CORRECTED May 08 2023

REFERENCE TITLE: K-12 education; 2023-2024

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

### **HB 2819**

Introduced by Representatives Livingston: Chaplik (with permission of Committee on Rules)

#### AN ACT

AMENDING SECTION 15-185, ARIZONA REVISED STATUTES; REPEALING SECTION 15-249.08, ARIZONA REVISED STATUTES; AMENDING SECTIONS 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 15-1821.01, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 19, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-2406; AMENDING SECTION 41-1276, ARIZONA REVISED STATUTES; AMENDING LAWS 2021, CHAPTER 404, SECTION 111; APPROPRIATING MONIES; RELATING TO KINDERGARTEN THROUGH GRADE TWELVE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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Be it enacted by the Legislature of the State of Arizona: Section 1. Section 15-185, Arizona Revised Statutes, is amended to read:

### 15-185. <u>Charter schools; financing; civil penalties;</u> transportation; definition

- A. A school district is not financially responsible for any charter school that is sponsored by the state board of education, the state board for charter schools, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts.
- B. Financial provisions for a charter school that is 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 are as follows:
- 1. The charter school shall calculate a base support level as prescribed in section 15-943, except that:
  - (a) Section 15-941 does not apply to these charter schools.
- (b) The small school weights prescribed in section 15-943, paragraph 1 apply if a charter holder holds one charter for one or more school sites and the average daily membership for the school sites are combined for the calculation of the small school weight. The small school weight shall not be applied individually to a charter holder if one or more of the following conditions exist and the combined average daily membership derived from the following conditions is greater than six hundred:
- (i) The organizational structure or management agreement of the charter holder requires the charter holder or charter school to contract with a specific management company.
- (ii) The governing body of the charter holder has identical membership to another charter holder in this state.
- (iii) The charter holder is a subsidiary of a corporation that has other subsidiaries that are charter holders in this state.
  - (iv) The charter holder holds more than one charter in this state.
- (c) Notwithstanding subdivision (b) of this paragraph, for fiscal years 2015-2016 and 2016-2017, the department of education shall reduce by thirty-three percent the amount provided by the small school weight for charter schools prescribed in subdivision (b) of this paragraph.
- 2. Notwithstanding paragraph 1 of this subsection, the student count shall be determined initially using an estimated student count based on actual registration of pupils before the beginning of the school year. Notwithstanding section 15-1042, subsection F, student level data submitted to the department may be used to determine estimated student counts. After the first forty days, one hundred days or two hundred days in session, as applicable, the charter school shall revise the student count to be equal to the actual average daily membership, as defined in

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

- 3. A charter school may use section 15-855 for the purposes of this section. The charter school and the department of education shall prescribe procedures for determining average daily membership.
- 4. Equalization assistance for the charter school shall be determined by adding the amount of the base support level and charter additional assistance. The amount of the charter additional assistance is \$1,985.58 \$2,049.12 per student count in preschool programs for children with disabilities, kindergarten programs and grades one through eight and \$2,314.16 \$2,388.21 per student count in grades nine through twelve.
- 5. The state board of education shall apportion state aid from the appropriations made for such purposes to the state treasurer for disbursement to the charter schools in each county in an amount as determined by this paragraph. The apportionments shall be made as prescribed in section 15-973, subsection B.
- 6. The charter school shall not charge tuition for pupils who reside in this state, levy taxes or issue bonds. A charter school may admit pupils who are not residents of this state and shall charge tuition for those pupils in the same manner prescribed in section 15-823.
- 7. Not later than noon on the day preceding each apportionment date established by PURSUANT TO paragraph 5 of this subsection, the superintendent of public instruction shall furnish to the state treasurer an abstract of the apportionment and shall certify the apportionment to the department of administration, which shall draw its warrant in favor of the charter schools for the amount apportioned.
- C. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the sum of the daily membership, which includes enrollment as prescribed in section 15-901, subsection A, paragraph 1, subdivisions (a) and (b) and daily attendance as prescribed in section 15-901, subsection A, paragraph 5, for that pupil in the school district and the charter school shall not exceed 1.0. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the department of education shall direct the average daily membership to the school with the most recent enrollment date. On

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

- D. Charter schools are allowed to accept grants and gifts to supplement their state funding, but it is not the intent of the charter school law to require taxpayers to pay twice to educate the same pupils. The base support level for a charter school or for a school district sponsoring a charter school shall be reduced by an amount equal to the total amount of monies received by a charter school from a federal or state agency if the federal or state monies are intended for the basic maintenance and operations of the school. The superintendent of public instruction shall estimate the amount of the reduction for the budget year and shall revise the reduction to reflect the actual amount before May 15 of the current year. If the reduction results in a negative amount, the negative amount shall be used in computing all budget limits and equalization assistance, except that:
  - 1. Equalization assistance shall not be less than zero.
- 2. For a charter school 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 total of the base support level and the charter additional assistance shall not be less than zero.
- E. If a charter school was a district public school in the prior 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. 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. 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.

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- H. 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. sponsor determines that the charter school is in compliance, department shall restore the full amount of state aid payments to the charter school.
- I. In addition to the withholding of state aid payments pursuant to subsection H of this section, the sponsor of a charter school may impose a civil penalty of \$1,000 per occurrence if a charter school fails to comply with the fingerprinting requirements prescribed in section 15-183, subsection C or section 15-512. The sponsor of a charter school shall not impose a civil penalty if it is the first time the charter school is out of compliance with the fingerprinting requirements and if the charter school provides proof within forty-eight hours after written notification that an application for the appropriate fingerprint check has been received by the department of public safety. The sponsor of the charter school shall obtain proof that the charter school has been notified, and the notification shall identify the date of the deadline and shall be signed by both parties. The sponsor of charter school shall a automatically impose a civil penalty of \$1,000 per occurrence if the sponsor determines that the charter school subsequently violates the fingerprinting requirements. Civil penalties pursuant to this subsection shall be assessed by requesting the department of education to reduce the amount of state aid that the charter school would otherwise receive by an amount equal to the civil penalty. The amount of state aid withheld shall revert to the state general fund at the end of the fiscal year.
- J. A charter school may receive and spend monies distributed by the department of education pursuant to section 42-5029, subsection E, section 42-5029.02, subsection A and section 37-521, subsection B.
- K. If a school district transports or contracts to transport pupils to the Arizona state schools for the deaf and the blind during any fiscal year, the school district may transport or contract with a charter school to transport sensory impaired pupils during that same fiscal year to a

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

- L. Notwithstanding any other law, a university under the jurisdiction of the Arizona board of regents, a community college district or a group of community college districts shall not include any student in the student count of the university, community college district or group of community college districts for state funding purposes if that student is enrolled in and attending a charter school sponsored by the university, community college district or group of community college districts.
- M. The governing body of a charter school shall transmit a copy of its proposed budget or the summary of the proposed budget and a notice of the public hearing to the department of education for posting on the department of education's website not later than ten days before the hearing and meeting. If the charter school maintains a website, the charter school governing body shall post on its website a copy of its proposed budget or the summary of the proposed budget and a notice of the public hearing.
- N. The governing body of a charter school shall collaborate with the private organization that is approved by the state board of education pursuant to section 15-792.02 to provide approved board examination systems for the charter school.
- O. If allowed by federal law, a charter school may opt out of federal grant opportunities if the charter holder or the appropriate governing body of the charter school determines that the federal requirements impose unduly burdensome reporting requirements.
- P. For the purposes of this section, "monies intended for the basic maintenance and operations of the school" means monies intended to provide support for the educational program of the school, except that it does not include supplemental assistance for a specific purpose or title VIII of the elementary and secondary education act of 1965 monies. The auditor general shall determine which federal or state monies meet this definition.

Sec. 2. Repeal

Section 15-249.08, Arizona Revised Statutes, is repealed.

