

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1269

(Reference to Senate engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-185, Arizona Revised Statutes, is amended to  
3 read:

4 15-185. Charter schools; financing; civil penalties;  
5 transportation; definition

6 A. A school district is not financially responsible for any charter  
7 school that is sponsored by the state board of education, the state board  
8 for charter schools, a university under the jurisdiction of the Arizona  
9 board of regents, a community college district or a group of community  
10 college districts.

11 B. Financial provisions for a charter school that is sponsored by  
12 the state board of education, the state board for charter schools, a  
13 university, a community college district or a group of community college  
14 districts are as follows:

15 1. The charter school shall ~~calculate a base support level as~~  
16 ~~prescribed in section 15-943~~ USE THE STATE STUDENT FUNDING FORMULA  
17 PRESCRIBED IN SECTION 15-901.04, except that:—

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

19 ~~(b)~~ the small school weights prescribed in section 15-943, paragraph  
20 1 apply if a charter holder holds one charter for one or more school sites  
21 and the average daily membership for the school sites are combined for the  
22 calculation of the small school weight. The small school weight shall not  
23 be applied individually to a charter holder if one or more of the following

1 conditions exist and the combined average daily membership derived from the  
2 following conditions is greater than six hundred:

3 ~~(i)~~ (a) The organizational structure or management agreement of the  
4 charter holder requires the charter holder or charter school to contract  
5 with a specific management company.

6 ~~(ii)~~ (b) The governing body of the charter holder has identical  
7 membership to another charter holder in this state.

8 ~~(iii)~~ (c) The charter holder is a subsidiary of a corporation that  
9 has other subsidiaries that are charter holders in this state.

10 ~~(iv)~~ (d) The charter holder holds more than one charter in this  
11 state.

12 ~~(c) Notwithstanding subdivision (b) of this paragraph, for fiscal~~  
13 ~~years 2015-2016 and 2016-2017 the department of education shall reduce by~~  
14 ~~thirty-three percent the amount provided by the small school weight for~~  
15 ~~charter schools prescribed in subdivision (b) of this paragraph.~~

16 2. Notwithstanding paragraph 1 of this subsection, the student count  
17 shall be determined initially using an estimated student count based on  
18 actual registration of pupils before the beginning of the school year.  
19 Notwithstanding section 15-1042, subsection F, student level data submitted  
20 to the department may be used to determine estimated student counts. After  
21 the first forty days, one hundred days or two hundred days in session, as  
22 applicable, the charter school shall revise the student count to be equal  
23 to the actual average daily membership, as defined in section 15-901, of  
24 the charter school. Before the fortieth day, one hundredth day or two  
25 hundredth day in session, as applicable, the state board of education, the  
26 state board for charter schools, the sponsoring university, the sponsoring  
27 community college district or the sponsoring group of community college  
28 districts may require a charter school to report periodically regarding  
29 pupil enrollment and attendance, and the department of education may revise  
30 its computation of equalization assistance based on the report. A charter  
31 school shall revise its student count, base support level and ~~charter~~ STATE  
32 additional assistance before May 15. A charter school that overestimated

1 its student count shall revise its budget before May 15. A charter school  
2 that underestimated its student count may revise its budget before May 15.

3 3. A charter school may use section 15-855 for the purposes of this  
4 section. The charter school and the department of education shall  
5 prescribe procedures for determining average daily membership.

6 ~~4. Equalization assistance for the charter school shall be~~  
7 ~~determined by adding the amount of the base support level and charter~~  
8 ~~additional assistance. The amount of the charter additional assistance is~~  
9 ~~\$1,897.90 per student count in preschool programs for children with~~  
10 ~~disabilities, kindergarten programs and grades one through eight and~~  
11 ~~\$2,211.97 per student count in grades nine through twelve.~~

12 ~~5.~~ 4. The state board of education shall apportion state aid from  
13 the appropriations made for such purposes to the state treasurer for  
14 disbursement to the charter schools in each county in an amount as  
15 determined by this paragraph. The apportionments shall be made as  
16 prescribed in section 15-973, subsection B.

17 ~~6.~~ 5. The charter school shall not charge tuition for pupils who  
18 reside in this state, levy taxes or issue bonds. A charter school may  
19 admit pupils who are not residents of this state and shall charge tuition  
20 for those pupils in the same manner prescribed in section 15-823.

21 ~~7.~~ 6. Not later than noon on the day preceding each apportionment  
22 date established by paragraph ~~5~~ 4 of this subsection, the superintendent  
23 of public instruction shall furnish to the state treasurer an abstract of  
24 the apportionment and shall certify the apportionment to the department of  
25 administration, which shall draw its warrant in favor of the charter  
26 schools for the amount apportioned.

27 C. If a pupil is enrolled in both a charter school and a public  
28 school that is not a charter school, the sum of the daily membership, which  
29 includes enrollment as prescribed in section 15-901, subsection A,  
30 paragraph 1, subdivisions (a) and (b) and daily attendance as prescribed in  
31 section 15-901, subsection A, paragraph 5, for that pupil in the school  
32 district and the charter school shall not exceed 1.0. If a pupil is

1 enrolled in both a charter school and a public school that is not a charter  
2 school, the department of education shall direct the average daily  
3 membership to the school with the most recent enrollment date. On  
4 validation of actual enrollment in both a charter school and a public  
5 school that is not a charter school and if the sum of the daily membership  
6 or daily attendance for that pupil is greater than 1.0, the sum shall be  
7 reduced to 1.0 and shall be apportioned between the public school and the  
8 charter school based on the percentage of total time that the pupil is  
9 enrolled or in attendance in the public school and the charter school. The  
10 uniform system of financial records shall include guidelines to apportion  
11 the pupil enrollment and attendance as provided in this section.

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

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

26 2. For a charter school sponsored by the state board of education,  
27 the state board for charter schools, a university, a community college  
28 district or a group of community college districts, the total of the base  
29 support level and the ~~charter~~ STATE additional assistance shall not be less  
30 than zero.

31 ~~E. If a charter school was a district public school in the prior~~  
32 ~~year and sponsored by the state board of education, the state board for~~

~~charter schools, a university, a community college district or a group of community college districts, the reduction in subsection D of this section applies. The reduction to the base support level of the charter school shall equal the sum of the base support level and the charter additional assistance received in the current year for those pupils who were enrolled in the traditional public school in the prior year and are now enrolled in the charter school in the current year.~~

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

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

~~H.~~ G. If the sponsor of the charter school determines at a public meeting that the charter school is not in compliance with federal law, with the laws of this state or with its charter, the sponsor of a charter school may submit a request to the department of education to withhold up to ten percent of the monthly apportionment of state aid that would otherwise be due the charter school. The department shall adjust the charter school's apportionment accordingly. The sponsor shall provide written notice to the charter school at least seventy-two hours before the meeting and shall allow the charter school to respond to the allegations of noncompliance at the meeting before the sponsor makes a final determination to notify the department of education of noncompliance. The charter school shall submit a corrective action plan to the sponsor on a date specified by the sponsor at the meeting. The corrective action plan shall be designed to correct deficiencies at the charter school and to ensure that the charter school promptly returns to compliance. When the sponsor determines that the

1 charter school is in compliance, the department shall restore the full  
2 amount of state aid payments to the charter school.

3 ~~F.~~ H. In addition to the withholding of state aid payments pursuant  
4 to subsection ~~H.~~ G of this section, the sponsor of a charter school may  
5 impose a civil penalty of \$1,000 per occurrence if a charter school fails  
6 to comply with the fingerprinting requirements prescribed in section  
7 15-183, subsection C or section 15-512. The sponsor of a charter school  
8 shall not impose a civil penalty if it is the first time the charter school  
9 is out of compliance with the fingerprinting requirements and if the  
10 charter school provides proof within forty-eight hours after written  
11 notification that an application for the appropriate fingerprint check has  
12 been received by the department of public safety. The sponsor of the  
13 charter school shall obtain proof that the charter school has been  
14 notified, and the notification shall identify the date of the deadline and  
15 shall be signed by both parties. The sponsor of a charter school shall  
16 automatically impose a civil penalty of \$1,000 per occurrence if the  
17 sponsor determines that the charter school subsequently violates the  
18 fingerprinting requirements. Civil penalties pursuant to this subsection  
19 shall be assessed by requesting the department of education to reduce the  
20 amount of state aid that the charter school would otherwise receive by an  
21 amount equal to the civil penalty. The amount of state aid withheld shall  
22 revert to the state general fund at the end of the fiscal year.

23 ~~F.~~ I. A charter school may receive and spend monies distributed by  
24 the department of education pursuant to section 42-5029, subsection E,  
25 section 42-5029.02, subsection A and section 37-521, subsection B.

26 ~~F.~~ J. If a school district transports or contracts to transport  
27 pupils to the Arizona state schools for the deaf and the blind during any  
28 fiscal year, the school district may transport or contract with a charter  
29 school to transport sensory impaired pupils during that same fiscal year to  
30 a charter school if requested by the parent of the pupil and if the  
31 distance from the pupil's place of actual residence within the school  
32 district to the charter school is less than the distance from the pupil's

1 place of actual residence within the school district to the campus of the  
2 Arizona state schools for the deaf and the blind.

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

10 ~~M.~~ L. The governing body of a charter school shall transmit a copy  
11 of its proposed budget or the summary of the proposed budget and a notice  
12 of the public hearing to the department of education for posting on the  
13 department of education's website not later than ten days before the  
14 hearing and meeting. If the charter school maintains a website, the  
15 charter school governing body shall post on its website a copy of its  
16 proposed budget or the summary of the proposed budget and a notice of the  
17 public hearing.

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

22 ~~O.~~ N. If allowed by federal law, a charter school may opt out of  
23 federal grant opportunities if the charter holder or the appropriate  
24 governing body of the charter school determines that the federal  
25 requirements impose unduly burdensome reporting requirements.

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





1           ~~(i) At the time that the test prescribed in item (ii) of this~~  
2 ~~subdivision is administered, sixty percent or more of the pupils who are~~  
3 ~~enrolled in the school meet the eligibility requirements established under~~  
4 ~~the national school lunch and child nutrition acts (42 United States Code~~  
5 ~~sections 1751 through 1785) for free or reduced-price lunches, or an~~  
6 ~~equivalent measure recognized for participating in the federal free and~~  
7 ~~reduced-price lunch program and other school programs dependent on a~~  
8 ~~poverty measure, including the community eligibility provision for which~~  
9 ~~free and reduced-price lunch data is not available.~~

10           ~~(ii) In results achieved during the spring of 2016, the school~~  
11 ~~performed in the top ten percent of schools pursuant to item (i) of this~~  
12 ~~subdivision, as demonstrated by the average percentage of those pupils who~~  
13 ~~obtained a passing score on the mathematics portions of the statewide~~  
14 ~~assessment and the percent of pupils who passed the language arts portions~~  
15 ~~of the statewide assessment.~~

16           ~~(c) Each alternative high school that is subject to a specialized~~  
17 ~~rating system and that in 2014 was assigned the equivalent of a letter~~  
18 ~~grade designation of A pursuant to section 15-241 shall receive \$400 from~~  
19 ~~the fund per student count.~~

20           ~~2. Beginning in fiscal year 2018-2019:~~

21           ~~(a) Each school operated by a school district or charter holder~~  
22 ~~shall receive \$225 from the fund per student count if the school has a~~  
23 ~~letter grade designation of A pursuant to section 15-241 from the prior~~  
24 ~~fiscal year and fewer than sixty percent of the pupils who are enrolled in~~  
25 ~~the school meet the eligibility requirements established under the national~~  
26 ~~school lunch and child nutrition acts (42 United States Code sections 1751~~  
27 ~~through 1785) for free or reduced-price lunches, or an equivalent measure~~  
28 ~~recognized for participating in the federal free and reduced-price lunch~~  
29 ~~program and other school programs dependent on a poverty measure, including~~  
30 ~~the community eligibility provision in which free and reduced-price lunch~~  
31 ~~data is not available.~~

1           ~~(b) Each school operated by a school district or charter holder~~  
2 ~~shall receive \$400 from the fund per student count if the school has a~~  
3 ~~letter grade designation of A pursuant to section 15-241 from the prior~~  
4 ~~fiscal year and sixty percent or more of the pupils who are enrolled in the~~  
5 ~~school meet the eligibility requirements established under the national~~  
6 ~~school lunch and child nutrition acts (42 United States Code sections 1751~~  
7 ~~through 1785) for free or reduced-price lunches, or an equivalent measure~~  
8 ~~recognized for participating in the federal free and reduced-price lunch~~  
9 ~~program and other school programs dependent on a poverty measure, including~~  
10 ~~the community eligibility provision in which free and reduced-price lunch~~  
11 ~~data is not available.~~

12           ~~C.~~ A. Any monies received from ~~the results-based~~ AN  
13 ACHIEVEMENT-BASED funding ~~fund~~ WEIGHT by a school district or charter  
14 holder shall be separately accounted for in the school district's or  
15 charter holder's annual financial report and shall not supplant monies  
16 budgeted or received from any other source that are generally provided to  
17 that school.

18           ~~D.~~ B. ~~The majority~~ FIFTY-ONE PERCENT OR MORE of the monies received  
19 from ~~the fund~~ ACHIEVEMENT-BASED FUNDING WEIGHTS by a school district or  
20 charter holder shall be used at the school that earned the results for  
21 teacher salaries, to hire teachers, for school leader salaries, for  
22 classroom supplies and for other strategies to sustain outcomes for  
23 students at that school. A portion of the monies received from ~~the fund~~  
24 ACHIEVEMENT-BASED FUNDING WEIGHTS by a school district or charter holder  
25 ~~may~~ SHALL be used for expanding and replicating that school site as a  
26 quality school model. For the purposes of this subsection, "expanding and  
27 replicating" means:

28           1. Providing for costs associated with adding seats and serving more  
29 students at the awarded school site, including students on a waiting list.

30           2. Mentoring school leaders and teachers from other sites to  
31 replicate the model and instructional practices that show results in  
32 closing the achievement gap.

1           3. Physically expanding the ~~results-based~~ ACHIEVEMENT-BASED funding  
2 model or strategies at another location to improve academic outcomes at  
3 that location and to accelerate academic growth.

4           ~~F.~~ C. Schools that are not ~~results-based~~ ACHIEVEMENT-BASED funded  
5 and that receive funding or support as described in subsection ~~D~~ B,  
6 paragraphs 2 and 3 of this section are eligible to receive that funding or  
7 support for not more than three years.

8           ~~F.~~ D. On or before November 1 of each year, each school that  
9 received ~~results-based~~ ACHIEVEMENT-BASED funding in the prior fiscal year  
10 shall submit to the department of education a report that provides a brief  
11 description of how the dollars were allocated pursuant to subsections ~~E~~ A  
12 and ~~D~~ B of this section. Each school that is not ~~results-based~~  
13 ACHIEVEMENT-BASED funded but that received funding pursuant to subsection  
14 ~~E~~ C of this section shall submit a report to the department that  
15 specifically indicates the number of years the school has received that  
16 funding. On or before December 1 of each year, the department of education  
17 shall compile the reports from each local education agency and provide that  
18 information to the joint legislative budget committee, the governor's  
19 office of strategic planning and budgeting and the chairpersons of the  
20 education committees of the house of representatives and the senate, or  
21 their successor committees.

22           ~~G. For the purposes of this section, only students who are eligible~~  
23 ~~to be included in a school's student count shall be considered in~~  
24 ~~determining that school's percentages of free or reduced-price lunch~~  
25 ~~students or other poverty indicators.~~

26           E. FOR THE PURPOSES OF THIS SECTION, "ACHIEVEMENT-BASED FUNDING  
27 WEIGHT" MEANS THE AW-1, AW-2 AND AW-3 WEIGHTS AS DEFINED IN SECTION 15-901  
28 AND COMPUTED UNDER SECTION 15-943, PARAGRAPH 2, SUBDIVISION (b).

1           Sec. 3. Section 15-393, Arizona Revised Statutes, as amended by Laws  
2           2021, chapter 252, section 1 and chapter 404, section 14, 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 consists of five members elected from five single member districts  
20          formed within the career technical education district. The single member  
21          district election system shall be submitted as part of the plan for the  
22          career technical education district pursuant to section 15-392 and shall  
23          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.

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

4           3. A person who is a registered voter of this state and who has  
5 been a resident of the single member district for at least one year  
6 immediately preceding the date of the election is eligible for election to  
7 the office of career technical education board member from the single  
8 member district. The terms of office of the members of the career  
9 technical education board shall be as prescribed in section 15-427,  
10 subsection B. An employee of a career technical education district or the  
11 spouse of an employee shall not hold membership on a governing board of a  
12 career technical education district by which the employee is employed. A  
13 member of one school district governing board or career technical  
14 education district governing board is ineligible to be a candidate for  
15 nomination or election to or serve simultaneously as a member of any other  
16 governing board, except that a member of a governing board may be a  
17 candidate for nomination or election for any other governing board if the  
18 member is serving in the last year of a term of office. A member of a  
19 governing board shall resign the member's seat on the governing board  
20 before becoming a candidate for nomination or election to the governing  
21 board of any other school district or career technical education district,  
22 unless the member of the governing board is serving in the last year of a  
23 term of office. Members of a career technical education district  
24 governing board are subject to the conflict of interest requirements  
25 prescribed in section 38-503.

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  
29 the formation of the career technical education district may vote to  
30 implement any other alternative election system for the election of career  
31 technical education district board members. If an alternative election  
32 system is selected, it shall be submitted as part of the plan for the

1 career technical education district pursuant to section 15-392, and the  
2 implementation of the system shall be as approved by the United States  
3 justice department.

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

- 6 1. Chapter 1, articles 1 through 6.
- 7 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 8 3. Articles 2, 3 and 5 of this chapter.
- 9 4. Section 15-361.
- 10 5. Chapter 4, articles 1, 2 and 5.
- 11 6. Chapter 5, articles 1 and 3.
- 12 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728,  
13 15-729 and 15-730.
- 14 8. Chapter 7, article 5.
- 15 9. Chapter 8, articles 1, 3 and 4.
- 16 10. Sections 15-828 and 15-829.
- 17 11. Chapter 9, article 1, article 6, except for section 15-995, and  
18 article 7.
- 19 12. Sections ~~15-941~~, 15-943.01, ~~15-952~~, ~~15-953~~ and 15-973.
- 20 13. Sections 15-1101 and 15-1104.
- 21 14. Chapter 10, articles 2, 3, 4 and 8.

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

24 1. A career technical education district may issue bonds for the  
25 purposes specified in section 15-1021 and in chapter 4, article 5 of this  
26 title to an amount in the aggregate, including the existing indebtedness,  
27 not exceeding one percent of the net assessed value of the full cash value  
28 of the property within the career technical education district. For the  
29 purposes of this paragraph, "full cash value" and "net assessed value" have  
30 the same meanings prescribed in section 42-11001.

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

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

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

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

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

31           (d) After March 15 of the first year of operation, the school  
32 district of residence shall adjust its student count by reducing it to

1 reflect the courses actually taken at the career technical education  
2 district. The school district of residence shall revise its student  
3 count, the base support level as provided in section 15-943, the revenue  
4 control limit as provided in section 15-944 and the district additional  
5 assistance as provided in section 15-962.01 prior to May 15. A district  
6 that underestimated the student count for students attending the career  
7 technical education district shall revise its budget before May 15. A  
8 district that overestimated the student count for students attending the  
9 career technical education district may revise its budget before May 15.

