

REFERENCE TITLE: K-12 education; 2024-2025

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2906

Introduced by
Representative Livingston (with permission of Committee on Rules)

AN ACT

AMENDING SECTION 15-185, ARIZONA REVISED STATUTES; REPEALING SECTIONS 15-217, 15-217.01, 15-217.02 AND 15-217.03, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-536, 15-538.01, 15-901, 15-945, 15-2402, 15-2403, 28-472 AND 41-1276, ARIZONA REVISED STATUTES; AMENDING LAWS 2023, CHAPTER 142, SECTIONS 12 AND 13; REPEALING LAWS 2023, CHAPTER 142, SECTIONS 16 AND 17; APPROPRIATING MONIES; RELATING TO KINDERGARTEN THROUGH GRADE TWELVE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

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

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

15 1. The charter school shall calculate a base support level as
16 prescribed in section 15-943, except that:

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

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

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

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

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

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

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

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

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

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

16 4. Equalization assistance for the charter school shall be
17 determined by adding the amount of the base support level and charter
18 additional assistance. The amount of the charter additional assistance is
19 ~~\$2,049.12~~ \$2,090.10 per student count in preschool programs for children
20 with disabilities, kindergarten programs and grades one through eight and
21 ~~\$2,388.21~~ \$2,435.97 per student count in grades nine through twelve.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 Sec. 2. Delayed repeal

37 Sections 15-217, 15-217.01, 15-217.02 and 15-217.03, Arizona Revised
38 Statutes, are repealed from and after June 30, 2025.

39 Sec. 3. Section 15-536, Arizona Revised Statutes, is amended to
40 read:

41 15-536. Offer of contract to probationary teacher;
42 acceptance; notice to teacher of intention not to
43 reemploy; definition

44 A. ON OR AFTER MARCH 15 OF EACH YEAR, the governing board shall
45 offer a teaching contract for the next ensuing school year to each

1 probationary teacher, unless the governing board, a member of the
2 GOVERNING board acting on behalf of the GOVERNING board or the
3 superintendent of the school district gives notice to the teacher of the
4 GOVERNING board's intention not to offer a teaching contract or unless
5 such teacher has been dismissed pursuant to section 15-538, 15-539, 15-541
6 or 15-544. The teacher's acceptance of the contract for the ensuing year
7 must be indicated within fifteen business days ~~from~~ AFTER the date of the
8 teacher's receipt of the written contract or the offer is
9 revoked. Receipt under this subsection will be deemed to have occurred
10 when the written contract is personally delivered, ~~OR~~ placed in the
11 teacher's school provided mailbox, including ~~electronic mail~~ EMAIL, or two
12 days after being placed in a United States postal service mailbox. The
13 teacher accepts the contract by signing the contract and returning it to
14 the governing board or by making a written instrument that accepts the
15 terms of the contract and delivering it to the governing board. If the
16 written instrument includes terms in addition to the terms of the contract
17 offered by the GOVERNING board, the teacher fails to accept the contract.

18 B. Notice of the GOVERNING board's intention not to reemploy the
19 teacher shall be by delivering it personally to the teacher or by sending
20 it by registered or certified mail to the teacher at the teacher's place
21 of residence as recorded in the school district records. The notice shall
22 incorporate a statement of reasons for not reemploying the teacher. If
23 the reasons are charges of inadequacy of classroom performance, the
24 GOVERNING board or its authorized representative shall give the teacher
25 written preliminary notice of inadequacy, specifying the nature of the
26 inadequacy with such particularity as to furnish the teacher an
27 opportunity to correct the inadequacies and maintain adequate classroom
28 performance as defined by the governing board pursuant to section 15-538,
29 subsection C. The governing board may delegate to employees of the
30 governing board the general authority to issue preliminary notices of
31 inadequacy of classroom performance to teachers pursuant to this
32 subsection without the need for prior approval of each notice by the
33 governing board. In all cases in which an employee of the governing board
34 issues a preliminary notice of inadequacy of classroom performance without
35 prior approval by the governing board, the employee shall report its
36 issuance to the governing board within ten school days. The written
37 notice of intention not to reemploy shall include a copy of any evaluation
38 pertinent to the charges made and filed with the GOVERNING board.

39 C. This section ~~shall~~ DOES not ~~be construed to~~ provide a
40 probationary teacher with the right to a hearing pursuant to section
41 15-539, subsection F.

42 D. A certificated teacher who is currently a continuing teacher as
43 defined in section 15-538.01 but who has been designated after an
44 evaluation conducted according to the requirements pursuant to section
45 15-537 in the lowest performance classification for the current school

1 year shall become a probationary teacher ~~as defined in section 15-536~~ for
2 the subsequent school year and shall remain a probationary teacher until
3 that teacher's performance classification is designated in either of the
4 two highest performance classifications.

5 E. For the purposes of this section, "probationary teacher" means a
6 certificated teacher who is not a continuing teacher.

7 Sec. 4. Section 15-538.01, Arizona Revised Statutes, is amended to
8 read:

9 15-538.01. Offer of contract to continuing teacher;
10 definition

11 A. **ON OR AFTER MARCH 15 OF EACH YEAR**, the governing board shall
12 offer to each continuing teacher a contract renewal for the next ensuing
13 school year unless the governing board, a member of the **GOVERNING** board
14 acting on behalf of the **GOVERNING** board or the superintendent of the
15 school district gives notice to the teacher of the **GOVERNING** board's
16 intent not to offer a contract and to dismiss the teacher as provided in
17 section 15-539.

18 B. The teacher's acceptance of the contract must be indicated
19 within fifteen business days ~~from~~ **AFTER** the date of the teacher's receipt
20 of the written contract or the offer of a contract is revoked. Receipt
21 under this subsection will be deemed to have occurred when the written
22 contract is personally delivered, ~~OR~~ placed in the teacher's school
23 provided mailbox, including ~~electronic mail~~ **EMAIL**, or two days after being
24 placed in a United States postal service mailbox. The teacher accepts the
25 contract by signing the contract and returning it to the governing board
26 or by making a written instrument that accepts the terms of the contract
27 and delivering it to the governing board. If the written instrument
28 includes terms in addition to the terms of the contract offered by the
29 **GOVERNING** board, the teacher fails to accept the contract.

30 C. A certificated teacher who is currently a continuing teacher ~~as~~
31 ~~defined in this section~~ but who has been designated after an evaluation
32 conducted according to the requirements pursuant to section 15-537 in the
33 lowest performance classification for the current school year shall become
34 a probationary teacher as defined in section 15-536 for the subsequent
35 school year and shall remain a probationary teacher until that teacher's
36 performance classification is designated in either of the two highest
37 performance classifications.

