

REFERENCE TITLE: K-12 education; 2023-2024

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

HB 2577

Introduced by
Representatives Livingston: Chaplik

AN ACT

AMENDING SECTIONS 15-185, 15-901, 15-943 AND 15-945, ARIZONA REVISED STATUTES; AMENDING SECTION 15-961, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2022, CHAPTER 317, SECTION 12; REPEALING SECTION 15-961, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2022, CHAPTER 285, SECTION 8; AMENDING SECTION 41-1276, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO KINDERGARTEN THROUGH GRADE TWELVE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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, except that:

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

18 (b) The small school weights prescribed in section 15-943,
19 paragraph 1 apply if a charter holder holds one charter for one or more
20 school sites and the average daily membership for the school sites are
21 combined for the calculation of the small school weight. The small school
22 weight shall not be applied individually to a charter holder if one or
23 more of the following conditions exist and the combined average daily
24 membership derived from the following conditions is greater than six
25 hundred:

26 (i) The organizational structure or management agreement of the
27 charter holder requires the charter holder or charter school to contract
28 with a specific management company.

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

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

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

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

38 2. Notwithstanding paragraph 1 of this subsection, the student
39 count shall be determined initially using an estimated student count based
40 on actual registration of pupils before the beginning of the school year.
41 Notwithstanding section 15-1042, subsection F, student level data
42 submitted to the department may be used to determine estimated student
43 counts. After the first forty days, one hundred days or two hundred days
44 in session, as applicable, the charter school shall revise the student
45 count to be equal to the actual average daily membership, as defined in

1 section 15-901, of the charter school. Before the fortieth day, one
2 hundredth day or two hundredth day in session, as applicable, the state
3 board of education, the state board for charter schools, the sponsoring
4 university, the sponsoring community college district or the sponsoring
5 group of community college districts may require a charter school to
6 report periodically regarding pupil enrollment and attendance, and the
7 department of education may revise its computation of equalization
8 assistance based on the report. A charter school shall revise its student
9 count, base support level and charter additional assistance before May 15.
10 A charter school that overestimated its student count shall revise its
11 budget before May 15. A charter school that underestimated its student
12 count may revise its budget before May 15.

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

16 4. Equalization assistance for the charter school shall be
17 determined by adding the amount of the base support level and charter
18 additional assistance. The amount of the charter additional assistance is
19 ~~\$1,985.58~~ \$2,049.12 per student count in preschool programs for children
20 with disabilities, kindergarten programs and grades one through eight and
21 ~~\$2,314.16~~ \$2,388.21 per student count in grades nine through twelve.

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

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

31 7. Not later than noon on the day preceding each apportionment date
32 established ~~by~~ PURSUANT TO paragraph 5 of this subsection, the
33 superintendent of public instruction shall furnish to the state treasurer
34 an abstract of the apportionment and shall certify the apportionment to
35 the department of administration, which shall draw its warrant in favor of
36 the charter schools for the amount apportioned.

37 C. If a pupil is enrolled in both a charter school and a public
38 school that is not a charter school, the sum of the daily membership,
39 which includes enrollment as prescribed in section 15-901, subsection A,
40 paragraph 1, subdivisions (a) and (b) and daily attendance as prescribed
41 in section 15-901, subsection A, paragraph 5, for that pupil in the school
42 district and the charter school shall not exceed 1.0. If a pupil is
43 enrolled in both a charter school and a public school that is not a
44 charter school, the department of education shall direct the average daily
45 membership to the school with the most recent enrollment date. On

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

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

- 22 1. Equalization assistance shall not be less than zero.
- 23 2. For a charter school sponsored by the state board of education,
 24 the state board for charter schools, a university, a community college
 25 district or a group of community college districts, the total of the base
 26 support level and the charter additional assistance shall not be less than
 27 zero.