Sec. 3. Section 15-901, Arizona Revised Statutes, is amended to read:

15-901. <u>Definitions</u>

- A. In this title, unless the context otherwise requires:
- 1. "Average daily membership" means the total enrollment of fractional students and full-time students, minus withdrawals, of each school day through the first one hundred days or two hundred days in session, as applicable, for the current year. Withdrawals include

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students who are formally withdrawn from schools and students who are absent for ten consecutive school days, except for excused absences identified by the department of education. For the purposes of this section, school districts and charter schools shall report student absence data to the department of education at least once every sixty days in session. For computation purposes, the effective date of withdrawal shall be retroactive to the last day of actual attendance of the student or excused absence. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subsection in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

- (a) "Fractional student" means:
- (i) For common schools, a preschool child who is enrolled in a program for preschool children with disabilities of at least three hundred sixty minutes each week that meets at least two hundred sixteen hours over the minimum number of days or a kindergarten student who is at least five years of age before January 1 of the school year and enrolled in a school kindergarten program that meets at least three hundred fifty-six hours for one hundred eighty-day school year, or the instructional hours prescribed in this section. In computing the average daily membership, preschool children with disabilities and kindergarten students shall be counted as one-half of a full-time student. For common schools, a part-time student is a student enrolled for less than the total time for a full-time student as defined in this section. A part-time common school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of the time a full-time student is enrolled as defined in subdivision (b) of this paragraph. The hours in which a student is scheduled to attend a common school during the regular school day shall be included in the calculation of the average daily membership for that student.
- (ii) For high schools, a part-time student who is enrolled in less than four subjects that count toward graduation as defined by the state board of education, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, in a recognized high school. The average daily membership of a part-time high school student shall be 0.75 if the student is enrolled in an instructional program of three subjects that meet at least five hundred forty hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section. The average daily membership of a part-time high school student shall be 0.5 if the student is enrolled in an instructional program of two subjects that meet at least three hundred sixty hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section. The average daily membership of a

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part-time high school student shall be 0.25 if the student is enrolled in an instructional program of one subject that meets at least one hundred eighty hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section. The hours in which a student is scheduled to attend a high school during the regular school day shall be included in the calculation of the average daily membership for that student.

- (b) "Full-time student" means:
- (i) For common schools, a student who is at least six years of age before January 1 of a school year, who has not graduated from the highest grade taught in the school district and who is regularly enrolled in a course of study required by the state board of education. First, second and third grade students or ungraded group B children with disabilities who are at least five, but under six, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least seven hundred twelve hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section. Fourth, fifth, sixth, seventh and eighth grade students must be enrolled in an instructional program that meets for a total of at least eight hundred ninety hours for one hundred eighty-day school year, or the instructional hours prescribed in this section, including the equivalent number instructional hours for schools that operate on a one hundred forty-four-day school year. The hours in which a student is scheduled to attend a common school during the regular school day shall be included in the calculation of the average daily membership for that student.
- (ii) For high schools, a student who has not graduated from the highest grade taught in the school district and who is enrolled in at least an instructional program of four or more subjects that count toward graduation as defined by the state board of education, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, that meets for a total of at least seven hundred twenty hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section in a recognized high school. A full-time student shall not be counted more than once for computation of average daily membership. The average daily membership of a full-time high school student shall be 1.0 if the student is enrolled in at least four subjects that meet at least seven hundred twenty hours for a one hundred eighty-day school year, or the equivalent instructional hours prescribed in this The hours in which a student is scheduled to attend a high school during the regular school day shall be included in the calculation of the average daily membership for that student.

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- (iii) If a child who has not reached five years of age before September 1 of the current school year is admitted to kindergarten and repeats kindergarten in the following school year, a school district or charter school is not eligible to receive basic state aid on behalf of that child during the child's second year of kindergarten. If a child who has not reached five years of age before September 1 of the current school year is admitted to kindergarten but does not remain enrolled, a school district or charter school may receive a portion of basic state aid on behalf of that child in the subsequent year. A school district or charter school may charge tuition for any child who is ineligible for basic state aid pursuant to this item.
- (iv) Except as otherwise provided by law, for a full-time high school student who is concurrently enrolled in two school districts or two charter schools, the average daily membership shall not exceed 1.0.
- (v) Except as otherwise provided by law, for any student who is concurrently enrolled in a school district and a charter school, the average daily membership shall be apportioned between the school district and the charter school and shall not exceed 1.0. The apportionment shall be based on the percentage of total time that the student is enrolled in or in attendance at the school district and the charter school.
- (vi) Except as otherwise provided by law, for any student who is concurrently enrolled, pursuant to section 15-808, in a school district and Arizona online instruction or a charter school and Arizona online instruction, the average daily membership shall be apportioned between the school district and Arizona online instruction or the charter school and Arizona online instruction and shall not exceed 1.0. The apportionment shall be based on the percentage of total time that the student is enrolled in or in attendance at the school district and Arizona online instruction or the charter school and Arizona online instruction.
- (vii) For homebound or hospitalized, a student receiving at least four hours of instruction per week.
- (c) "Regular school day" means the regularly scheduled class periods intended for instructional purposes. Instructional purposes may include core subjects, elective subjects, lunch, study halls, music instruction and other classes that advance the academic instruction of pupils. Instructional purposes do not include athletic practices or extracurricular clubs and activities.
- 2. "Budget year" means the fiscal year for which the school district is budgeting and that immediately follows the current year.
- 3. "Common school district" means a political subdivision of this state offering instruction to students in programs for preschool children with disabilities and kindergarten programs and either:
  - (a) Grades one through eight.
  - (b) Grades one through nine pursuant to section 15-447.01.

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- 4. "Current year" means the fiscal year in which a school district is operating.
  - 5. "Daily attendance" means:
  - (a) For common schools, days in which a pupil:
- (i) Of a kindergarten program or ungraded, but not group B children with disabilities, who is at least five, but under six, years of age by September 1 attends at least three-quarters of the instructional time scheduled for the day. If the total instruction time scheduled for the year is at least three hundred fifty-six hours but is less than seven hundred twelve hours, such attendance shall be counted as one-half day of attendance. If the instructional time scheduled for the year is at least six hundred ninety-two hours, "daily attendance" means days in which a pupil attends at least one-half of the instructional time scheduled for the day. Such attendance shall be counted as one-half day of attendance. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
- (ii) Of the first, second or third grades attends more than three-quarters of the instructional time scheduled for the day. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
- (iii) Of the fourth, fifth or sixth grades attends more than three-quarters of the instructional time scheduled for the day, except as provided in section 15-797. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
- (iv) Of the seventh or eighth grades attends more than three-quarters of the instructional time scheduled for the day, except as provided in section 15-797. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
- (b) For common schools, the attendance of a pupil at three-quarters or less of the instructional time scheduled for the day shall be counted as follows, except as provided in section 15-797 and except that attendance for a fractional student shall not exceed the pupil's fractional membership:
- (i) If attendance for all pupils in the school is based on quarter days, the attendance of a pupil shall be counted as one-fourth of a day's attendance for each one-fourth of full-time instructional time attended. A school district or charter school may satisfy any of the time and hours

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 requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

- (ii) If attendance for all pupils in the school is based on half days, the attendance of at least three-quarters of the instructional time scheduled for the day shall be counted as a full day's attendance and attendance at a minimum of one-half but less than three-quarters of the instructional time scheduled for the day equals one-half day of attendance. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
- (c) For common schools, the attendance of a preschool child with disabilities shall be counted as one-fourth day's attendance for each thirty-six minutes of attendance, except as provided in paragraph 1, subdivision (a), item (i) of this subsection for children with disabilities up to a maximum of three hundred sixty minutes each week. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
- (d) For high schools, the attendance of a pupil shall not be counted as a full day unless the pupil is actually and physically in attendance and enrolled in and carrying four subjects, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, that count toward graduation in a recognized high school except as provided in section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil carrying less than the load prescribed shall be prorated. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any prescribed in the school district's or charter instructional time model adopted under section 15-901.08.
- (e) For high schools, the attendance of a pupil may be counted as one-fourth of a day's attendance for each sixty minutes of instructional time in a subject that counts toward graduation, except that attendance for a pupil shall not exceed the pupil's full or fractional membership. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
- (f) For homebound or hospitalized, a full day of attendance may be counted for each day during a week in which the student receives at least four hours of instruction. A school district or charter school may satisfy any of the time and hours requirements prescribed in this