38 D. For the purposes of this section, "continuing teacher" means a
39 certificated teacher who has been and is currently employed by the school
40 district for the major portion of three consecutive school years and who
41 has not been designated in the lowest performance classification for the
42 previous school year or who has not regained continuing status after being
43 designated as a probationary teacher pursuant to subsection C of this
44 section.

1 Sec. 5. Section 15-901, Arizona Revised Statutes, is amended to
2 read:

3 15-901. Definitions

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

5 1. "Average daily membership" means the total enrollment of
6 fractional students and full-time students, minus withdrawals, of each
7 school day through the first one hundred days or two hundred days in
8 session, as applicable, for the current year. For the purposes of this
9 paragraph, "withdrawals" means students who are formally withdrawn from
10 schools or students who are absent for ten consecutive school days, except
11 for excused absences identified by the department of education. For
12 computation purposes, a student who is absent for nine or fewer
13 consecutive school days, including the last day of the school year, is not
14 a withdrawal and may not be subtracted from the total enrollment of
15 fractional students and full-time students. For the purposes of this
16 section, school districts and charter schools shall report student absence
17 data to the department of education at least once every sixty days in
18 session. For computation purposes, the effective date of withdrawal shall
19 be retroactive to the last day of actual attendance of the student or
20 excused absence. A school district or charter school may satisfy any of
21 the time and hours requirements prescribed in this subsection in any
22 manner prescribed in the school district's or charter school's
23 instructional time model adopted under section 15-901.08.

24 (a) "Fractional student" means:

25 (i) For common schools, a preschool child who is enrolled in a
26 program for preschool children with disabilities of at least three hundred
27 sixty minutes each week that meets at least two hundred sixteen hours over
28 the minimum number of days or a kindergarten student who is at least five
29 years of age before January 1 of the school year and enrolled in a school
30 kindergarten program that meets at least three hundred fifty-six hours for
31 a one hundred eighty-day school year, or the instructional hours
32 prescribed in this section. In computing the average daily membership,
33 preschool children with disabilities and kindergarten students shall be
34 counted as one-half of a full-time student. For common schools, a
35 part-time student is a student enrolled for less than the total time for a
36 full-time student as defined in this section. A part-time common school
37 student shall be counted as one-fourth, one-half or three-fourths of a
38 full-time student if the student is enrolled in an instructional program
39 that is at least one-fourth, one-half or three-fourths of the time a
40 full-time student is enrolled as defined in subdivision (b) of this
41 paragraph. The hours in which a student is scheduled to attend a common
42 school during the regular school day shall be included in the calculation
43 of the average daily membership for that student.

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

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

23 (i) For common schools, a student who is at least six years of age
24 before January 1 of a school year, who has not graduated from the highest
25 grade taught in the school district and who is regularly enrolled in a
26 course of study required by the state board of education. First, second
27 and third grade students or ungraded group B children with disabilities
28 who are at least five, but under six, years of age by September 1 must be
29 enrolled in an instructional program that meets for a total of at least
30 seven hundred twelve hours for a one hundred eighty-day school year, or
31 the instructional hours prescribed in this section. Fourth, fifth, sixth,
32 seventh and eighth grade students must be enrolled in an instructional
33 program that meets for a total of at least eight hundred ninety hours for
34 a one hundred eighty-day school year, or the instructional hours
35 prescribed in this section, including the equivalent number of
36 instructional hours for schools that operate on a one hundred
37 forty-four-day school year. The hours in which a student is scheduled to
38 attend a common school during the regular school day shall be included in
39 the calculation of the average daily membership for that student.

40 (ii) For high schools, a student who has not graduated from the
41 highest grade taught in the school district and who is enrolled in at
42 least an instructional program of four or more subjects that count toward
43 graduation as defined by the state board of education, each of which, if
44 taught each school day for the minimum number of days required in a school
45 year, would meet a minimum of one hundred twenty-three hours a year, or

1 the equivalent, that meets for a total of at least seven hundred twenty
 2 hours for a one hundred eighty-day school year, or the instructional hours
 3 prescribed in this section in a recognized high school. A full-time
 4 student shall not be counted more than once for computation of average
 5 daily membership. The average daily membership of a full-time high school
 6 student shall be 1.0 if the student is enrolled in at least four subjects
 7 that meet at least seven hundred twenty hours for a one hundred eighty-day
 8 school year, or the equivalent instructional hours prescribed in this
 9 section. The hours in which a student is scheduled to attend a high
 10 school during the regular school day shall be included in the calculation
 11 of the average daily membership for that student.

12 (iii) If a child who has not reached five years of age before
 13 September 1 of the current school year is admitted to kindergarten and
 14 repeats kindergarten in the following school year, a school district or
 15 charter school is not eligible to receive basic state aid on behalf of
 16 that child during the child's second year of kindergarten. If a child who
 17 has not reached five years of age before September 1 of the current school
 18 year is admitted to kindergarten but does not remain enrolled, a school
 19 district or charter school may receive a portion of basic state aid on
 20 behalf of that child in the subsequent year. A school district or charter
 21 school may charge tuition for any child who is ineligible for basic state
 22 aid pursuant to this item.

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

26 (v) Except as otherwise provided by law, for any student who is
 27 concurrently enrolled in a school district and a charter school, the
 28 average daily membership shall be apportioned between the school district
 29 and the charter school and shall not exceed 1.0. The apportionment shall
 30 be based on the percentage of total time that the student is enrolled in
 31 or in attendance at the school district and the charter school.

32 (vi) Except as otherwise provided by law, for any student who is
 33 concurrently enrolled, pursuant to section 15-808, in a school district
 34 and Arizona online instruction or a charter school and Arizona online
 35 instruction, the average daily membership shall be apportioned between the
 36 school district and Arizona online instruction or the charter school and
 37 Arizona online instruction and shall not exceed 1.0. The apportionment
 38 shall be based on the percentage of total time that the student is
 39 enrolled in or in attendance at the school district and Arizona online
 40 instruction or the charter school and Arizona online instruction.

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

43 (c) "Regular school day" means the regularly scheduled class
 44 periods intended for instructional purposes. Instructional purposes may
 45 include core subjects, elective subjects, lunch, study halls, music

1 instruction and other classes that advance the academic instruction of
2 pupils. Instructional purposes do not include athletic practices or
3 extracurricular clubs and activities.

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

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

9 (a) Grades one through eight.

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

11 4. "Current year" means the fiscal year in which a school district
12 is operating.