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

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

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

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

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



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

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

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

10 7. A school district that is part of a career technical education  
11 district shall use any monies received pursuant to this article to  
12 supplement and not supplant base year career and technical education  
13 courses, and directly related equipment and facilities, except that a  
14 school district that is part of a career technical education district and  
15 that has used monies received pursuant to this article to supplant career  
16 and technical education courses that were offered before the first year  
17 that the school district participated in the career technical education  
18 district or the first year that the school district used monies received  
19 pursuant to this article or that used the monies for purposes other than  
20 for career and technical education courses shall use one hundred percent of  
21 the monies received pursuant to this article to supplement and not supplant  
22 base year career and technical education courses. Each applicable school  
23 district shall provide a report to the career technical education board and  
24 the department of education outlining the required maintenance of effort  
25 and how monies were used to supplement and not supplant base year career  
26 and technical education courses and directly related equipment and  
27 facilities.

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

31 9. A career technical education district or a school district that  
32 is part of a career technical education district or a charter school shall

1       only include pupils in grades nine through twelve and pupils in the school  
2       year immediately following graduation in the calculation of student count  
3       or average daily membership if the pupils are enrolled in courses that are  
4       approved jointly by the governing board of the career technical education  
5       district and each participating school district or charter school for  
6       satellite courses taught within the participating school district or  
7       charter school, or approved solely by the career technical education  
8       district for centrally located courses. Funding may be provided for not  
9       more than four years for the same student. Student count and average daily  
10      membership from courses that are not part of an approved program for career  
11      and technical education shall not be included in student count and average  
12      daily membership of a career technical education district.

13             E. The career technical education board shall appoint a  
14      superintendent as the executive officer of the career technical education  
15      district.

16             F. Taxes may be levied for the support of the career technical  
17      education district as prescribed in chapter 9, article 6 of this title,  
18      except that a career technical education district shall not levy a property  
19      tax pursuant to law that exceeds \$.05 per \$100 assessed valuation except  
20      for bond monies pursuant to subsection D, paragraph 1 of this section.  
21      Except for the taxes levied pursuant to section 15-994, such taxes shall be  
22      obtained from a levy of taxes on the taxable property used for secondary  
23      tax purposes.

24             G. The schools in the career technical education district are  
25      available to all persons who reside in the career technical education  
26      district and to pupils whose school district of residence within this state  
27      is paying tuition on behalf of the pupils to a district of attendance that  
28      is a member of the career technical education district, subject to the  
29      rules for admission prescribed by the career technical education board.

30             H. The career technical education board may collect tuition for  
31      adult students and the attendance of pupils who are residents of school  
32      districts that are not participating in the career technical education

1 district pursuant to arrangements made between the governing board of the  
2 school district and the career technical education board.

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

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

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

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

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

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

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

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

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

12           8. That the services provided by the career technical education  
13 district, the school district, the charter school or the community college  
14 district be proportionally calculated in the cost of delivering the  
15 service.

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

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

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

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

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

28           M. A member school district or charter school may not submit  
29 requests to approve or add satellite campus career technical education  
30 district programs or courses directly to the career and technical education  
31 division of the department of education, but shall submit all appropriate  
32 application documentation and materials for programs or courses to the

1 career technical education district. On approval from the career technical  
2 education board, a career technical education district shall only submit  
3 requests to approve or add satellite campus career technical education  
4 district programs or courses directly to the career and technical education  
5 division of the department of education, which shall determine whether the  
6 criteria prescribed in section 15-391, paragraphs 2 and 4 have been met.  
7 If the career and technical education division of the department of  
8 education determines that a course does not meet the criteria for approval  
9 as a career technical education course, the governing board of the career  
10 technical education district may appeal this decision to the state board of  
11 education acting as the state board of vocational education.

12 N. Notwithstanding any other law, the average daily membership for a  
13 pupil who is enrolled in a career technical education course and who does  
14 not meet the criteria specified in subsection P, ~~OR~~ Q OR R of this section  
15 shall be 0.25 for each course, except the sum of the average daily  
16 membership shall not exceed the limits prescribed by subsection D, P, ~~OR~~ Q  
17 OR R of this section, as applicable.

18 O. If a career and technical education course or program is provided  
19 on a satellite campus, the sum of the average daily membership, as provided  
20 in section 15-901, subsection A, paragraph 1, for that pupil in the school  
21 district or charter school and career technical education district shall  
22 not exceed 1.25. The school district or charter school and the career  
23 technical education district shall determine the apportionment of the  
24 average daily membership for that pupil between the school district or  
25 charter school and the career technical education district. A pupil who  
26 attends a course or program at a satellite campus and who is not enrolled  
27 in the school district or charter school where the satellite campus is  
28 located may generate the average daily membership OF UP TO 0.25 FOR ONE  
29 HUNDRED FIFTY INSTRUCTIONAL HOURS OF ENROLLMENT FOR INSTRUCTION RECEIVED  
30 DURING ANY HOUR OF THE DAY, DURING ANY DAY OF THE WEEK AND AT ANY TIME  
31 BETWEEN JULY 1 AND JUNE 30 OF EACH FISCAL YEAR pursuant to this subsection

1 if the pupil is enrolled in a school district that is a member district in  
2 the same career technical education district.

3 P. The sum of the average daily membership of a pupil who is  
4 enrolled in both the school district and career technical education course  
5 or career technical education program provided by a community college  
6 pursuant to subsection K of this section or at a centralized campus shall  
7 not exceed 1.75. THE AVERAGE DAILY MEMBERSHIP FOR A PUPIL WHO IS ENROLLED  
8 IN A CAREER TECHNICAL EDUCATION COURSE OR CAREER TECHNICAL EDUCATION  
9 PROGRAM PROVIDED BY A COMMUNITY COLLEGE SHALL BE 0.25 FOR THE ACCUMULATION  
10 OF EVERY THREE COMMUNITY COLLEGE CREDITS FOR WHICH A STUDENT IS ENROLLED IN  
11 CAREER TECHNICAL EDUCATION COURSES. The member school district and the  
12 career technical education district shall determine the apportionment of  
13 the average daily membership and student enrollment for that pupil between  
14 the member school district and the career technical education district,  
15 except that the amount apportioned shall not exceed 1.0 for either entity.  
16 Notwithstanding any other law, the average daily membership for a pupil who  
17 is in grade nine, ten, eleven or twelve or in the school year immediately  
18 following graduation and who is enrolled in a course that meets for at  
19 least one hundred fifty minutes per class period at a centralized campus  
20 shall be 0.75. ~~Students in an approved career technical education district~~

21 ~~centralized campus program may generate an average daily membership during~~  
22 ~~any day of the week and at any time between July 1 and June 30 of each~~  
23 ~~fiscal year.~~ To qualify for funding pursuant to this subsection, a

24 centralized campus shall offer programs and courses to all eligible  
25 students in each member district of the career technical education  
26 district. STUDENTS IN AN APPROVED CAREER TECHNICAL EDUCATION PROGRAM MAY  
27 GENERATE AN AVERAGE DAILY MEMBERSHIP OF UP TO 1.75 FOR INSTRUCTION RECEIVED  
28 DURING ANY HOUR OF THE DAY, DURING ANY DAY OF THE WEEK AND AT ANY TIME  
29 BETWEEN JULY 1 AND JUNE 30 OF EACH FISCAL YEAR. AVERAGE DAILY MEMBERSHIP  
30 SHALL NOT BE CALCULATED ON THE ONE HUNDREDTH DAY OF INSTRUCTION FOR THE  
31 PURPOSES OF THIS SECTION. AVERAGE DAILY MEMBERSHIP SHALL BE CALCULATED BY

1 DIVIDING THE INSTRUCTIONAL HOURS OF ENROLLMENT BY SIX HUNDRED HOURS, EXCEPT  
2 THAT:

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

5 2. AT LEAST THREE HUNDRED HOURS AND LESS THAN FOUR HUNDRED FIFTY  
6 HOURS EQUALS 0.5 AVERAGE DAILY MEMBERSHIP.

7 3. AT LEAST FOUR HUNDRED FIFTY HOURS AND LESS THAN SIX HUNDRED HOURS  
8 EQUALS 0.75 AVERAGE DAILY MEMBERSHIP.

9 4. AT LEAST SIX HUNDRED HOURS EQUALS 1.0 AVERAGE DAILY MEMBERSHIP.

10 Q. The average daily membership for a pupil who is in grade nine,  
11 ten, eleven or twelve or in the school year immediately following  
12 graduation and who is enrolled in a course that meets for at least one  
13 hundred fifty minutes per class period at a leased centralized campus shall  
14 not exceed 0.75. ~~Students in an approved career technical education~~

15 ~~district leased campus centralized program may generate an average daily~~  
16 ~~membership during any day of the week and at any time between July 1 and~~  
17 ~~June 30 of each fiscal year.~~ STUDENTS IN AN APPROVED CAREER TECHNICAL

18 EDUCATION PROGRAM PROVIDED BY A LEASED CENTRALIZED CAMPUS MAY GENERATE AN  
19 AVERAGE DAILY MEMBERSHIP FOR INSTRUCTION RECEIVED DURING ANY HOUR OF THE  
20 DAY, DURING ANY DAY OF THE WEEK AND AT ANY TIME BETWEEN JULY 1 AND JUNE 30  
21 OF EACH FISCAL YEAR. AVERAGE DAILY MEMBERSHIP SHALL BE CALCULATED BY  
22 DIVIDING THE INSTRUCTIONAL HOURS OF ENROLLMENT BY SIX HUNDRED HOURS, EXCEPT  
23 THAT:

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

26 2. AT LEAST THREE HUNDRED HOURS AND LESS THAN FOUR HUNDRED FIFTY  
27 HOURS EQUALS 0.5 AVERAGE DAILY MEMBERSHIP.

28 3. AT LEAST FOUR HUNDRED FIFTY HOURS AND LESS THAN SIX HUNDRED HOURS  
29 EQUALS 0.75 AVERAGE DAILY MEMBERSHIP.

30 4. AT LEAST SIX HUNDRED HOURS EQUALS 1.0 AVERAGE DAILY MEMBERSHIP.

31 R. The sum of the average daily membership, as provided in section  
32 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the

1 school district and in career technical education courses provided at a  
2 leased centralized campus shall not exceed 1.75 if all of the following  
3 conditions are met:

4 1. The course qualifies as a career technical education course.

5 2. The course is offered to all eligible students in each member  
6 district of the career technical education district and enrolls students  
7 from multiple high schools.

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

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

17 ~~R.~~ S. A student who is enrolled in an accommodation school may be  
18 treated as a student of the school district in which the student physically  
19 resides for the purposes of enrollment in a career technical education  
20 district and shall be included in the calculation of average daily  
21 membership for either the career technical education district or the  
22 accommodation school, or both.

23 ~~S.~~ T. Notwithstanding any other law, the student count for a career  
24 technical education district shall be equivalent to the career technical  
25 education district's average daily membership. STUDENTS IN AN APPROVED  
26 CAREER TECHNICAL EDUCATION PROGRAM PROVIDED BY A SATELLITE CAMPUS,  
27 CENTRALIZED CAMPUS OR LEASED CENTRALIZED CAMPUS MAY GENERATE AN AVERAGE  
28 DAILY MEMBERSHIP SUBJECT TO THE LIMITS PRESCRIBED BY SUBSECTIONS D, N, O,  
29 P, Q AND R OF THIS SECTION, AS APPLICABLE, FOR INSTRUCTION RECEIVED DURING  
30 ANY HOUR OF THE DAY, DURING ANY DAY OF THE WEEK AND AT ANY TIME BETWEEN  
31 JULY 1 AND JUNE 30 OF EACH FISCAL YEAR. AVERAGE DAILY MEMBERSHIP SHALL NOT  
32 BE CALCULATED ON THE ONE HUNDREDTH DAY OF INSTRUCTION FOR THE PURPOSES OF



1 THIS SECTION. THE DEPARTMENT MAY NOT RESTRICT THE INSTRUCTIONAL TIME BY  
2 LIMITING THE PARTICULAR DAYS OF THE WEEK OR TIME OF THE FISCAL YEAR FOR  
3 INSTRUCTION TO OCCUR.

4 ~~T.~~ U. A school district or charter school may not prohibit or  
5 discourage students who are enrolled in that school district or charter  
6 school from attending courses offered by a career technical education  
7 district, including requiring students to generate a full 1.0 average daily  
8 membership or to enroll in more courses than are needed to graduate before  
9 enrolling in and attending programs or courses offered by a career  
10 technical education district.

11 ~~U.~~ V. The governing board of the career technical education  
12 district may contract with any charter school that is located within the  
13 boundaries of the career technical education district to allow that charter  
14 school to offer career and technical education courses or programs as a  
15 satellite campus.

16 ~~V.~~ W. Beginning in 2020 and every five years thereafter, the career  
17 and technical education division of the department of education shall  
18 review career technical education district programs and career technical  
19 education courses to ensure compliance, quality and eligibility. Any  
20 program or course deemed to not meet the requirements set forth by law  
21 shall not be funded for the current school year and shall be removed from  
22 the approved program and course list for the purposes of funding. The  
23 career and technical education division may establish a staggered schedule  
24 for reviewing each career technical education district.

25 ~~W.~~ X. Notwithstanding subsection D, paragraphs 4 and 9 and  
26 subsections P, ~~and~~ Q AND R of this section, for a student in grade nine,  
27 funding shall be provided pursuant to this section only if the student  
28 reaches the fortieth day of grade eleven enrolled in an approved career  
29 technical education program and meets the requirements prescribed in  
30 subsection ~~Y~~ Z of this section. At that time funding shall be provided  
31 for that student for grade nine and for any subsequent year in which the  
32 student is eligible for funding pursuant to this section.

1           ~~X~~. Y. On or before September 1 of each year, the office of economic  
2 opportunity in collaboration with the department of education shall compile  
3 an in-demand regional education list of the approved career technical  
4 education programs that lead to a career path in high demand with  
5 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 compiled  
15 pursuant to subsection ~~X~~ Y of this section for that student's region for  
16 the year in which the student began the program.

17           ~~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 or  
24 use real property is conveyed from one person or entity to another person  
25 or entity for a specified period of time.

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

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



1 applicable laws for a career technical education district when conducting a  
2 performance audit for a career technical education district.

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

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

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

18 3. The programs and corresponding courses offered by each career  
19 technical education district, including the location of each program and  
20 course.

21 4. For each career technical education district based on program or  
22 course location:

23 (a) The student enrollment of each program and corresponding course.

24 (b) The percentage of students who enrolled in the second year of  
25 each program and corresponding course relative to the number of students in  
26 the same cohort who enrolled in the first year of each program and  
27 corresponding course.

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

30 5. The costs associated with each program offered by the career  
31 technical education district.

1           6. A listing of any programs or courses that were discontinued by  
2 review of the career and technical education division pursuant to section  
3 15-393, subsection W.

4           7. A listing of any programs or courses that were continued by  
5 review of the career and technical education division pursuant to section  
6 15-393, subsection W.

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

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

13           10. For students who meet the requirements to receive funding  
14 pursuant to section 15-393, subsection ~~W~~ X, students enrolled in an  
15 internship course and students enrolled in the year immediately following  
16 graduation, a separate listing of the following information for each  
17 district:

18           (a) Average daily membership.

19           (b) The actual student count.

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

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

23           (e) The number of certifications and licenses earned by students  
24 delineated by those who attended a satellite program and those who attended  
25 a centralized campus.

26           11. Any other data or information deemed necessary by the department  
27 of education.

28           D. The office of the auditor general, in consultation with the  
29 department of education, shall develop and establish uniform cost reporting  
30 guidelines, policies and procedures for career technical education district  
31 programs. Any guideline, policy or procedure shall allow for the effective  
32 comparison of cost between career technical education district programs.

1           Sec. 6. Title 15, chapter 4, Arizona Revised Statutes, is amended by  
2 adding article 6, to read:

3           ARTICLE 6. STATE STUDENT FUNDING FORMULA

4           15-495. School districts; state student funding formula;  
5                           election; limit on property tax funding; reversion  
6                           to standard school financing

7           A. NOTWITHSTANDING ANY OTHER LAW, A SCHOOL DISTRICT THAT PROVIDES  
8 INSTRUCTION TO PUPILS IN ANY COMBINATION OF KINDERGARTEN PROGRAMS AND  
9 GRADES ONE THROUGH TWELVE MAY CHOOSE TO USE THE STATE STUDENT FUNDING  
10 FORMULA PRESCRIBED IN SECTION 15-901.04 TO DETERMINE ITS DISTRICT SUPPORT  
11 LEVEL IF EITHER OF THE FOLLOWING APPLIES:

12           1. THE SCHOOL DISTRICT DOES NOT HAVE AN OVERRIDE IN PLACE PURSUANT  
13 TO SECTION 15-481 OR 15-482 AND DOES NOT OWE ANY DEBT SERVICE PAYMENTS ON  
14 ANY CLASS A OR CLASS B BOND.

15           2. THE SCHOOL DISTRICT DOES NOT HAVE AN OVERRIDE IN PLACE PURSUANT  
16 TO SECTION 15-481 OR 15-482 AND HAS NOT MORE THAN FOUR REMAINING FISCAL  
17 YEARS IN WHICH IT IS SCHEDULED TO MAKE PAYMENTS ON ANY CLASS A OR CLASS B  
18 BOND.

19           B. A SCHOOL DISTRICT THAT IS ELIGIBLE UNDER SUBSECTION A OF THIS  
20 SECTION MAY USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION  
21 15-901.04 BY FOLLOWING THE PROCEDURE PRESCRIBED IN THIS SUBSECTION. AFTER  
22 A MAJORITY VOTE OF THE MEMBERS OF THE SCHOOL DISTRICT GOVERNING BOARD TO  
23 USE THE STATE STUDENT FUNDING FORMULA, THE SCHOOL DISTRICT GOVERNING BOARD  
24 SHALL CALL AN ELECTION TO DETERMINE THE QUESTION OF WHETHER THE SCHOOL  
25 DISTRICT SHALL USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION  
26 15-901.04. THE QUESTION MUST BE SUBMITTED TO THE VOTE OF THE QUALIFIED  
27 ELECTORS OF THE SCHOOL DISTRICT AS PRESCRIBED IN SECTION 15-401 AND SUBJECT  
28 TO SECTION 15-402. THE QUESTION SUBMITTED TO THE QUALIFIED ELECTORS MUST  
29 DESCRIBE THE TAX RATE THAT IS ASSOCIATED WITH USING THE STATE STUDENT  
30 FUNDING FORMULA AND THE ESTIMATED COST OF THAT TAX RATE FOR THE OWNER OF A  
31 SINGLE-FAMILY HOME THAT IS VALUED AT \$100,000. THE SCHOOL DISTRICT  
32 GOVERNING BOARD SHALL ORDER THE ELECTION TO BE HELD ON THE FIRST TUESDAY

1 AFTER THE FIRST MONDAY IN NOVEMBER AS PRESCRIBED IN SECTION 16-204,  
2 SUBSECTION F. IF A MAJORITY OF THE QUALIFIED ELECTORS OF THE SCHOOL  
3 DISTRICT WHO VOTED ON THE QUESTION APPROVE THE USE OF THE STATE STUDENT  
4 FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04, THE SCHOOL DISTRICT  
5 SHALL BEGIN USING THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION  
6 15-901.04 IN THE NEXT FISCAL YEAR FOLLOWING THE ELECTION HELD PURSUANT TO  
7 THIS SUBSECTION.

