjust its student count by reducing it to 42 reflect the courses actually taken at the career technical education 43 district. The school district of residence shall revise its student 44 count, the base support level as provided in section 15-943, the revenue 45 control limit as provided in section 15-944 and the district additional assistance as provided in section 15-962.01 prior to May 15. A district that underestimated the student count for students attending the career technical education district shall revise its budget before May 15. A district that overestimated the student count for students attending the career technical education district may revise its budget before May 15.

6 (e) The procedures for implementing this paragraph shall be as 7 prescribed in the uniform system of financial records.

8 For the purposes of this paragraph, "school district of residence" means 9 the school district that included the pupil in its average daily membership for the year before the first year of operation of the career 10 11 technical education district and that would have included the pupil in its 12 student count for the purposes of computing its base support level for the 13 fiscal year of the first year of operation of the career technical 14 education district if the pupil had not enrolled in the career technical 15 education district.

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

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

(b) A student in a kindergarten program or in any of grades one through eight who is enrolled in career and technical education courses shall not be funded in whole or in part with monies provided by a career technical education district, except that a pupil in grade eight may be funded with monies generated by the \$.05 qualifying tax rate authorized in subsection F of this section.

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

5. A career technical education district may operate for more than
 one hundred eighty days per year, OR LESS, with expanded hours of service
 THE EQUIVALENT NUMBER OF HOURS OF INSTRUCTION.

36 6. A career technical education district may use the carryforward 37 provisions of section 15-943.01.

7. A school district that is part of a career technical education 38 39 district shall use any monies received pursuant to this article to supplement and not supplant base year career and technical education 40 41 courses, and directly related equipment and facilities, except that a 42 school district that is part of a career technical education district and 43 that has used monies received pursuant to this article to supplant career and technical education courses that were offered before the first year 44 45 that the school district participated in the career technical education

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

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

14 9. A career technical education district or a school district that is part of a career technical education district or a charter school shall 15 16 only include pupils in grades nine through twelve and pupils in the school 17 year immediately following graduation in the calculation of student count 18 or average daily membership if the pupils are enrolled in courses that are 19 approved jointly by the governing board of the career technical education 20 district and each participating school district or charter school for 21 satellite courses taught within the participating school district or 22 charter school, or approved solely by the career technical education district for centrally located courses. Funding may be provided for not 23 24 more than four years for the same student. Student count and average 25 daily membership from courses that are not part of an approved program for 26 career and technical education shall not be included in student count and average daily membership of a career technical education district. 27

28 E. The career technical education board shall appoint a 29 superintendent as the executive officer of the career technical education 30 district.

31 F. Taxes may be levied for the support of the career technical 32 education district as prescribed in chapter 9, article 6 of this title, 33 except that a career technical education district shall not levy a property tax pursuant to law that exceeds \$.05 per \$100 assessed valuation 34 35 except for bond monies pursuant to subsection D, paragraph 1 of this 36 section. Except for the taxes levied pursuant to section 15-994, such 37 taxes shall be obtained from a levy of taxes on the taxable property used 38 for secondary tax purposes.

G. The schools in the career technical education district are available to all persons who reside in the career technical education district and to pupils whose school district of residence within this state is paying tuition on behalf of the pupils to a district of attendance that is a member of the career technical education district, subject to the rules for admission prescribed by the career technical education board. 1 H. The career technical education board may collect tuition for 2 adult students and the attendance of pupils who are residents of school 3 districts that are not participating in the career technical education 4 district pursuant to arrangements made between the governing board of the 5 school district and the career technical education board.

6 I. The career technical education board may accept gifts, grants, 7 federal monies, tuition and other allocations of monies to erect, repair 8 and equip buildings and for the cost of operating the schools of the 9 career technical education district.

10 J. One member of the career technical education board shall be 11 selected chairman. The chairman shall be selected annually on a rotation basis from among the participating school districts. The chairman of the 12 13 career technical education board shall be a voting member.

14 K. A career technical education board and a community college 15 district may enter into agreements to provide for administrative, 16 operational and educational services and facilities.

17 L. Any agreement between the governing board of a career technical 18 education district and another career technical education district, a school district, a charter school or a community college district shall be 19 20 in the form of an intergovernmental agreement or other written contract. 21 The auditor general shall modify the uniform system of financial records 22 and budget forms in accordance with this subsection. The 23 intergovernmental agreement or other written contract shall completely and 24 accurately specify each of the following:

25 1. The financial provisions of the intergovernmental agreement or 26 other written contract and the format for the billing of all services.