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 subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

- (g) For school districts that maintain school for an approved year-round school year operation, attendance shall be based on a computation, as prescribed by the superintendent of public instruction, of the one hundred eighty days' equivalency or two hundred days' equivalency, as applicable, of instructional time as approved by the superintendent of public instruction during which each pupil is enrolled. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
  - 6. "Daily route mileage" means the sum of:
- (a) The total number of miles driven daily by all buses of a school district while transporting eligible students from their residence to the school of attendance and from the school of attendance to their residence on scheduled routes approved by the superintendent of public instruction.
- (b) The total number of miles driven daily 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 student from the place of the student's residence to a school transportation pickup point or to the school of attendance and from the school transportation scheduled return point or from the school of attendance to the student's residence. Daily route mileage includes the total number of miles necessary to drive to transport eligible students from and to their residence as provided in this paragraph.
- 7. "District support level" means the base support level plus the transportation support level.
  - 8. "Eligible students" means:
- (a) Students who are transported by or for a school district and who qualify as full-time students or fractional students, except students for whom transportation is paid by another school district or a county school superintendent, and:
- (i) For common school students, whose place of actual residence within the school district is more than one mile from the school facility of attendance or students who are admitted pursuant to section 15-816.01 and who meet the economic eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches and whose actual place of residence outside the school district boundaries is more than one mile from the school facility of attendance.
- (ii) For high school students, whose place of actual residence within the school district is more than one and one-half miles from the school facility of attendance or students who are admitted pursuant to section 15-816.01 and who meet the economic eligibility requirements

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established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches and whose actual place of residence outside the school district boundaries is more than one and one-half miles from the school facility of attendance.

- (b) Kindergarten students, for purposes of computing the number of eligible students under subdivision (a), item (i) of this paragraph, shall be counted as full-time students, notwithstanding any other provision of law.
- (c) Children with disabilities, as defined by section 15-761, who are transported by or for the school district or who are admitted pursuant to chapter 8, article 1.1 of this title and who qualify as full-time students or fractional students regardless of location or residence within the school district or children with disabilities whose transportation is required by the pupil's individualized education program.
- (d) Students whose residence is outside the school district and who are transported within the school district on the same basis as students who reside in the school district.
- 9. "Enrolled" or "enrollment" means that a pupil is currently registered in the school district.
- 10. "GDP price deflator" means the average of the four implicit price deflators for the gross domestic product reported by the United States department of commerce for the four quarters of the calendar year.
- 11. "High school district" means a political subdivision of this state offering instruction to students for grades nine through twelve or that portion of the budget of a common school district that is allocated to teaching high school subjects with permission of the state board of education.
- 12. "Instructional hours" or "instructional time" means hours or time spent pursuant to an instructional time model adopted under section 15-901.08.
- 13. "Revenue control limit" means the base revenue control limit plus the transportation revenue control limit.
- 14. "Student count" means average daily membership as prescribed in this subsection for the fiscal year before the current year, except that for the purpose of budget preparation student count means average daily membership as prescribed in this subsection for the current year.
- 15. "Submit electronically" means submitted in a format and in a manner prescribed by the department of education.
- 16. "Total bus mileage" means the total number of miles driven by all buses of a school district during the school year.
- 17. "Total students transported" means all eligible students transported from their place of residence to a school transportation pickup point or to the school of attendance and from the school of

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attendance or from the school transportation scheduled return point to their place of residence.

- 18. "Unified school district" means a political subdivision of this state offering instruction to students in programs for preschool children with disabilities and kindergarten programs and grades one through twelve.
  - B. In this title, unless the context otherwise requires:
- 1. "Base" means the revenue level per student count specified by the legislature.
- 2. "Base level" means the following amounts plus the percentage increase to the base level as provided in section 15-902.04:

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(a) For fiscal year 2020-2021, $4,305.73.
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- (b) (a) For fiscal year 2021-2022, \$4,390.65.
- (c) (b) For fiscal year 2022-2023, \$4,775.27.
- (c) FOR FISCAL YEAR 2023-2024, \$4,914.71.
- 3. "Base revenue control limit" means the base revenue control limit computed as provided in section 15-944.
- 4. "Base support level" means the base support level as provided in section 15-943.
- 5. "Certified teacher" means a person who is certified as a teacher pursuant to the rules adopted by the state board of education, who renders direct and personal services to schoolchildren in the form of instruction related to the school district's educational course of study and who is paid from the maintenance and operation section of the budget.
- 6. "DD" means programs for children with developmental delays who are at least three years of age but under ten years of age. A preschool child who is categorized under this paragraph is not eligible to receive funding pursuant to section 15-943, paragraph 2, subdivision (b).
- 7. "ED, MIID, SLD, SLI and OHI" means programs for children with emotional disabilities, mild intellectual disabilities, a specific learning disability, a speech/language impairment and other health impairments. A preschool child who is categorized as SLI under this paragraph is not eligible to receive funding pursuant to section 15-943, paragraph 2, subdivision (b).
- 8. "ED-P" means programs for children with emotional disabilities who are enrolled in private special education programs as prescribed in section 15-765, subsection D, paragraph 1 or in an intensive school district program as provided in section 15-765, subsection D, paragraph 2.
- 9. "ELL" means English learners who do not speak English or whose native language is not English, who are not currently able to perform ordinary classroom work in English and who are enrolled in an English language education program pursuant to sections 15-751, 15-752 and 15-753.
- 10. "FRPL" means students who meet the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches, or an equivalent measure recognized for

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44 45 participating in the federal free and reduced-price lunch program and other school programs dependent on a poverty measure, including the community eligibility provision for which free and reduced-price lunch data is not available.

- 11. "Full-time equivalent certified teacher" or "FTE certified teacher" means for a certified teacher the following:
  - (a) If employed full time as defined in section 15-501, 1.00.
- (b) If employed less than full time, multiply 1.00 by the percentage of a full school day, or its equivalent, or a full class load, or its equivalent, for which the teacher is employed as determined by the governing board.
- 12. "G" means educational programs for gifted pupils who score at or above the ninety-seventh percentile, based on national norms, on a test adopted by the state board of education.
- 13. "Group A" means educational programs for career exploration, a specific learning disability, an emotional disability, a mild intellectual disability, remedial education, a speech/language impairment, developmental delay, homebound pupils, bilingual pupils and pupils with other health impairments.
- 14. "Group B" means educational improvements for pupils kindergarten programs and grades one through three, educational programs for autism, a hearing impairment, a moderate intellectual disability, multiple disabilities, multiple disabilities with severe impairment, orthopedic impairments, preschool severe delay, a severe intellectual disability and emotional disabilities for school age pupils enrolled in private special education programs or in school district programs for children with severe disabilities or visual impairment, English learners enrolled in a program to promote English language proficiency pursuant to section 15-752 and students who meet eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches, or an equivalent measure recognized for participating in the federal free and reduced-price lunch program and other school programs dependent on a poverty measure, including the community eligibility provision for which free and reduced-price lunch data is not available.
  - 15. "HI" means programs for pupils with hearing impairment.
- 16. "Homebound" or "hospitalized" means a pupil who is capable of profiting from academic instruction but is unable to attend school due to illness, disease, accident or other health conditions, who has been examined by a competent medical doctor and who is certified by that doctor as being unable to attend regular classes for a period of not less than three school months or a pupil who is capable of profiting from academic instruction but is unable to attend school regularly due to chronic or acute health problems, who has been examined by a competent medical doctor

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and who is certified by that doctor as being unable to attend regular classes for intermittent periods of time totaling three school months during a school year. The medical certification shall state the general medical condition, such as illness, disease or chronic health condition, that is the reason that the pupil is unable to attend school. Homebound or hospitalized includes a student who is unable to attend school for a period of less than three months due to a pregnancy if a competent medical doctor, after an examination, certifies that the student is unable to attend regular classes due to risk to the pregnancy or to the student's health.