8 C. A SCHOOL DISTRICT THAT IS USING THE STATE STUDENT FUNDING FORMULA  
9 MAY NOT:

10 1. USE ANY OTHER SOURCE OF PROPERTY TAX-GENERATED FUNDING OTHER THAN  
11 THE STATE STUDENT FUNDING FORMULA, INCLUDING FUNDING GENERATED PURSUANT TO  
12 ANY OF THE FOLLOWING:

13 (a) SECTION 15-481.

14 (b) SECTION 15-482.

15 (c) SECTION 15-910.

16 (d) SECTION 15-946.

17 (e) SECTION 15-949.

18 (f) SECTION 15-954.

19 (g) SECTION 15-995.

20 (h) CHAPTER 9, ARTICLE 7 OF THIS TITLE.

21 2. APPLY FOR OR RECEIVE ANY FUNDING FROM THE DIVISION OF SCHOOL  
22 FACILITIES WITHIN THE DEPARTMENT OF ADMINISTRATION OR THE SCHOOL FACILITIES  
23 OVERSIGHT BOARD, EXCEPT THAT A SCHOOL DISTRICT MAY RECEIVE FUNDING FOR NEW  
24 SCHOOL FACILITIES PURSUANT TO SECTION 41-5741.

25 3. RECEIVE DISTRICT ADDITIONAL ASSISTANCE PURSUANT TO SECTION  
26 15-961.

27 D. NOTWITHSTANDING ANY OTHER LAW, IF A COMMON SCHOOL DISTRICT THAT  
28 IS NOT WITHIN A HIGH SCHOOL DISTRICT USES THE STATE STUDENT FUNDING  
29 FORMULA:

30 1. THE COMMON SCHOOL DISTRICT THAT IS NOT WITHIN A HIGH SCHOOL  
31 DISTRICT IS NOT REQUIRED TO PAY TUITION FOR PUPILS ATTENDING HIGH SCHOOL IN  
32 A DIFFERENT SCHOOL DISTRICT.

1           2. THE SCHOOL MEMBERSHIP OF PUPILS ATTENDING HIGH SCHOOL IN A  
2 DIFFERENT SCHOOL DISTRICT IS DEEMED, FOR THE PURPOSE OF DETERMINING STUDENT  
3 COUNT AND FOR APPORTIONMENT OF STATE AID, TO BE ENROLLMENT IN THE SCHOOL  
4 DISTRICT OF THE PUPIL'S ATTENDANCE.

5           3. SECTION 15-951 DOES NOT APPLY TO THE COMMON SCHOOL DISTRICT THAT  
6 IS NOT WITHIN A HIGH SCHOOL DISTRICT.

7           E. IF THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT APPROVE THE USE  
8 OF THE STATE STUDENT FUNDING FORMULA AS PRESCRIBED IN SUBSECTION B OF THIS  
9 SECTION AND THE SCHOOL DISTRICT GOVERNING BOARD SUBSEQUENTLY DECIDES BY A  
10 MAJORITY VOTE OF ITS MEMBERS TO REVERT TO THE STANDARD SCHOOL FINANCE  
11 FORMULA, THE SCHOOL DISTRICT GOVERNING BOARD SHALL CALL AN ELECTION TO  
12 DETERMINE THE QUESTION OF WHETHER TO NO LONGER USE THE STATE STUDENT  
13 FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04 AND TO REVERT TO THE  
14 STANDARD SCHOOL FINANCE FORMULA. THE QUESTION MUST BE SUBMITTED TO THE  
15 VOTE OF THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT AS PRESCRIBED IN  
16 SECTION 15-401 AND SUBJECT TO SECTION 15-402. THE SCHOOL DISTRICT  
17 GOVERNING BOARD SHALL ORDER THE ELECTION TO BE HELD ON THE FIRST TUESDAY  
18 AFTER THE FIRST MONDAY IN NOVEMBER AS PRESCRIBED IN SECTION 16-204,  
19 SUBSECTION F. IF A MAJORITY OF THE QUALIFIED ELECTORS OF THE SCHOOL  
20 DISTRICT WHO VOTED ON THE QUESTION VOTE TO NO LONGER USE THE STATE STUDENT  
21 FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04 AND TO REVERT TO THE  
22 STANDARD SCHOOL FINANCE FORMULA, THE SCHOOL DISTRICT MAY USE ALL OTHER  
23 AVAILABLE FUNDING AUTHORIZED BY LAW IN THE NEXT FISCAL YEAR FOLLOWING THE  
24 ELECTION HELD PURSUANT TO THIS SUBSECTION. A SCHOOL DISTRICT MAY NOT  
25 SUBMIT A QUESTION FOR AN OVERRIDE OR CLASS A OR CLASS B BOND ALONG WITH A  
26 QUESTION TO OPT OUT OF THE STATE STUDENT FUNDING FORMULA IN THE SAME  
27 ELECTION.

28           F. FOR THE PURPOSES OF THIS SECTION, SCHOOL DISTRICT DOES NOT  
29 INCLUDE A CAREER TECHNICAL EDUCATION DISTRICT AS DEFINED IN SECTION 15-391.



1           Sec. 7. Section 15-808, Arizona Revised Statutes, is amended to  
2 read:

3           15-808. Arizona online instruction; reports; definitions

4           A. Arizona online instruction shall be instituted to meet the needs  
5 of pupils in the information age. The state board of education shall  
6 select district public schools and state-approved charter authorizers shall  
7 sponsor charter schools to be online course providers or online schools.  
8 The state board of education and state-approved charter authorizers shall  
9 develop standards for the approval of online course providers and online  
10 schools based on the following criteria:

11           1. The depth and breadth of curriculum choices.

12           2. The variety of educational methodologies employed by the school  
13 and the means of addressing the unique needs and learning styles of  
14 targeted pupil populations, including computer-assisted learning systems,  
15 virtual classrooms, virtual laboratories, electronic field trips, ~~e-mail~~  
16 EMAIL, virtual tutoring, online help desk, group chat sessions and  
17 noncomputer-based activities performed under the direction of a  
18 certificated teacher.

19           3. The availability of an intranet or private network to safeguard  
20 pupils against predatory and pornographic elements of the internet.

21           4. The availability of filtered research access to the internet.

22           5. The availability of private individual ~~e-mail~~ EMAIL between  
23 pupils, teachers, administrators and parents in order to protect the  
24 confidentiality of pupil records and information.

25           6. The availability of faculty members who are experienced with  
26 computer networks, the internet and computer animation.

27           7. The extent to which the school intends to develop partnerships  
28 with universities, community colleges and private businesses.

29           8. The services offered to populations with developmental  
30 disabilities.

31           9. The grade levels that will be served.

1           B. Each new school that provides online instruction shall provide  
2 online instruction on a probationary status. After a new school that  
3 provides online instruction has clearly demonstrated the academic integrity  
4 of its instruction through the actual improvement of the academic  
5 performance of its students, the school may apply to be removed from  
6 probationary status. The state board of education or the state-approved  
7 charter authorizer that sponsored the charter school shall remove from  
8 Arizona online instruction any probationary school that fails to clearly  
9 demonstrate improvement in academic performance within three years measured  
10 against goals in the approved application and the state's accountability  
11 system. All pupils who participate in Arizona online instruction shall  
12 reside in this state. Pupils who participate in Arizona online instruction  
13 are subject to the testing requirements prescribed in chapter 7, article 3  
14 of this title. On enrollment, the school shall notify the parents or  
15 guardians of the pupil of the state testing requirements. If a pupil fails  
16 to comply with the testing requirements and the school administers the  
17 tests pursuant to this subsection to less than ninety-five percent of the  
18 pupils in Arizona online instruction, the pupil shall not be allowed to  
19 participate in Arizona online instruction.

20           C. The state board of education and state-approved charter  
21 authorizers shall develop annual reporting mechanisms for schools that  
22 participate in Arizona online instruction.

23           D. The department of education shall compile the information  
24 submitted in the annual reports by schools participating in Arizona online  
25 instruction. The department of education shall submit the compiled report  
26 to the governor, the speaker of the house of representatives and the  
27 president of the senate by November 15 of each year.

28           E. Each school selected for Arizona online instruction shall ensure  
29 that a daily log is maintained for each pupil who participates in Arizona  
30 online instruction. The daily log shall describe the amount of time spent  
31 by each pupil participating in Arizona online instruction pursuant to this  
32 section on academic tasks. The daily log shall be used by the school

1 district or charter school to qualify the pupils who participate in Arizona  
2 online instruction in the school's average daily attendance calculations  
3 pursuant to subsection F of this section.

4 F. If a pupil is enrolled in a school district or charter school and  
5 also participates in Arizona online instruction, the sum of the average  
6 daily membership, which includes enrollment as prescribed in section  
7 15-901, subsection A, paragraph 1, subdivisions (a) and (b) and daily  
8 attendance as prescribed in section 15-901, subsection A, paragraph 5, for  
9 that pupil in the school district or charter school and in Arizona online  
10 instruction shall not exceed 1.0. If the pupil is enrolled in a school  
11 district or a charter school and also participates in Arizona online  
12 instruction and the sum of the daily membership or daily attendance for  
13 that pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall  
14 be apportioned between the school district, unless the school district is a  
15 career technical education district subject to the apportionment  
16 requirements of section 15-393, or charter school and Arizona online  
17 instruction based on the percentage of total time that the pupil is  
18 enrolled or in attendance in the school district or charter school and  
19 Arizona online instruction. The uniform system of financial records shall  
20 include guidelines for the apportionment of the pupil enrollment and  
21 attendance as provided in this subsection. Pupils in Arizona online  
22 instruction do not incur absences for purposes of this subsection and may  
23 generate an average daily attendance of 1.0 for attendance hours during any  
24 hour of the day, during any day of the week and at any time between July 1  
25 and June 30 of each fiscal year. For kindergarten programs and grades one  
26 through eight, average daily membership shall be calculated by dividing the  
27 instructional hours as reported in the daily log required in subsection E  
28 of this section by the applicable hourly requirements prescribed in section  
29 15-901. For grades nine through twelve, average daily membership shall be  
30 calculated by dividing the instructional hours as reported in the daily log  
31 required in subsection E of this section by nine hundred. The average  
32 daily membership of a pupil who participates in online instruction shall

1 not exceed 1.0. Average daily membership shall not be calculated on the  
2 one hundredth day of instruction for the purposes of this section. Funding  
3 shall be determined as follows:

4 1. A pupil who is enrolled full-time in Arizona online instruction  
5 shall be funded for online instruction at ninety-five percent of the base  
6 support level that would be calculated for that pupil if that pupil were  
7 enrolled as a full-time student in a school district or charter school that  
8 does not participate in Arizona online instruction. ~~Charter~~ STATE  
9 additional assistance and district additional assistance shall be  
10 calculated in the same manner they would be calculated if the student were  
11 enrolled in a district or charter school that does not participate in  
12 Arizona online instruction.

13 2. A pupil who is enrolled part-time in Arizona online instruction  
14 shall be funded for online instruction at eighty-five percent of the base  
15 support level that would be calculated for that pupil if that pupil were  
16 enrolled as a part-time student in a school district or charter school that  
17 does not participate in Arizona online instruction. ~~Charter~~ STATE  
18 additional assistance and district additional assistance shall be  
19 calculated in the same manner they would be calculated if the student were  
20 enrolled in a district or charter school that does not participate in  
21 Arizona online instruction.

22 G. If the academic achievement of a pupil declines while the pupil  
23 is participating in Arizona online instruction, the pupil's parents, the  
24 pupil's teachers and the principal or head teacher of the school shall  
25 confer to evaluate whether the pupil should be allowed to continue to  
26 participate in Arizona online instruction.

27 H. To ensure the academic integrity of pupils who participate in  
28 online instruction, Arizona online instruction shall include multiple  
29 diverse assessment measures and the proctored administration of required  
30 state standardized tests.

31 I. A school district or charter school may not charge a fee to a  
32 pupil who takes an examination in a particular course to obtain academic

1 credit, pursuant to section 15-701.01, subsection I, from the school  
2 district or charter school if the academic credit for a course was  
3 previously earned in an Arizona online instruction course or at any public  
4 school in this state. Any test administered pursuant to this subsection  
5 shall be an assessment that is aligned to the course-relevant state  
6 academic standards.

7 J. For the purposes of this section:

8 1. "Full-time student" means:

9 (a) A student who is at least five years of age before September 1  
10 of a school year and who is enrolled in a school kindergarten program that  
11 meets at least three hundred forty-six hours during the school year.

12 (b) A student who is at least six years of age before September 1 of  
13 a school year, who has not graduated from the highest grade taught in the  
14 school and who is regularly enrolled in a course of study required by the  
15 state board of education. For first, second and third grade students, the  
16 instructional program shall meet at least seven hundred twelve hours. For  
17 fourth, fifth and sixth grade students, the instructional program shall  
18 meet at least eight hundred ninety hours during the school year.

19 (c) Seventh and eighth grade students or ungraded students who are  
20 at least twelve, but under fourteen, years of age on or before September 1  
21 and who are enrolled in an instructional program of courses that meets at  
22 least one thousand sixty-eight hours during the school year.

23 (d) For high schools, a student who has not graduated from the  
24 highest grade taught in the school district, or an ungraded student who is  
25 at least fourteen years of age on or before September 1, and who is  
26 enrolled in at least four courses throughout the year that meet at least  
27 nine hundred hours during the school year. A full-time student shall not  
28 be counted more than once for computation of average daily membership.

29 2. "Online course provider" means a school other than an online  
30 school that is selected by the state board of education or a state-approved  
31 charter authorizer to participate in Arizona online instruction pursuant to

1 this section and that provides at least one online academic course that is  
2 approved by the state board of education.

3 3. "Online school" means a school that provides at least four online  
4 academic courses or one or more online courses for the equivalent of at  
5 least five hours each day for one hundred eighty school days and that is a  
6 charter school that is sponsored by a state-approved charter authorizer or  
7 a district public school that is selected by the state board of education  
8 to participate in Arizona online instruction.

9 4. "Part-time student" means:

10 (a) Any student who is enrolled in a program that does not meet the  
11 definition in paragraph 1 of this subsection shall be funded at eighty-five  
12 percent of the base support level that would be calculated for that pupil  
13 if that pupil were enrolled as a part-time student in a school district or  
14 charter school that does not participate in Arizona online instruction.

15 (b) A part-time student of seventy-five percent average daily  
16 membership shall be enrolled in at least three subjects throughout the year  
17 that offer for first, second and third grade students at least five hundred  
18 thirty-four instructional hours in a school year and for fourth, fifth and  
19 sixth grade students at least six hundred sixty-eight instructional hours  
20 in a school year. A part-time student of fifty percent average daily  
21 membership shall be enrolled in at least two subjects throughout the year  
22 that offer for first, second and third grade students at least three  
23 hundred fifty-six instructional hours in a school year and for fourth,  
24 fifth and sixth grade students at least four hundred forty-five  
25 instructional hours in a school year. A part-time student of twenty-five  
26 percent average daily membership shall be enrolled in at least one subject  
27 throughout the year that offers for first, second and third grade students  
28 at least one hundred seventy-eight instructional hours in a school year and  
29 for fourth, fifth and sixth grade students at least two hundred  
30 twenty-three instructional hours in a school year.

31 (c) For seventh and eighth grade students, a part-time student of  
32 seventy-five percent average daily membership shall be enrolled in at least

1 three subjects throughout the year that offer at least eight hundred one  
2 instructional hours in a school year. A part-time student of fifty percent  
3 average daily membership shall be enrolled in at least two subjects  
4 throughout the year that offer at least five hundred thirty-four  
5 instructional hours in a school year. A part-time student of twenty-five  
6 percent average daily membership shall be enrolled in at least one subject  
7 throughout the year that offers at least two hundred sixty-seven  
8 instructional hours in a school year.

9 (d) For high school students, a part-time student of seventy-five  
10 percent average daily membership shall be enrolled in at least three  
11 subjects throughout the year that offer at least six hundred seventy-five  
12 instructional hours in a school year. A part-time student of fifty percent  
13 average daily membership shall be enrolled in at least two subjects  
14 throughout the year that offer at least four hundred fifty instructional  
15 hours in a school year. A part-time student of twenty-five percent average  
16 daily membership shall be enrolled in at least one subject throughout the  
17 year that offers at least two hundred twenty-five instructional hours in a  
18 school year.

19 5. "State-approved charter authorizer" means any charter school  
20 sponsor authorized pursuant to section 15-183.

21 Sec. 8. Heading change

22 A. The chapter heading of title 15, chapter 9, Arizona Revised  
23 Statutes, is changed from "SCHOOL DISTRICT BUDGETING AND FINANCIAL  
24 ASSISTANCE" to "PUBLIC SCHOOL BUDGETING AND FINANCIAL ASSISTANCE".

25 B. The article heading of title 15, chapter 9, article 1, Arizona  
26 Revised Statutes, is changed from "GENERAL PROVISIONS FOR SCHOOL DISTRICT  
27 BUDGETS" to "GENERAL PROVISIONS".

28 Sec. 9. Section 15-901, Arizona Revised Statutes, is amended to  
29 read:

30 15-901. Definitions

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

1           1. "Average daily membership" means the total enrollment of  
2 fractional students and full-time students, minus withdrawals, of each  
3 school day through the first one hundred days or two hundred days in  
4 session, as applicable, for the current year. Withdrawals include students  
5 who are formally withdrawn from schools and students who are absent for ten  
6 consecutive school days, except for excused absences identified by the  
7 department of education. For the purposes of this section, school  
8 districts and charter schools shall report student absence data to the  
9 department of education at least once every sixty days in session. For  
10 computation purposes, the effective date of withdrawal shall be retroactive  
11 to the last day of actual attendance of the student or excused absence. A  
12 school district or charter school may satisfy any of the time and hours  
13 requirements prescribed in this subsection in any manner prescribed in the  
14 school district's or charter school's instructional time model adopted  
15 under section 15-901.08.

16           (a) "Fractional student" means:

17           (i) For common schools, a preschool child who is enrolled in a  
18 program for preschool children with disabilities of at least three hundred  
19 sixty minutes each week that meets at least two hundred sixteen hours over  
20 the minimum number of days or a kindergarten student who is at least five  
21 years of age before January 1 of the school year and enrolled in a school  
22 kindergarten program that meets at least three hundred fifty-six hours for  
23 a one hundred eighty-day school year, or the instructional hours prescribed  
24 in this section. In computing the average daily membership, preschool  
25 children with disabilities and kindergarten students shall be counted as  
26 one-half of a full-time student. For common schools, a part-time student  
27 is a student enrolled for less than the total time for a full-time student  
28 as defined in this section. A part-time common school student shall be  
29 counted as one-fourth, one-half or three-fourths of a full-time student if  
30 the student is enrolled in an instructional program that is at least  
31 one-fourth, one-half or three-fourths of the time a full-time student is  
32 enrolled as defined in subdivision (b) of this paragraph. The hours in



1 which a student is scheduled to attend a common school during the regular  
2 school day shall be included in the calculation of the average daily  
3 membership for that student.

