average daily membership; student withdrawals

State of Arizona Senate Fifty-sixth Legislature First Regular Session 2023

CHAPTER 131

SENATE BILL 1174

AN ACT

AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT BUDGETS.

(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 15-901, Arizona Revised Statutes, is amended to read:

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

- A. In this title, unless the context otherwise requires:
- "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. FOR THE PURPOSES OF THIS PARAGRAPH, "withdrawals" include MEANS students who are formally withdrawn from schools and OR students who are absent for ten consecutive school days, except for excused absences identified by the department of education. FOR COMPUTATION PURPOSES, A STUDENT WHO IS ABSENT FOR NINE OR FEWER CONSECUTIVE SCHOOL DAYS, INCLUDING THE LAST DAY OF THE SCHOOL YEAR, IS NOT A WITHDRAWAL AND MAY NOT BE SUBTRACTED FROM THE TOTAL ENROLLMENT OF FRACTIONAL STUDENTS AND FULL-TIME STUDENTS. 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.

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- (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 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 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 for a one hundred eighty-day school eighty hours year. 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 instructional hours for schools that operate on one a 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

- 2 -

 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 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.

- (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

- 3 -

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.
- 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

- 4 -

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

- 5 -

- (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 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:

- 6 -

- (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 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.

- 7 -

- 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 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:
 - (a) For fiscal year 2020-2021, \$4,305.73.
 - (b) For fiscal year 2021-2022, \$4,390.65.
 - (c) For fiscal year 2022-2023, \$4,775.27.
- 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

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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 lunches. equivalent reduced-price or an 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.
- 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.
- educational improvements for pupils 14. "Group В" means 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 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 participating in the federal free and reduced-price lunch program and other school programs dependent on a poverty measure, including the

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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 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.

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- 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.
- 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.

APPROVED BY THE GOVERNOR MAY 11, 2023.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2023.

- 11 -