27 2. The accountability provisions of the intergovernmental agreement 28 or other written contract.

29 of each career technical 3. The responsibilities education district, each school district, each charter school and each community 30 31 college district that is a party to the intergovernmental agreement or 32 other written contract.

33 4. The type of instruction that will be provided under the other 34 intergovernmental agreement or written contract, including 35 individualized education programs pursuant to section 15-763.

36 5. The quality of the instruction that will be provided under the 37 intergovernmental agreement or other written contract.

The transportation services that will be provided under the 38 6. 39 intergovernmental agreement or other written contract and the manner in 40 which transportation costs will be paid.

41 7. The amount that the career technical education district will contribute to a course and the amount of support required by the school 42 43 district, the charter school or the community college.

1 8. That the services provided by the career technical education 2 district, the school district, the charter school or the community college 3 district be proportionally calculated in the cost of delivering the 4 service.

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

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10. That the career technical education district will provide the 8 following minimum services for all member districts:

9 (a) Professional development of career and technical teachers in 10 the career technical education district who are teaching programs or courses at a satellite campus. 11

12 (b) Ongoing evaluation and support of satellite campus programs and 13 courses to ensure quality and compliance.

14 11. An itemized listing of other goods and services that are provided to the member district and that are paid for by the retention of 15 16 satellite campus student funding.

17 M. A member school district or charter school may not submit 18 requests to approve or add satellite campus career technical education district programs or courses directly to the career and technical 19 20 education division of the department of education, but shall submit all 21 appropriate application documentation and materials for programs or 22 courses to the career technical education district. On approval from the career technical education board, a career technical education district 23 24 shall only submit requests to approve or add satellite campus career 25 technical education district programs or courses directly to the career 26 and technical education division of the department of education, which 27 shall determine whether the criteria prescribed in section 15-391, paragraphs 2 and 4 have been met. If the career and technical education 28 29 division of the department of education determines that a course does not meet the criteria for approval as a career technical education course, the 30 31 governing board of the career technical education district may appeal this 32 decision to the state board of education acting as the state board of 33 vocational education.

34 N. Notwithstanding any other law, the average daily membership for a pupil who is enrolled in a career technical education course and who 35 36 does not meet the criteria specified in subsection P, or Q OR R of this 37 section shall be 0.25 for each course, except the sum of the average daily 38 membership shall not exceed the limits prescribed by subsection D, P, or Q 39 OR R of this section, as applicable.

40 0. If a career and technical education course or program is 41 provided on a satellite campus, the sum of the average daily membership, as provided in section 15-901, subsection A, paragraph 1, for that pupil 42 43 in the school district or charter school and career technical education district shall not exceed 1.25. The school district or charter school and 44 45 the career technical education district shall determine the apportionment

1 of the average daily membership for that pupil between the school district 2 or charter school and the career technical education district. A pupil 3 who attends a course or program at a satellite campus and who is not 4 enrolled in the school district or charter school where the satellite 5 campus is located may generate the average daily membership OF UP TO 0.25 6 FOR ONE HUNDRED FIFTY HOURS OF INSTRUCTION RECEIVED DURING ANY HOUR OF THE 7 DAY, DURING ANY DAY OF THE WEEK AND AT ANY TIME BETWEEN JULY 1 AND JUNE 30 8 OF EACH FISCAL YEAR pursuant to this subsection if the pupil is enrolled 9 in a school district that is a member district in the same career 10 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 by a community college pursuant to subsection K of this section or at a centralized campus shall 14 not exceed 1.75. THE AVERAGE DAILY MEMBERSHIP FOR A PUPIL WHO IS ENROLLED 15 16 IN A CAREER TECHNICAL EDUCATION COURSE OR CAREER TECHNICAL EDUCATION 17 PROGRAM PROVIDED BY A COMMUNITY COLLEGE SHALL BE 0.25 FOR THE ACCUMULATION 18 OF EVERY THREE COMMUNITY COLLEGE CREDITS FOR WHICH A STUDENT IS ENROLLED 19 IN CAREER TECHNICAL EDUCATION COURSES. The member school district and the 20 career technical education district shall determine the apportionment of 21 the average daily membership and student enrollment for that pupil between 22 the member school district and the career technical education district, 23 except that the amount apportioned shall not exceed 1.0 for either entity. 24 Notwithstanding any other law, the average daily membership for a pupil 25 who is in grade nine, ten, eleven or twelve or in the school year 26 immediately following graduation and who is enrolled in a course that 27 meets for at least one hundred fifty minutes per class period at a 28 centralized campus shall be 0.75. Students in an approved career 29 technical education district centralized campus program may generate an 30 average daily membership during any day of the week and at any time 31 between July 1 and June 30 of each fiscal year. To qualify for funding pursuant to this subsection, a centralized campus shall offer programs and 32 33 courses to all eligible students in each member district of the career STUDENTS IN AN APPROVED CAREER TECHNICAL 34 technical education district. 35 EDUCATION PROGRAM MAY GENERATE AN AVERAGE DAILY MEMBERSHIP OF UP TO 1.75 36 FOR INSTRUCTION RECEIVED DURING ANY HOUR OF THE DAY, DURING ANY DAY OF THE 37 WEEK AND AT ANY TIME BETWEEN JULY 1 AND JUNE 30 OF EACH FISCAL 38 YEAR. AVERAGE DAILY MEMBERSHIP SHALL NOT BE CALCULATED ON THE ONE HUNDREDTH DAY OF INSTRUCTION FOR THE PURPOSES OF THIS SECTION. 39 AVERAGE 40 DAILY MEMBERSHIP SHALL BE CALCULATED BY DIVIDING THE INSTRUCTIONAL HOURS 41 OF ENROLLMENT BY SIX HUNDRED HOURS, EXCEPT THAT:

42 1. AT LEAST ONE HUNDRED FIFTY HOURS AND LESS THAN THREE HUNDRED43 HOURS EQUALS 0.25 AVERAGE DAILY MEMBERSHIP.

44 2. AT LEAST THREE HUNDRED HOURS AND LESS THAN FOUR HUNDRED FIFTY45 HOURS EQUALS 0.5 AVERAGE DAILY MEMBERSHIP.

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1 3. AT LEAST FOUR HUNDRED FIFTY HOURS AND LESS THAN SIX HUNDRED 2 HOURS EQUALS 0.75 AVERAGE DAILY MEMBERSHIP. 3 4. AT LEAST SIX HUNDRED HOURS EQUALS 1.0 AVERAGE DAILY MEMBERSHIP. 4 The average daily membership for a pupil who is in grade nine, Q. 5 eleven or twelve or in the school year immediately following ten. 6 graduation and who is enrolled in a course that meets for at least one 7 hundred fifty minutes per class period at a leased centralized campus 8 shall not exceed 0.75. Students in an approved career technical education 9 district leased campus centralized program may generate an average daily membership during any day of the week and at any time between July 1 and 10 11 June 30 of each fiscal year. STUDENTS IN AN APPROVED CAREER TECHNICAL 12 EDUCATION PROGRAM PROVIDED BY A LEASED CENTRALIZED CAMPUS MAY GENERATE AN 13 AVERAGE DAILY MEMBERSHIP FOR INSTRUCTION RECEIVED DURING ANY HOUR OF THE 14 DAY, DURING ANY DAY OF THE WEEK AND AT ANY TIME BETWEEN JULY 1 AND JUNE 30 OF EACH FISCAL YEAR. AVERAGE DAILY MEMBERSHIP SHALL BE CALCULATED BY 15 16 DIVIDING THE INSTRUCTIONAL HOURS OF ENROLLMENT BY SIX HUNDRED HOURS, 17 **EXCEPT THAT:** 18 1. AT LEAST ONE HUNDRED FIFTY HOURS AND LESS THAN THREE HUNDRED 19 HOURS EQUALS 0.25 AVERAGE DAILY MEMBERSHIP. 20 2. AT LEAST THREE HUNDRED HOURS AND LESS THAN FOUR HUNDRED FIFTY 21 HOURS EQUALS 0.5 AVERAGE DAILY MEMBERSHIP. 22 3. AT LEAST FOUR HUNDRED FIFTY HOURS AND LESS THAN SIX HUNDRED 23 HOURS EQUALS 0.75 AVERAGE DAILY MEMBERSHIP. 24 4. AT LEAST SIX HUNDRED HOURS EQUALS 1.0 AVERAGE DAILY MEMBERSHIP. R. The sum of the average daily membership, as provided in section 25 26 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the school district and in career technical education courses provided at a 27 leased centralized campus shall not exceed 1.75 if all of the following 28 29 conditions are met: 30 1. The course qualifies as a career technical education course. 31 2. The course is offered to all eligible students in each member district of the career technical education district and enrolls students 32 33 from multiple high schools. 34 3. The career technical education district program in which the 35 course is included addresses a specific industry need and has been 36 developed in cooperation with that industry, or the leased facility is a 37 state or federal asset that would otherwise be unused or underutilized. 4. The lease is established at fair market value if the lease is 38 executed for a facility located on the site of a member district and was 39 approved by the joint committee on capital review, except that a lease 40 41 that was executed or renewed before December 31, 2012 is not subject to 42 approval by the joint committee on capital review. 43 R. S. A student who is enrolled in an accommodation school may be 44 treated as a student of the school district in which the student

physically resides for the purposes of enrollment in a career technical

education district and shall be included in the calculation of average daily membership for either the career technical education district or the accommodation school, or both.