13 5. "Daily attendance" means:

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

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

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

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

41 (iv) Of the seventh or eighth grades attends more than
42 three-quarters of the instructional time scheduled for the day, except as
43 provided in section 15-797. A school district or charter school may
44 satisfy any of the time and hours requirements prescribed in this item in

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

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

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

15 (ii) If attendance for all pupils in the school is based on half
16 days, the attendance of at least three-quarters of the instructional time
17 scheduled for the day shall be counted as a full day's attendance and
18 attendance at a minimum of one-half but less than three-quarters of the
19 instructional time scheduled for the day equals one-half day of
20 attendance. A school district or charter school may satisfy any of the
21 time and hours requirements prescribed in this item in any manner
22 prescribed in the school district's or charter school's instructional time
23 model adopted under section 15-901.08.

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

33 (d) For high schools, the attendance of a pupil shall not be
34 counted as a full day unless the pupil is actually and physically in
35 attendance and enrolled in and carrying four subjects, each of which, if
36 taught each school day for the minimum number of days required in a school
37 year, would meet a minimum of one hundred twenty-three hours a year, or
38 the equivalent, that count toward graduation in a recognized high school
39 except as provided in section 15-797 and subdivision (e) of this
40 paragraph. Attendance of a pupil carrying less than the load prescribed
41 shall be prorated. A school district or charter school may satisfy any of
42 the time and hours requirements prescribed in this subdivision in any
43 manner prescribed in the school district's or charter school's
44 instructional time model adopted under section 15-901.08.

1 (e) For high schools, the attendance of a pupil may be counted as
2 one-fourth of a day's attendance for each sixty minutes of instructional
3 time in a subject that counts toward graduation, except that attendance
4 for a pupil shall not exceed the pupil's full or fractional membership. A
5 school district or charter school may satisfy any of the time and hours
6 requirements prescribed in this subdivision in any manner prescribed in
7 the school district's or charter school's instructional time model adopted
8 under section 15-901.08.

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

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

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

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

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

39 7. "District support level" means the base support level plus the
40 transportation support level.

41 8. "Eligible students" means:

42 (a) Students who are transported by or for a school district and
43 who qualify as full-time students or fractional students, except students
44 for whom transportation is paid by another school district or a county
45 school superintendent, and:

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

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

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

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

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

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

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

36 11. "High school district" means a political subdivision of this
37 state offering instruction to students for grades nine through twelve or
38 that portion of the budget of a common school district that is allocated
39 to teaching high school subjects with permission of the state board of
40 education.

41 12. "Instructional hours" or "instructional time" means hours or
42 time spent pursuant to an instructional time model adopted under section
43 15-901.08.

44 13. "Revenue control limit" means the base revenue control limit
45 plus the transportation revenue control limit.

1 14. "Student count" means average daily membership as prescribed in
2 this subsection for the fiscal year before the current year, except that
3 for the purpose of budget preparation student count means average daily
4 membership as prescribed in this subsection for the current year.

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

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

9 17. "Total students transported" means all eligible students
10 transported from their place of residence to a school transportation
11 pickup point or to the school of attendance and from the school of
12 attendance or from the school transportation scheduled return point to
13 their place of residence.

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

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

18 1. "Base" means the revenue level per student count specified by
19 the legislature.

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

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

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

24 ~~(c)~~ (b) For fiscal year 2023-2024, \$4,914.71.

25 (c) FOR FISCAL YEAR 2024-2025, \$5,013.00.

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

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

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

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

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

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

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

9 10. "FRPL" means students who meet the eligibility requirements
10 established under the national school lunch and child nutrition acts
11 (42 United States Code sections 1751 through 1793) for free or
12 reduced-price lunches, or an equivalent measure recognized for
13 participating in the federal free and reduced-price lunch program and
14 other school programs dependent on a poverty measure, including the
15 community eligibility provision for which free and reduced-price lunch
16 data is not available.

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

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

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

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

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

32 14. "Group B" means educational improvements for pupils in
33 kindergarten programs and grades one through three, educational programs
34 for autism, a hearing impairment, a moderate intellectual disability,
35 multiple disabilities, multiple disabilities with severe sensory
36 impairment, orthopedic impairments, preschool severe delay, a severe
37 intellectual disability and emotional disabilities for school age pupils
38 enrolled in private special education programs or in school district
39 programs for children with severe disabilities or visual impairment,
40 English learners enrolled in a program to promote English language
41 proficiency pursuant to section 15-752 and students who meet the
42 eligibility requirements established under the national school lunch and
43 child nutrition acts (42 United States Code sections 1751 through 1793)
44 for free or reduced-price lunches, or an equivalent measure recognized for
45 participating in the federal free and reduced-price lunch program and

1 other school programs dependent on a poverty measure, including the
2 community eligibility provision for which free and reduced-price lunch
3 data is not available.

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

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

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

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

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

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

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

33 22. "MOID" means programs for pupils with moderate intellectual
34 disability.

35 23. "OI-R" means a resource program for pupils with orthopedic
36 impairments.

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

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

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

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

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

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

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

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

12 29. "Small school district" means a school district that meets all
13 of the following:

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

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

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

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

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

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

26 Sec. 6. Section 15-945, Arizona Revised Statutes, is amended to
27 read:

28 15-945. Transportation support level

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

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

33 2. Multiply the figure obtained in paragraph 1 of this subsection
34 by one hundred eighty, or for a school district that elects to provide **AT**
35 **LEAST** two hundred days of instruction pursuant to section 15-902.04,
36 multiply the figure obtained in paragraph 1 of this subsection by two
37 hundred.

38 3. Determine the number of eligible students transported in the
39 fiscal year prior to the current year.

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

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

<u>Column 1</u>	<u>Column 2</u>
Approved Daily Route Mileage per Eligible Student Transported	State Support Level per Route Mile for Fiscal Year 2023-2024 2024-2025
10 0.5 or less	2.89 2.95
11 More than 0.5 through 1.0	2.37 2.42
12 More than 1.0	2.89 2.95

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

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

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

22 2. Multiply the product obtained in subsection A, paragraph 5 of
 23 this section by the corresponding state support level for academic
 24 education, career and technical education, vocational education and
 25 athletic trips as provided in column 2, 3 or 4 of this paragraph,
 26 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 Student Transported	District Type <u>02 or 03</u>	District Type <u>04</u>	District Type <u>05</u>
31 0.5 or less	0.15	0.10	0.25
32 More than 0.5 through 1.0	0.15	0.10	0.25
33 More than 1.0	0.18	0.12	0.30

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

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

43 1. Determine the sum of the following:
 44 (a) The total number of miles driven by all buses of a school
 45 district while transporting eligible pupils with disabilities on scheduled

1 routes from their residence to the school of attendance and from the
2 school of attendance to their residence on routes for extended school year
3 services in accordance with section 15-881.

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

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

15 D. The transportation support level for each school district for
16 the current year is the sum of the support level for to and from school as
17 determined in subsection A of this section, the support level for academic
18 education, career and technical education, vocational education and
19 athletic trips as determined in subsection B of this section and the
20 support level for extended school year services for pupils with
21 disabilities as determined in subsection C of this section.