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

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

25 (i) For common schools, a student who is at least six years of age  
26 before January 1 of a school year, who has not graduated from the highest  
27 grade taught in the school district and who is regularly enrolled in a  
28 course of study required by the state board of education. First, second  
29 and third grade students or ungraded group B children with disabilities who  
30 are at least five, but under six, years of age by September 1 must be  
31 enrolled in an instructional program that meets for a total of at least  
32 seven hundred twelve hours for a one hundred eighty-day school year, or the

1 instructional hours prescribed in this section. Fourth, fifth, sixth,  
2 seventh and eighth grade students must be enrolled in an instructional  
3 program that meets for a total of at least eight hundred ninety hours for a  
4 one hundred eighty-day school year, or the instructional hours prescribed  
5 in this section, including the equivalent number of instructional hours for  
6 schools that operate on a one hundred forty-four-day school year. The  
7 hours in which a student is scheduled to attend a common school during the  
8 regular school day shall be included in the calculation of the average  
9 daily membership for that student.

10 (ii) For high schools, a student who has not graduated from the  
11 highest grade taught in the school district and who is enrolled in at least  
12 an instructional program of four or more subjects that count toward  
13 graduation as defined by the state board of education, each of which, if  
14 taught each school day for the minimum number of days required in a school  
15 year, would meet a minimum of one hundred twenty-three hours a year, or the  
16 equivalent, that meets for a total of at least seven hundred twenty hours  
17 for a one hundred eighty-day school year, or the instructional hours  
18 prescribed in this section in a recognized high school. A full-time  
19 student shall not be counted more than once for computation of average  
20 daily membership. The average daily membership of a full-time high school  
21 student shall be 1.0 if the student is enrolled in at least four subjects  
22 that meet at least seven hundred twenty hours for a one hundred eighty-day  
23 school year, or the equivalent instructional hours prescribed in this  
24 section. The hours in which a student is scheduled to attend a high school  
25 during the regular school day shall be included in the calculation of the  
26 average daily membership for that student.

27 (iii) If a child who has not reached five years of age before  
28 September 1 of the current school year is admitted to kindergarten and  
29 repeats kindergarten in the following school year, a school district or  
30 charter school is not eligible to receive basic state aid on behalf of that  
31 child during the child's second year of kindergarten. If a child who has  
32 not reached five years of age before September 1 of the current school year

1 is admitted to kindergarten but does not remain enrolled, a school district  
2 or charter school may receive a portion of basic state aid on behalf of  
3 that child in the subsequent year. A school district or charter school may  
4 charge tuition for any child who is ineligible for basic state aid pursuant  
5 to this item.

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

9 (v) Except as otherwise provided by law, for any student who is  
10 concurrently enrolled in a school district and a charter school, the  
11 average daily membership shall be apportioned between the school district  
12 and the charter school and shall not exceed 1.0. The apportionment shall  
13 be based on the percentage of total time that the student is enrolled in or  
14 in attendance at the school district and the charter school.

15 (vi) Except as otherwise provided by law, for any student who is  
16 concurrently enrolled, pursuant to section 15-808, in a school district and  
17 Arizona online instruction or a charter school and Arizona online  
18 instruction, the average daily membership shall be apportioned between the  
19 school district and Arizona online instruction or the charter school and  
20 Arizona online instruction and shall not exceed 1.0. The apportionment  
21 shall be based on the percentage of total time that the student is enrolled  
22 in or in attendance at the school district and Arizona online instruction  
23 or the charter school and Arizona online instruction.

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

26 (c) "Regular school day" means the regularly scheduled class periods  
27 intended for instructional purposes. Instructional purposes may include  
28 core subjects, elective subjects, lunch, study halls, music instruction and  
29 other classes that advance the academic instruction of pupils.  
30 Instructional purposes do not include athletic practices or extracurricular  
31 clubs and activities.

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

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

6           (a) Grades one through eight.

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

8           4. "Current year" means the fiscal year in which a school district  
9 is operating.

10          5. "Daily attendance" means:

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

12           (i) Of a kindergarten program or ungraded, but not group B children  
13 with disabilities, who is at least five, but under six, years of age by  
14 September 1 attends at least three-quarters of the instructional time  
15 scheduled for the day. If the total instruction time scheduled for the  
16 year is at least three hundred fifty-six hours but is less than seven  
17 hundred twelve hours, such attendance shall be counted as one-half day of  
18 attendance. If the instructional time scheduled for the year is at least  
19 six hundred ninety-two hours, "daily attendance" means days in which a  
20 pupil attends at least one-half of the instructional time scheduled for the  
21 day. Such attendance shall be counted as one-half day of attendance. A  
22 school district or charter school may satisfy any of the time and hours  
23 requirements prescribed in this item in any manner prescribed in the school  
24 district's or charter school's instructional time model adopted under  
25 section 15-901.08.

26           (ii) Of the first, second or third grades attends more than  
27 three-quarters of the instructional time scheduled for the day. A school  
28 district or charter school may satisfy any of the time and hours  
29 requirements prescribed in this item in any manner prescribed in the school  
30 district's or charter school's instructional time model adopted under  
31 section 15-901.08.

1 (iii) Of the fourth, fifth or sixth grades attends more than  
2 three-quarters of the instructional time scheduled for the day, except as  
3 provided in section 15-797. A school district or charter school may  
4 satisfy any of the time and hours requirements prescribed in this item in  
5 any manner prescribed in the school district's or charter school's  
6 instructional time model adopted under section 15-901.08.

7 (iv) Of the seventh or eighth grades attends more than  
8 three-quarters of the instructional time scheduled for the day, except as  
9 provided in section 15-797. A school district or charter school may  
10 satisfy any of the time and hours requirements prescribed in this item in  
11 any manner prescribed in the school district's or charter school's  
12 instructional time model adopted under section 15-901.08.

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

18 (i) If attendance for all pupils in the school is based on quarter  
19 days, the attendance of a pupil shall be counted as one-fourth of a day's  
20 attendance for each one-fourth of full-time instructional time attended. A  
21 school district or charter school may satisfy any of the time and hours  
22 requirements prescribed in this item in any manner prescribed in the school  
23 district's or charter school's instructional time model adopted under  
24 section 15-901.08.

25 (ii) If attendance for all pupils in the school is based on half  
26 days, the attendance of at least three-quarters of the instructional time  
27 scheduled for the day shall be counted as a full day's attendance and  
28 attendance at a minimum of one-half but less than three-quarters of the  
29 instructional time scheduled for the day equals one-half day of attendance.  
30 A school district or charter school may satisfy any of the time and hours  
31 requirements prescribed in this item in any manner prescribed in the school

1 district's or charter school's instructional time model adopted under  
2 section 15-901.08.

3 (c) For common schools, the attendance of a preschool child with  
4 disabilities shall be counted as one-fourth day's attendance for each  
5 thirty-six minutes of attendance, except as provided in paragraph 1,  
6 subdivision (a), item (i) of this subsection for children with disabilities  
7 up to a maximum of three hundred sixty minutes each week. A school  
8 district or charter school may satisfy any of the time and hours  
9 requirements prescribed in this subdivision in any manner prescribed in the  
10 school district's or charter school's instructional time model adopted  
11 under section 15-901.08.

12 (d) For high schools, the attendance of a pupil shall not be counted  
13 as a full day unless the pupil is actually and physically in attendance and  
14 enrolled in and carrying four subjects, each of which, if taught each  
15 school day for the minimum number of days required in a school year, would  
16 meet a minimum of one hundred twenty-three hours a year, or the equivalent,  
17 that count toward graduation in a recognized high school except as provided  
18 in section 15-797 and subdivision (e) of this paragraph. Attendance of a  
19 pupil carrying less than the load prescribed shall be prorated. A school  
20 district or charter school may satisfy any of the time and hours  
21 requirements prescribed in this subdivision in any manner prescribed in the  
22 school district's or charter school's instructional time model adopted  
23 under section 15-901.08.

24 (e) For high schools, the attendance of a pupil may be counted as  
25 one-fourth of a day's attendance for each sixty minutes of instructional  
26 time in a subject that counts toward graduation, except that attendance for  
27 a pupil shall not exceed the pupil's full or fractional membership. A  
28 school district or charter school may satisfy any of the time and hours  
29 requirements prescribed in this subdivision in any manner prescribed in the  
30 school district's or charter school's instructional time model adopted  
31 under section 15-901.08.

1           (f) For homebound or hospitalized, a full day of attendance may be  
2 counted for each day during a week in which the student receives at least  
3 four hours of instruction. A school district or charter school may satisfy  
4 any of the time and hours requirements prescribed in this subdivision in  
5 any manner prescribed in the school district's or charter school's  
6 instructional time model adopted under section 15-901.08.

7           (g) For school districts that maintain school for an approved  
8 year-round school year operation, attendance shall be based on a  
9 computation, as prescribed by the superintendent of public instruction, of  
10 the one hundred eighty days' equivalency or two hundred days' equivalency,  
11 as applicable, of instructional time as approved by the superintendent of  
12 public instruction during which each pupil is enrolled. A school district  
13 or charter school may satisfy any of the time and hours requirements  
14 prescribed in this subdivision in any manner prescribed in the school  
15 district's or charter school's instructional time model adopted under  
16 section 15-901.08.

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

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

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

1           7. "District support level" means:

2           (a) FOR A DISTRICT THAT HAS NOT OPTED INTO THE STATE STUDENT FUNDING  
3 FORMULA PURSUANT TO SECTION 15-495, the base support level plus the  
4 transportation support level.

5           (b) FOR A DISTRICT THAT HAS OPTED INTO THE STATE STUDENT FUNDING  
6 FORMULA PURSUANT TO SECTION 15-495, THE BASE SUPPORT LEVEL.

7           8. "Eligible students" means:

8           (a) Students who are transported by or for a school district and who  
9 qualify as full-time students or fractional students, except students for  
10 whom transportation is paid by another school district or a county school  
11 superintendent, and:

12           (i) For common school students, whose place of actual residence  
13 within the school district is more than one mile from the school facility  
14 of attendance or students who are admitted pursuant to section 15-816.01  
15 and who meet the economic eligibility requirements established under the  
16 national school lunch and child nutrition acts (42 United States Code  
17 sections 1751 through 1793) for free or reduced-price lunches and whose  
18 actual place of residence outside the school district boundaries is more  
19 than one mile from the school facility of attendance.

20           (ii) For high school students, whose place of actual residence  
21 within the school district is more than one and one-half miles from the  
22 school facility of attendance or students who are admitted pursuant to  
23 section 15-816.01 and who meet the economic eligibility requirements  
24 established under the national school lunch and child nutrition acts  
25 (42 United States Code sections 1751 through 1793) for free or  
26 reduced-price lunches and whose actual place of residence outside the  
27 school district boundaries is more than one and one-half miles from the  
28 school facility of attendance.

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



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

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

10 9. "Enrolled" or "enrollment" means that a pupil is currently  
11 registered in the school district.

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

15 11. "High school district" means a political subdivision of this  
16 state offering instruction to students for grades nine through twelve or  
17 that portion of the budget of a common school district that is allocated to  
18 teaching high school subjects with permission of the state board of  
19 education.

20 12. "Instructional hours" or "instructional time" means hours or  
21 time spent pursuant to an instructional time model adopted under section  
22 15-901.08.

23 13. "Revenue control limit" means:

24 (a) FOR A DISTRICT THAT HAS NOT OPTED INTO THE STATE STUDENT FUNDING  
25 FORMULA PURSUANT TO SECTION 15-495, the base revenue control limit plus the  
26 transportation revenue control limit.

27 (b) FOR A DISTRICT THAT HAS OPTED INTO THE STATE STUDENT FUNDING  
28 FORMULA PURSUANT TO SECTION 15-495, THE BASE REVENUE CONTROL LIMIT.

29 14. "Student count" means average daily membership as prescribed in  
30 this subsection for the fiscal year before the current year, except that  
31 for the purpose of budget preparation student count means average daily  
32 membership as prescribed in this subsection for the current year.

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

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

5           17. "Total students transported" means all eligible students  
6 transported from their place of residence to a school transportation pickup  
7 point or to the school of attendance and from the school of attendance or  
8 from the school transportation scheduled return point to their place of  
9 residence.

10           18. "Unified school district" means a political subdivision of this  
11 state offering instruction to students in programs for preschool children  
12 with disabilities and kindergarten programs and grades one through twelve.

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

14           1. "AW-1" MEANS A STUDENT ATTENDING A SCHOOL THAT HAS A LETTER GRADE  
15 DESIGNATION OF A PURSUANT TO SECTION 15-241 FROM THE PRIOR FISCAL YEAR AND  
16 FEWER THAN FIFTY PERCENT OF THE STUDENTS WHO ARE ENROLLED IN THE SCHOOL  
17 MEET THE ELIGIBILITY REQUIREMENTS ESTABLISHED UNDER THE NATIONAL SCHOOL  
18 LUNCH AND CHILD NUTRITION ACTS (42 UNITED STATES CODE SECTIONS 1751 THROUGH  
19 1793) FOR FREE OR REDUCED-PRICE LUNCHES, OR AN EQUIVALENT MEASURE  
20 RECOGNIZED FOR PARTICIPATING IN THE FEDERAL FREE AND REDUCED-PRICE LUNCH  
21 PROGRAM AND OTHER SCHOOL PROGRAMS DEPENDENT ON A POVERTY MEASURE, INCLUDING  
22 THE COMMUNITY ELIGIBILITY PROVISION IN WHICH FREE AND REDUCED-PRICE LUNCH  
23 DATA IS NOT AVAILABLE. ONLY STUDENTS WHO ARE ELIGIBLE TO BE INCLUDED IN A  
24 SCHOOL'S STUDENT COUNT SHALL BE CONSIDERED IN DETERMINING THAT SCHOOL'S  
25 PERCENTAGE OF FREE OR REDUCED-PRICE LUNCH STUDENTS OR OTHER POVERTY  
26 INDICATORS.

27           2. "AW-2" MEANS EITHER OF THE FOLLOWING:

28           (a) A STUDENT ATTENDING A SCHOOL THAT HAS A LETTER GRADE DESIGNATION  
29 OF A PURSUANT TO SECTION 15-241 FROM THE PRIOR FISCAL YEAR AND AT LEAST  
30 FIFTY PERCENT BUT LESS THAN EIGHTY PERCENT OF THE STUDENTS WHO ARE ENROLLED  
31 IN THE SCHOOL MEET THE ELIGIBILITY REQUIREMENTS ESTABLISHED UNDER THE  
32 NATIONAL SCHOOL LUNCH AND CHILD NUTRITION ACTS (42 UNITED STATES CODE

1 SECTIONS 1751 THROUGH 1793) FOR FREE OR REDUCED-PRICE LUNCHES, OR AN  
2 EQUIVALENT MEASURE RECOGNIZED FOR PARTICIPATING IN THE FEDERAL FREE AND  
3 REDUCED-PRICE LUNCH PROGRAM AND OTHER SCHOOL PROGRAMS DEPENDENT ON A  
4 POVERTY MEASURE, INCLUDING THE COMMUNITY ELIGIBILITY PROVISION IN WHICH  
5 FREE AND REDUCED-PRICE LUNCH DATA IS NOT AVAILABLE. ONLY STUDENTS WHO ARE  
6 ELIGIBLE TO BE INCLUDED IN A SCHOOL'S STUDENT COUNT SHALL BE CONSIDERED IN  
7 DETERMINING THAT SCHOOL'S PERCENTAGE OF FREE OR REDUCED-PRICE LUNCH  
8 STUDENTS OR OTHER POVERTY INDICATORS.

9 (b) A STUDENT ATTENDING A SCHOOL THAT HAS A LETTER GRADE DESIGNATION  
10 OF B PURSUANT TO SECTION 15-241 FROM THE PRIOR FISCAL YEAR AND AT LEAST  
11 SEVENTY PERCENT OF THE STUDENTS WHO ARE ENROLLED IN THE SCHOOL MEET THE  
12 ELIGIBILITY REQUIREMENTS ESTABLISHED UNDER THE NATIONAL SCHOOL LUNCH AND  
13 CHILD NUTRITION ACTS (42 UNITED STATES CODE SECTIONS 1751 THROUGH 1793) FOR  
14 FREE OR REDUCED-PRICE LUNCHES, OR AN EQUIVALENT MEASURE RECOGNIZED FOR  
15 PARTICIPATING IN THE FEDERAL FREE AND REDUCED-PRICE LUNCH PROGRAM AND OTHER  
16 SCHOOL PROGRAMS DEPENDENT ON A POVERTY MEASURE, INCLUDING THE COMMUNITY  
17 ELIGIBILITY PROVISION IN WHICH FREE AND REDUCED-PRICE LUNCH DATA IS NOT  
18 AVAILABLE. ONLY STUDENTS WHO ARE ELIGIBLE TO BE INCLUDED IN A SCHOOL'S  
19 STUDENT COUNT SHALL BE CONSIDERED IN DETERMINING THAT SCHOOL'S PERCENTAGE  
20 OF FREE OR REDUCED-PRICE LUNCH STUDENTS OR OTHER POVERTY INDICATORS.

21 3. "AW-3" MEANS A STUDENT ATTENDING A SCHOOL THAT HAS A LETTER GRADE  
22 DESIGNATION OF A PURSUANT TO SECTION 15-241 FROM THE PRIOR FISCAL YEAR AND  
23 EIGHTY PERCENT OR MORE OF THE STUDENTS WHO ARE ENROLLED IN THE SCHOOL MEET  
24 THE ELIGIBILITY REQUIREMENTS ESTABLISHED UNDER THE NATIONAL SCHOOL LUNCH  
25 AND CHILD NUTRITION ACTS (42 UNITED STATES CODE SECTIONS 1751 THROUGH 1793)  
26 FOR FREE OR REDUCED-PRICE LUNCHES, OR AN EQUIVALENT MEASURE RECOGNIZED FOR  
27 PARTICIPATING IN THE FEDERAL FREE AND REDUCED-PRICE LUNCH PROGRAM AND OTHER  
28 SCHOOL PROGRAMS DEPENDENT ON A POVERTY MEASURE, INCLUDING THE COMMUNITY  
29 ELIGIBILITY PROVISION IN WHICH FREE AND REDUCED-PRICE LUNCH DATA IS NOT  
30 AVAILABLE. ONLY STUDENTS WHO ARE ELIGIBLE TO BE INCLUDED IN A SCHOOL'S  
31 STUDENT COUNT SHALL BE CONSIDERED IN DETERMINING THAT SCHOOL'S PERCENTAGE  
32 OF FREE OR REDUCED-PRICE LUNCH STUDENTS OR OTHER POVERTY INDICATORS.

1           ~~1.~~ 4. "Base" means the revenue level per student count specified by  
2 the legislature.