- 17. "K-3" means kindergarten programs and grades one through three.
- 18. "K-3 reading" means reading programs for pupils in kindergarten programs and grades one, two and three.
- 19. "MD-R, A-R and SID-R" means resource programs for pupils with multiple disabilities, autism and severe intellectual disability.
- 20. "MD-SC, A-SC and SID-SC" means self-contained programs for pupils with multiple disabilities, autism and severe intellectual disability.
- 21. "MD-SSI" means a program for pupils with multiple disabilities with severe sensory impairment.
- 22. "MOID" means programs for pupils with moderate intellectual disability.
- 23. "OI-R" means a resource program for pupils with orthopedic impairments.
- 24. "OI-SC" means a self-contained program for pupils with orthopedic impairments.
- 25. "PSD" means preschool programs for children with disabilities as provided in section 15-771.
- 26. "P-SD" means programs for children who meet the definition of preschool severe delay as provided in section 15-771.
- 27. "Qualifying tax rate" means the qualifying tax rate specified in section 15-971 applied to the assessed valuation used for primary property taxes.
- 28. "Small isolated school district" means a school district that meets all of the following:
- (a) Has a student count of fewer than six hundred in kindergarten programs and grades one through eight or grades nine through twelve.
- (b) Contains no school that is fewer than thirty miles by the most reasonable route from another school, or, if road conditions and terrain make the driving slow or hazardous, fifteen miles from another school that teaches one or more of the same grades and is operated by another school district in this state.
- (c) Is designated as a small isolated school district by the superintendent of public instruction.

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- 29. "Small school district" means a school district that meets all of the following:
- (a) Has a student count of fewer than six hundred in kindergarten programs and grades one through eight or grades nine through twelve.
- (b) Contains at least one school that is fewer than thirty miles by the most reasonable route from another school that teaches one or more of the same grades and is operated by another school district in this state.
- (c) Is designated as a small school district by the superintendent of public instruction.
- 30. "Transportation revenue control limit" means the transportation revenue control limit computed as prescribed in section 15-946.
- 31. "Transportation support level" means the support level for pupil transportation operating expenses as provided in section 15-945.
  - 32. "VI" means programs for pupils with visual impairments.
- Sec. 4. Section 15-943, Arizona Revised Statutes, is amended to read:

#### 15-943. <u>Base support level</u>

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:

28	<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
29		Support Level Weight	Support Level Weight
30		For Small Isolated	For Small
31	Student Count	<u>School Districts</u>	<u>School Districts</u>
32	1-99	1.559	1.399
33	100-499	$1.358 + [0.0005 \times (500)]$	$1.278 + [0.0003 \times (500)]$
34		<pre>- student count)]</pre>	<pre>- student count)]</pre>
35	500-599	$1.158 + [0.002 \times (600)]$	$1.158 + [0.0012 \times (600)]$
36		<pre>- student count)]</pre>	<pre>- student count)]</pre>

(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
            Column 1
                                      Column 2
                                                                        Column 3
                                Support Level Weight
 2
                                                                 Support Level Weight
 3
                                 For Small Isolated
                                                                       For Small
 4
        Student Count
                                  <u>School Districts</u>
                                                                   <u>School Districts</u>
 5
              1-99
                                1.669
                                                               1.559
 6
            100-499
                                1.468 + [0.0005 \times (500)]
                                                               1.398 + [0.0004 \times (500)]
 7
                                - student count)]
                                                               - student count)]
 8
            500-599
                                1.268 + [0.002 \times (600)]
                                                               1.268 + [0.0013 \times (600)]
 9
                                - student count)]
                                                                   - student count)]
10
            2. Subject to paragraph 1 of this section, determine the weighted
11
     student count as follows:
12
            (a)
13
                                       Support
                                                                        Weighted
14
                                       Level
                                                    Student
                                                                        Student
15
     <u>Grade</u> <u>Base</u>
                         Group A
                                       Weight
                                                     Count
                                                                         Count
16
     PSD
            1.000
                     +
                         0.450
                                       1.450
                                                Χ _____
17
     K-8
            1.000
                         0.158
                                       1.158
                     +
                                                Χ
18
     9-12 1.163
                     +
                         0.105
                                       1.268
19
                                                   Subtotal
                                                                  Α
20
            (b)
21
                                       Support
                                                                        Weighted
22
     Funding
                                       Level
                                                   Student
                                                                        Student
23
     Category
                                       <u>Weight</u>
                                                    Count
                                                                         <u>Count</u>
24
     ΗI
                                       4.771
                                               Χ
25
     K-3
                                       0.060
                                               Χ
26
     K-3 reading
                                       0.040
                                               Х
27
     ELL
                                       0.115
                                               Х
28
     MD-R, A-R and
29
        SID-R
                                       6.024
                                               Χ
30
     MD-SC, A-SC and
31
        SID-SC
                                       5.988
                                       7.947
32
     MD-SSI
     0I-R
33
                                       3.158
                                               Χ
34
     OI-SC
                                       6.773
                                               Χ
35
     P-SD
                                       3.595
                                               Χ
36
     DD, ED, MIID, SLD,
37
        SLI and OHI
                                       0.292
                                               Χ
38
     ED-P
                                       4.822
                                               Х
     MOID
39
                                       4.421
                                               Χ
40
     VΙ
                                       4.806
41
     G
                                       0.007
                                               Х
42
     FRPL
                                0.018 0.022
                                               Х
43
                                               Subtotal
                                                                  В
44
            (c) Total of subtotals A and B:
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- 3. Multiply the total determined in paragraph 2 of this section by the base level.
- 4. Multiply the teacher experience index of the district or 1.00, whichever is greater, by the product obtained in paragraph 3 of this section.
- 5. For the purposes of this section, the student count is the average daily membership as prescribed in section 15-901 for the current year, except that for the purposes of computing the base support level used in determining school district rollover allocations and school district budget override amounts, the student count is the average daily membership as prescribed in section 15-901 for the prior year.
- Sec. 5. Section 15-945, Arizona Revised Statutes, is amended to read:

#### 15-945. <u>Transportation support level</u>

- A. The support level for to and from school for each school district for the current year shall be computed as follows:
- 1. Determine the approved daily route mileage of the school district for the fiscal year prior to the current year.
- 2. Multiply the figure obtained in paragraph 1 of this subsection by one hundred eighty, or for a school district that elects to provide two hundred days of instruction pursuant to section 15-902.04, multiply the figure obtained in paragraph 1 of this subsection by two hundred.
- 3. Determine the number of eligible students transported in the fiscal year prior to the current year.
- 4. Divide the amount determined in paragraph 1 of this subsection by the amount determined in paragraph 3 of this subsection to determine the approved daily route mileage per eligible student transported.
- 5. Determine the classification in column 1 of this paragraph for the quotient determined in paragraph 4 of this subsection. Multiply the product obtained in paragraph 2 of this subsection by the corresponding state support level for each route mile as provided in column 2 of this paragraph.