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

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

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

1 H. If the sponsor of the charter school determines at a public
2 meeting that the charter school is not in compliance with federal law,
3 with the laws of this state or with its charter, the sponsor of a charter
4 school may submit a request to the department of education to withhold up
5 to ten percent of the monthly apportionment of state aid that would
6 otherwise be due the charter school. The department shall adjust the
7 charter school's apportionment accordingly. The sponsor shall provide
8 written notice to the charter school at least seventy-two hours before the
9 meeting and shall allow the charter school to respond to the allegations
10 of noncompliance at the meeting before the sponsor makes a final
11 determination to notify the department of education of noncompliance. The
12 charter school shall submit a corrective action plan to the sponsor on a
13 date specified by the sponsor at the meeting. The corrective action plan
14 shall be designed to correct deficiencies at the charter school and to
15 ensure that the charter school promptly returns to compliance. When the
16 sponsor determines that the charter school is in compliance, the
17 department shall restore the full amount of state aid payments to the
18 charter school.

19 I. In addition to the withholding of state aid payments pursuant to
20 subsection H of this section, the sponsor of a charter school may impose a
21 civil penalty of \$1,000 per occurrence if a charter school fails to comply
22 with the fingerprinting requirements prescribed in section 15-183,
23 subsection C or section 15-512. The sponsor of a charter school shall not
24 impose a civil penalty if it is the first time the charter school is out
25 of compliance with the fingerprinting requirements and if the charter
26 school provides proof within forty-eight hours after written notification
27 that an application for the appropriate fingerprint check has been
28 received by the department of public safety. The sponsor of the charter
29 school shall obtain proof that the charter school has been notified, and
30 the notification shall identify the date of the deadline and shall be
31 signed by both parties. The sponsor of a charter school shall
32 automatically impose a civil penalty of \$1,000 per occurrence if the
33 sponsor determines that the charter school subsequently violates the
34 fingerprinting requirements. Civil penalties pursuant to this subsection
35 shall be assessed by requesting the department of education to reduce the
36 amount of state aid that the charter school would otherwise receive by an
37 amount equal to the civil penalty. The amount of state aid withheld shall
38 revert to the state general fund at the end of the fiscal year.

39 J. A charter school may receive and spend monies distributed by the
40 department of education pursuant to section 42-5029, subsection E, section
41 42-5029.02, subsection A and section 37-521, subsection B.

42 K. If a school district transports or contracts to transport pupils
43 to the Arizona state schools for the deaf and the blind during any fiscal
44 year, the school district may transport or contract with a charter school
45 to transport sensory impaired pupils during that same fiscal year to a

1 charter school if requested by the parent of the pupil and if the distance
2 from the pupil's place of actual residence within the school district to
3 the charter school is less than the distance from the pupil's place of
4 actual residence within the school district to the campus of the Arizona
5 state schools for the deaf and the blind.

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

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

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

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

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

36 Sec. 2. Section 15-901, Arizona Revised Statutes, is amended to
37 read:

38 15-901. Definitions

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

40 1. "Average daily membership" means the total enrollment of
41 fractional students and full-time students, minus withdrawals, of each
42 school day through the first one hundred days or two hundred days in
43 session, as applicable, for the current year. Withdrawals include
44 students who are formally withdrawn from schools and students who are
45 absent for ten consecutive school days, except for excused absences

1 identified by the department of education. For the purposes of this
2 section, school districts and charter schools shall report student absence
3 data to the department of education at least once every sixty days in
4 session. For computation purposes, the effective date of withdrawal shall
5 be retroactive to the last day of actual attendance of the student or
6 excused absence. A school district or charter school may satisfy any of
7 the time and hours requirements prescribed in this subsection in any
8 manner prescribed in the school district's or charter school's
9 instructional time model adopted under section 15-901.08.