3           ~~2.~~ 5. "Base level" means the following amounts plus the percentage  
4 increases to the base level as provided in ~~sections~~ SECTION 15-902.04 ~~and~~  
5 ~~15-952, except that if a school district or charter school is eligible for~~  
6 ~~an increase in the base level as provided in two or more of these sections,~~  
7 ~~the base level amount shall be calculated by compounding rather than adding~~  
8 ~~the sum of one plus the percentage of the increase from those different~~  
9 ~~sections:~~

10           ~~(a) For fiscal year 2019-2020, \$4,150.43.~~

11           ~~(b)~~ (a) For fiscal year 2020-2021, \$4,305.73.

12           ~~(c)~~ (b) For fiscal year 2021-2022, \$4,390.65.

13           (c) FOR FISCAL YEAR 2022-2023, \$4,588.23.

14           ~~3.~~ 6. "Base revenue control limit" means the base revenue control  
15 limit computed as provided in section 15-944.

16           ~~4.~~ 7. "Base support level" means the base support level as provided  
17 in section 15-943.

18           ~~5.~~ 8. "Certified teacher" means a person who is certified as a  
19 teacher pursuant to the rules adopted by the state board of education, who  
20 renders direct and personal services to schoolchildren in the form of  
21 instruction related to the school district's educational course of study  
22 and who is paid from the maintenance and operation section of the budget.

23           ~~6.~~ 9. "DD" means programs for children with developmental delays  
24 who are at least three years of age but under ten years of age. A  
25 preschool child who is categorized under this paragraph is not eligible to  
26 receive funding pursuant to section 15-943, paragraph 2, subdivision (b).

27           ~~7.~~ 10. "ED, MIID, SLD, SLI and OHI" means programs for children  
28 with emotional disabilities, mild intellectual disabilities, a specific  
29 learning disability, a speech/language impairment and other health  
30 impairments. A preschool child who is categorized as SLI under this  
31 paragraph is not eligible to receive funding pursuant to section 15-943,  
32 paragraph 2, subdivision (b).

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

6           ~~9.~~ 12. "ELL" means English learners who do not speak English or  
7 whose native language is not English, who are not currently able to perform  
8 ordinary classroom work in English and who are enrolled in an English  
9 language education program pursuant to sections 15-751, 15-752 and 15-753.

10          ~~10.~~ 13. "Full-time equivalent certified teacher" or "FTE certified  
11 teacher" means for a certified teacher the following:

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

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

17          ~~11.~~ 14. "G" means educational programs for gifted pupils who score  
18 at or above the ninety-seventh percentile, based on national norms, on a  
19 test adopted by the state board of education.

20          ~~12.~~ 15. "Group A" means educational programs for career  
21 exploration, a specific learning disability, an emotional disability, a  
22 mild intellectual disability, remedial education, a speech/language  
23 impairment, developmental delay, homebound pupils, bilingual pupils and  
24 pupils with other health impairments.

25          ~~13.~~ 16. "Group B" means **STUDENTS WHO ATTEND SCHOOLS THAT MEET**  
26 **CERTAIN ACHIEVEMENT-BASED CRITERIA AS DESCRIBED IN PARAGRAPHS 1, 2 AND 3 OF**  
27 **THIS SUBSECTION**, educational improvements for pupils in kindergarten  
28 programs and grades one through three, educational programs for autism, a  
29 hearing impairment, a moderate intellectual disability, multiple  
30 disabilities, multiple disabilities with severe sensory impairment,  
31 orthopedic impairments, preschool severe delay, a severe intellectual  
32 disability and emotional disabilities for school age pupils enrolled in

1 private special education programs or in school district programs for  
2 children with severe disabilities or visual impairment and English learners  
3 enrolled in a program to promote English language proficiency pursuant to  
4 section 15-752.

5 ~~14.~~ 17. "HI" means programs for pupils with hearing impairment.

6 ~~15.~~ 18. "Homebound" or "hospitalized" means a pupil who is capable  
7 of profiting from academic instruction but is unable to attend school due  
8 to illness, disease, accident or other health conditions, who has been  
9 examined by a competent medical doctor and who is certified by that doctor  
10 as being unable to attend regular classes for a period of not less than  
11 three school months or a pupil who is capable of profiting from academic  
12 instruction but is unable to attend school regularly due to chronic or  
13 acute health problems, who has been examined by a competent medical doctor  
14 and who is certified by that doctor as being unable to attend regular  
15 classes for intermittent periods of time totaling three school months  
16 during a school year. The medical certification shall state the general  
17 medical condition, such as illness, disease or chronic health condition,  
18 that is the reason that the pupil is unable to attend school. Homebound or  
19 hospitalized includes a student who is unable to attend school for a period  
20 of less than three months due to a pregnancy if a competent medical doctor,  
21 after an examination, certifies that the student is unable to attend  
22 regular classes due to risk to the pregnancy or to the student's health.

23 ~~16.~~ 19. "K-3" means kindergarten programs and grades one through  
24 three.

25 ~~17.~~ 20. "K-3 reading" means reading programs for pupils in  
26 kindergarten programs and grades one, two and three.

27 ~~18.~~ 21. "MD-R, A-R and SID-R" means resource programs for pupils  
28 with multiple disabilities, autism and severe intellectual disability.

29 ~~19.~~ 22. "MD-SC, A-SC and SID-SC" means self-contained programs for  
30 pupils with multiple disabilities, autism and severe intellectual  
31 disability.

1           ~~20.~~ 23. "MD-SSI" means a program for pupils with multiple  
2 disabilities with severe sensory impairment.

3           ~~21.~~ 24. "MOID" means programs for pupils with moderate intellectual  
4 disability.

5           ~~22.~~ 25. "OI-R" means a resource program for pupils with orthopedic  
6 impairments.

7           ~~23.~~ 26. "OI-SC" means a self-contained program for pupils with  
8 orthopedic impairments.

9           ~~24.~~ 27. "PSD" means preschool programs for children with  
10 disabilities as provided in section 15-771.

11           ~~25.~~ 28. "P-SD" means programs for children who meet the definition  
12 of preschool severe delay as provided in section 15-771.

13           ~~26.~~ 29. "Qualifying tax rate" means the qualifying tax rate  
14 specified in section 15-971 applied to the assessed valuation used for  
15 primary property taxes.

16           ~~27.~~ 30. "Small isolated school district" means a school district  
17 that meets all of the following:

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

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

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

27           ~~28.~~ 31. "Small school district" means a school district that meets  
28 all of the following:

29           (a) Has a student count of fewer than six hundred in kindergarten  
30 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  
3 the same grades and is operated by another school district in this state.

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

6 ~~29.~~ 32. "Transportation revenue control limit" means the  
7 transportation revenue control limit computed as prescribed in section  
8 15-946.

9 ~~30.~~ 33. "Transportation support level" means the support level for  
10 pupil transportation operating expenses as provided in section 15-945.

11 ~~31.~~ 34. "VI" means programs for pupils with visual impairments.

12 Sec. 10. Title 15, chapter 9, article 1, Arizona Revised Statutes,  
13 is amended by adding section 15-901.04, to read:

14 15-901.04. State student funding formula

15 A. THE STATE STUDENT FUNDING FORMULA IS ESTABLISHED FOR CHARTER  
16 SCHOOLS AND FOR SCHOOL DISTRICTS THAT OPT TO USE THIS FUNDING FORMULA  
17 PURSUANT TO SECTION 15-495. EACH CHARTER SCHOOL AND EACH SCHOOL DISTRICT  
18 USING THE STATE STUDENT FUNDING FORMULA SHALL:

19 1. CALCULATE A BASE SUPPORT LEVEL AS PRESCRIBED IN SECTION 15-943.

20 2. ADD THE BASE SUPPORT LEVEL AMOUNT CALCULATED UNDER PARAGRAPH 1 OF  
21 THIS SUBSECTION AND STATE ADDITIONAL ASSISTANCE. THE AMOUNT OF STATE  
22 ADDITIONAL ASSISTANCE IS \$1,935.86 PER STUDENT COUNT IN PRESCHOOL PROGRAMS  
23 FOR CHILDREN WITH DISABILITIES, KINDERGARTEN PROGRAMS AND GRADES ONE  
24 THROUGH EIGHT AND \$2,256.21 PER STUDENT COUNT IN GRADES NINE THROUGH  
25 TWELVE.

26 B. FOR CHARTER SCHOOLS, THE AMOUNT CALCULATED UNDER SUBSECTION A OF  
27 THIS SECTION IS THE EQUALIZATION ASSISTANCE FOR THE CHARTER SCHOOL.



1           Sec. 11. Section 15-910, Arizona Revised Statutes, is amended to  
2 read:

3           15-910. School district budgets; excess utility costs;  
4           desegregation costs; tuition costs for bond issues;  
5           costs for registering warrants; report

6           A. The governing board may budget for the district's excess utility  
7 costs that are specifically exempt from the district's revenue control  
8 limit. If approved by the qualified electors voting at a statewide general  
9 election, the exemption from the revenue control limit under this  
10 subsection expires at the end of the 2008-2009 budget year. The uniform  
11 system of financial records shall specify expenditure items allowable as  
12 excess utility costs, which are limited to direct operational costs of  
13 heating, cooling, water and electricity, telephone communications and  
14 sanitation fees. The department of education and the auditor general shall  
15 include in the maintenance and operation section of the budget format, as  
16 provided in section 15-903, a separate line for utility expenditures and a  
17 special excess utility cost category. The special excess utility cost  
18 category shall contain budgeted expenditures for excess utility costs,  
19 determined as follows:

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

22           2. Multiply the amount in paragraph 1 of this subsection by the  
23 total percentage increase or decrease in the revenue control limit and the  
24 capital outlay revenue limit for the budget year over the revenue control  
25 limit and the capital outlay revenue limit for fiscal year 1984-1985  
26 ~~excluding monies available from a teacher compensation program provided for~~  
27 ~~in section 15-952.~~

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

30           4. Additional expenditures for utilities are budgeted in the excess  
31 utility cost category.

1           B. The governing board shall apply the same percentage increase or  
2 decrease allowed in the revenue control limit and the capital outlay  
3 revenue limit as provided in section 15-905, subsection E to the utility  
4 expenditure line of the budget.

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

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

13           E. If the revised excess utility cost category results in an  
14 expenditure of monies in excess of school district revenues for the current  
15 year, the county school superintendent shall include within the revenue  
16 estimate for the budget year monies necessary to meet the liabilities  
17 incurred by the school district in the current year in excess of revenues  
18 received for the current year.

19           F. If a school district receives a refund of utility expenditures or  
20 a rebate on energy saving devices or services, the refund or rebate shall  
21 be applied against utility expenditures for the current year as a reduction  
22 of the expenditures, except that the reduction of expenditures shall not  
23 exceed the amount of actual utility expenditures.

24           G. The governing board may budget for expenses of complying with or  
25 continuing to implement activities that were required or permitted by a  
26 court order of desegregation or administrative agreement with the United  
27 States department of education office for civil rights directed toward  
28 remediating alleged or proven racial discrimination that are specifically  
29 exempt in whole or in part from the revenue control limit and district  
30 additional assistance. This exemption applies only to expenses incurred  
31 for activities that are begun before the termination of the court order or  
32 administrative agreement. If a district is levying a property tax on

1 February 23, 2006 and using those monies to administer an English language  
2 learner program to remedy alleged or proven discrimination under title VI  
3 of the civil rights act of 1964 (42 United States Code section 2000d), the  
4 district may spend those monies to remedy a violation of the equal  
5 educational opportunities act of 1974 (20 United States Code section  
6 1703(f)). Nothing in this subsection allows a school district to levy a  
7 property tax for violations of the equal educational opportunities act of  
8 1974 (20 United States Code section 1703(f)) in the absence of an alleged  
9 or proven discrimination under title VI of the civil rights act of 1964 (42  
10 United States Code section 2000d).

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

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

17 2. Notify the county school superintendent to include the cost of  
18 the excess expenses in the county school superintendent's estimate of the  
19 additional amount needed for the school district from the secondary  
20 property tax as provided in section 15-991.

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

25 I. If a governing board chooses to budget monies outside of district  
26 additional assistance as provided in subsection G of this section, the  
27 governing board may notify the county school superintendent to include the  
28 cost of the excess expenses in the county school superintendent's estimate  
29 of the additional amount needed for the school district from the secondary  
30 property tax as provided in section 15-991.

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

2 1. Shall prepare and employ a separate maintenance and operation  
3 desegregation budget and capital outlay desegregation budget on a form  
4 prescribed by the superintendent of public instruction in conjunction with  
5 the auditor general. The budget format shall be designed to allow a school  
6 district to plan and provide in detail for expenditures to be incurred  
7 solely as a result of compliance with or continuing to implement activities  
8 that were required or permitted by a court order of desegregation or  
9 administrative agreement with the United States department of education  
10 office for civil rights directed toward remediating alleged or proven  
11 racial discrimination.

12 2. Shall prepare as a part of the annual financial report a detailed  
13 report of expenditures incurred solely as a result of compliance with or  
14 continuing to implement activities that were required or permitted by a  
15 court order of desegregation or administrative agreement with the United  
16 States department of education office for civil rights directed toward  
17 remediating alleged or proven racial discrimination, in a format prescribed  
18 by the auditor general in conjunction with the Arizona department of  
19 education as provided by section 15-904.

20 3. On or before July 15 each year, shall collect and report data  
21 regarding activities related to a court order of desegregation or an  
22 administrative agreement with the United States department of education  
23 office for civil rights directed toward remediating alleged or proven  
24 racial discrimination in a format prescribed by the Arizona department of  
25 education. The Arizona department of education shall compile and submit  
26 copies of the reports to the governor, the president of the senate, the  
27 speaker of the house of representatives and the chairpersons of the  
28 education committees of the senate and the house of representatives and  
29 shall submit a copy to the secretary of state. A school district that  
30 becomes subject to a new court order of desegregation or a party to an  
31 administrative agreement with the United States department of education  
32 office for civil rights directed toward remediating alleged or proven

1 racial discrimination shall submit these reports on or before July 15 or  
2 within ninety days of the date of the court order or administrative  
3 agreement, whichever occurs first. The Arizona department of education, in  
4 consultation with the auditor general, shall develop reporting requirements  
5 to ensure that school districts submit at least the following information  
6 and documentation to the Arizona department of education:

7 (a) A district-wide budget summary and a budget summary on a  
8 school-by-school basis for each school in the school district that lists  
9 the sources and uses of monies that are designated for desegregation  
10 purposes.

11 (b) A detailed list of desegregation activities on a district-wide  
12 basis and on a school-by-school basis for each school in the school  
13 district.

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

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

20 (e) If applicable, a current and accurate description of all magnet  
21 type programs that are in operation pursuant to the court order during the  
22 current school year on a district-wide basis and on a school-by-school  
23 basis. This information shall contain the eligibility and attendance  
24 criteria of each magnet type program, the capacity of each magnet type  
25 program, the ethnic composition goals of each magnet type program, the  
26 actual attending ethnic composition of each magnet type program and the  
27 specific activities offered in each magnet type program.

28 (f) The number of pupils who participate in desegregation activities  
29 on a district-wide basis and on a school-by-school basis for each school in  
30 the school district.

1 (g) A detailed summary of the academic achievement of pupils on a  
2 district-wide basis and on a school-by-school basis for each school in the  
3 school district.

4 (h) The number of employees, including teachers and administrative  
5 personnel, on a district-wide basis and on a school-by-school basis for  
6 each school in the school district that is necessary to conduct  
7 desegregation activities.

8 (i) The number of employees, including teachers and administrative  
9 personnel, on a district-wide basis and on a school-by-school basis for  
10 each school in the school district and the number of employees at school  
11 district administrative offices that are funded in whole or in part with  
12 desegregation monies received pursuant to this section.

13 (j) The amount of monies that is not derived through a primary or  
14 secondary property tax levy and that is budgeted and spent on desegregation  
15 activities on a district-wide basis and on a school-by-school basis for  
16 each school in the school district.

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

19 (l) Verification that the desegregation funding is educationally  
20 justifiable.

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

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

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

29 (p) Verification that the desegregation funding will be used to  
30 accomplish specific actions to remediate proven discrimination pursuant to  
31 title VI of the civil rights act of 1964 (42 United States Code section  
32 2000d) as specified in the court order or administrative agreement.

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

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

6 (s) Any other information that the Arizona department of education  
7 deems necessary to carry out the purposes of this paragraph.

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

- 13 1. Be educationally justifiable.
- 14 2. Result in equal education opportunities for all pupils in the  
15 school district.
- 16 3. Be used to promote systemic and organizational changes within the  
17 school district.
- 18 4. Be used in accordance with the academic standards adopted by the  
19 state board of education pursuant to sections 15-701 and 15-701.01.
- 20 5. Be used to accomplish specific actions to remediate proven  
21 discrimination pursuant to title VI of the civil rights act of 1964  
22 (42 United States Code section 2000d) as specified in the court order or  
23 administrative agreement.
- 24 6. Be used in accordance with a plan submitted to the department of  
25 education that includes an estimate of the amount of monies that will be  
26 required to bring the school district into compliance with the court order  
27 or administrative agreement and an estimate of when the school district  
28 will be in compliance with the court order or administrative agreement.
- 29 7. Each fiscal year, not exceed the amount budgeted by the school  
30 district for desegregation expenses in fiscal year 2008-2009.

31 L. ~~Beginning in fiscal year 2018-2019,~~ Subsections G through K of  
32 this section apply only if the governing board uses revenues from secondary

1 property taxes rather than primary property taxes to fund expenses of  
2 complying with or continuing to implement activities that were required or  
3 allowed by a court order of desegregation or administrative agreement with  
4 the United States department of education office for civil rights directed  
5 toward remediating alleged or proven racial discrimination that are  
6 specifically exempt in whole or in part from the revenue control limit and  
7 district additional assistance. Secondary property taxes levied pursuant  
8 to this subsection do not require voter approval, but shall be separately  
9 delineated on a property owner's property tax statement.

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

25 N. The governing board may budget for interest expenses it incurred  
26 for registering warrants drawn against a fund of the school district or net  
27 interest expense on tax anticipation notes as prescribed in section  
28 35-465.05, subsection C for the fiscal year preceding the current year if  
29 the county treasurer pooled all school district monies for investment as  
30 provided in section 15-996 for the fiscal year preceding the current year  
31 and, in those school districts that receive state aid, the school districts  
32 applied for an apportionment of state aid before the date set for the



1 apportionment as provided in section 15-973 for the fiscal year preceding  
2 the current year. The governing board may budget an amount for interest  
3 expenses for registering warrants or issuing tax anticipation notes equal  
4 to or less than the amount of the warrant interest expense or net interest  
5 expense on tax anticipation notes as prescribed in section 35-465.05,  
6 subsection C for the fiscal year preceding the current year as provided in  
7 this subsection that is specifically exempt from the revenue control limit.  
8 For the purposes of this subsection, "state aid" means state aid as  
9 determined in sections 15-971 and 15-972.