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33
            Column 1
                                                             Column 2
                                                      State Support Level per
34
     Approved Daily Route
35
     Mileage per Eligible
                                                           Route Mile for
36
     Student Transported
                                                      Fiscal Year 2022-2023 2023-2024
37
                                                                  <del>2.83</del> 2.89
     0.5 or less
     More than 0.5 through 1.0
38
                                                                  <del>2.32</del> 2.37
39
     More than 1.0
                                                                  <del>2.83</del> 2.89
```

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

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- B. The support level for academic education, career and technical education, vocational education and athletic trips for each school district for the current year is computed as follows:
- 1. Determine the classification in column 1 of paragraph 2 of this subsection for the quotient determined in subsection A, paragraph 4 of this section.
- 2. Multiply the product obtained in subsection A, paragraph 5 of this section by the corresponding state support level for academic education, career and technical education, vocational education and athletic trips as provided in column 2, 3 or 4 of this paragraph, whichever 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>	04	05
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.
- 2. Multiply the sum determined in paragraph 1 of this subsection by the state support level for the district determined as provided in subsection A, paragraph 5 of this section.

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- D. The transportation support level for each school district for the current year is the sum of the support level for to and from school as determined in subsection A of this section, the support level for academic education, career and technical education, vocational education and athletic trips as determined in subsection B of this section and the support level for extended school year services for pupils with disabilities as determined in subsection C of this section.
- E. The state support level for each approved route mile, as provided in subsection A, paragraph 5 of this section, shall be adjusted by the growth rate prescribed by law, subject to appropriation.
- F. School districts must provide the odometer reading for each bus as of the end of the current year and the total bus mileage during the current year.
- G. A school district may include route mileage and the number of riders to calculate funding pursuant to this section for transporting eligible students using motor vehicles described in section 15-925.
- Sec. 6. Section 15-961, Arizona Revised Statutes, as amended by Laws 2022, chapter 317, section 12, is amended to read:

15-961. <u>District additional assistance: growth rate</u>

- A. District additional assistance per student count is established as follows:
- 1. For school districts with a student count of less than one hundred for kindergarten programs and grades one through eight, \$606.88 \$663.81. For school districts with a student count of one hundred or more and less than six hundred for kindergarten programs and grades one through eight, multiply \$433.78 \$474.47 by the weight that corresponds to the student count for kindergarten programs and grades one through eight for the school district as provided in section 15-943, paragraph 1, subdivision (a), column 3. For a school district with a student count of six hundred or more in kindergarten programs and grades one through eight, the limit is \$502.33 \$549.45.
- 2. For school districts with a student count of less than one hundred for grades nine through twelve,  $\frac{670.02}{1000}$  \$732.87. For school districts with a student count of one hundred or more and less than six hundred for grades nine through twelve, multiply  $\frac{451.99}{10000}$  \$494.39 by the weight that corresponds to the student count for grades nine through twelve for the school district as provided in section 15-943, paragraph 1, subdivision (b), column 3. For a school district with a student count of six hundred or more in grades nine through twelve, the limit is  $\frac{549.33}{100000}$  \$600.86.
- 3. For programs for preschool children with disabilities,  $\frac{\$502.33}{\$549.45}$ .

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- B. District additional assistance for a school district shall be computed as follows:
- 1. Select the applicable district additional assistance per student count for the school district.
- 2. Multiply the amount or amounts selected in paragraph 1 of this subsection by the appropriate student count of the school district.
- 3. If a school district's student count used for the budget year is greater than one hundred five percent of the student count used for the current year's budget, increase the adjusted district additional assistance determined in paragraph 2 of this subsection by fifty percent of the actual percentage increase in the school district's student count.
- C. An amount for the purchase of required textbooks and related printed subject matter materials shall be used to increase the district additional assistance for a school district as determined in subsection B, paragraph 2 or 3 of this section, whichever is applicable. This amount shall equal the student count in grades nine through twelve multiplied by \$77.65 \$84.93.
- D. NOTWITHSTANDING SUBSECTIONS A, B AND C OF THIS SECTION, DISTRICT ADDITIONAL ASSISTANCE FOR A COMMON SCHOOL DISTRICT THAT IS NOT WITHIN A HIGH SCHOOL DISTRICT OR FOR A TRANSPORTING SCHOOL DISTRICT IS DISTRICT ADDITIONAL ASSISTANCE AS PRESCRIBED IN THIS SECTION BUT EXCLUDING PUPILS WHO ARE ADMITTED TO ANOTHER SCHOOL DISTRICT AS PROVIDED IN SECTION 15-824, SUBSECTION A, PARAGRAPH 2 OR 3, EXCEPT THAT IF THE SCHOOL DISTRICT TRANSPORTS HIGH SCHOOL PUPILS, THE DISTRICT ADDITIONAL ASSISTANCE AMOUNT PRESCRIBED IN THIS SECTION SHALL BE INCREASED BY AN AMOUNT EQUAL TO FIFTY PERCENT OF THE DISTRICT ADDITIONAL ASSISTANCE PER PUPIL AMOUNT PRESCRIBED FOR THE SCHOOL DISTRICT PURSUANT TO THIS SECTION MULTIPLIED BY THE NUMBER OF HIGH SCHOOL PUPILS TRANSPORTED.

Sec. 7. Repeal

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

Sec. 8. Section 15-1821.01, Arizona Revised Statutes, is amended to read:

#### 15-1821.01. <u>Dual enrollment information</u>

On a determination by a community college district governing board that it is in the best interest of the citizens of a district, the district governing board may authorize district community colleges to offer college courses that may be counted toward both high school and college graduation requirements at the high school during the school day, subject to the following:

1. The community college district governing board and the governing board of the school district or organization of which the high school is a part shall enter into an agreement or contract. These intergovernmental agreements or contracts shall be based on a uniform format that has been

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 cooperatively developed by the community college districts in this state. Each of these agreements or contracts shall clearly specify the following:

- (a) The financial provisions of the agreement or contract and the format for billing all services under the agreement or contract, including the amount that the community college received in full-time student equivalent funding pursuant to section 15-1466.01, the portion of the funding that is distributed to the school district governing board or charter school and any amount that is subsequently returned to the community college district by the school district governing board or charter school.
- (b) Student tuition and financial aid policies, including whether scholarships or grants are awarded to students in dual enrollment courses from the community college.
- (c) The accountability provisions for each party to the agreement or contract.
- (d) The responsibilities and services required of each party to the agreement or contract.
- (e) The type of instruction that will be provided under the agreement or contract, including the titles of the courses to be offered.
- (f) The quality of the instruction that will be provided under the agreement or contract.
- 2. Students shall be admitted to the community college under the policies adopted by each district, except that all students who are enrolled for college credit shall be high school freshmen, sophomores, juniors or seniors. All students who are in the course, including those not electing to enroll for college credit, shall satisfy the prerequisites for the course as published in the college catalog and shall comply with college policies regarding student placement in courses.
- 3. The courses shall be previously evaluated and approved through the curriculum approval process of the district, shall be at a higher level than taught by the high school and shall be transferable to a university under the jurisdiction of the Arizona board of regents or be applicable to an established community college occupational degree or certificate program. Physical education courses are not available for dual enrollment purposes.
- 4. College-approved textbooks, syllabuses, course outlines and grading standards that are applicable to the courses if taught at the community college shall apply to these courses and to all students in the courses offered pursuant to this section. The chief executive officer of each community college shall establish an advisory committee of full-time faculty who teach in the disciplines offered at the community college to assist in course selection and implementation in the high schools and to review and report at least annually to the chief executive officer whether the course goals and standards are understood, the course guidelines are followed and the same standards of expectation and assessment are applied

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to these courses as though they were being offered at the community college. The advisory committee of full-time faculty shall meet at least three times each academic year.

- 5. Each faculty member shall meet the requirements established by the governing board pursuant to section 15-1444. The chief executive officer of each community college district shall establish an advisory committee of full-time faculty who teach in the disciplines offered at the community college district to assist in the selection, orientation, ongoing professional development and evaluation of faculty who are teaching college courses in conjunction with the high schools. The advisory committee of full-time faculty shall meet at least two times each academic year.