10 (a) "Fractional student" means:

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

30 (ii) For high schools, a part-time student who is enrolled in less
31 than four subjects that count toward graduation as defined by the state
32 board of education, each of which, if taught each school day for the
33 minimum number of days required in a school year, would meet a minimum of
34 one hundred twenty-three hours a year, or the equivalent, in a recognized
35 high school. The average daily membership of a part-time high school
36 student shall be 0.75 if the student is enrolled in an instructional
37 program of three subjects that meet at least five hundred forty hours for
38 a one hundred eighty-day school year, or the instructional hours
39 prescribed in this section. The average daily membership of a part-time
40 high school student shall be 0.5 if the student is enrolled in an
41 instructional program of two subjects that meet at least three hundred
42 sixty hours for a one hundred eighty-day school year, or the instructional
43 hours prescribed in this section. The average daily membership of a
44 part-time high school student shall be 0.25 if the student is enrolled in
45 an instructional program of one subject that meets at least one hundred

1 eighty hours for a one hundred eighty-day school year, or the
2 instructional hours prescribed in this section. The hours in which a
3 student is scheduled to attend a high school during the regular school day
4 shall be included in the calculation of the average daily membership for
5 that student.

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

7 (i) For common schools, a student who is at least six years of age
8 before January 1 of a school year, who has not graduated from the highest
9 grade taught in the school district and who is regularly enrolled in a
10 course of study required by the state board of education. First, second
11 and third grade students or ungraded group B children with disabilities
12 who are at least five, but under six, years of age by September 1 must be
13 enrolled in an instructional program that meets for a total of at least
14 seven hundred twelve hours for a one hundred eighty-day school year, or
15 the instructional hours prescribed in this section. Fourth, fifth, sixth,
16 seventh and eighth grade students must be enrolled in an instructional
17 program that meets for a total of at least eight hundred ninety hours for
18 a one hundred eighty-day school year, or the instructional hours
19 prescribed in this section, including the equivalent number of
20 instructional hours for schools that operate on a one hundred
21 forty-four-day school year. The hours in which a student is scheduled to
22 attend a common school during the regular school day shall be included in
23 the calculation of the average daily membership for that student.

24 (ii) For high schools, a student who has not graduated from the
25 highest grade taught in the school district and who is enrolled in at
26 least an instructional program of four or more subjects that count toward
27 graduation as defined by the state board of education, each of which, if
28 taught each school day for the minimum number of days required in a school
29 year, would meet a minimum of one hundred twenty-three hours a year, or
30 the equivalent, that meets for a total of at least seven hundred twenty
31 hours for a one hundred eighty-day school year, or the instructional hours
32 prescribed in this section in a recognized high school. A full-time
33 student shall not be counted more than once for computation of average
34 daily membership. The average daily membership of a full-time high school
35 student shall be 1.0 if the student is enrolled in at least four subjects
36 that meet at least seven hundred twenty hours for a one hundred eighty-day
37 school year, or the equivalent instructional hours prescribed in this
38 section. The hours in which a student is scheduled to attend a high
39 school during the regular school day shall be included in the calculation
40 of the average daily membership for that student.

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

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

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

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

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

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

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

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

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

38 (a) Grades one through eight.

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

40 4. "Current year" means the fiscal year in which a school district
41 is operating.

42 5. "Daily attendance" means:

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

44 (i) Of a kindergarten program or ungraded, but not group B children
45 with disabilities, who is at least five, but under six, years of age by

1 September 1 attends at least three-quarters of the instructional time
2 scheduled for the day. If the total instruction time scheduled for the
3 year is at least three hundred fifty-six hours but is less than seven
4 hundred twelve hours, such attendance shall be counted as one-half day of
5 attendance. If the instructional time scheduled for the year is at least
6 six hundred ninety-two hours, "daily attendance" means days in which a
7 pupil attends at least one-half of the instructional time scheduled for
8 the day. Such attendance shall be counted as one-half day of attendance.
9 A school district or charter school may satisfy any of the time and hours
10 requirements prescribed in this item in any manner prescribed in the
11 school district's or charter school's instructional time model adopted
12 under section 15-901.08.