10 Sec. 12. Section 15-924, Arizona Revised Statutes, is amended to  
11 read:

12 15-924. In lieu of transportation grants

13 A. Notwithstanding any other law, ~~beginning in the 2021-2022 school~~  
14 ~~year,~~ a school district may use a portion of its transportation funding  
15 allocated pursuant to SECTION 15-901.04 OR sections 15-945 and 15-946 to  
16 provide in lieu of transportation grants to parents of students who attend  
17 the school district pursuant to a plan submitted to the department of  
18 education. School districts may issue grants to support individual parents  
19 or neighborhood carpools in transporting students to school. A school  
20 district's transportation funding allocation may not be reduced or  
21 otherwise diminished due to the school district awarding grants pursuant to  
22 this section.

23 B. Notwithstanding any other law, ~~beginning in the 2021-2022 school~~  
24 ~~year,~~ a charter school may use a portion of its ~~charter~~ STATE additional  
25 assistance OR ITS TRANSPORTATION ASSISTANCE funding allocated pursuant to  
26 section ~~15-185~~ 15-901.04 to provide in lieu of transportation grants to  
27 parents of students who attend the charter school pursuant to a plan  
28 submitted to the department of education. Charter schools may issue grants  
29 to support individual parents or neighborhood carpools in transporting  
30 students to school. Participating charter schools shall report to the  
31 department regarding the monies awarded to parents as required by the  
32 department.

C. The department of education shall adopt policies and procedures to account for expenditures under this section and to require proof of attendance for students whose transportation is supported through grants under this section.

Sec. 13. Repeal

Section 15-941, Arizona Revised Statutes, is repealed.

Sec. 14. Section 15-943, Arizona Revised Statutes, is amended to read:

15-943. Base support level

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

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

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

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight	Support Level Weight
	For Small Isolated	For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.559	1.399
100-499	$1.358 + [0.0005 \times (500 - \text{student count})]$	$1.278 + [0.0003 \times (500 - \text{student count})]$
500-599	$1.158 + [0.002 \times (600 - \text{student count})]$	$1.158 + [0.0012 \times (600 - \text{student count})]$

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

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1	<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
2		Support Level Weight	Support Level Weight
3		For Small Isolated	For Small
4	<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
5	1-99	1.669	1.559
6	100-499	1.468 + [0.0005 x (500	1.398 + [0.0004 x (500
7		- student count)]	- student count)]
8	500-599	1.268 + [0.002 x (600	1.268 + [0.0013 x (600
9		- student count)]	- student count)]

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

(a)

13				Support			Weighted
14				Level	Student		Student
15	<u>Grade Base</u>		<u>Group A</u>	<u>Weight</u>	<u>Count</u>		<u>Count</u>
16	PSD	1.000	+	0.450	=	1.450	x _____ = _____
17	K-8	1.000	+	0.158	=	1.158	x _____ = _____
18	9-12	1.163	+	0.105	=	1.268	x _____ = _____
19						Subtotal	A _____

(b)

21				Support			Weighted
22	Funding			Level	Student		Student
23	<u>Category</u>			<u>Weight</u>	<u>Count</u>		<u>Count</u>
24	HI			4.771	x _____	=	_____
25	K-3			0.060	x _____	=	_____
26	K-3 reading			0.040	x _____	=	_____
27	ELL			0.115	x _____	=	_____
28	MD-R, A-R and						
29	SID-R			6.024	x _____	=	_____

1 MD-SC, A-SC and					
2 SID-SC	5.988	x	_____	=	_____
3					
4 MD-SSI	7.947	x	_____	=	_____
5 OI-R	3.158	x	_____	=	_____
6 OI-SC	6.773	x	_____	=	_____
7 P-SD	3.595	x	_____	=	_____
8 DD, ED, MIID, SLD,					
9 SLI and OHI	0.093	x	_____	=	_____
10					
11 ED-P	4.822	x	_____	=	_____
12 MOID	4.421	x	_____	=	_____
13 VI	4.806	x	_____	=	_____
14 G	0.007	x	_____	=	_____
15 AW-1	0.049	X	_____	=	_____
16 AW-2	0.091	X	_____	=	_____
17 AW-3	0.111	X	_____	=	_____
18			Subtotal	B	_____

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

20 3. Multiply the total determined in paragraph 2 of this section by  
 21 the base level.

22 ~~4. Multiply the teacher experience index of the district or 1.00,~~  
 23 ~~whichever is greater, by the product obtained in paragraph 3 of this~~  
 24 ~~section.~~

25 ~~5.~~ 4. For the purposes of this section, the student count is the  
 26 average daily membership as prescribed in section 15-901 for the current  
 27 year, except that for the purposes of computing the base support level used  
 28 in determining school district rollover allocations and school district  
 29 budget override amounts, the student count is the average daily membership  
 30 as prescribed in section 15-901 for the prior year.

1           Sec. 15. Section 15-943.02, Arizona Revised Statutes, is amended to  
2 read:

3           15-943.02. Base support level for career technical education  
4                                   districts

5           A. The base support level for each career technical education  
6 district shall be computed as follows:

7	Grade/	Support	Student	Weighted
8	Category	Level	Count	Student
9		Weight		Count
10	9-12	1.339	X _____	= _____

11           B. Multiply the total determined in subsection A of this section by  
12 the base level.

13           ~~C. Multiply the teacher experience index of the district or 1.00,~~  
14 ~~whichever is greater, by the product obtained in subsection B of this~~  
15 ~~section.~~

16           ~~D.~~ C. For the purposes of this section, the student count is the  
17 average daily membership as prescribed in section 15-901 for the current  
18 year, except that for the purposes of computing the base support level used  
19 in determining school district rollover allocations, the student count is  
20 the average daily membership as prescribed in section 15-901 for the prior  
21 year.

22           Sec. 16. Section 15-945, Arizona Revised Statutes, is amended to  
23 read:

24           15-945. Transportation support level

25           A. The support level for to and from school for each school district  
26 for the current year shall be computed as follows:

27           1. Determine the approved daily route mileage of the school district  
28 for the fiscal year prior to the current year.

29           2. Multiply the figure obtained in paragraph 1 of this subsection by  
30 one hundred eighty, or for a school district that elects to provide two  
31 hundred days of instruction pursuant to section 15-902.04, multiply the  
32 figure obtained in paragraph 1 of this subsection by two hundred.

1           3. Determine the number of eligible students transported in the  
2 fiscal year prior to the current year.

3           4. Divide the amount determined in paragraph 1 of this subsection by  
4 the amount determined in paragraph 3 of this subsection to determine the  
5 approved daily route mileage per eligible student transported.

6           5. Determine the classification in column 1 of this paragraph for  
7 the quotient determined in paragraph 4 of this subsection. Multiply the  
8 product obtained in paragraph 2 of this subsection by the corresponding  
9 state support level for each route mile as provided in column 2 of this  
10 paragraph.

<u>Column 1</u>	<u>Column 2</u>
12 Approved Daily Route	State Support Level per
13 Mileage per Eligible	Route Mile for
14 <u>Student Transported</u>	<u>Fiscal Year</u> <del>2021-2022</del> <u>2022-2023</u>
15 0.5 or less	<del>2.77</del> 3.67
16 More than 0.5 through 1.0	<del>2.27</del> 3.01
17 More than 1.0	<del>2.77</del> 3.67

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

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

24           1. Determine the classification in column 1 of paragraph 2 of this  
25 subsection for the quotient determined in subsection A, paragraph 4 of this  
26 section.

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

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
Approved Daily Route			
Mileage per Eligible	District Type	District Type	District Type
<u>Student Transported</u>	<u>02 or 03</u>	<u>04</u>	<u>05</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

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

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

1. Determine the sum of the following:

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

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

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

4           D. The transportation support level for each school district for the  
5 current year is the sum of the support level for to and from school as  
6 determined in subsection A of this section, the support level for academic  
7 education, career and technical education, vocational education and  
8 athletic trips as determined in subsection B of this section and the  
9 support level for extended school year services for pupils with  
10 disabilities as determined in subsection C of this section.

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

14           F. School districts must provide the odometer reading for each bus  
15 as of the end of the current year and the total bus mileage during the  
16 current year, EXCEPT THAT A SCHOOL DISTRICT IS NOT REQUIRED TO COMPLY WITH  
17 THIS SUBSECTION IF THE SCHOOL DISTRICT HAS ELECTED TO USE THE PER  
18 UNWEIGHTED PUPIL FUNDING AMOUNT AS PRESCRIBED IN SUBSECTION G OF THIS  
19 SECTION.

20           G. NOTWITHSTANDING SUBSECTION D OF THIS SECTION, A SCHOOL DISTRICT  
21 MAY ELECT TO USE A TRANSPORTATION SUPPORT LEVEL FUNDING AMOUNT OF \$330 PER  
22 UNWEIGHTED PUPIL ENROLLED IN THE SCHOOL DISTRICT IN THE PRIOR YEAR INSTEAD  
23 OF THE AMOUNT CALCULATED PURSUANT TO SUBSECTIONS A, B AND C OF THIS  
24 SECTION. EACH YEAR, A SCHOOL DISTRICT MUST SUBMIT IN WRITING A DECLARATION  
25 FROM ITS SCHOOL DISTRICT GOVERNING BOARD WHETHER OR NOT THE SCHOOL DISTRICT  
26 GOVERNING BOARD DULY VOTED TO USE THE PER UNWEIGHTED PUPIL AMOUNT FOR THE  
27 FOLLOWING BUDGET YEAR. A SCHOOL DISTRICT THAT ELECTS TO USE THE UNWEIGHTED  
28 PER PUPIL AMOUNT PURSUANT TO THIS SUBSECTION IS NOT REQUIRED TO SUBMIT  
29 ROUTE MILEAGE OR VEHICLE MAINTENANCE REPORTS ASSOCIATED FOR THE CALCULATION  
30 OF SUBSECTIONS A, B AND C OF THIS SECTION.



1           Sec. 17. Section 15-946, Arizona Revised Statutes, is amended to  
2 read:

3           15-946. Transportation revenue control limit

4           A. The transportation revenue control limit for each school district  
5 for the fiscal years 1985-1986, 1986-1987 and 1987-1988 is computed as  
6 follows:

7           1. Determine the adopted operational expenditure budget for pupil  
8 transportation for the fiscal year 1984-1985 effective January 1, 1985.

9           2. Determine the transportation revenue control limit for the school  
10 district for the fiscal year 1984-1985 as provided in this section before  
11 April 18, 1985.

12           3. If the school district's transportation revenue control limit for  
13 the fiscal year 1984-1985 as provided in paragraph 2 of this subsection is  
14 equal to or greater than the amount determined in paragraph 1 of this  
15 subsection, the transportation revenue control limit for the fiscal year  
16 1985-1986 is the change in the transportation support level from the fiscal  
17 year 1984-1985 to the fiscal year 1985-1986 plus the transportation revenue  
18 control limit for the fiscal year 1984-1985 as provided in paragraph 2 of  
19 this subsection. For the fiscal years 1986-1987 and 1987-1988 the  
20 transportation revenue control limit is the transportation revenue control  
21 limit for the current year plus the change in the transportation support  
22 level for the current year to the budget year.

23           4. If the school district's transportation revenue control limit for  
24 the fiscal year 1984-1985 as provided in paragraph 2 of this subsection is  
25 less than the amount determined in paragraph 1 of this subsection, the  
26 transportation revenue control limit for the fiscal year 1985-1986 is the  
27 sum of the following:

28           (a) The transportation revenue control limit for the school district  
29 for the fiscal year 1984-1985 as provided in paragraph 2 of this  
30 subsection.

31           (b) The change in the transportation support level from the fiscal  
32 year 1984-1985 to the fiscal year 1985-1986.

1 (c) One-third of the amount obtained by subtracting the  
2 transportation revenue control limit for fiscal year 1984-1985 as provided  
3 in paragraph 2 of this subsection from the amount determined in paragraph 1  
4 of this subsection.

5 5. If the transportation revenue control limit of the school  
6 district for the fiscal year 1984-1985 as provided in paragraph 2 of this  
7 subsection is less than the amount determined in paragraph 1 of this  
8 subsection, the transportation revenue control limit for the fiscal years  
9 1986-1987 and 1987-1988 is the sum of the following:

10 (a) The transportation revenue control limit for the current year.

11 (b) The change in the transportation support level from the current  
12 year to the budget year.

13 (c) One-third of the amount obtained by subtracting the  
14 transportation revenue control limit for the fiscal year 1984-1985 as  
15 provided in paragraph 2 of this subsection from the amount determined in  
16 paragraph 1 of this subsection.

17 B. The transportation revenue control limit for each school district  
18 for the fiscal year 1988-1989 and each year thereafter shall be the  
19 transportation revenue control limit for the current year plus the increase  
20 in the transportation support level from the current year to the budget  
21 year, except that for fiscal year 2006-2007 and for each fiscal year  
22 thereafter, the transportation revenue control limit shall not increase if  
23 the transportation revenue control limit is more than one hundred twenty  
24 ~~per cent~~ PERCENT of the transportation support level.

25 C. Notwithstanding subsection B of this section, if the  
26 transportation support level of a school district exceeds the  
27 transportation revenue control limit in any budget year, the transportation  
28 revenue control limit shall be adjusted in that budget year and every  
29 budget year thereafter to equal the transportation support level.

30 D. NOTWITHSTANDING SUBSECTIONS B AND C OF THIS SECTION, THE  
31 TRANSPORTATION REVENUE CONTROL LIMIT FOR A SCHOOL DISTRICT MAY NOT INCREASE  
32 AND SHALL BE DETERMINED IN EACH SCHOOL DISTRICT AS FOLLOWS:

1           1. SUBTRACT THE FISCAL YEAR 2020-2021 TRANSPORTATION SUPPORT LEVEL  
2 FROM THE FISCAL YEAR 2020-2021 TRANSPORTATION REVENUE CONTROL LIMIT.

3           2. FOR FISCAL YEAR 2022-2023, THE TRANSPORTATION REVENUE CONTROL  
4 LIMIT MAY NOT EXCEED EIGHTY PERCENT OF THE AMOUNT DETERMINED PURSUANT TO  
5 PARAGRAPH 1 OF THIS SUBSECTION PLUS THE TRANSPORTATION SUPPORT LEVEL.

6           3. FOR FISCAL YEAR 2023-2024, THE TRANSPORTATION REVENUE CONTROL  
7 LIMIT MAY NOT EXCEED SIXTY PERCENT OF THE AMOUNT DETERMINED PURSUANT TO  
8 PARAGRAPH 1 OF THIS SUBSECTION PLUS THE TRANSPORTATION SUPPORT LEVEL.

9           4. FOR FISCAL YEAR 2024-2025, THE TRANSPORTATION REVENUE CONTROL  
10 LIMIT MAY NOT EXCEED FORTY PERCENT OF THE AMOUNT DETERMINED PURSUANT TO  
11 PARAGRAPH 1 OF THIS SUBSECTION PLUS THE TRANSPORTATION SUPPORT LEVEL.

12           5. FOR FISCAL YEAR 2025-2026, THE TRANSPORTATION REVENUE CONTROL  
13 LIMIT MAY NOT EXCEED TWENTY PERCENT OF THE AMOUNT DETERMINED PURSUANT TO  
14 PARAGRAPH 1 OF THIS SUBSECTION PLUS THE TRANSPORTATION SUPPORT LEVEL.

15           6. FOR FISCAL YEAR 2026-2027 AND EACH FISCAL YEAR THEREAFTER, THE  
16 TRANSPORTATION REVENUE CONTROL LIMIT MAY NOT EXCEED THE TRANSPORTATION  
17 SUPPORT LEVEL.

18           Sec. 18. Section 15-947, Arizona Revised Statutes, is amended to  
19 read:

20           15-947. Revenue control limit; district support level; general  
21                           budget limit; unrestricted total capital budget  
22                           limit; district additional assistance limit

23           A. The revenue control limit ~~for a school district~~ is equal to:

24           1. FOR A SCHOOL DISTRICT THAT HAS NOT OPTED INTO THE STATE STUDENT  
25 FUNDING FORMULA PURSUANT TO SECTION 15-495, the sum of the base revenue  
26 control limit determined in section 15-944 and the transportation revenue  
27 control limit determined in section 15-946.

28           2. FOR A SCHOOL DISTRICT THAT HAS OPTED INTO THE STATE STUDENT  
29 FUNDING FORMULA PURSUANT TO SECTION 15-495, THE BASE REVENUE CONTROL LIMIT.

1 B. The district support level ~~for a school district~~ is equal to:

2 1. FOR A SCHOOL DISTRICT THAT HAS NOT OPTED INTO THE STATE STUDENT  
3 FUNDING FORMULA PURSUANT TO SECTION 15-495, the sum of the base support  
4 level determined in section 15-943 and the transportation support level  
5 determined in section 15-945.

6 2. FOR A SCHOOL DISTRICT THAT HAS OPTED INTO THE STATE STUDENT  
7 FUNDING FORMULA PURSUANT TO SECTION 15-495, THE BASE SUPPORT LEVEL  
8 DETERMINED IN SECTION 15-943.

9 C. The general budget limit for each school district, for each  
10 fiscal year, is the sum of the following:

11 1. The maintenance and operations portion of the revenue control  
12 limit for the budget year.

13 2. The maintenance and operation portion of the following amounts:

14 (a) Amounts that are fully funded by revenues other than a levy of  
15 taxes ~~upon~~ ON the taxable property within the school district, as listed  
16 below:

17 (i) Amounts budgeted as the budget balance carryforward as provided  
18 in section 15-943.01.

19 (ii) Tuition revenues for attendance of nonresident pupils.

20 (iii) State assistance as provided in section 15-976.

21 (iv) Special education revenues as provided in section 15-825,  
22 subsection D and section 15-1204.

23 (v) Title VIII of the elementary and secondary education act of 1965  
24 assistance determined for children with disabilities, children with  
25 specific learning disabilities, children residing on Indian lands and  
26 children residing within the boundaries of an accommodation school that is  
27 located on a military reservation and that is classified as a heavily  
28 impacted local educational agency pursuant to 20 United States Code section  
29 7703 as provided in section 15-905, subsections K and O.

30 (vi) Title VIII of the elementary and secondary education act of  
31 1965 administrative costs as provided in section 15-905, subsection P.

1 (vii) State assistance for excess tuition as provided in section  
2 15-825.01.

3 (viii) Transportation revenues for attendance of nonresident pupils.

4 (b) Amounts approved pursuant to an override election as provided in  
5 section 15-481 for the applicable fiscal year.

6 (c) Amounts authorized by the county school superintendent pursuant  
7 to section 15-974, subsection B.

8 (d) Expenditures for complying with a court order of desegregation  
9 as provided in section 15-910.

10 (e) Expenditures for the bond issues portion of the cost of tuition  
11 as provided in section 15-910.

12 (f) Interest on registered warrants or tax anticipation notes as  
13 provided in section 15-910.

14 (g) Amounts budgeted for a jointly owned and operated career and  
15 technical education and vocational education center as provided in section  
16 15-910.01.

17 3. The maintenance and operations portion of district additional  
18 assistance **OR STATE ADDITIONAL ASSISTANCE IF APPLICABLE PURSUANT TO SECTION**  
19 **15-901.04** for the budget year.

20 4. Any other budget item that is budgeted in the maintenance and  
21 operation section of the budget and that is specifically exempt from the  
22 revenue control limit or district additional assistance.

