

REFERENCE TITLE: live, remote instruction; incentive bonuses

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

# HB 2538

Introduced by  
Representatives Pingerelli: Livingston, Senator Carroll

AN ACT

AMENDING SECTION 15-249.06, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-901.04; AMENDING SECTION 15-901.08, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO SCHOOL INSTRUCTION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-249.06, Arizona Revised Statutes, is amended  
3 to read:

4 15-249.06. College credit by examination incentive program;  
5 incentive bonuses; reporting requirements;  
6 college credit by examination development fund

7 A. The college credit by examination incentive program is  
8 established within the department of education to provide an incentive  
9 bonus to teachers, school districts and charter schools for students who:

10 1. Obtain a passing score on a qualifying examination for college  
11 credit while in high school.

12 2. RECEIVE A PASSING GRADE IN A LIVE, REMOTE INSTRUCTION COURSE  
13 OFFERED PURSUANT TO SECTION 15-901.04 IF THE COURSE PROVIDES THE RELEVANT  
14 INSTRUCTION FOR A STUDENT TO OBTAIN A PASSING SCORE ON A QUALIFYING  
15 EXAMINATION FOR COLLEGE CREDIT WHILE IN HIGH SCHOOL.

16 B. The Arizona board of regents shall maintain a list of qualifying  
17 examinations that a high school student may take in order to receive  
18 college credit in mathematics, English language arts, social studies or  
19 science from any university under the jurisdiction of the Arizona board of  
20 regents and the passing scores required on those examinations in order to  
21 receive college credit. On or before September 1 of each year, the  
22 Arizona board of regents shall provide the list of qualifying examinations  
23 and passing scores to the department of education and shall submit this  
24 list to the joint legislative budget committee.

25 C. ~~Beginning in fiscal year 2017-2018,~~ The department of education  
26 shall pay an incentive bonus to school districts and charter schools for  
27 each student in grades nine through twelve who receives a passing score  
28 during the previous fiscal year on a qualifying examination identified by  
29 the Arizona board of regents pursuant to subsection B of this section. A  
30 student who receives a passing score on a qualifying examination and who  
31 is enrolled in a school where fifty percent or more of the students are  
32 eligible for free or reduced-price lunches shall generate for the school  
33 or charter school a bonus of \$450 per passing score on a qualifying  
34 examination. A student who receives a passing score on a qualifying  
35 examination and who is enrolled in a school where less than fifty percent  
36 of the students are eligible for free or reduced-price lunches shall  
37 generate for the school or charter school a bonus of \$300 per passing  
38 score on a qualifying examination. If the statewide sum of per student  
39 bonuses awarded pursuant to this subsection exceeds the amount of  
40 available monies appropriated for incentive bonuses, the bonus monies  
41 shall be reduced proportionally to cover all eligible bonus awards.

42 D. BEGINNING IN FISCAL YEAR 2023-2024, THE DEPARTMENT OF EDUCATION  
43 SHALL PAY AN INCENTIVE BONUS OF \$500 FOR EACH REMOTE STUDENT WHO RECEIVES  
44 A PASSING GRADE IN A LIVE, REMOTE INSTRUCTION COURSE THAT PROVIDES THE  
45 RELEVANT INSTRUCTION FOR A QUALIFYING EXAMINATION IDENTIFIED BY THE

1 ARIZONA BOARD OF REGENTS PURSUANT TO SUBSECTION B OF THIS SECTION, SUBJECT  
2 TO THE FOLLOWING:

3 1. THE INCENTIVE BONUS ESTABLISHED IN THIS SUBSECTION SHALL BE PAID  
4 TO THE SCHOOL DISTRICT OR CHARTER SCHOOL THAT ACTS AS AN INSTRUCTIONAL  
5 SERVICES PROVIDER FOR THE LIVE, REMOTE INSTRUCTION COURSE OR COURSES.

6 2. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY NOT RECEIVE AN INCENTIVE  
7 BONUS PURSUANT TO THIS SUBSECTION IF FEWER THAN TEN REMOTE STUDENTS  
8 RECEIVE A PASSING GRADE IN THE COURSE OR COURSES.

9 3. IF THE STATEWIDE SUM OF PER STUDENT BONUSES AWARDED PURSUANT TO  
10 THIS SUBSECTION EXCEEDS THE AMOUNT OF AVAILABLE MONIES APPROPRIATED FOR  
11 INCENTIVE BONUSES, THE BONUS MONIES SHALL BE REDUCED PROPORTIONALLY TO  
12 COVER ALL ELIGIBLE BONUS AWARDS.