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

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

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

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

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

1 (ii) If attendance for all pupils in the school is based on half
2 days, the attendance of at least three-quarters of the instructional time
3 scheduled for the day shall be counted as a full day's attendance and
4 attendance at a minimum of one-half but less than three-quarters of the
5 instructional time scheduled for the day equals one-half day of
6 attendance. A school district or charter school may satisfy any of the
7 time and hours requirements prescribed in this item in any manner
8 prescribed in the school district's or charter school's instructional time
9 model adopted under section 15-901.08.

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

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

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

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

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

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

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

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

25 7. "District support level" means the base support level plus the
26 transportation support level.

27 8. "Eligible students" means:

28 (a) Students who are transported by or for a school district and
29 who qualify as full-time students or fractional students, except students
30 for whom transportation is paid by another school district or a county
31 school superintendent, and:

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

40 (ii) For high school students, whose place of actual residence
41 within the school district is more than one and one-half miles from the
42 school facility of attendance or students who are admitted pursuant to
43 section 15-816.01 and who meet the economic eligibility requirements
44 established under the national school lunch and child nutrition acts
45 (42 United States Code sections 1751 through 1793) for free or

1 reduced-price lunches and whose actual place of residence outside the
2 school district boundaries is more than one and one-half miles from the
3 school facility of attendance.

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

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

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

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

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

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

27 12. "Instructional hours" or "instructional time" means hours or
28 time spent pursuant to an instructional time model adopted under section
29 15-901.08.

30 13. "Revenue control limit" means the base revenue control limit
31 plus the transportation revenue control limit.

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

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

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

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

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

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

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

7 2. "Base level" means the following amounts plus the percentage
8 increase to the base level as provided in section 15-902.04:

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

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

11 ~~(c)~~ (b) For fiscal year 2022-2023, \$4,775.27.

12 (c) FOR FISCAL YEAR 2023-2024, \$4,870.78.

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

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

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

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

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

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

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

40 10. "FRPL" means students who meet the eligibility requirements
41 established under the national school lunch and child nutrition acts
42 (42 United States Code sections 1751 through 1793) for free or
43 reduced-price lunches, or an equivalent measure recognized for
44 participating in the federal free and reduced-price lunch program and
45 other school programs dependent on a poverty measure, including the

1 community eligibility provision for which free and reduced-price lunch
2 data is not available.

3 11. "Full-time equivalent certified teacher" or "FTE certified
4 teacher" means for a certified teacher the following:

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

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

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

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

18 14. "Group B" means educational improvements for pupils in
19 kindergarten programs and grades one through three, educational programs
20 for autism, a hearing impairment, a moderate intellectual disability,
21 multiple disabilities, multiple disabilities with severe sensory
22 impairment, orthopedic impairments, preschool severe delay, a severe
23 intellectual disability and emotional disabilities for school age pupils
24 enrolled in private special education programs or in school district
25 programs for children with severe disabilities or visual impairment,
26 English learners enrolled in a program to promote English language
27 proficiency pursuant to section 15-752 and students who meet the
28 eligibility requirements established under the national school lunch and
29 child nutrition acts (42 United States Code sections 1751 through 1793)
30 for free or reduced-price lunches, or an equivalent measure recognized for
31 participating in the federal free and reduced-price lunch program and
32 other school programs dependent on a poverty measure, including the
33 community eligibility provision for which free and reduced-price lunch
34 data is not available.

35 15. "HI" means programs for pupils with hearing impairment.

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

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

9 17. "K-3" means kindergarten programs and grades one through three.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 29. "Small school district" means a school district that meets all
2 of the following:

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

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

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

10 30. "Transportation revenue control limit" means the transportation
11 revenue control limit computed as prescribed in section 15-946.

12 31. "Transportation support level" means the support level for
13 pupil transportation operating expenses as provided in section 15-945.

14 32. "VI" means programs for pupils with visual impairments.