- 6. A school district shall ensure that a pupil is a full-time student as defined in section 15-901 and is enrolled in and attending a full-time instructional program at a school in the school district before that pupil is allowed to enroll in a college course pursuant to this section, except that high school seniors who satisfy high school graduation requirements with less than a full-time instructional program are exempt from this paragraph.
- 7. Notwithstanding paragraph 6 of this section, homeschooled students may fully participate in dual enrollment, including receipt of college credit pursuant to this section.
- 8. AS ALLOWED UNDER COMMUNITY COLLEGE ACCREDITATION GUIDELINES, A CHILD WITH A DISABILITY AS DEFINED IN SECTION 15-761 SHALL HAVE ACCESS TO ANY SUPPLEMENTARY AID, SERVICE OR ACCOMMODATION PROVIDED IN THE CHILD'S INDIVIDUALIZED EDUCATION PROGRAM AS DEFINED IN SECTION 15-731 OR IN THE STUDENT'S SECTION 504 PLAN AS DEFINED IN SECTION 15-731.
- Sec. 9. Title 15, chapter 19, article 1, Arizona Revised Statutes, is amended by adding section 15-2406, to read:

15-2406. <u>Arizona empowerment scholarship accounts; quarterly reports</u>

WITHIN SIXTY DAYS AFTER THE LAST DAY OF EACH CALENDAR QUARTER, THE DEPARTMENT SHALL SUBMIT A REPORT, CONSISTENT WITH FEDERAL LAW, TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE DIRECTOR OF THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING. THE REPORT MUST INCLUDE ALL OF THE FOLLOWING:

- 1. THE NUMBER OF QUALIFIED STUDENTS DISAGGREGATED BY:
- (a) ELIGIBILITY CATEGORY.
- (b) FOR QUALIFIED STUDENTS WHO ARE ELIGIBLE PURSUANT TO SECTION 15-2401.01, THE NUMBER OF QUALIFIED STUDENTS WHO ATTENDED A PUBLIC SCHOOL IN THIS STATE IN THE SCHOOL YEAR IMMEDIATELY PRECEDING THE FIRST YEAR OF EACH QUALIFIED STUDENT'S ENROLLMENT IN THE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT PROGRAM.
  - (c) GRADE LEVEL.

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- (d) THE SCHOOL DISTRICT OR CHARTER SCHOOL THAT EACH QUALIFIED STUDENT ATTENDED IN THE SCHOOL YEAR IMMEDIATELY PRECEDING THE FIRST YEAR OF EACH QUALIFIED STUDENT'S ENROLLMENT IN THE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT PROGRAM, IF APPLICABLE.
  - (e) ENGLISH LANGUAGE LEARNERS.
- (f) QUALIFIED STUDENTS WHO ARE ENROLLED IN THE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT PROGRAM AS A STUDENT WITH A DISABILITY.
  - (g) THE ZIP CODE OF EACH QUALIFIED STUDENT'S PERMANENT RESIDENCE.
- 2. THE ANNUAL AWARD AMOUNT ASSOCIATED WITH EACH ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT.
- 3. THE AMOUNT OF APPROVED EXPENSES DISAGGREGATED BY TYPE OF EXPENSE AS DESCRIBED IN SECTION 15-2402, SUBSECTION B, PARAGRAPH 4.
- Sec. 10. Section 41-1276, Arizona Revised Statutes, is amended to read:

## 41-1276. <u>Truth in taxation levy for equalization assistance</u> to school districts

- A. On or before February 15 of each year, the joint legislative budget committee shall compute and transmit the truth in taxation rates for equalization assistance for school districts for the following fiscal year to:
- 1. The <del>chairperson</del> CHAIRPERSONS of the house of representatives ways and means committee and the senate finance committee, or their successor committees.
- 2. The chairperson CHAIRPERSONS of the appropriations committees of the senate and the house of representatives, or their successor committees.
- B. The truth in taxation rates consist of the qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax rate for a unified district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 2 that will offset the change in net assessed valuation of property that was subject to tax in the prior year.
- C. The joint legislative budget committee shall compute the truth in taxation rates as follows:
- 1. Determine the statewide net assessed value for the preceding tax year as provided in section 42-17151, subsection A, paragraph 3.
- 2. Determine the statewide net assessed value for the current tax year, excluding the net assessed value of property that was not subject to tax in the preceding year.
- 3. Divide the amount determined in paragraph 1 of this subsection by the amount determined in paragraph 2 of this subsection.

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- 4. Adjust the qualifying tax rates for the current fiscal year by the percentage determined in paragraph 3 of this subsection in order to offset the change in net assessed value.
- D. Except as provided in subsections E and G of this section, the qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects and the qualifying tax rate for a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects for the following fiscal year shall be the rate determined by the joint legislative budget committee pursuant to subsection C of this section. The committee shall transmit the rates to the superintendent of public instruction and the county boards of supervisors by March 15 of each year.
- E. If the legislature proposes qualifying tax rates that exceed the truth in taxation rate:
- 1. The house of representatives ways and means committee and the senate finance committee, or their successor committees, shall hold a joint hearing on or before February 28 and publish a notice of a truth in taxation hearing subject to the following requirements:
- (a) The notice shall be published twice in a newspaper of general circulation in this state that is published at the state capital. The first publication shall be at least fourteen but not more than twenty days before the date of the hearing. The second publication shall be at least seven but not more than ten days before the date of the hearing.
- (b) The notice shall be published in a location other than the classified or legal advertising section of the newspaper.
- (c) The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.
- (d) The notice shall be in the following form, with the "truth in taxation hearing notice of tax increase" headline in at least 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  $\frac{\text{total proposed taxes including the tax increase}}{\text{total proposed tax increase}}$ . Without the proposed tax increase, the total taxes that would be owed on a 100,000 home would have been

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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.
- I. Pursuant to subsection C of this section, the qualifying tax rate in tax year  $\frac{2022}{2023}$  for a high school district or a common school district within a high school district that does not offer instruction in high school subjects as provided in section 15-447 is  $\frac{$1.7133}{1.6549}$  and for a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects as provided in section 15-447 is  $\frac{$3.4266}{1.3098}$  \$3.3098.

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Sec. 11. Laws 2021, chapter 404, section 111 is amended to read:

Sec. 111. Department of administration; public school
transportation modernization grants; delayed
repeal
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- A. The public school transportation modernization grants program is established in the department of administration. The department shall select an organization to administer the program. The program administrator selected by the department must meet all of the following criteria:
- 1. Be a nonprofit organization that is exempt from taxation under section 501(c)(3) of the internal revenue code and that has experience with awarding innovation grants to both school districts and charter schools in this state that promote expanding educational options for students or innovative approaches to K-12 education.
- 2. Have previously been awarded funding from this state or the federal government to grant to school districts or charter schools in the current or previous fiscal year.
- 3. Demonstrate the ability and history to be able to provide ongoing evaluation and compliance to entities that are awarded grants pursuant to this section.
- B. The program administrator selected pursuant to subsection A of this section shall distribute grants to school districts, charter schools or other entities that are determined to be eligible grant recipients and shall do all of the following:
- 1. Develop a public school transportation modernization grant application and application procedures that require an applicant to explain how it would use grant monies to do either of the following:
- (a) Improve access to reliable and safe transportation for students who attend school through open enrollment pursuant to title 15, chapter 8, article 1.1, Arizona Revised Statutes, or who attend charter schools.
- (b) Support K-12 transportation innovations and efficiency solutions.
- 2. Make final grant determinations and awards pursuant to this section.
- 3. Submit an interim report on or before December 31, 2021 to the department of administration and an annual report on or before June 30 of each year thereafter to the governor, the president of the senate, and the speaker of the house of representatives, THE DIRECTOR OF THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING AND THE DIRECTOR OF THE JOINT LEGISLATIVE BUDGET COMMITTEE and provide a copy of these reports THIS REPORT to the secretary of state. The department of education, the department of administration and any grant recipient shall provide any information, including student finance and enrollment data, that is deemed necessary by the program administrator to complete the reports

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pursuant to this paragraph. The reports REPORT must include all of the following:

- (a) If applicable, the best practices used by grant recipients to transport K-12 students to schools outside of attendance boundaries.
- (b) A list of the grant recipients and the amounts and purposes of the grants.
  - (c) The number of students impacted per grant recipient.
- (d) A LIST OF OTHER PRESENTLY AVAILABLE TRANSPORTATION OPTIONS FOR EACH GRANT RECIPIENT.
- (e) AN EXPLANATION OF WHY THE PROPOSED TRANSPORTATION ALTERNATIVE IS NECESSARY FOR EACH GRANT RECIPIENT.