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

25 F. School districts must provide the odometer reading for each bus
26 as of the end of the current year and the total bus mileage during the
27 current year.

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

31 Sec. 7. Section 15-2402, Arizona Revised Statutes, is amended to
32 read:

33 15-2402. Arizona empowerment scholarship accounts; funds

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

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

39 1. Use a portion of the Arizona empowerment scholarship account
40 monies allocated annually to provide an education for the qualified
41 student in at least the subjects of reading, grammar, mathematics, social
42 studies and science, unless the Arizona empowerment scholarship account is
43 allocated monies according to a transfer schedule other than quarterly
44 transfers pursuant to section 15-2403, subsection G.

1 2. Not enroll the qualified student in a school district or charter
2 school and release the school district from all obligations to educate the
3 qualified student. This paragraph does not:

4 (a) Relieve the school district or charter school that the
5 qualified student previously attended from the obligation to conduct an
6 evaluation pursuant to section 15-766.

7 (b) Require ~~a~~ THE qualified student to withdraw from a school
8 district or charter school before enrolling for an Arizona empowerment
9 scholarship account if the qualified student withdraws from the school
10 district or charter school before receiving any monies in the qualified
11 student's Arizona empowerment scholarship account.

12 (c) Prevent ~~a~~ THE qualified student from applying in advance for
13 an Arizona empowerment scholarship account to be funded beginning the
14 following school year, SUBJECT TO SECTION 15-2403, SUBSECTION H.

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

19 4. Use monies deposited in the qualified student's Arizona
20 empowerment scholarship account only for the following expenses of the
21 qualified student:

22 (a) Tuition or fees at a qualified school THAT REQUIRES ALL
23 TEACHING STAFF AND PERSONNEL WHO HAVE UNSUPERVISED CONTACT WITH STUDENTS
24 TO BE FINGERPRINTED.

25 (b) Textbooks required by a qualified school.

26 (c) If the qualified student meets any of the criteria specified in
27 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) as
28 determined by a school district or by an independent third party pursuant
29 to section 15-2403, subsection J, the qualified student may use the
30 following additional services:

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

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

36 (iii) Tuition for vocational and life skills education approved by
37 the department.

38 (iv) Associated goods and services that include educational and
39 psychological evaluations, assistive technology rentals and braille
40 translation goods and services approved by the department.

41 (d) Tutoring or teaching services provided by an individual WHO IS
42 NOT SUBJECT TO DISCIPLINARY ACTION BY THE STATE BOARD OF EDUCATION FOR
43 IMMORAL OR UNPROFESSIONAL CONDUCT PURSUANT TO SECTION 15-505 OR 15-534.04
44 or A facility THAT IS accredited by a state, regional or national
45 accrediting organization. THE DEPARTMENT SHALL ENSURE ANY INDIVIDUAL WHO

1 PROVIDES TUTORING OR TEACHING SERVICES TO ONE OR MORE QUALIFIED STUDENTS
2 PURSUANT TO THIS SUBDIVISION IS NOT SUBJECT TO DISCIPLINARY ACTION BY THE
3 STATE BOARD OF EDUCATION. THE DEPARTMENT SHALL ALSO REMOVE ANY INDIVIDUAL
4 WHO IS SUBJECT TO DISCIPLINARY ACTION BY THE STATE BOARD OF EDUCATION FROM
5 ALL PLATFORMS THAT THE DEPARTMENT PROVIDES TO PARENTS AND QUALIFIED
6 STUDENTS FOR THE PURCHASE OF GOODS OR EDUCATIONAL SERVICES USING ACCOUNT
7 MONIES.

8 (e) Curricula and supplementary materials.

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

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

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

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

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

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

18 (l) Insurance or surety bond payments.

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

20 (n) If the qualified student meets the criteria specified in
21 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) and
22 if the qualified student is in the second year prior to the final year of
23 a contract executed pursuant to this article, costs associated with an
24 annual education plan conducted by an independent evaluation team. The
25 department shall prescribe minimum qualifications for independent
26 evaluation teams pursuant to this subdivision and factors that teams must
27 use to determine whether the qualified student shall be eligible to
28 continue to receive monies pursuant to this article through the school
29 year in which the qualified student reaches twenty-two years of age. An
30 independent evaluation team that provides an annual education plan
31 pursuant to this subdivision shall submit a written report that summarizes
32 the results of the evaluation to the parent of the qualified student and
33 to the department on or before July 31. The written report submitted by
34 the independent evaluation team is valid for one year. If the department
35 determines that the qualified student meets the eligibility criteria
36 prescribed in the annual education plan, the qualified student is eligible
37 to continue to receive monies pursuant to this article until the qualified
38 student reaches twenty-two years of age, subject to annual review. A
39 parent may appeal the department's decision pursuant to title 41, chapter
40 6, article 10. As an addendum to a qualified student's final-year
41 contract, the department shall provide the following written information
42 to the parent of the qualified student:

1 (i) That the qualified student will not be eligible to continue to
2 receive monies pursuant to this article unless the results of an annual
3 education plan conducted pursuant to this subdivision demonstrate that the
4 qualified student meets the eligibility criteria prescribed in the annual
5 education plan.

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

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

11 (o) Public transportation services in this state, including a
12 commuter pass for the qualified student, or transportation network
13 services as defined in section 28-9551 between the qualified student's
14 residence and a qualified school in which the qualified student is
15 enrolled.

16 (p) Computer hardware and technological devices primarily used for
17 an educational purpose. For the purposes of this subdivision, "computer
18 hardware and technological devices":

19 (i) Includes calculators, personal computers, laptops, tablet
20 devices, microscopes, telescopes and printers.

21 (ii) Does not include entertainment and other primarily
22 noneducational devices, including televisions, telephones, video game
23 consoles and accessories, and home theatre and audio equipment.

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

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

28 (a) Computer hardware or other technological devices, except as
29 otherwise allowed under paragraph 4, subdivision (c) or (p) of this
30 subsection.

31 (b) Transportation of the pupil, except for transportation services
32 described in paragraph 4, subdivision (o) of this subsection.

33 C. In exchange for the parent's agreement pursuant to subsection B
34 of this section, the department shall transfer from the monies that would
35 otherwise be allocated to a recipient's prior school district, or if the
36 child is currently eligible to attend a preschool program for children
37 with disabilities, a kindergarten program or any of grades one through
38 twelve, the monies that the department determines would otherwise be
39 allocated to a recipient's expected school district of attendance, to the
40 treasurer for deposit into an Arizona empowerment scholarship account an
41 amount that is equivalent to ninety percent of the sum of the base support
42 level and additional assistance prescribed in sections 15-185 and 15-943
43 for that particular student if that student were attending a charter
44 school.