15 Sec. 3. Section 15-943, Arizona Revised Statutes, is amended to
16 read:

17 15-943. Base support level

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

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

23 (a) For school districts whose student count in kindergarten
24 programs and grades one through eight is classified in column 1 of this
25 subdivision, the support level weight for kindergarten programs and grades
26 one through eight is the corresponding support level weight prescribed in
27 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 For Small Isolated	Support Level Weight 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 x (500 - student count)]	1.278 + [0.0003 x (500 - student count)]
500-599	1.158 + [0.002 x (600 - student count)]	1.158 + [0.0012 x (600 - student count)]

37 (b) For school districts whose student count in grades nine through
38 twelve is classified in column 1 of this subdivision, the support level
39 weight for grades nine through twelve is the corresponding support level
40 weight prescribed in column 2 or 3 of this subdivision, whichever is
41 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>School Districts</u>	<u>School Districts</u>
1-99	1.669	1.559
100-499	1.468 + [0.0005 x (500 - student count)]	1.398 + [0.0004 x (500 - student count)]
500-599	1.268 + [0.002 x (600 - student count)]	1.268 + [0.0013 x (600 - student count)]

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

(a)

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

(b)

<u>Funding Category</u>	<u>Support Level Weight</u>	<u>Student Count</u>	<u>Weighted Student Count</u>
HI	4.771 x	_____	= _____
K-3	0.060 x	_____	= _____
K-3 reading	0.040 x	_____	= _____
ELL	0.115 x	_____	= _____
MD-R, A-R and SID-R	6.024 x	_____	= _____
MD-SC, A-SC and SID-SC	5.988 x	_____	= _____
MD-SSI	7.947 x	_____	= _____
OI-R	3.158 x	_____	= _____
OI-SC	6.773 x	_____	= _____
P-SD	3.595 x	_____	= _____
DD, ED, MIID, SLD, SLI and OHI	0.292 x	_____	= _____
ED-P	4.822 x	_____	= _____
MOID	4.421 x	_____	= _____
VI	4.806 x	_____	= _____
G	0.007 x	_____	= _____
FRPL	0.018 0.022 x	_____	= _____
	Subtotal	B	_____

(c) Total of subtotals A and B: _____

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

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

6 5. For the purposes of this section, the student count is the
7 average daily membership as prescribed in section 15-901 for the current
8 year, except that for the purposes of computing the base support level
9 used in determining school district rollover allocations and school
10 district budget override amounts, the student count is the average daily
11 membership as prescribed in section 15-901 for the prior year.

12 Sec. 4. Section 15-945, Arizona Revised Statutes, is amended to
13 read:

14 15-945. Transportation support level

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

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

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

23 3. Determine the number of eligible students transported in the
24 fiscal year prior to the current year.

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

28 5. Determine the classification in column 1 of this paragraph for
29 the quotient determined in paragraph 4 of this subsection. Multiply the
30 product obtained in paragraph 2 of this subsection by the corresponding
31 state support level for each route mile as provided in column 2 of this
32 paragraph.

<u>Column 1</u>	<u>Column 2</u>
34 Approved Daily Route	State Support Level per
35 Mileage per Eligible	Route Mile for
36 <u>Student Transported</u>	<u>Fiscal Year 2022-2023 2023-2024</u>
37 0.5 or less	2.83 2.89
38 More than 0.5 through 1.0	2.32 2.37
39 More than 1.0	2.83 2.89

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

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

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

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

9 <u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
10 Approved Daily Route			
11 Mileage per Eligible	District Type	District Type	District Type
12 <u>Student Transported</u>	<u>02 or 03</u>	<u>04</u>	<u>05</u>
13 0.5 or less	0.15	0.10	0.25
14 More than 0.5 through 1.0	0.15	0.10	0.25
15 More than 1.0	0.18	0.12	0.30

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

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

25 1. Determine the sum of the following:

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

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

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

42 D. The transportation support level for each school district for
 43 the current year is the sum of the support level for to and from school as
 44 determined in subsection A of this section, the support level for academic
 45 education, career and technical education, vocational education and

1 athletic trips as determined in subsection B of this section and the
2 support level for extended school year services for pupils with
3 disabilities as determined in subsection C of this section.

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

7 F. School districts must provide the odometer reading for each bus
8 as of the end of the current year and the total bus mileage during the
9 current year.