- administrator shall distribute C. The program the appropriated for the program based on demand and the most innovative solutions. The program administrator shall award at least twenty-five percent of these grants to support rural and remote proposals, except that if an insufficient number of qualified rural and remote proposals is submitted, the program administrator may award fewer than twenty-five percent of these grants to rural and remote proposals. The program administrator may retain not more than five percent of monies appropriated each fiscal year to administer the grant program pursuant to this section. Administrative expenditures may include costs of designing a public awareness effort to communicate to the public the ability to choose any public school in this state and how to learn about school choice options in this state and instructing the public how to request enrollment for pupils.
  - D. This section is repealed from and after December 31, 2024.
  - Sec. 12. Arizona civics education and leadership development program: instructional service providers: requirements; reporting requirements; fund; exemption
- A. In fiscal year 2023-2024, the department of education shall establish and administer the Arizona civics education and leadership development program to provide civics education and leadership development training to middle school and high school students in this state.
- B. The department of education shall develop procedures for eligible nonprofit organizations to apply to participate in the Arizona civics education and leadership development program in fiscal year 2023-2024. The department may approve an application if the eligible nonprofit organization meets all of the following:
- 1. Is a nonprofit organization that is exempt from taxation under section 501(c)(3) of the internal revenue code.
- 2. Provides American civics education and leadership development training to students who are at least ten years of age.
- 3. Advances the principles of a democratic republic through multigenerational civics education, civil discourse and civic engagement.

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- 4. Can provide American civics education and leadership development training to middle school or high school students in this state. The education and training must do all of the following:
  - (a) Promote civil service and civic engagement.
  - (b) Prepare students for the duties of citizenship.
- (c) Provide opportunities to identify and debate issues relating to a democratic republic.
  - (d) Include education and training on any of the following:
- (i) The history of the United States of America, the United States Constitution and the Bill of Rights.
  - (ii) The Declaration of Independence.
- (iii) The composition and roles of the branches of local, state and federal government.
- (iv) The roles and responsibilities of citizens in a democratic republic, including the importance of civil discourse.
- (v) The positive benefits for citizens in a democratic republic in contrast to other forms of government.
- (e) Include education and training on the original intent of the founding documents and principles of the United States as found in source documents, including the United States Constitution and amendments to the United States Constitution, with emphasis on the Bill of Rights, and the arguments presented in the federalist papers.
- 5. Submits a copy of the curriculum and all course materials, including instructor manuals, as part of the application.
- C. On or before June 30, 2024, each eligible nonprofit organization that is approved to participate in the program pursuant to subsection B of this section shall submit a report to the department of education that describes the following with respect to the Arizona civics education and leadership development program:
  - 1. The number and types of activities conducted.
  - 2. The number of students served.
  - 3. The outcomes achieved.
- D. The department of education shall compile the reports that it receives pursuant to subsection C of this section and submit the compiled reports to the governor, the president of the senate and the speaker of the house of representatives and shall submit a copy of the compiled reports to the secretary of state.
- E. The Arizona civics education and leadership development fund is established consisting of legislative appropriations and gifts, grants and donations to the fund. The department of education shall administer the fund and distribute monies from the fund to eligible nonprofit organizations that are approved to participate in the program pursuant to subsection B of this section. Eligible nonprofit organizations shall use monies from the fund for stipends for civics leaders and counselors, wages for program staff, educational materials, food, beverages, clothing and

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 transportation. Monies in the fund are continuously appropriated and are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

## Sec. 13. Education and career action plans; early education and career exploration program; fund; annual report; exemption; definition

- A. In fiscal year 2023-2024, the state board of education shall require public schools to:
- 1. Complete an Arizona education and career action plan for each student in grades nine through twelve before the student's graduation.
- 2. Monitor, review and update each Arizona education and career action plan created pursuant to paragraph 1 of this subsection at least one time per year.
- B. In fiscal year 2023-2024, the department of education shall establish and administer an early education and career exploration program to provide resources to public schools and to assist public schools in fulfilling the requirements prescribed by the state board of education pursuant to subsection A of this section.
- C. Subject to available monies, the department of education shall contract with a nonprofit entity to provide the following to public schools in fiscal year 2023-2024:
  - 1. A career mapping tool that does all of the following:
- (a) Matches students with apprenticeships, internships and other work-based learning opportunities.
  - (b) Provides content modules for industry-recognized career tracks.
- (c) Provides single-sign-on access for students, parents and employees of the public school.
  - (d) Provides customization options for public schools.
- (e) Allows students to continue accessing their profiles and using the career mapping tool after graduation from high school.
- (f) Provides any other educational or career exploration activities or content developed by the department of education and approved by the state board of education.
- 2. Training and resources for individuals who are implementing the requirements prescribed by the state board of education pursuant to subsection A of this section.
- D. The department of education shall coordinate with the nonprofit entity to provide the training and resources described in subsection C, paragraph 2 of this section in fiscal year 2023-2024. The department of education shall consider the enrollment size of each public school when determining what training to provide pursuant to this section.
- E. In fiscal year 2023-2024, the department of education may provide access to the career mapping tool and related training and resources described in subsection C of this section to a public school that serves any of grades six through eight. This subsection does not

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require a public school to complete, monitor, review or update an Arizona education and career action plan for students in any of grades six through eight.

- F. The early education and career exploration program fund is established consisting of legislative appropriations. The department of education shall administer the fund. Monies in the fund are continuously appropriated and are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations. Monies in the fund may be used for implementing and administering the early education and career exploration program established pursuant to subsection B of this section.
- G. On or before June 30, 2024, the department of education shall submit a report to the governor, the president of the senate and the speaker of the house of representatives and provide copies of this report to the secretary of state, the chairperson of the senate committee on education, or its successor committee, and the chairperson of the house of representatives committee on education, or its successor committee. The report shall include the following:
- 1. An overview of the implementation of the early education and career exploration program established by this act, including:
- (a) How monies from the early education and career exploration program fund were allocated.
- (b) The number of work-based learning opportunities that were created through the early education and career exploration program.
- (c) The number and grade levels of students who used the career mapping tool provided pursuant to subsection  $\mathsf{C}$ , paragraph 1 of this section.
- 2. The department of education's recommendations that the early education and career exploration program be continued, revised or repealed.
- 3. Written comments received from members of the public regarding individuals' experiences with the early education and career exploration program.
- H. For the purposes of this section, "public school" means a school district, a charter school, an individual school that is operated by a school district or the Arizona state schools for the deaf and the blind.
  - Sec. 14. Continuing high school and workforce training program; enrollment limits; retroactivity; delayed repeal
- A. Notwithstanding section 15-217.01, Arizona Revised Statutes, the state board of education may approve program schools for the continuing high school and workforce training program with a total projected full-time enrollment of:
  - 1. In fiscal year 2023-2024, not more than six hundred.
  - 2. In fiscal year 2024-2025, not more than eight hundred.

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- B. This section applies retroactively to from and after June 30, 2023.
  - C. This section is repealed from and after June 30, 2025.

# Sec. 15. <u>Live, remote instructional courses; requirements;</u> funding; incentive bonuses; reporting requirement; definition

- A. Pursuant to a written agreement with a services provider, a school district or charter school may offer a live, remote instructional course or courses for its own students in any of grades nine through twelve during the 2023-2024 and 2024-2025 school years.
- B. A school district or charter school that offers a live, remote instructional course pursuant to subsection A of this section generates average daily membership as prescribed in section 15-901, Arizona Revised Statutes, as amended by this act, for each of its own students who participate in the course. A services provider described in this section may not generate average daily membership for remote students.