13 ~~D.~~ E. A school district or charter school that receives an  
14 incentive bonus pursuant to this section shall distribute at least fifty  
15 percent of the bonus monies to the associated classroom teacher for each  
16 student who RECEIVES A PASSING GRADE IN A LIVE, REMOTE INSTRUCTION COURSE  
17 OR passes a qualifying examination and to other teachers of relevant  
18 subjects who instructed that student, including teachers in the same  
19 department or subject matter that contributed to the student RECEIVING A  
20 PASSING GRADE IN THE COURSE OR passing the examination, as identified by  
21 the school district governing board, the charter school governing body or  
22 the school principal. Bonus monies awarded to a teacher pursuant to this  
23 subsection are in addition to any regular wage, compensation or other  
24 bonus the teacher receives or is scheduled to receive and shall be  
25 provided to the teacher by the end of the school year or not later than  
26 thirty days after the end of the school year. The remainder of any bonus  
27 monies received by a school district or charter school shall be allocated  
28 by the school principal on behalf of students who RECEIVE A PASSING GRADE  
29 IN A LIVE, REMOTE INSTRUCTION COURSE OR receive a passing score and may be  
30 used for teacher professional development or student instructional  
31 support, reimbursement of examination fees or instructional materials.  
32 Any bonus monies received by a school district or charter school pursuant  
33 to this subsection shall be separately accounted for in the school  
34 district's or charter school's annual financial report.

35 ~~E.~~ F. Incentive bonuses distributed to and any bonus monies  
36 received by a school district or charter school pursuant to this section  
37 are not subject to collective bargaining.

38 ~~F.~~ G. Payments made by the department of education pursuant to  
39 this section shall be distributed to schools not later than March 1 of  
40 each year. School districts and charter schools may appeal the allocation  
41 of bonus monies not later than August 1 of each year. The department may  
42 withhold up to \$10,000 of the monies appropriated for the purposes of this  
43 section to address allocation appeals by school districts and charter  
44 schools.

1 ~~G.~~ H. On or before ~~December 15, 2018 and on or before~~ December 15  
2 of each year ~~thereafter~~, the department of education shall submit to the  
3 president of the senate, the speaker of the house of representatives, the  
4 governor, the secretary of state, and the joint legislative budget  
5 committee, a report on all of the following:

6 1. The number of students who took a qualifying examination at each  
7 school.

8 2. The number of students who received a passing score on a  
9 qualifying examination and the number of incentive bonus awards  
10 distributed PURSUANT TO SUBSECTION C OF THIS SECTION.

11 3. The number and types of qualifying examinations taken by  
12 students.

13 4. THE NUMBER OF STUDENTS WHO RECEIVE A PASSING GRADE IN A LIVE,  
14 REMOTE INSTRUCTION COURSE THAT PROVIDES THE RELEVANT INSTRUCTION FOR A  
15 QUALIFYING EXAMINATION AT EACH SCHOOL.

16 5. THE NUMBER AND TYPES OF LIVE, REMOTE INSTRUCTION COURSES FOR  
17 WHICH BONUS AWARDS ARE DISTRIBUTED.

18 ~~H.~~ 5. The amount of bonus monies received by each school PURSUANT  
19 TO SUBSECTION C OF THIS SECTION.

20 6. THE AMOUNT OF BONUS MONIES RECEIVED BY EACH SCHOOL PURSUANT TO  
21 SUBSECTION D OF THIS SECTION.

22 ~~I.~~ I. Incentive bonuses distributed to and any bonus monies  
23 received by a teacher are not compensation as defined in section 38-711.

24 ~~J.~~ J. The college credit by examination development fund is  
25 established consisting of monies that are appropriated to the department  
26 of education for the purposes of this section but that are not distributed  
27 by the end of the fiscal year in which the monies are appropriated. The  
28 department shall administer the fund. Monies in the fund are continuously  
29 appropriated and are exempt from the provisions of section 35-190 relating  
30 to lapsing of appropriations. The department shall distribute monies in  
31 the fund to schools in which fifty percent or more of the students are  
32 eligible for free or reduced-price lunches to assist those schools in  
33 developing and operating classes that offer qualifying examinations  
34 pursuant to this section. The department shall prioritize distributions  
35 from the fund based on need.

36 Sec. 2. Title 15, chapter 9, article 1, Arizona Revised Statutes,  
37 is amended by adding section 15-901.04, to read:

38 15-901.04. Live, remote instructional courses; funding;  
39 incentive bonuses; definition

40 A. PURSUANT TO A WRITTEN AGREEMENT WITH A SERVICES PROVIDER, A  
41 SCHOOL DISTRICT OR CHARTER SCHOOL MAY OFFER A LIVE, REMOTE INSTRUCTIONAL  
42 COURSE OR COURSES FOR ITS OWN STUDENTS IN ANY OF GRADES NINE THROUGH  
43 TWELVE.