10 G. A school district may include route mileage and the number of
11 riders to calculate funding pursuant to this section for transporting
12 eligible students using motor vehicles described in section 15-925.

13 Sec. 5. Section 15-961, Arizona Revised Statutes, as amended by
14 Laws 2022, chapter 317, section 12, is amended to read:

15 15-961. District additional assistance; growth rate

16 A. District additional assistance per student count is established
17 as follows:

18 1. For school districts with a student count of less than one
19 hundred for kindergarten programs and grades one through eight, ~~\$606.88~~
20 \$637.41. For school districts with a student count of one hundred or more
21 and less than six hundred for kindergarten programs and grades one through
22 eight, multiply ~~\$433.78~~ \$455.60 by the weight that corresponds to the
23 student count for kindergarten programs and grades one through eight for
24 the school district as provided in section 15-943, paragraph 1,
25 subdivision (a), column 3. For a school district with a student count of
26 six hundred or more in kindergarten programs and grades one through eight,
27 the limit is ~~\$502.33~~ \$527.60.

28 2. For school districts with a student count of less than one
29 hundred for grades nine through twelve, ~~\$670.02~~ \$703.72. For school
30 districts with a student count of one hundred or more and less than six
31 hundred for grades nine through twelve, multiply ~~\$451.99~~ \$474.73 by the
32 weight that corresponds to the student count for grades nine through
33 twelve for the school district as provided in section 15-943, paragraph 1,
34 subdivision (b), column 3. For a school district with a student count of
35 six hundred or more in grades nine through twelve, the limit is ~~\$549.33~~
36 \$576.96.

37 3. For programs for preschool children with disabilities, ~~\$502.33~~
38 \$527.60.

39 B. District additional assistance for a school district shall be
40 computed as follows:

41 1. Select the applicable district additional assistance per student
42 count for the school district.

43 2. Multiply the amount or amounts selected in paragraph 1 of this
44 subsection by the appropriate student count of the school district.

1 3. If a school district's student count used for the budget year is
 2 greater than one hundred five percent of the student count used for the
 3 current year's budget, increase the adjusted district additional
 4 assistance determined in paragraph 2 of this subsection by fifty percent
 5 of the actual percentage increase in the school district's student count.

6 C. An amount for the purchase of required textbooks and related
 7 printed subject matter materials shall be used to increase the district
 8 additional assistance for a school district as determined in subsection B,
 9 paragraph 2 or 3 of this section, whichever is applicable. This amount
 10 shall equal the student count in grades nine through twelve multiplied by
 11 ~~\$77.65~~ \$81.56.

12 D. NOTWITHSTANDING SUBSECTIONS A, B AND C OF THIS SECTION, DISTRICT
 13 ADDITIONAL ASSISTANCE FOR A COMMON SCHOOL DISTRICT THAT IS NOT WITHIN A
 14 HIGH SCHOOL DISTRICT OR FOR A TRANSPORTING SCHOOL DISTRICT IS DISTRICT
 15 ADDITIONAL ASSISTANCE AS PRESCRIBED IN THIS SECTION BUT EXCLUDING PUPILS
 16 WHO ARE ADMITTED TO ANOTHER SCHOOL DISTRICT AS PROVIDED IN SECTION 15-824,
 17 SUBSECTION A, PARAGRAPH 2 OR 3, EXCEPT THAT IF THE SCHOOL DISTRICT
 18 TRANSPORTS HIGH SCHOOL PUPILS, THE DISTRICT ADDITIONAL ASSISTANCE AMOUNT
 19 PRESCRIBED IN THIS SECTION SHALL BE INCREASED BY AN AMOUNT EQUAL TO FIFTY
 20 PERCENT OF THE DISTRICT ADDITIONAL ASSISTANCE PER PUPIL AMOUNT PRESCRIBED
 21 FOR THE SCHOOL DISTRICT PURSUANT TO THIS SECTION MULTIPLIED BY THE NUMBER
 22 OF HIGH SCHOOL PUPILS TRANSPORTED.