- C. A services provider shall pay the instructor of the live, remote instructional course a stipend in an amount of at least twenty-five percent of the contractual amount of per-course, per-student monies.
- D. A school district or charter school that offers a live, remote instructional course pursuant to subsection A of this section shall:
- 1. Provide an in-person teacher or instructional aide for each live, remote instructional course.
- 2. Ensure that its own students who participate in a live, remote instructional course satisfy the instructional time and instructional hours requirements prescribed in section 15-901, Arizona Revised Statutes, as amended by this act.
- 3. Provide administrative functions for its own students who participate in a live, remote instructional course, including recording each student's participation in a live, remote instructional course on the student's transcript and tracking progress for graduation requirements.
- E. In the 2023-2024 and 2024-2025 school years, if a live, remote instructional course provides the relevant instruction for a qualifying examination for college credit as prescribed in section 15-249.06, Arizona Revised Statutes, the services provider shall receive any incentive bonuses provided under section 15-249.06, Arizona Revised Statutes.
- F. In the 2023-2024 and 2024-2025 school years, the department of education shall pay an incentive bonus of \$500 for each remote student who receives a passing grade in a live, remote instruction course that provides the relevant instruction for a qualifying examination identified by the Arizona board of regents pursuant to section 15-249.06, subsection B, Arizona Revised Statutes, subject to the following:
- 1. The incentive bonus established in this subsection shall be paid to the school district or charter school that acts as an instructional services provider for the live, remote instruction course or courses.

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- 2. A school district or charter school may not receive an incentive bonus pursuant to this subsection if fewer than ten remote students receive a passing grade in the course or courses.
- 3. If the statewide sum of per student bonuses awarded pursuant to this subsection exceeds the amount of available monies appropriated for incentive bonuses, the bonus monies shall be reduced proportionally to cover all eligible bonus awards.
- 4. Incentive bonuses paid pursuant to this section shall be subject to the same requirements and provisions as incentive bonuses paid pursuant to section 15-249.06. Arizona Revised Statutes.
- G. On or before June 30, 2024 and 2025, the department of education shall submit to the president of the senate, the speaker of the house of representatives, the governor, the secretary of state and the joint legislative budget committee, a report on all of the following for the current school year:
- 1. The number of students who received a passing grade in a live, remote instruction course that provides the relevant instruction for a qualifying examination at each school.
- 2. The number and types of live, remote instruction courses for which bonus awards are distributed.
- 3. The amount of bonus monies received by each school pursuant to this section.
- H. Notwithstanding section 15-901.08, Arizona Revised Statutes, a school district or charter school may provide live, remote instruction courses pursuant to this section in the school year without any impact to the school's funding.
- I. For the purposes of this section, "services provider" means a school district or charter school in this state that provides live, remote instructional courses to both:
- 1. Remote students pursuant to a written agreement with the school district or charter school in which the remote students are enrolled.
- 2. Students who are enrolled in a school operated by the services provider.

### Sec. 16. <u>Dual enrollment teacher development fund; incentive</u> bonuses

- A. The dual enrollment teacher development fund is established consisting of legislative appropriations. The department of education shall administer the fund. Monies in the fund are continuously appropriated. The department shall distribute monies in the fund in fiscal year 2023-2024 to schools to provide an incentive bonus of up to \$1,000 per teacher who both:
- 1. Satisfies the requirements for teaching a dual enrollment course adopted by a higher learning commission that accredits degree-granting postsecondary institutions in the north central region, including this state.

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- 2. Provides instruction in at least one dual enrollment course.
- B. A teacher may not receive more than one incentive bonus pursuant to subsection A of this section. If the statewide sum of per teacher bonuses awarded pursuant to subsection A of this section exceeds the amount of available monies in the dual enrollment teacher development fund, the bonus monies shall be reduced proportionally to cover all eligible bonus awards.

## Sec. 17. <u>Dual enrollment student development fund;</u> <u>eligibility; definitions</u>

- A. The dual enrollment student development fund is established within the state board of education to provide financial assistance to students who meet the criteria prescribed in this section. The department of education shall administer the fund and shall use the monies in the fund for the purposes of this section. The department shall distribute monies from the fund in fiscal year 2023-2024 to qualifying providers for reimbursements pursuant to subsection B of this section and prioritize distributions from the fund to qualifying providers that serve students who are eligible for free or reduced-price lunches. Monies in the fund are continuously appropriated.
- B. A student who obtains a passing grade in a qualifying dual enrollment course may receive a reimbursement of up to \$50 per credit hour for the qualifying dual enrollment course, subject to the following:
- 1. A student who is enrolled in grade nine or ten may not receive more than \$300 per school year.
- 2. A student who is enrolled in grade eleven or twelve may not receive more than \$600 per school year.
- 3. To be eligible to receive monies pursuant to this subsection, a student must have a grade point average of 2.5 or higher on a 4.0 scale.
  - C. For the purposes of this section:
  - "Passing grade" means a letter grade of A, B or C.
- 2. "Qualifying dual enrollment course" means a dual enrollment course that either:
- (a) Fulfills a lower division general education credit at a university under the jurisdiction of the Arizona board of regents or a community college as defined in section 15-1401, Arizona Revised Statutes.
- (b) Is a career and technical education course that is required for a program that results in a certificate, credential or license.
- 3. "Qualifying provider" means a community college, university or institution that provides a qualifying dual enrollment course.

## Sec. 18. Department of education; professional development and support personnel pilot program; reporting requirements

A. The professional development and support personnel pilot program is established within the department of education to provide funding for school districts that have a low teacher experience index calculated

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 pursuant to section 15-941, Arizona Revised Statutes, to hire professional development and support personnel.

- B. In fiscal year 2023-2024, the department of education shall distribute fifty percent of the monies appropriated for the pilot program established by subsection A of this section to school districts that are located in counties with a population of less than five hundred thousand persons and fifty percent of the monies appropriated for the pilot program established by subsection A of this section to school districts that are located in counties with a population of five hundred thousand or more persons.
- C. A school district that receives monies under this section shall ensure that professional development and support services are made available to both new teachers and teachers who are moving to a different grade or subject area.
- D. On or before September 1, 2024, each school district that received monies under this section shall submit a report to the department of education that includes all of the following information:
- 1. The average salaries of teachers in the school district who have:
  - (a) Less than one year of teaching experience.
- (b) At least one year but less than five years of teaching experience.
  - (c) Five or more years of teaching experience.
  - 2. The retention rates of teachers in the school district who have:
  - (a) Less than one year of teaching experience.
- (b) At least one year but less than five years of teaching experience.
  - (c) Five or more years of teaching experience.
- 3. Quantitative data, such as benchmark and statewide assessment data, as prescribed by the department.
- E. On or before January 1, 2025, the department of education shall compile the information contained in the reports submitted pursuant to subsection D of this section into a final collective report and shall submit the report to the governor, the president of the senate and the speaker of the house of representatives and shall provide a copy of this report to the secretary of state.
  - Sec. 19. Education programs; county jails; funding; fiscal year 2023-2024
- A. Notwithstanding section 15-913.01, Arizona Revised Statutes, for fiscal year 2023-2024, each county jail education program shall be funded as follows:
- 1. If a county jail operates its county jail education program through an accommodation school that provides alternative education services pursuant to section 15-308, Arizona Revised Statutes, each pupil enrolled in the program shall be funded at an amount equal to the amount

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for that pupil if the pupil were enrolled in another accommodation school program.

- 2. If a county jail does not operate its county jail education program through an accommodation school, the program shall be funded pursuant to section 15-913.01, Arizona Revised Statutes, except that the sum determined under section 15-913.01, subsection E, paragraph 3, subdivision (a), Arizona Revised Statutes, shall be modified as follows:
- (a) The amount prescribed in section 15-1204, subsection E, paragraph 1 or 2, Arizona Revised Statutes, is not multiplied by .72.
  - (b) The amount for capital outlay costs is \$100.
  - Sec. 20. Intent

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

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