44 B. A SCHOOL DISTRICT OR CHARTER SCHOOL THAT OFFERS A LIVE, REMOTE  
45 INSTRUCTIONAL COURSE PURSUANT TO SUBSECTION A OF THIS SECTION GENERATES  
46 AVERAGE DAILY MEMBERSHIP AS PRESCRIBED IN SECTION 15-901 FOR EACH OF ITS

1 OWN STUDENTS WHO PARTICIPATE IN THE COURSE. A SERVICES PROVIDER DESCRIBED  
2 IN THIS SECTION MAY NOT GENERATE AVERAGE DAILY MEMBERSHIP FOR REMOTE  
3 STUDENTS.

4 C. A SERVICES PROVIDER SHALL PAY THE INSTRUCTOR OF THE LIVE, REMOTE  
5 INSTRUCTIONAL COURSE A STIPEND IN AN AMOUNT OF AT LEAST TWENTY-FIVE  
6 PERCENT OF THE CONTRACTUAL AMOUNT OF PER-COURSE, PER-STUDENT MONIES.

7 D. A SCHOOL DISTRICT OR CHARTER SCHOOL THAT OFFERS A LIVE, REMOTE  
8 INSTRUCTIONAL COURSE PURSUANT TO SUBSECTION A OF THIS SECTION SHALL:

9 1. PROVIDE AN IN-PERSON TEACHER OR INSTRUCTIONAL AIDE FOR EACH  
10 LIVE, REMOTE INSTRUCTIONAL COURSE.

11 2. ENSURE THAT ITS OWN STUDENTS WHO PARTICIPATE IN A LIVE, REMOTE  
12 INSTRUCTIONAL COURSE SATISFY THE INSTRUCTIONAL TIME AND INSTRUCTIONAL  
13 HOURS REQUIREMENTS PRESCRIBED IN SECTION 15-901.

14 3. PROVIDE ADMINISTRATIVE FUNCTIONS FOR ITS OWN STUDENTS WHO  
15 PARTICIPATE IN A LIVE, REMOTE INSTRUCTIONAL COURSE, INCLUDING RECORDING  
16 EACH STUDENT'S PARTICIPATION IN A LIVE, REMOTE INSTRUCTIONAL COURSE ON THE  
17 STUDENT'S TRANSCRIPT AND TRACKING PROGRESS FOR GRADUATION REQUIREMENTS.

18 E. IF A LIVE, REMOTE INSTRUCTIONAL COURSE PROVIDES THE RELEVANT  
19 INSTRUCTION FOR A QUALIFYING EXAMINATION FOR COLLEGE CREDIT AS PRESCRIBED  
20 IN SECTION 15-249.06, THE SERVICES PROVIDER SHALL RECEIVE ANY INCENTIVE  
21 BONUSES PROVIDED UNDER SECTION 15-249.06.

22 F. FOR THE PURPOSES OF THIS SECTION, "SERVICES PROVIDER" MEANS A  
23 SCHOOL DISTRICT OR CHARTER SCHOOL IN THIS STATE THAT PROVIDES LIVE, REMOTE  
24 INSTRUCTIONAL COURSES TO BOTH:

25 1. REMOTE STUDENTS PURSUANT TO A WRITTEN AGREEMENT WITH THE SCHOOL  
26 DISTRICT OR CHARTER SCHOOL IN WHICH THE REMOTE STUDENTS ARE ENROLLED.

27 2. STUDENTS WHO ARE ENROLLED IN A SCHOOL OPERATED BY THE SERVICES  
28 PROVIDER.

29 Sec. 3. Section 15-901.08, Arizona Revised Statutes, is amended to  
30 read:

31 15-901.08. School year; school month; instructional time  
32 models; requirements; funding; definition

33 A. Except as may be otherwise authorized by the superintendent of  
34 public instruction to accommodate a year-round school operation or as  
35 otherwise prescribed under an instructional time model adopted pursuant to  
36 this section, the school year begins July 1 and ends June 30, and a school  
37 month is twenty school days or four weeks of five days each.

38 B. Notwithstanding any other law, for the purposes of meeting the  
39 instructional time and instructional hours requirements prescribed in  
40 sections 15-797, 15-808 and 15-901, a school district governing board,  
41 after at least two public hearings in the school district, or a charter  
42 school governing body for one or more schools may adopt any instructional  
43 time models as prescribed in this section to meet the minimum annual  
44 instructional time and instructional hours requirements prescribed in  
45 sections 15-797, 15-808 and 15-901 for all of the following purposes:

46 1. Determining average daily membership.