23 Sec. 6. Repeal

24 Section 15-961, Arizona Revised Statutes, as amended by Laws 2022,
 25 chapter 285, section 8, is repealed.

26 Sec. 7. Section 41-1276, Arizona Revised Statutes, is amended to
 27 read:

28 41-1276. Truth in taxation levy for equalization assistance
 29 to school districts

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

34 1. The ~~chairperson~~ CHAIRPERSONS of the house of representatives
 35 ways and means committee and the senate finance committee, or their
 36 successor committees.

37 2. The ~~chairperson~~ CHAIRPERSONS of the appropriations committees of
 38 the senate and the house of representatives, or their successor
 39 committees.

40 B. The truth in taxation rates consist of the qualifying tax rate
 41 for a high school district or a common school district within a high
 42 school district that does not offer instruction in high school subjects
 43 pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax
 44 rate for a unified district, a common school district not within a high
 45 school district or a common school district within a high school district

1 that offers instruction in high school subjects pursuant to section
2 15-971, subsection B, paragraph 2 that will offset the change in net
3 assessed valuation of property that was subject to tax in the prior year.

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

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

8 2. Determine the statewide net assessed value for the current tax
9 year, excluding the net assessed value of property that was not subject to
10 tax in the preceding year.

11 3. Divide the amount determined in paragraph 1 of this subsection
12 by the amount determined in paragraph 2 of this subsection.

13 4. Adjust the qualifying tax rates for the current fiscal year by
14 the percentage determined in paragraph 3 of this subsection in order to
15 offset the change in net assessed value.

16 D. Except as provided in subsections E and G of this section, the
17 qualifying tax rate for a high school district or a common school district
18 within a high school district that does not offer instruction in high
19 school subjects and the qualifying tax rate for a unified school district,
20 a common school district not within a high school district or a common
21 school district within a high school district that offers instruction in
22 high school subjects for the following fiscal year shall be the rate
23 determined by the joint legislative budget committee pursuant to
24 subsection C of this section. The committee shall transmit the rates to
25 the superintendent of public instruction and the county boards of
26 supervisors by March 15 of each year.

27 E. If the legislature proposes qualifying tax rates that exceed the
28 truth in taxation rate:

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

33 (a) The notice shall be published twice in a newspaper of general
34 circulation in this state that is published at the state capital. The
35 first publication shall be at least fourteen but not more than twenty days
36 before the date of the hearing. The second publication shall be at least
37 seven but not more than ten days before the date of the hearing.

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

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

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

Truth in Taxation Hearing

Notice of Tax Increase

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

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

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

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

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

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

G. Notwithstanding any other law, the legislature shall not adopt a state budget that provides for qualifying tax rates pursuant to section 15-971 that exceed the truth in taxation rates computed pursuant to subsection A of this section unless the rates are adopted by a concurrent resolution approved by an affirmative roll call vote of two-thirds of the members of each house of the legislature before the legislature enacts the general appropriations bill. If the resolution is not approved by two-thirds of the members of each house of the legislature, the rates for the following fiscal year shall be the truth in taxation rates determined pursuant to subsection C of this section and shall be transmitted to the superintendent of public instruction and the county boards of supervisors.

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

1 I. Pursuant to subsection C of this section, the qualifying tax
2 rate in tax year ~~2022~~ 2023 for a high school district or a common school
3 district within a high school district that does not offer instruction in
4 high school subjects as provided in section 15-447 is ~~\$1.7133~~ \$1.6637 and
5 for a unified school district, a common school district not within a high
6 school district or a common school district within a high school district
7 that offers instruction in high school subjects as provided in section
8 15-447 is ~~\$3.4266~~ \$3.3274.