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

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

27 F. A parent must renew the qualified student's Arizona empowerment
 28 scholarship account on an annual basis. **THE DEPARTMENT OF EDUCATION SHALL**
 29 **VERIFY THAT THE PARENT'S CHILD IS A QUALIFIED STUDENT AS DEFINED IN**
 30 **SECTION 15-2401 OR 15-2401.01 IN THE YEAR FOR WHICH THE PARENT SEEKS TO**
 31 **RENEW THE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT.**

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

36 H. If a parent does not renew the qualified student's Arizona
 37 empowerment scholarship account for a period of three academic years, the
 38 department shall notify the parent that the qualified student's account
 39 will be closed in sixty calendar days. The notification must be sent
 40 through certified mail, email and telephone, if applicable. The parent
 41 has sixty calendar days to renew the qualified student's Arizona
 42 empowerment scholarship account. If the parent chooses not to renew or
 43 does not respond in sixty calendar days, the department shall close the
 44 account and any remaining monies shall be returned to the state.

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

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

7 K. Notwithstanding subsection H of this section, on the qualified
8 student's graduation from a postsecondary institution or after any period
9 of four consecutive years after high school graduation in which the
10 student is not enrolled in an eligible postsecondary institution, but not
11 before this time as long as the account holder continues using a portion
12 of account monies for ~~eligible~~ ALLOWABLE expenses each year and is in good
13 standing, the qualified student's Arizona empowerment scholarship account
14 shall be closed and any remaining monies shall be returned to the state.

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

17 Sec. 8. Section 15-2403, Arizona Revised Statutes, is amended to
18 read:

19 15-2403. Arizona empowerment scholarship accounts;
20 administration; appeals; risk-based audits; rules;
21 policy handbook

22 A. The treasurer may contract with private financial management
23 firms to manage Arizona empowerment scholarship accounts.

24 B. The department shall conduct or contract for annual audits of
25 Arizona empowerment scholarship accounts to ensure compliance with section
26 15-2402, subsection B, paragraph 4. The department shall also conduct or
27 contract for random, quarterly and annual audits of Arizona empowerment
28 scholarship accounts as needed to ensure compliance with section 15-2402,
29 subsection B, paragraph 4. THE DEPARTMENT, IN CONSULTATION WITH THE
30 OFFICE OF THE AUDITOR GENERAL, SHALL DEVELOP RISK-BASED AUDITING
31 PROCEDURES FOR AUDITS CONDUCTED PURSUANT TO THIS SUBSECTION.

32 C. THE DEPARTMENT SHALL ANNUALLY REVIEW A SAMPLE OF ARIZONA
33 EMPOWERMENT SCHOLARSHIP ACCOUNTS, SELECTED AT RANDOM, TO DETERMINE WHETHER
34 THE PARENT OR QUALIFIED STUDENT IS IN COMPLIANCE WITH THE TERMS OF THE
35 CONTRACT, APPLICABLE LAWS, RULES AND ORDERS RELATING TO THE ARIZONA
36 EMPOWERMENT SCHOLARSHIP ACCOUNTS PROGRAM. THE ARIZONA EMPOWERMENT
37 SCHOLARSHIP ACCOUNT OF A PARENT OR QUALIFIED STUDENT WHO IS IN GOOD
38 STANDING MAY BE RANDOMLY SELECTED PURSUANT TO THIS SUBSECTION ONLY ONE
39 TIME DURING ANY FIVE-YEAR PERIOD. THIS SUBSECTION DOES NOT ALLOW A
40 QUALIFIED STUDENT TO RECEIVE MONIES IN AN ARIZONA EMPOWERMENT SCHOLARSHIP
41 ACCOUNT WHILE THE QUALIFIED STUDENT IS ENROLLED IN A SCHOOL DISTRICT OR
42 CHARTER SCHOOL. The department may remove any parent or qualified student
43 from eligibility for an Arizona empowerment scholarship account if the
44 parent or qualified student fails to comply with the terms of the contract
45 or applicable laws, rules or orders or knowingly misuses monies or

1 knowingly fails to comply with the terms of the contract with intent to
2 defraud and shall notify the treasurer. The department shall notify the
3 treasurer to suspend the account of a parent or qualified student and
4 shall notify the parent or qualified student in writing that the account
5 has been suspended and that no further transactions will be allowed or
6 disbursements made. The notification shall specify the reason for the
7 suspension and state that the parent or qualified student has fifteen
8 days, not including weekends, to respond and take corrective action. If
9 the parent or qualified student refuses or fails to contact the
10 department, furnish any information or make any report that may be
11 required for reinstatement within the fifteen-day period, the department
12 may remove the parent or qualified student pursuant to this subsection.

13 D. A parent may appeal to the state board of education any
14 administrative decision the department makes pursuant to this article,
15 including determinations of allowable expenses, removal from the program
16 or enrollment eligibility. The department shall notify the parent in
17 writing that the parent may appeal any administrative decision under this
18 article and the process by which the parent may appeal at the same time
19 the department notifies the parent of an administrative decision under
20 this article. The state board of education shall establish an appeals
21 process, and the department shall post this information on the
22 department's website in the same location as the policy handbook developed
23 pursuant to subsection K of this section.

24 E. A parent may represent himself or herself or designate a
25 representative, not necessarily an attorney, before any appeals hearing
26 held pursuant to this section. Any ~~such~~ designated representative who is
27 not an attorney admitted to practice may not charge for any services
28 rendered in connection with ~~such a~~ THE hearing. The fact that a
29 representative participated in the hearing or assisted the account holder
30 is not grounds for reversing any administrative decision or order if the
31 evidence supporting the decision or order is substantial, reliable and
32 probative.

33 F. The state board of education may refer cases of substantial
34 misuse of monies to the attorney general for the purpose of collection or
35 for the purpose of a criminal investigation if the state board of
36 education obtains evidence of fraudulent use of an account.

37 G. The department shall make quarterly transfers of the amount
38 calculated pursuant to section 15-2402, subsection C to the treasurer for
39 deposit in the Arizona empowerment scholarship account of each qualified
40 student, except the department may make transfers according to another
41 transfer schedule if the department determines a transfer schedule other
42 than quarterly transfers is necessary to operate the Arizona empowerment
43 scholarship account.