- 1           2. Determining daily attendance.
- 2           3. Determining student count.
- 3           4. Any other purpose relating to instructional time or
- 4 instructional hours prescribed in section 15-797, 15-808 or 15-901.

5           C. Notwithstanding any other law, all of the following apply to an  
6 instructional time model adopted by a school district governing board or  
7 charter school governing body for one or more schools pursuant to this  
8 section:

9           1. Students shall receive the minimum instructional time or  
10 instructional hours required under section 15-797, 15-808 or 15-901, as  
11 applicable, for the full school year in any day, week and course length  
12 increments adopted by the school district governing board or charter  
13 school governing body.

14           2. A school may deliver the annual required instructional time or  
15 instructional hours to students through any combination of the following:

- 16           (a) Direct instruction.
- 17           (b) Project-based learning.
- 18           (c) Independent learning.
- 19           (d) Mastery-based learning, which may be delivered in a blended
- 20 classroom serving multiple grade levels or providing blended grade level
- 21 content.

22           3. A school may define instructional time and instructional hours  
23 to include any combination of the following:

- 24           (a) In-person instruction.
- 25           (b) Remote instruction, subject to all of the following:

26           (i) During school year 2021-2022, a school may provide up to fifty  
27 percent of its total instructional time in a remote setting without any  
28 impact to the school's funding. Beginning in school year 2022-2023 and  
29 each school year thereafter, a school may provide up to forty percent of  
30 its total instructional time in a remote setting without any impact to the  
31 school's funding. **THE THRESHOLD PRESCRIBED IN THIS ITEM DOES NOT APPLY TO**  
32 **LIVE, REMOTE INSTRUCTION COURSES OFFERED PURSUANT TO SECTION 15-901.04.**

33           (ii) If a school provides instructional time in a remote setting  
34 beyond the threshold prescribed in item (i) of this subdivision in any  
35 school year, the department of education shall calculate funding as  
36 prescribed in subsection D of this section.

37           (iii) The department of education shall annually provide a list of  
38 schools that provide more than the allowed instructional time in a remote  
39 setting to the state board of education. The state board of education  
40 shall determine whether the school must apply to become an online school  
41 under section 15-808.

42           (iv) The department of education shall annually provide a list of  
43 charter schools that provide more than the allowed instructional time in a  
44 remote setting to the state board for charter schools. The state board  
45 for charter schools shall determine whether the charter school must apply  
46 to become an online school under section 15-808.

1 (c) LIVE, REMOTE INSTRUCTION OFFERED PURSUANT TO SECTION 15-901.04.

2 4. A school may reallocate any minimum instructional time or  
3 instructional hours per course required under section 15-797, 15-808 or  
4 15-901 or any other statute to other courses on a per-student basis so  
5 that students are able to spend more of their required instructional time  
6 or instructional hours on courses of greater depth or courses that require  
7 additional learning time to catch up to grade level or to stay on pace.

8 5. A school may stagger learning times and schedules for students  
9 and may offer courses and other instructional time options on the weekend  
10 or in the evenings so that all students are not expected to attend or  
11 complete their school day or instructional time at the same time.

12 6. A school shall align its attendance policies to reflect the  
13 instructional time and instructional hours policies prescribed under the  
14 adopted instructional time model.

15 D. If a school provides remote instructional time beyond the  
16 threshold prescribed in subsection C, paragraph 3, subdivision (b), item  
17 (i) of this section in any school year, the department of education shall  
18 calculate funding as follows:

19 1. Calculate the total percentage of instructional time provided by  
20 the school in a remote setting.

21 2. Subtract the allowable threshold prescribed in subsection C,  
22 paragraph 3, subdivision (b), item (i) of this section from the amount  
23 calculated pursuant to paragraph 1 of this subsection.

24 3. Fund the percentage of the base support level equal to the  
25 percentage calculated in paragraph 2 of this subsection at ninety-five  
26 percent of the base support level that would otherwise be calculated for  
27 the school.

28 E. For the purposes of this section, "mastery-based learning" means  
29 a system in which students advance to higher levels of learning when they  
30 demonstrate mastery of concepts and skills regardless of time, place or  
31 pace.

32 Sec. 4. Appropriation: department of education: incentive  
33 bonuses

34 The sum of \$\_\_\_\_\_ is appropriated from the state general fund in  
35 fiscal year 2023-2024 to the department of education for the purposes  
36 prescribed in section 15-249.06, Arizona Revised Statutes, as amended by  
37 this act.