9 Sec. 8. Results-based funding; allocation formula; fiscal
10 year 2023-2024

11 Notwithstanding section 15-249.08, subsection B, paragraph 2,
12 Arizona Revised Statutes, for fiscal year 2023-2024, the department of
13 education shall distribute monies from the results-based funding fund
14 established by section 15-249.08, Arizona Revised Statutes, as follows:

15 1. Each school operated by a school district or charter holder
16 shall receive \$225 per student count from the fund if both of the
17 following apply:

18 (a) At the time the test prescribed in subdivision (b) of this
19 paragraph was administered, fewer than sixty percent of the students who
20 were enrolled in the school met the eligibility requirements established
21 under the national school lunch and child nutrition acts (42 United States
22 Code sections 1751 through 1793) for free or reduced-price lunches, or an
23 equivalent measure recognized for participating in the federal free and
24 reduced-price lunch program and other school programs dependent on a
25 poverty measure, including the community eligibility provision for which
26 free and reduced-price lunch data is not available.

27 (b) In results achieved during the spring of 2022, the school
28 performed in the top thirteen percent of all schools statewide as
29 demonstrated by the average percentage of students who obtained a passing
30 score on the mathematics portions of the statewide assessment and the
31 average percentage of students who obtained a passing score on the
32 language arts portions of the statewide assessment.

33 2. Each school operated by a school district or charter holder
34 shall receive \$400 per student count from the fund if both of the
35 following apply:

36 (a) At the time the test prescribed in subdivision (b) of this
37 paragraph was administered, sixty percent or more of the students who were
38 enrolled in the school met the eligibility requirements established under
39 the national school lunch and child nutrition acts (42 United States Code
40 sections 1751 through 1793) for free or reduced-price lunches, or an
41 equivalent measure recognized for participating in the federal free and
42 reduced-price lunch program and other school programs dependent on a
43 poverty measure, including the community eligibility provision for which
44 free and reduced-price lunch data is not available.

1 (b) In results achieved during the spring of 2022, the school
2 performed in the top thirteen percent of schools pursuant to subdivision
3 (a) of this paragraph, as demonstrated by the average percentage of those
4 students who obtained a passing score on the mathematics portions of the
5 statewide assessment and the average percentage of students who obtained a
6 passing score on the language arts portions of the statewide assessment.

7 3. Each school operated by a school district or charter holder
8 shall receive \$225 per student count from the fund if both of the
9 following apply:

10 (a) At the time the test prescribed in subdivision (b) of this
11 paragraph was administered, sixty percent or more of the students who were
12 enrolled in the school met the eligibility requirements established under
13 the national school lunch and child nutrition acts (42 United States Code
14 sections 1751 through 1793) for free or reduced-price lunches, or an
15 equivalent measure recognized for participating in the federal free and
16 reduced-price lunch program and other school programs dependent on a
17 poverty measure, including the community eligibility provision for which
18 free and reduced-price lunch data is not available.

19 (b) In results achieved during the spring of 2022, the school
20 performed in the top twenty-seven percent but not in the top thirteen
21 percent of schools pursuant to subdivision (a) of this paragraph, as
22 demonstrated by the average percentage of those students who obtained a
23 passing score on the mathematics portions of the statewide assessment and
24 the average percentage of students who obtained a passing score on the
25 language arts portions of the statewide assessment.

26 4. Each alternative high school shall receive \$400 per student
27 count from the fund if in the results achieved during testing conducted in
28 the spring of 2022 the school performed in the top twenty-seven percent of
29 schools identified pursuant to paragraph 3, subdivision (a) of this
30 section, as demonstrated by the average percentage of those students who
31 obtained a passing score on the mathematics portions of the statewide
32 assessment and the average percentage of students who obtained a passing
33 score on the language arts portions of the statewide assessment. An
34 alternative high school is eligible for funding under this paragraph only
35 if it reports the average percentage of students who obtained a passing
36 score on both the mathematics portions of the statewide assessment and the
37 language arts portions of the statewide assessment during testing
38 conducted in the spring of 2022.

39 Sec. 9. Intent

40 The governor and the legislature intend that school districts
41 increase the total percentage of classroom spending over the previous
42 year's percentages in the combined categories of instruction, student
43 support and instructional support as prescribed by the auditor general.