4 Notwithstanding any other law, the student count for a 5. T. 5 career technical education district shall be equivalent to the career 6 technical education district's average daily membership. STUDENTS IN AN 7 APPROVED CAREER TECHNICAL EDUCATION PROGRAM PROVIDED BY A SATELLITE 8 CAMPUS, CENTRALIZED CAMPUS OR LEASED CENTRALIZED CAMPUS MAY GENERATE AN 9 AVERAGE DAILY MEMBERSHIP OF UP TO 1.75 FOR INSTRUCTION RECEIVED DURING ANY HOUR OF THE DAY, DURING ANY DAY OF THE WEEK AND AT ANY TIME BETWEEN JULY 1 10 11 AND JUNE 30 OF EACH FISCAL YEAR. AVERAGE DAILY MEMBERSHIP SHALL NOT BE 12 CALCULATED ON THE ONE HUNDREDTH DAY OF INSTRUCTION FOR THE PURPOSES OF 13 THIS SECTION. THE DEPARTMENT MAY NOT RESTRICT THE INSTRUCTIONAL TIME BY 14 LIMITING THE PARTICULAR DAYS OF THE WEEK OR TIME OF THE FISCAL YEAR FOR 15 INSTRUCTION TO OCCUR.

16 T. U. A school district or charter school may not prohibit or 17 discourage students who are enrolled in that school district or charter 18 school from attending courses offered by a career technical education 19 district, including requiring students to generate a full 1.0 average 20 daily membership or to enroll in more courses than are needed to graduate 21 before enrolling in and attending programs or courses offered by a career 22 technical education district.

23 U. V. The governing board of the career technical education 24 district may contract with any charter school that is located within the 25 boundaries of the career technical education district to allow that 26 charter school to offer career and technical education courses or programs 27 as a satellite campus.

28 Beginning in 2020 and every five years thereafter, the ∀. ₩. 29 career and technical education division of the department of education 30 shall review career technical education district programs and career 31 technical education courses to ensure compliance, quality and 32 eligibility. Any program or course deemed to not meet the requirements 33 set forth by law shall not be funded for the current school year and shall 34 be removed from the approved program and course list for the purposes of 35 funding. The career and technical education division may establish a 36 staggered schedule for reviewing each career technical education district.

37 $\forall \cdot$ X. Notwithstanding subsection D, paragraphs 4 and 9 and 38 subsections P, and Q AND R of this section, for a student in grade nine, 39 funding shall be provided pursuant to this section only if the student 40 reaches the fortieth day of grade eleven enrolled in an approved career 41 technical education program and meets the requirements prescribed in 42 subsection Υ Z of this section. At that time funding shall be provided 43 for that student for grade nine and for any subsequent year in which the 44 student is eligible for funding pursuant to this section.

1 X. Y. On or before September 1 of each year, the office of 2 economic opportunity in collaboration with the department of education 3 shall compile an in-demand regional education list of the approved career 4 technical education programs that lead to a career path in high demand 5 with median-to-high-wage jobs in that region. The office of economic 6 opportunity shall incorporate industry feedback as part of developing the 7 in-demand regional educational list. The office of economic opportunity 8 shall submit the in-demand regional education list to the Arizona career 9 and technical education quality commission for review and approval.

10 Y. Z. Notwithstanding subsection D, paragraphs 4 and 9 and 11 subsections P, and Q AND R of this section, for a student in grade nine or 12 in the school year immediately following graduation, funding shall be 13 provided pursuant to this section only if the student is enrolled in a 14 program that was included on the in-demand regional education list 15 compiled pursuant to subsection $X \to Y$ of this section for that student's 16 region for the year in which the student began the program.

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Z. AA. For the purposes of this section:

18 1. "Base year" means the complete school year in which voters of a 19 school district elected to join a career technical education district.

20 2. "Centralized campus" means a facility that is owned and operated 21 by a career technical education district to offer career technical 22 education district programs or career technical education courses.