1 H. The department shall accept applications between July 1 and June
2 30 of each year. The department shall ~~enroll and~~ issue an award letter to
3 eligible applicants within thirty days after receipt of a completed
4 application and all required documentation. IF AN ELIGIBLE APPLICANT
5 COMPLETES AN APPLICATION IN ADVANCE FOR AN ARIZONA EMPOWERMENT SCHOLARSHIP
6 ACCOUNT TO BE FUNDED BEGINNING ON A LATER DATE, THE DEPARTMENT MAY ENROLL
7 THE ELIGIBLE APPLICANT ON THE LATER DATE, EXCEPT THAT THE DEPARTMENT MAY
8 NOT ENROLL THE APPLICANT MORE THAN TWO FISCAL QUARTERS AFTER THE FISCAL
9 QUARTER IN WHICH THE APPLICATION IS COMPLETED OR ON A DATE THAT IS AFTER
10 MARCH 31 AND BEFORE JULY 1. IF AN ELIGIBLE APPLICANT COMPLETES AN
11 APPLICATION AFTER MARCH 31 AND BEFORE JULY 1, THE DEPARTMENT SHALL ENROLL
12 THE APPLICANT ON OR AFTER JULY 1. THE DEPARTMENT SHALL ENROLL ALL OTHER
13 ELIGIBLE APPLICANTS WHEN THE DEPARTMENT ISSUES AN AWARD LETTER PURSUANT TO
14 THIS SUBSECTION. On or before ~~May 30~~ SEPTEMBER 1 AND NOVEMBER 1 of each
15 year, the department shall furnish to the joint legislative budget
16 committee AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING an
17 estimate of the amount required to fund Arizona empowerment scholarship
18 accounts for the following fiscal year. The department shall include in
19 its budget request for the following fiscal year the amount estimated
20 pursuant to section 15-2402, subsection C for each qualified student.

21 I. The state board of education may adopt rules and policies
22 necessary to administer Arizona empowerment scholarship accounts,
23 including rules and policies:

24 1. For establishing an appeals process pursuant to subsection D of
25 this section.

26 2. For conducting or contracting for examinations of the use of
27 account monies, CONSISTENT WITH SUBSECTION L OF THIS SECTION.

28 3. For conducting or contracting for random, quarterly and annual
29 reviews of accounts.

30 4. For establishing or contracting for the establishment of an
31 online anonymous fraud reporting service.

32 5. For establishing an anonymous telephone hotline for fraud
33 reporting.

34 6. That require a surety bond or insurance for account holders.

35 J. The department shall contract with an independent third party
36 for the purposes of determining whether a qualified student is eligible to
37 receive educational therapies or services pursuant to section 15-2402,
38 subsection B, paragraph 4, subdivision (c). If during any period on or
39 after January 1, 2023 the department fails to ensure that a contract with
40 an independent third party is in effect, during that period:

41 1. The county school superintendent of each county may approve a
42 list of independent third parties within the county whose evaluation may
43 be used to determine whether a QUALIFIED student who resides within the
44 county is eligible to receive educational therapies or services pursuant
45 to section 15-2402, subsection B, paragraph 4, subdivision (c).

1 2. If the county school superintendent of a county does not provide
2 a list of approved independent third parties within ninety days after the
3 beginning of any period during which the department does not have a
4 contract with an independent third party in effect as described in this
5 subsection, the parent of a QUALIFIED student who resides within the
6 county has the right to obtain an independent educational evaluation from
7 a qualified examiner to determine whether the QUALIFIED student is
8 eligible to receive educational therapies or services pursuant to section
9 15-2402, subsection B, paragraph 4, subdivision (c). The expense for an
10 educational evaluation undertaken pursuant to this paragraph shall be
11 provided by the school district within which the QUALIFIED student resides
12 and that serves the grade level of the QUALIFIED student. For the
13 purposes of this paragraph, "qualified examiner" means a licensed
14 physician, psychiatrist or psychologist.

15 K. On or before July 1 of each year, the department shall develop
16 an applicant and participant handbook that includes information relating
17 to policies and processes of Arizona empowerment scholarship accounts.
18 The policy handbook shall comply with the rules adopted by the state board
19 of education pursuant to this section. The department shall post the
20 handbook on ~~its~~ THE DEPARTMENT'S website.

21 L. THE DEPARTMENT SHALL:

22 1. ESTABLISH AND MAINTAIN AN ONLINE DATABASE OF ALLOWABLE AND
23 DISALLOWED CATEGORIES OF EXPENSES AND PROVIDE A LINK TO THE DATABASE ON
24 THE DEPARTMENT'S WEBSITE.

25 2. ALLOW THE USE OF ACCOUNT MONIES TO REIMBURSE THE PARENT OF A
26 QUALIFIED STUDENT OR A QUALIFIED STUDENT FOR THE PURCHASE OF A GOOD OR
27 EDUCATIONAL SERVICE THAT IS AN ALLOWABLE EXPENSE PURSUANT TO SECTION
28 15-2402, SUBSECTION B.

29 ~~t.~~ M. Except for cases in which the attorney general determines
30 that a parent or account holder has committed fraud, any expenditure from
31 an Arizona empowerment scholarship account for a purchase that ~~is deemed~~
32 ~~ineligible~~ THE DEPARTMENT DETERMINES IS NOT AN ALLOWABLE EXPENSE pursuant
33 to section 15-2402 and that is subsequently repaid by the parent or
34 account holder shall be credited back to the Arizona empowerment
35 scholarship account balance within thirty days after the receipt of
36 payment.

37 ~~M.~~ N. If, in response to an appeal of an administrative decision
38 made by the department, the state board of education issues a stay of an
39 Arizona empowerment scholarship account suspension pursuant to rules
40 adopted by the board, the department may not withhold funding or contract
41 renewal for the account holder ~~on account~~ BECAUSE of the appealed
42 administrative decision during the stay unless directed by the board to do
43 so.

1 Sec. 9. Section 28-472, Arizona Revised Statutes, is amended to
2 read:

3 28-472. Fleet operation services; records; rules; vehicle
4 replacement rate; participating agencies;
5 coordinator; public service announcements; annual
6 report

7 A. The director shall operate the state motor vehicle fleet for the
8 purpose of providing fleet operation services to agencies. The director
9 shall make fleet operation services available to an agency on the request
10 of the chosen representative for that agency.

11 B. The director is responsible for administering the state motor
12 vehicle fleet, including:

13 1. Procuring motor vehicles for the state motor vehicle fleet.

14 2. Notwithstanding title 41, chapter 23, article 8, administering
15 the surplus and sale of motor vehicles in the state motor vehicle fleet.

16 C. The director shall provide for detailed cost, operation,
17 maintenance, mileage and custody records for each state-owned motor
18 vehicle.

19 D. The director may adopt rules necessary to administer this
20 article.

21 E. The department shall recover all costs for fleet operation
22 services that are provided to an agency. Each agency shall pay from
23 available monies the cost of fleet operation services received from the
24 department at a rate determined by the director, including a separate
25 vehicle replacement rate for motor vehicle replacements. The director
26 shall deposit, pursuant to sections 35-146 and 35-147, monies received for
27 fleet operation services in the state fleet operations fund established by
28 section 28-475. The director shall deposit, pursuant to sections 35-146
29 and 35-147, monies received to pay the vehicle replacement rate in the
30 state vehicle replacement fund established by section 28-476.