23 D. The unrestricted capital budget limit, for each school district  
24 for each fiscal year, is the sum of the following:

25 1. The federal impact adjustment as determined in section 15-964 for  
26 the budget year.

27 2. Any other budget item that is budgeted in the capital outlay  
28 section of the budget and that is specifically exempt from district  
29 additional assistance.

30 3. The unrestricted capital portion of the amounts contained in  
31 subsection C of this section.

1           4. The unexpended budget balance in the unrestricted capital outlay  
2 fund from the previous fiscal year.

3           5. The net interest earned in the unrestricted capital outlay fund  
4 FROM the previous fiscal year.

5           Sec. 19. Repeal

6           Sections 15-952 and 15-953, Arizona Revised Statutes, are repealed.

7           Sec. 20. Section 15-971, Arizona Revised Statutes, is amended to  
8 read:

9           15-971. Determination of equalization assistance payments from  
10                                   county and state funds for school districts

11           A. Equalization assistance for education is computed by determining  
12 the total of the following:

13           1. The lesser of a school district's revenue control limit or  
14 district support level as determined in section 15-947 or 15-951.

15           2. District additional assistance of a school district as determined  
16 in section 15-951 or 15-961 OR STATE ADDITIONAL ASSISTANCE OF A SCHOOL  
17 DISTRICT IF APPLICABLE PURSUANT TO SECTION 15-901.04.

18           B. From the total of the amounts determined in subsection A of this  
19 section subtract:

20           1. The amount that would be produced by levying the applicable  
21 qualifying tax rate determined pursuant to section 41-1276 for a high  
22 school district or a common school district within a high school district  
23 that does not offer instruction in high school subjects as provided in  
24 section 15-447.

25           2. The amount that would be produced by levying the applicable  
26 qualifying tax rate determined pursuant to section 41-1276 for a unified  
27 school district, a common school district not within a high school district  
28 or a common school district within a high school district that offers  
29 instruction in high school subjects as provided in section 15-447. The  
30 qualifying tax rate shall be applied in the following manner:

31           (a) For the purposes of the amount determined in subsection A,  
32 paragraph 1 of this section:

1 (i) Determine separately the percentage that the weighted student  
2 count in preschool programs for children with disabilities, kindergarten  
3 programs and grades one through eight and the weighted student count in  
4 grades nine through twelve is to the weighted student count determined in  
5 subtotal A as provided in section 15-943, paragraph 2, subdivision (a).

6 (ii) Apply the percentages determined in item (i) of this  
7 subdivision to the amount determined in subsection A, paragraph 1 of this  
8 section.

9 (b) For the purposes of the amounts determined in subsection A,  
10 paragraph 2 of this section, determine separately the amount of the  
11 district additional assistance attributable to the student count in  
12 preschool programs for children with disabilities, kindergarten programs  
13 and grades one through eight and grades nine through twelve.

14 (c) From the amounts determined in subdivisions (a) and (b) of this  
15 paragraph, subtract the levy that would be produced by the current  
16 qualifying tax rate for a high school district or a common school district  
17 within a high school district that does not offer instruction in high  
18 school subjects as provided in section 15-447. If the qualifying tax rate  
19 generates a levy that is in excess of the total determined in subsection A  
20 of this section, the school district ~~shall~~ IS not ~~be~~ eligible for  
21 equalization assistance. For the purposes of this subsection, "assessed  
22 valuation" includes the values used to determine voluntary contributions  
23 collected pursuant to title 9, chapter 4, article 3 and title 48, chapter  
24 1, article 8 and the assessed value of all property subject to the  
25 government property lease excise tax pursuant to title 42, chapter 6,  
26 article 5.

27 3. The amount that would be produced by levying a qualifying tax  
28 rate in a career technical education district, which shall be ~~five cents~~  
29 ~~\$.05~~ per ~~one hundred dollars~~ \$100 assessed valuation unless the legislature  
30 sets a lower rate by law.

31 C. County aid for equalization assistance for education shall be  
32 computed as follows:

1           1. Determine the total equalization assistance for all school  
2 districts in the county as provided in subsections A and B of this section.

3           2. Determine the total amount of state equalization assistance  
4 collected for all school districts in the county as provided in section  
5 15-994.

6           3. Divide the amount determined in paragraph 2 of this subsection by  
7 the amount determined in paragraph 1 of this subsection.

8           4. Multiply the amount determined in subsections A and B of this  
9 section by the quotient determined in paragraph 3 of this subsection for  
10 each school district.

11           5. The amount determined in paragraph 4 of this subsection shall be  
12 the county aid for equalization assistance for education for a school  
13 district.

14           D. State aid for equalization assistance for education for a school  
15 district shall be computed as follows:

16           1. Determine the equalization assistance for education for a school  
17 district as provided in subsections A and B of this section.

18           2. For each county, determine the levy that would be produced by the  
19 state equalization assistance property tax rate prescribed in section  
20 15-994, subsection A.

21           3. Prorate the amount determined in paragraph 2 of this subsection  
22 to each school district in the county as prescribed by subsection C of this  
23 section.

24           4. Subtract the amount determined in paragraph 3 of this subsection  
25 from the amount determined in paragraph 1 of this subsection.

26           E. Equalization assistance for education shall be paid from  
27 appropriations for that purpose to the school districts as provided in  
28 section 15-973.

29           F. A school district shall report expenditures on approved career  
30 and technical education and vocational education programs in the annual  
31 financial report according to uniform guidelines prescribed by the uniform



1 system of financial records and in order to facilitate compliance with  
2 sections 15-255 and 15-904.

3 G. The additional weight for state aid purposes given to special  
4 education as provided in section 15-943 shall be given to school districts  
5 only if special education programs comply with chapter 7, article 4 of this  
6 title and the conditions and standards prescribed by the superintendent of  
7 public instruction pursuant to rules of the state board of education for  
8 pupil identification and placement pursuant to sections 15-766 and 15-767.

9 H. In addition to state general fund appropriations, all amounts  
10 received pursuant to section 37-521, subsection B, paragraph 3, section  
11 42-5029, subsection E, paragraph 5 and SECTION 42-5029.02, subsection A,  
12 paragraph 5 and from any other source for the purposes of this section are  
13 appropriated for state aid to schools as provided in this section.

14 I. The total amount of state monies that may be spent in any fiscal  
15 year for state equalization assistance shall not exceed the amount  
16 appropriated or authorized by section 35-173 for that purpose. This  
17 section does not impose a duty on an officer, agent or employee of this  
18 state to discharge a responsibility or create any right in a person or  
19 group if the discharge or right would require an expenditure of state  
20 monies in excess of the expenditure authorized by legislative appropriation  
21 for that specific purpose.

22 Sec. 21. Section 15-992, Arizona Revised Statutes, is amended to  
23 read:

24 15-992. School district tax levy; additional tax in districts  
25 ineligible for equalization assistance; definition

26 A. The board of supervisors of each county, at the time of levying  
27 other taxes, shall annually levy school district taxes on the property in  
28 any school district in which additional amounts are required, which shall  
29 be at rates prescribed in this section. A delinquency factor for estimated  
30 uncollected taxes may not be included in the computation of the primary tax  
31 rate for school district taxes. Local property taxes may not be levied for  
32 any deficit in the classroom site fund. The taxes shall be added to and

1 collected in the same manner as other county taxes on the property within  
2 the school district. The amount of the school district taxes levied on the  
3 property in a particular school district shall be paid into the school fund  
4 of that school district.

5 B. At the same time of levying taxes as provided in subsection A of  
6 this section, the county board of supervisors shall annually levy an  
7 additional tax in each school district that is not eligible for  
8 equalization assistance as provided in section 15-971 in an amount  
9 determined as follows:

10 1. Determine the levy that would be produced by fifty percent of the  
11 applicable qualifying tax rate, prescribed in section 15-971, subsection B,  
12 per ~~one hundred dollars~~ \$100 assessed valuation. NOTWITHSTANDING SECTION  
13 15-971, SUBSECTION B, FOR THE PURPOSES OF CALCULATING THE LEVY DESCRIBED IN  
14 THIS PARAGRAPH FOR A SCHOOL DISTRICT THAT HAS OPTED TO USE THE STATE  
15 STUDENT FUNDING FORMULA, THE APPLICABLE QUALIFYING TAX RATE IS THE  
16 APPLICABLE RATE PRESCRIBED IN SECTION 41-1276, SUBSECTION I, PARAGRAPH 1.

17 2. Subtract the amount determined in section 15-971, subsection A  
18 from the levy determined in paragraph 1 of this subsection. This  
19 difference is the additional amount levied or collected as voluntary  
20 contributions pursuant to title 48, chapter 1, article 8, except that if  
21 the difference is zero or is a negative number, there shall be no levy.

22 C. Monies collected pursuant to subsection B of this section shall  
23 be transmitted to the state treasurer for deposit in the state general fund  
24 to aid in school financial assistance.

25 D. The additional tax prescribed in subsection B of this section is  
26 considered to be primary property tax for purposes of section 15-972,  
27 subsection B, except that this state is not required to make the payments  
28 prescribed in section 15-972, subsection H for these reductions in taxes.

29 E. The tax levy prescribed in subsection A of this section shall be  
30 a rate equal to the applicable qualifying tax rate or rates as prescribed  
31 in section 15-971, subsection B or a rate that would result in a levy that  
32 equals the school district equalization assistance base prescribed in

1 section 15-971 subtracted by any amount received pursuant to section  
2 15-905, subsections K, O and P per ~~one hundred dollars~~ \$100 of assessed  
3 valuation used for primary property taxes, whichever is less.

4 F. At the time of levying taxes as provided in subsection E of this  
5 section, the county school superintendent shall annually validate any  
6 additional primary school district tax levy amount requests from each  
7 school district and levy the sum of the following amounts:

8 1. A rate that would result in a levy that equals the difference  
9 between the transportation revenue control limit as determined in section  
10 15-946 and the transportation support level as determined in section 15-945  
11 or a lesser amount.

12 2. A rate that would result in a levy that equals any amount  
13 pursuant to section 15-910.

14 3. A rate that would result in a levy that equals any amount for  
15 tuition loss as determined in section 15-954.

16 4. A rate that would result in a levy that equals any amount for the  
17 small school adjustment as determined in section 15-949.

18 5. A rate that would result in a levy that equals any amount for  
19 liabilities in excess of the school district budget pursuant to section  
20 15-907.

21 6. A rate that would result in a levy that equals any amount for  
22 adjacent ways pursuant to section 15-995.

23 7. A rate that would result in a levy that equals the amount not  
24 captured by the qualifying tax rate as a result of property subject to the  
25 government property lease excise tax pursuant to title 42, chapter 6,  
26 article 5 as calculated in section 15-971, subsection B, paragraph 2.

27 8. Following the recommendation of the county school superintendent  
28 and on approval by the county board of supervisors, for a school district  
29 that is not eligible for state aid, a rate that would result in a levy that  
30 equals any legal amount not levied in the current year as a result of  
31 underestimated average daily membership in the current year or as a result  
32 of a judgment in accordance with section 42-16213.

1           9. A rate that would result in a levy that equals any amount  
2 pursuant to a qualifying dropout prevention program that was originally  
3 established by law in 1987.

4           10. On the recommendation of the county school superintendent and on  
5 approval by the county board of supervisors before adoption of tax rates  
6 pursuant to section 42-17151, a rate that would result in a levy that  
7 equals any separately stated cash deficit from the prior fiscal year  
8 resulting from an anticipated or actual deviation in the property tax roll,  
9 including resolutions or judgments pursuant to title 42, chapter 16,  
10 articles 5 and 6.

11           G. NOTWITHSTANDING SUBSECTIONS E AND F OF THIS SECTION:

12           1. FOR A SCHOOL DISTRICT THAT HAS ELECTED PURSUANT TO SECTION 15-495  
13 TO USE THE STATE STUDENT FUNDING FORMULA AS PRESCRIBED IN SECTION  
14 15-901.04, THE TAX LEVY PRESCRIBED IN SUBSECTION A OF THIS SECTION SHALL BE  
15 A RATE EQUAL TO THE APPLICABLE QUALIFYING TAX RATE OR RATES AS PRESCRIBED  
16 IN SECTION 15-971, SUBSECTION B OR A RATE THAT WOULD RESULT IN A LEVY THAT  
17 EQUALS THE SCHOOL DISTRICT EQUALIZATION ASSISTANCE BASE PRESCRIBED IN  
18 SECTION 15-971 SUBTRACTED BY ANY AMOUNT RECEIVED PURSUANT TO SECTION  
19 15-905, SUBSECTIONS K, O AND P PER \$100 OF ASSESSED VALUATION USED FOR  
20 PRIMARY PROPERTY TAXES, WHICHEVER IS LESS.

21           2. AT THE TIME OF LEVYING TAXES AS PROVIDED IN PARAGRAPH 1 OF THIS  
22 SUBSECTION, THE COUNTY SCHOOL SUPERINTENDENT SHALL ANNUALLY VALIDATE ANY  
23 ADDITIONAL PRIMARY SCHOOL DISTRICT TAX LEVY AMOUNT REQUESTS FROM EACH  
24 SCHOOL DISTRICT AND LEVY THE SUM OF THE FOLLOWING AMOUNTS:

25           (a) A RATE THAT WOULD RESULT IN A LEVY THAT EQUALS THE AMOUNT NOT  
26 CAPTURED BY THE QUALIFYING TAX RATE AS A RESULT OF PROPERTY SUBJECT TO THE  
27 GOVERNMENT PROPERTY LEASE EXCISE TAX PURSUANT TO TITLE 42, CHAPTER 6,  
28 ARTICLE 5 AS CALCULATED IN SECTION 15-971, SUBSECTION B, PARAGRAPH 2.

29           (b) FOLLOWING THE RECOMMENDATION OF THE COUNTY SCHOOL SUPERINTENDENT  
30 AND ON APPROVAL BY THE COUNTY BOARD OF SUPERVISORS, FOR A SCHOOL DISTRICT  
31 THAT IS NOT ELIGIBLE FOR STATE AID, A RATE THAT WOULD RESULT IN A LEVY THAT  
32 EQUALS ANY LEGAL AMOUNT NOT LEVIED IN THE CURRENT YEAR AS A RESULT OF

1 UNDERESTIMATED AVERAGE DAILY MEMBERSHIP IN THE CURRENT YEAR OR AS A RESULT  
2 OF A JUDGMENT IN ACCORDANCE WITH SECTION 42-16213.

3 (c) ON THE RECOMMENDATION OF THE COUNTY SCHOOL SUPERINTENDENT AND ON  
4 APPROVAL BY THE COUNTY BOARD OF SUPERVISORS BEFORE ADOPTION OF TAX RATES  
5 PURSUANT TO SECTION 42-17151, A RATE THAT WOULD RESULT IN A LEVY THAT  
6 EQUALS ANY SEPARATELY STATED CASH DEFICIT FROM THE PRIOR FISCAL YEAR  
7 RESULTING FROM AN ANTICIPATED OR ACTUAL DEVIATION IN THE PROPERTY TAX ROLL,  
8 INCLUDING RESOLUTIONS OR JUDGMENTS PURSUANT TO TITLE 42, CHAPTER 16,  
9 ARTICLES 5 AND 6.

10 ~~G.~~ H. For the purposes of this section, "assessed valuation"  
11 includes the values used to determine voluntary contributions collected  
12 pursuant to title 9, chapter 4, article 3 and title 48, chapter 1,  
13 article 8.

14 Sec. 22. Section 15-1371, Arizona Revised Statutes, is amended to  
15 read:

16 15-1371. Equalization assistance for state educational system  
17 for committed youth; state education fund for  
18 committed youth

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

23 1. Notwithstanding section 15-901:

24 (a) The student count shall be determined using the following  
25 definitions:

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

31 (ii) "Fractional student" means a pupil who is enrolled in an  
32 educational program of one hundred twenty or more minutes but fewer than

1 two hundred forty minutes a day, not including meal and recess periods. A  
2 fractional student shall be counted as one-half of a full-time student.

3 (iii) "Full-time student" means a pupil who is enrolled in an  
4 educational program for a minimum of two hundred forty minutes a day, not  
5 including meal and recess periods.

6 (b) "Pupils with serious emotional disabilities enrolled in a school  
7 district program as provided in section 15-765" includes pupils with  
8 serious emotional disabilities enrolled in the department of juvenile  
9 corrections school system.

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

12 ~~3. The teacher experience index is 1.00.~~

13 ~~4. 3. The base support level shall be calculated using the base~~  
14 ~~level multiplied by 1.0, except that the state educational system for~~  
15 ~~committed youth is also eligible for additional teacher compensation monies~~  
16 ~~as specified in section 15-952.~~

17 ~~5. 4. Section 15-943, paragraph 1 does not apply.~~

18 B. The superintendent may use section 15-855 in making the  
19 calculations prescribed in subsection A of this section. The  
20 superintendent of the system and the department of education shall  
21 prescribe procedures for determining average daily membership.

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

26 D. The state educational system for committed youth shall not  
27 receive twenty-five percent of the equalization assistance unless it is  
28 accredited by the north central association of colleges and secondary  
29 schools.

30 E. The state education fund for committed youth is established.  
31 Fund monies shall be used for the purposes of the state educational system  
32 for committed youth, and notwithstanding section 35-173, monies

1 appropriated to the fund shall not be transferred to or used for any  
2 program that is not within the state educational system for committed  
3 youth. State equalization assistance for the state educational system for  
4 committed youth as determined in subsection A of this section, other state  
5 and federal monies received from the department of education for the state  
6 educational system for committed youth and monies appropriated for the  
7 state educational system for committed youth, except monies appropriated  
8 pursuant to subsection F of this section, shall be deposited in the fund.  
9 The state treasurer shall maintain separate accounts for fund monies if the  
10 separate accounts are required by statute or federal law.

11 F. The department of juvenile corrections may seek appropriations  
12 for capital needs for land, buildings and improvements, including repairs  
13 and maintenance, that are required to maintain the state educational system  
14 for committed youth.

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

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

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

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

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

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

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

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

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

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

5           H. In conjunction with the department of administration, the  
6 superintendent of the state educational system for committed youth shall  
7 establish procedures to account for the receipt and expenditure of state  
8 education fund for committed youth monies by modifying the current  
9 accounting system used for state agencies as necessary.

10          Sec. 23. Section 15-1372, Arizona Revised Statutes, is amended to  
11 read:

12           15-1372. Equalization assistance for state educational system  
13                           for persons in the state department of corrections;  
14                           fund

15           A. The state department of corrections shall provide educational  
16 services for pupils who are under the age of eighteen years and pupils with  
17 disabilities who are age twenty-one or younger who are committed to the  
18 state department of corrections. The department of education shall provide  
19 technical assistance to the state department of corrections on request and  
20 shall assist the state department of corrections in establishing program  
21 and personnel standards.