23 3. "Lease" means a written agreement in which the right to occupy 24 or use real property is conveyed from one person or entity to another 25 person or entity for a specified period of time.

4. "Leased centralized campus" means a facility that is leased and operated by a career technical education district to offer career technical education district programs or career technical education courses.

30 5. "Satellite campus" means a facility that is owned or operated by
31 a school district or charter school to offer career technical education
32 district programs or career technical education courses.

Sec. 2. <u>Repeal</u>

34 Section 15-393, Arizona Revised Statutes, as amended by Laws 2021, 35 chapter 252, section 1 and chapter 416, section 2, is repealed.

36 Sec. 3. Section 15-393.01, Arizona Revised Statutes, is amended to 37 read:

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15-393.01. <u>Career technical education districts; annual</u> <u>report; performance and accountability</u>

A. The department of education shall include each career technical education district in the department's annual achievement profiles required by section 15-241, except that a career technical education district may not be assigned a letter grade pursuant to section 15-241. Subject to approval by the state board of education, the department shall develop specific criteria applicable to career technical education 1 districts that may not be based solely on the criteria prescribed in the 2 Carl D. Perkins vocational education act, as amended by the Carl D. Perkins vocational and applied technology education act amendments of 3 4 1990, as amended by the Carl D. Perkins vocational and technical education 5 act of 1998. The department shall include all of the following 6 performance indicators in the annual achievement profiles and provide a 7 copy of the information to each career technical education district 8 governing board:

9 1. The graduation rate of all students enrolled in a career and 10 technical education program or course.

12 2. The completion rate for each program offered by the career 12 technical education district.

3. Performance on assessments required pursuant to section 15-391,
 paragraph 4, subdivision (b).

4. Postgraduation employment rates, postsecondary enrollment rates
and military service rates for students who complete a career and
technical education program.

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

C. On or before December 31 of each year, the career and technical 23 24 education division of the department of education shall submit a career technical education district annual report to the governor, the president 25 26 of the senate and the speaker of the house of representatives and shall submit a copy of this report to the secretary of state. The career and 27 technical education division of the department of education shall submit a 28 29 copy of this report to the joint legislative budget committee for review. The annual report shall include the following: 30

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

35 2. The actual student count of each career technical education 36 district, including the student count of each centralized campus, 37 satellite campus and leased centralized campus as defined in section 38 15-393.

39 3. The programs and corresponding courses offered by each career 40 technical education district, including the location of each program and 41 course.

42 4. For each career technical education district based on program or 43 course location:

44 (a) The student enrollment of each program and corresponding 45 course. 1 (b) The percentage of students who enrolled in the second year of 2 each program and corresponding course relative to the number of students 3 in the same cohort who enrolled in the first year of each program and 4 corresponding course.

5 (c) The percentage of students who completed each program relative 6 to the number of students in the same cohort who began the program.

7 5. The costs associated with each program offered by the career 8 technical education district.

9 6. A listing of any programs or courses that were discontinued by review of the career and technical education division pursuant to section 10 11 15-393. subsection W.

12 7. A listing of any programs or courses that were continued by 13 review of the career and technical education division pursuant to section 14 15-393, subsection W.

8. A listing of any programs or courses that were added by the 15 16 career and technical education division.

17 9. For applicable school districts, the required maintenance of 18 effort and how monies were used to supplement and not supplant base year career and technical education courses, including expenditures related to 19 20 personnel, equipment and facilities.

21 10. For students who meet the requirements to receive funding 22 pursuant to section 15–393, subsection ₩- X, students enrolled in an 23 internship course and students enrolled in the year immediately following 24 graduation, a separate listing of the following information for each 25 district:

26 27 (a) Average daily membership.

(b) The actual student count.

28 (c) Enrollment by course or program and persistence at each grade 29 level toward completion of the program.

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(d) The percentage of students who completed each program.

31 (e) The number of certifications and licenses earned by students 32 delineated by those who attended a satellite program and those who 33 attended a centralized campus.

34 11. Any other data or information deemed necessary the by 35 department of education.

36 D. The office of the auditor general, in consultation with the 37 department of education, shall develop and establish uniform cost 38 reporting guidelines, policies and procedures for career technical 39 education district programs. Any guideline, policy or procedure shall 40 allow for the effective comparison of cost between career technical 41 education district programs.

42 Sec. 4. Retroactivity

43 Sections 1 and 2 of this act apply retroactively to from and after 44 September 28, 2021.