31 F. The following agencies are excluded from participation in the
32 state motor vehicle fleet:

33 1. The department of public safety.

34 2. The department of economic security.

35 3. The state department of corrections.

36 4. Universities and community colleges.

37 ~~5. The Arizona state schools for the deaf and the blind.~~

38 ~~6.~~ 5. The cotton research and protection council.

39 ~~7.~~ 6. The Arizona commerce authority.

40 ~~8.~~ 7. The department of child safety.

41 ~~9.~~ 8. The department of transportation.

42 G. The director shall appoint a state motor vehicle fleet
43 coordinator.

1 H. An agency may not purchase, lease or rent a motor vehicle unless
2 the agency is excluded from participation in the state motor vehicle fleet
3 by subsection F of this section. The director may withhold registration
4 for any motor vehicle that is purchased, leased or rented in violation of
5 this subsection.

6 I. Notwithstanding subsection H of this section, an agency that
7 administers a separate account pursuant to section 28-476, subsection C
8 shall control the purchase, lease or rental of motor vehicles. Vehicles
9 purchased, leased or rented under this subsection shall be used by the
10 agency only for the agency's purposes.

11 J. An agency listed in subsection F of this section may elect to
12 participate in the state motor vehicle fleet by executing an interagency
13 service agreement between the agency and the department.

14 K. A governmental budget unit of this state that is not an agency
15 may elect to participate in the state motor vehicle fleet by entering into
16 an interagency service agreement with the department.

17 L. An agency, including an agency listed in subsection F of this
18 section, may accept compensation for placing public service announcements
19 on state-owned motor vehicles, and monies received shall be deposited,
20 pursuant to sections 35-146 and 35-147, in the state general fund. The
21 agency director shall determine the appropriateness of the announcements,
22 may exempt any motor vehicles that are not suitable for advertising and
23 may contract with private parties to design and place the announcements.

24 M. On or before October 1 of each year, the department shall submit
25 to the joint legislative budget committee and the governor's office of
26 strategic planning and budgeting a report that accounts for all monies
27 deposited in the state fleet operations fund established by section 28-475
28 and the state vehicle replacement fund established by section 28-476,
29 including any monies allocated to separate agency accounts. The report
30 shall also include the number of motor vehicles that were replaced in the
31 prior fiscal year, the number of motor vehicles at each agency, the
32 replacement life cycle for each motor vehicle and the number of motor
33 vehicles the department identifies as not requiring replacement.

34 Sec. 10. Section 41-1276, Arizona Revised Statutes, is amended to
35 read:

36 41-1276. Truth in taxation levy for equalization assistance
37 to school districts

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

42 1. The chairpersons of the house of representatives ways and means
43 committee and the senate finance committee, or their successor committees.

44 2. The chairpersons of the appropriations committees of the senate
45 and the house of representatives, or their successor committees.

1 B. The truth in taxation rates consist of the qualifying tax rate
2 for a high school district or a common school district within a high
3 school district that does not offer instruction in high school subjects
4 pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax
5 rate for a unified district, a common school district not within a high
6 school district or a common school district within a high school district
7 that offers instruction in high school subjects pursuant to section
8 15-971, subsection B, paragraph 2 that will offset the change in net
9 assessed valuation of property that was subject to tax in the prior year.

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

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

14 2. Determine the statewide net assessed value for the current tax
15 year, excluding the net assessed value of property that was not subject to
16 tax in the preceding year.

17 3. Divide the amount determined in paragraph 1 of this subsection
18 by the amount determined in paragraph 2 of this subsection.

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

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

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

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

39 (a) The notice shall be published twice in a newspaper of general
40 circulation in this state that is published at the state capital. The
41 first publication shall be at least fourteen but not more than twenty days
42 before the date of the hearing. The second publication shall be at least
43 seven but not more than ten days before the date of the hearing.

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

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

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

6 Truth in Taxation Hearing
7 Notice of Tax Increase

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

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

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

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

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

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

34 G. Notwithstanding any other law, the legislature shall not adopt a
35 state budget that provides for qualifying tax rates pursuant to section
36 15-971 that exceed the truth in taxation rates computed pursuant to
37 subsection A of this section unless the rates are adopted by a concurrent
38 resolution approved by an affirmative roll call vote of two-thirds of the
39 members of each house of the legislature before the legislature enacts the
40 general appropriations bill. If the resolution is not approved by
41 two-thirds of the members of each house of the legislature, the rates for
42 the following fiscal year shall be the truth in taxation rates determined
43 pursuant to subsection C of this section and shall be transmitted to the
44 superintendent of public instruction and the county boards of supervisors.

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

7 I. Pursuant to subsection C of this section, the qualifying tax
8 rate in tax year ~~2023~~ 2024 for a high school district or a common school
9 district within a high school district that does not offer instruction in
10 high school subjects as provided in section 15-447 is ~~\$1.6549~~ \$1.5930 and
11 for a unified school district, a common school district not within a high
12 school district or a common school district within a high school district
13 that offers instruction in high school subjects as provided in section
14 15-447 is ~~\$3.3098~~ \$3.1860.

15 Sec. 11. Laws 2023, chapter 142, section 12 is amended to read:

16 Sec. 12. Arizona civics education and leadership development
17 program; instructional service providers;
18 requirements; reporting requirements; fund;
19 exemption; delayed repeal; transfer of monies

20 A. ~~in fiscal year 2023-2024,~~ The department of education shall
21 establish and administer the Arizona civics education and leadership
22 development program to provide civics education and leadership development
23 training to middle school and high school students in this state.

24 B. The department of education shall develop procedures for
25 eligible nonprofit organizations to apply to participate in the Arizona
26 civics education and leadership development program ~~in fiscal year~~
27 ~~2023-2024~~. The department may approve an application if the eligible
28 nonprofit organization meets all of the following:

29 1. Is a nonprofit organization that is exempt from taxation under
30 section 501(c)(3) of the internal revenue code.

31 2. Provides American civics education and leadership development
32 training to students who are at least ten years of age.

33 3. Advances the principles of a democratic republic through
34 multigenerational civics education, civil discourse and civic engagement.

35 4. Can provide American civics education and leadership development
36 training to middle school or high school students in this state. The
37 education and training must do all of the following:

38 (a) Promote civil service and civic engagement.

39 (b) Prepare students for the duties of citizenship.

40 (c) Provide opportunities to identify and debate issues relating to
41 a democratic republic.

42 (d) Include education and training on any of the following:

43 (i) The history of the United States of America, the United States
44 Constitution and the Bill of Rights.