22           B. The state education fund for correctional education is  
23 established. Subject to legislative appropriation, fund monies shall be  
24 used for the purposes of providing education to pupils as specified in  
25 subsection A of this section. Notwithstanding section 35-173, monies  
26 appropriated to the fund shall not be transferred to or used for any  
27 program that is not directly related to the educational services required  
28 by this section. State equalization assistance, other state and federal  
29 monies received from the department of education for which the pupils in  
30 correctional education programs qualify and monies appropriated for  
31 correctional education except monies appropriated pursuant to subsection C  
32 of this section shall be deposited in the fund. The state treasurer shall



1 maintain separate accounts for fund monies if the separate accounts are  
2 required by statute or federal law.

3 C. The state department of corrections may seek appropriations for  
4 capital needs for land, buildings and improvements, including repairs and  
5 maintenance, that are required to maintain the educational services  
6 required by this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

8           (b) "Fractional student" means a pupil who is enrolled in an  
9 educational program of ninety or more minutes but fewer than one hundred  
10 eighty minutes per day, not including meal and recess periods. A  
11 fractional student shall be counted as one-half of a full-time student.

12           (c) "Full-time student" means a pupil who is enrolled in an  
13 educational program for a minimum of one hundred eighty minutes per day,  
14 not including meal and recess periods.

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

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

19           ~~3. The teacher experience index is 1.00.~~

20           ~~4. The calculation for additional teacher compensation monies as~~  
21 ~~prescribed in section 15-952 is available.~~

22           ~~5.~~ 3. Section 15-943, paragraph 1 does not apply.

23           ~~6.~~ 4. The base support level and capital outlay amounts calculated  
24 pursuant to this section shall be multiplied by 0.67.

25           ~~7.~~ 5. The school year shall consist of a period of ~~not less than~~  
26 **AT LEAST** two hundred eight days.

27           F. The director of the state department of corrections may use  
28 section 15-855 in making the calculations prescribed in subsection E of  
29 this section. The director of the state department of corrections and the  
30 department of education shall prescribe procedures for calculating average  
31 daily membership.

1           G. Equalization assistance for correctional education programs  
2 provided for those pupils specified in subsection A of this section is  
3 determined by adding the amount of the base support level and district  
4 additional assistance for the budget year calculated as prescribed in  
5 subsection E of this section.

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

10           I. The department of education and the state department of  
11 corrections shall enter into an intergovernmental agreement that  
12 establishes the necessary accountability between the two departments  
13 regarding the administrative and funding requirements contained in  
14 subsections A and B of this section. The agreement shall:

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

17           2. Provide financial information to meet requirements for  
18 equalization assistance.

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

20           4. Require pupil performance assessment and the reporting of  
21 results.

22           Sec. 24. Section 15-2402, Arizona Revised Statutes, is amended to  
23 read:

24           15-2402. Arizona empowerment scholarship accounts; funds

25           A. Arizona empowerment scholarship accounts are established to  
26 provide options for the education of students in this state.

27           B. To enroll a qualified student for an Arizona empowerment  
28 scholarship account, the parent of the qualified student must sign an  
29 agreement to do all of the following:

30           1. Use a portion of the Arizona empowerment scholarship account  
31 monies allocated annually to provide an education for the qualified student  
32 in at least the subjects of reading, grammar, mathematics, social studies

1 and science, unless the Arizona empowerment scholarship account is  
2 allocated monies according to a transfer schedule other than quarterly  
3 transfers pursuant to section 15-2403, subsection F.

4 2. Not enroll the qualified student in a school district or charter  
5 school and release the school district from all obligations to educate the  
6 qualified student. This paragraph does not relieve the school district or  
7 charter school that the qualified student previously attended from the  
8 obligation to conduct an evaluation pursuant to section 15-766.

9 3. Not accept a scholarship from a school tuition organization  
10 pursuant to title 43 concurrently with an Arizona empowerment scholarship  
11 account for the qualified student in the same year a parent signs the  
12 agreement pursuant to this section.

13 4. Use monies deposited in the qualified student's Arizona  
14 empowerment scholarship account only for the following expenses of the  
15 qualified student:

16 (a) Tuition or fees at a qualified school.

17 (b) Textbooks required by a qualified school.

18 (c) If the qualified student meets any of the criteria specified in  
19 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) as  
20 determined by a school district or by an independent third party pursuant  
21 to section 15-2403, subsection I, the qualified student may use the  
22 following additional services:

23 (i) Educational therapies from a licensed or accredited practitioner  
24 or provider, including and up to any amount not covered by insurance if the  
25 expense is partially paid by a health insurance policy for the qualified  
26 student.

27 (ii) A licensed or accredited paraprofessional or educational aide.

28 (iii) Tuition for vocational and life skills education approved by  
29 the department.

30 (iv) Associated goods and services that include educational and  
31 psychological evaluations, assistive technology rentals and braille  
32 translation goods and services approved by the department.

1 (d) Tutoring or teaching services provided by an individual or  
2 facility accredited by a state, regional or national accrediting  
3 organization.

4 (e) Curricula and supplementary materials.

5 (f) Tuition or fees for a nonpublic online learning program.

6 (g) Fees for a nationally standardized norm-referenced achievement  
7 test, an advanced placement examination or any exams related to college or  
8 university admission.

9 (h) Tuition or fees at an eligible postsecondary institution.

10 (i) Textbooks required by an eligible postsecondary institution.

11 (j) Fees to manage the Arizona empowerment scholarship account.

12 (k) Services provided by a public school, including individual  
13 classes and extracurricular programs.

14 (l) Insurance or surety bond payments.

15 (m) Uniforms purchased from or through a qualified school.

16 (n) If the qualified student meets the criteria specified in section  
17 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) and if the  
18 qualified student is in the second year prior to the final year of a  
19 contract executed pursuant to this article, costs associated with an annual  
20 education plan conducted by an independent evaluation team. The department  
21 shall prescribe minimum qualifications for independent evaluation teams  
22 pursuant to this subdivision and factors that teams must use to determine  
23 whether the qualified student shall be eligible to continue to receive  
24 monies pursuant to this article through the school year in which the  
25 qualified student reaches twenty-two years of age. An independent  
26 evaluation team that provides an annual education plan pursuant to this  
27 subdivision shall submit a written report that summarizes the results of  
28 the evaluation to the parent of the qualified student and to the department  
29 on or before July 31. The written report submitted by the independent  
30 evaluation team is valid for one year. If the department determines that  
31 the qualified student meets the eligibility criteria prescribed in the  
32 annual education plan, the qualified student is eligible to continue to

1 receive monies pursuant to this article until the qualified student reaches  
2 twenty-two years of age, subject to annual review. A parent may appeal the  
3 department's decision pursuant to title 41, chapter 6, article 10. As an  
4 addendum to a qualified student's final-year contract, the department shall  
5 provide the following written information to the parent of the qualified  
6 student:

7 (i) That the qualified student will not be eligible to continue to  
8 receive monies pursuant to this article unless the results of an annual  
9 education plan conducted pursuant to this subdivision demonstrate that the  
10 qualified student meets the eligibility criteria prescribed in the annual  
11 education plan.

12 (ii) That the parent is entitled to obtain an annual education plan  
13 pursuant to this subdivision to determine whether the qualified student  
14 meets the eligibility criteria prescribed in the annual education plan.

15 (iii) A list of independent evaluation teams that meet the minimum  
16 qualifications prescribed by the department pursuant to this subdivision.

17 5. Not file an affidavit of intent to homeschool pursuant to section  
18 15-802, subsection B, paragraph 2 or 3.

19 6. Not use monies deposited in the qualified student's account for  
20 any of the following:

21 (a) Computer hardware or other technological devices, except as  
22 otherwise allowed under paragraph 4, subdivision (c) of this subsection.

23 (b) Transportation of the pupil.

24 (c) Consumable educational supplies, including paper, pens or  
25 markers.

26 C. In exchange for the parent's agreement pursuant to subsection B  
27 of this section, the department shall transfer from the monies that would  
28 otherwise be allocated to a recipient's prior school district, or if the  
29 child is currently eligible to attend kindergarten, the monies that the  
30 department determines would otherwise be allocated to a recipient's  
31 expected school district of attendance, to the treasurer for deposit into  
32 an Arizona empowerment scholarship account an amount that is equivalent to

1        ninety percent of the ~~sum of the base support level and additional~~  
2        ~~assistance prescribed in sections 15-185 and 15-943 for that particular~~  
3        ~~student if that student were attending a charter school~~ AMOUNT THAT WOULD  
4        BE CALCULATED FOR THAT STUDENT UNDER THE STATE STUDENT FUNDING FORMULA  
5        PRESCRIBED IN SECTION 15-901.04, SUBSECTION A.

6                D. The department of education empowerment scholarship account fund  
7        is established consisting of monies appropriated by the legislature. The  
8        department shall administer the fund. Monies in the fund are subject to  
9        legislative appropriation. Monies in the fund shall be used for the  
10       department's costs in administering Arizona empowerment scholarship  
11       accounts under this chapter. Monies in the fund are exempt from the  
12       provisions of section 35-190 relating to lapsing of appropriations. If the  
13       number of Arizona empowerment scholarship accounts significantly increases  
14       after fiscal year 2020-2021, the department may request an increase in the  
15       amount appropriated to the fund in any subsequent fiscal year in the budget  
16       estimate submitted pursuant to section 35-113. The department shall list  
17       monies in the fund as a separate line item in its budget estimate.

18               E. The state treasurer empowerment scholarship account fund is  
19       established consisting of monies appropriated by the legislature. The  
20       state treasurer shall administer the fund. Monies in the fund shall be  
21       used for the state treasurer's costs in administering the Arizona  
22       empowerment scholarship accounts under this chapter. If the number of  
23       Arizona empowerment scholarship accounts significantly increases after  
24       fiscal year 2020-2021, the state treasurer may request an increase in the  
25       amount appropriated to the fund in any subsequent fiscal year in the budget  
26       estimate submitted pursuant to section 35-113. Monies in the fund are  
27       subject to legislative appropriation. Monies in the fund are exempt from  
28       the provisions of section 35-190 relating to lapsing of appropriations.  
29       The state treasurer shall list monies in the fund as a separate line item  
30       in its budget estimate.

31               F. A parent must renew the qualified student's Arizona empowerment  
32       scholarship account on an annual basis.

1           G. Notwithstanding any changes to the student's multidisciplinary  
2 evaluation team plan, a student who has previously qualified for an Arizona  
3 empowerment scholarship account remains eligible to apply for renewal until  
4 the student finishes high school.

5           H. If a parent does not renew the qualified student's Arizona  
6 empowerment scholarship account for a period of three academic years, the  
7 department shall notify the parent that the qualified student's account  
8 will be closed in sixty calendar days. The notification must be sent  
9 through certified mail, email and telephone, if applicable. The parent has  
10 sixty calendar days to renew the qualified student's Arizona empowerment  
11 scholarship account. If the parent chooses not to renew or does not  
12 respond in sixty calendar days, the department shall close the account and  
13 any remaining monies shall be returned to the state.

14           I. A signed agreement under this section constitutes school  
15 attendance required by section 15-802.

16           J. A qualified school or a provider of services purchased pursuant  
17 to subsection B, paragraph 4 of this section may not share, refund or  
18 rebate any Arizona empowerment scholarship account monies with the parent  
19 or qualified student in any manner.

20           K. Notwithstanding subsection H of this section, on the qualified  
21 student's graduation from a postsecondary institution or after any period  
22 of four consecutive years after high school graduation in which the student  
23 is not enrolled in an eligible postsecondary institution, but not before  
24 this time as long as the account holder continues using a portion of  
25 account monies for eligible expenses each year and is in good standing, the  
26 qualified student's Arizona empowerment scholarship account shall be closed  
27 and any remaining monies shall be returned to the state.

28           L. Monies received pursuant to this article do not constitute  
29 taxable income to the parent of the qualified student.



1           Sec. 25. Section 41-1276, Arizona Revised Statutes, is amended to  
2 read:

3           41-1276. Truth in taxation levy for equalization assistance to  
4                                   school districts

5           A. On or before February 15 of each year, the joint legislative  
6 budget committee shall compute and transmit the truth in taxation rates for  
7 equalization assistance for school districts for the following fiscal year  
8 to:

9           1. The chairmen of the house of representatives ways and means  
10 committee and the senate finance committee, or their successor committees.

11           2. The chairmen of the appropriations committees of the senate and  
12 the house of representatives, or their successor committees.

13           B. The truth in taxation rates consist of the qualifying tax rate  
14 for a high school district or a common school district within a high school  
15 district that does not offer instruction in high school subjects pursuant  
16 to section 15-971, subsection B, paragraph 1, a qualifying tax rate for a  
17 unified district, a common school district not within a high school  
18 district or a common school district within a high school district that  
19 offers instruction in high school subjects pursuant to section 15-971,  
20 subsection B, paragraph 2 and a state equalization assistance property tax  
21 rate pursuant to section 15-994 that will offset the change in net assessed  
22 valuation of property that was subject to tax in the prior year.

23           C. The joint legislative budget committee shall compute the truth in  
24 taxation rates as follows:

25           1. Determine the statewide net assessed value for the preceding tax  
26 year as provided in section 42-17151, subsection A, paragraph 3.

27           2. Determine the statewide net assessed value for the current tax  
28 year, excluding the net assessed value of property that was not subject to  
29 tax in the preceding year.

30           3. Divide the amount determined in paragraph 1 of this subsection by  
31 the amount determined in paragraph 2 of this subsection.

1           4. Adjust the qualifying tax rates and the state equalization  
2 assistance property tax rate for the current fiscal year by the percentage  
3 determined in paragraph 3 of this subsection in order to offset the change  
4 in net assessed value.

5           D. Except as provided in subsections E and G of this section, the  
6 qualifying tax rate for a high school district or a common school district  
7 within a high school district that does not offer instruction in high  
8 school subjects, the qualifying tax rate for a unified school district, a  
9 common school district not within a high school district or a common school  
10 district within a high school district that offers instruction in high  
11 school subjects and the state equalization assistance property tax rate for  
12 the following fiscal year shall be the rate determined by the joint  
13 legislative budget committee pursuant to subsection C of this section. The  
14 committee shall transmit the rates to the superintendent of public  
15 instruction and the county boards of supervisors by March 15 each year.

16           E. If the legislature proposes either qualifying tax rates or a  
17 state equalization assistance property tax rate that exceeds the truth in  
18 taxation rate:

19           1. The house of representatives ways and means committee and the  
20 senate finance committee, or their successor committees, shall hold a joint  
21 hearing on or before February 28 and publish a notice of a truth in  
22 taxation hearing subject to the following requirements:

23           (a) The notice shall be published twice in a newspaper of general  
24 circulation in this state that is published at the state capital. The  
25 first publication shall be at least fourteen but not more than twenty days  
26 before the date of the hearing. The second publication shall be at least  
27 seven but not more than ten days before the date of the hearing.

28           (b) The notice shall be published in a location other than the  
29 classified or legal advertising section of the newspaper.

30           (c) The notice shall be at least one-fourth page in size and shall  
31 be surrounded by a solid black border at least one-eighth inch in width.

1 (d) The notice shall be in the following form, with the "truth in  
2 taxation hearing – notice of tax increase" headline in at least  
3 eighteen-point type:

4 Truth in Taxation Hearing

5 Notice of Tax Increase

6 In compliance with section 41-1276, Arizona Revised  
7 Statutes, the state legislature is notifying property taxpayers  
8 in Arizona of the legislature's intention to raise the property  
9 tax levy over last year's level.

10 The proposed tax increase will cause the taxes on a  
11 \$100,000 home to be \$(total proposed taxes including the tax  
12 increase). Without the proposed tax increase, the total taxes  
13 that would be owed on a \$100,000 home would have been \$\_\_\_\_\_.

14 All interested citizens are invited to attend a public  
15 hearing on the tax increase that is scheduled to be held  
16 (date and time) at (location).

17 (e) For purposes of computing the tax increase on a \$100,000 home as  
18 required by the notice, the joint meeting of the house of representatives  
19 ways and means committee and the senate finance committee, or their  
20 successor committees, shall consider the difference between the truth in  
21 taxation rate and the proposed increased rate.

22 2. The joint meeting of the house of representatives ways and means  
23 committee and the senate finance committee, or their successor committees,  
24 shall consider any motion to recommend the proposed tax rates to the full  
25 legislature by roll call vote.

26 F. In addition to publishing the truth in taxation notice under  
27 subsection E, paragraph 1 of this section, the joint meeting of the house  
28 of representatives ways and means committee and the senate finance  
29 committee, or their successor committees, shall issue a press release  
30 containing the truth in taxation notice.

31 G. ~~Notwithstanding any other law,~~ The legislature shall not adopt a  
32 state budget that provides for either qualifying tax rates pursuant to

1 section 15-971 or a state equalization assistance property tax rate  
2 pursuant to section 15-994 that exceeds the truth in taxation rates  
3 computed pursuant to subsection A of this section unless the rates are  
4 adopted by a concurrent resolution approved by an affirmative roll call  
5 vote of two-thirds of the members of each house of the legislature before  
6 the legislature enacts the general appropriations bill. If the resolution  
7 is not approved by two-thirds of the members of each house of the  
8 legislature, the rates for the following fiscal year shall be the truth in  
9 taxation rates determined pursuant to subsection C of this section and  
10 shall be transmitted to the superintendent of public instruction and the  
11 county boards of supervisors.

12 H. Notwithstanding subsection C of this section and if approved by  
13 the qualified electors voting at a statewide general election, the  
14 legislature shall not set a qualifying tax rate that exceeds \$2.1265 for a  
15 common or high school district or \$4.253 for a unified school district. The  
16 legislature shall not set a county equalization assistance for education  
17 rate that exceeds \$0.5123.

18 I. Pursuant to subsection C of this section: ~~—~~

19 1. The qualifying tax rate in tax year 2021 for a high school  
20 district or a common school district within a high school district that  
21 does not offer instruction in high school subjects as provided in section  
22 15-447 is \$1.7694 and for a unified school district, a common school  
23 district not within a high school district or a common school district  
24 within a high school district that offers instruction in high school  
25 subjects as provided in section 15-447 is \$3.5388.

26 2. NOTWITHSTANDING SUBSECTION G OF THIS SECTION, FOR SCHOOL  
27 DISTRICTS THAT HAVE ELECTED PURSUANT TO SECTION 15-495 TO USE THE STATE  
28 STUDENT FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04, THE QUALIFYING  
29 TAX RATE IN TAX YEAR 2022:

30 (a) FOR A HIGH SCHOOL DISTRICT OR A COMMON SCHOOL DISTRICT WITHIN A  
31 HIGH SCHOOL DISTRICT THAT DOES NOT OFFER INSTRUCTION IN HIGH SCHOOL  
32 SUBJECTS AS PROVIDED IN SECTION 15-447 IS \$2.1194.

1           (b) FOR A UNIFIED SCHOOL DISTRICT, A COMMON SCHOOL DISTRICT THAT IS  
2 NOT WITHIN A HIGH SCHOOL DISTRICT OR A COMMON SCHOOL DISTRICT WITHIN A HIGH  
3 SCHOOL DISTRICT THAT OFFERS INSTRUCTION IN HIGH SCHOOL SUBJECTS AS PROVIDED  
4 IN SECTION 15-447 IS \$4.2388.

5           3. The state equalization assistance property tax rate in tax year  
6 2021 is \$0.4263."

7 Amend title to conform

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03/22/2022  
4:56 PM  
C: HN