1 (ii) The Declaration of Independence.

2 (iii) The composition and roles of the branches of local, state and
3 federal government.

4 (iv) The roles and responsibilities of citizens in a democratic
5 republic, including the importance of civil discourse.

6 (v) The positive benefits for citizens in a democratic republic in
7 contrast to other forms of government.

8 (e) Include education and training on the original intent of the
9 founding documents and principles of the United States as found in source
10 documents, including the United States Constitution and amendments to the
11 United States Constitution, with emphasis on the Bill of Rights, and the
12 arguments presented in the federalist papers.

13 5. Submits a copy of the curriculum and all course materials,
14 including instructor manuals, as part of the application.

15 C. On or before June 30, 2024, each eligible nonprofit organization
16 that is approved to participate in the program pursuant to subsection B of
17 this section shall submit a report to the department of education that
18 describes the following with respect to the Arizona civics education and
19 leadership development program:

20 1. The number and types of activities conducted.

21 2. The number of students served.

22 3. The outcomes achieved.

23 D. The department of education shall compile the reports that it
24 receives pursuant to subsection C of this section and submit the compiled
25 reports to the governor, the president of the senate and the speaker of
26 the house of representatives and shall submit a copy of the compiled
27 reports to the secretary of state.

28 E. The Arizona civics education and leadership development fund is
29 established consisting of legislative appropriations and gifts, grants and
30 donations to the fund. The department of education shall administer the
31 fund and distribute monies from the fund to eligible nonprofit
32 organizations that are approved to participate in the program pursuant to
33 subsection B of this section. Eligible nonprofit organizations shall use
34 monies from the fund for stipends for civics leaders and counselors, wages
35 for program staff, educational materials, food, beverages, clothing and
36 transportation. Monies in the fund are continuously appropriated and are
37 exempt from the provisions of section 35-190, Arizona Revised Statutes,
38 relating to lapsing of appropriations.

39 F. FROM AND AFTER JUNE 30, 2025, THIS SECTION IS REPEALED AND ANY
40 UNEXPENDED OR UNENCUMBERED MONIES IN THE ARIZONA CIVICS EDUCATION AND
41 LEADERSHIP DEVELOPMENT FUND ESTABLISHED BY THIS SECTION ARE TRANSFERRED TO
42 THE STATE GENERAL FUND.

1 Sec. 12. Laws 2023, chapter 142, section 13 is amended to read:

2 Sec. 13. Education and career action plans; early education
3 and career exploration program; fund; annual
4 report; exemption; delayed repeal; transfer of
5 monies; definition

6 A. ~~In fiscal year 2023-2024,~~ The state board of education shall
7 require public schools to:

8 1. Complete an Arizona education and career action plan for each
9 student in grades nine through twelve before the student's graduation.

10 2. Monitor, review and update each Arizona education and career
11 action plan created pursuant to paragraph 1 of this subsection at least
12 one time per year.

13 B. ~~In fiscal year 2023-2024,~~ The department of education shall
14 establish and administer an early education and career exploration program
15 to provide resources to public schools and to assist public schools in
16 fulfilling the requirements prescribed by the state board of education
17 pursuant to subsection A of this section.

18 C. Subject to available monies, the department of education shall
19 contract with a nonprofit entity to provide the following to public
20 schools ~~in fiscal year 2023-2024:~~

21 1. A career mapping tool that does all of the following:

22 (a) Matches students with apprenticeships, internships and other
23 work-based learning opportunities.

24 (b) Provides content modules for industry-recognized career tracks.

25 (c) Provides single-sign-on access for students, parents and
26 employees of the public school.

27 (d) Provides customization options for public schools.

28 (e) Allows students to continue accessing their profiles and using
29 the career mapping tool after graduation from high school.

30 (f) Provides any other educational or career exploration activities
31 or content developed by the department of education and approved by the
32 state board of education.

33 2. Training and resources for individuals who are implementing the
34 requirements prescribed by the state board of education pursuant to
35 subsection A of this section.

36 D. The department of education shall coordinate with the nonprofit
37 entity to provide the training and resources described in subsection C,
38 paragraph 2 of this section ~~in fiscal year 2023-2024.~~ The department of
39 education shall consider the enrollment size of each public school when
40 determining what training to provide pursuant to this section.

41 E. ~~In fiscal year 2023-2024,~~ The department of education may
42 provide access to the career mapping tool and related training and
43 resources described in subsection C of this section to a public school
44 that serves any of grades six through eight. This subsection does not
45 require a public school to complete, monitor, review or update an Arizona

1 education and career action plan for students in any of grades six through
2 eight.

3 F. The early education and career exploration program fund is
4 established consisting of legislative appropriations. The department of
5 education shall administer the fund. Monies in the fund are continuously
6 appropriated and are exempt from the provisions of section 35-190, Arizona
7 Revised Statutes, relating to lapsing of appropriations. Monies in the
8 fund may be used for implementing and administering the early education
9 and career exploration program established pursuant to subsection B of
10 this section.

11 G. On or before June 30, 2024, the department of education shall
12 submit a report to the governor, the president of the senate and the
13 speaker of the house of representatives and provide copies of this report
14 to the secretary of state, the chairperson of the senate committee on
15 education, or its successor committee, and the chairperson of the house of
16 representatives committee on education, or its successor committee. The
17 report shall include the following:

18 1. An overview of the implementation of the early education and
19 career exploration program established by this act, including:

20 (a) How monies from the early education and career exploration
21 program fund were allocated.

22 (b) The number of work-based learning opportunities that were
23 created through the early education and career exploration program.

24 (c) The number and grade levels of students who used the career
25 mapping tool provided pursuant to subsection C, paragraph 1 of this
26 section.

27 2. The department of education's recommendations that the early
28 education and career exploration program be continued, revised or
29 repealed.

30 3. Written comments received from members of the public regarding
31 individuals' experiences with the early education and career exploration
32 program.

33 H. FROM AND AFTER JUNE 30, 2025, THIS SECTION IS REPEALED AND ANY
34 UNEXPENDED OR UNENCUMBERED MONIES IN THE EARLY EDUCATION AND CAREER
35 EXPLORATION PROGRAM FUND ESTABLISHED BY THIS SECTION ARE TRANSFERRED TO
36 THE STATE GENERAL FUND.

37 ~~H.~~ I. For the purposes of this section, "public school" means a
38 school district, a charter school, an individual school that is operated
39 by a school district or the Arizona state schools for the deaf and the
40 blind.

41 Sec. 13. Repeal

42 Laws 2023, chapter 142, sections 16 and 17 are repealed.

1 Sec. 14. Failing schools tutoring fund; use of monies; fiscal
2 year 2024-2025

3 Notwithstanding section 15-241, Arizona Revised Statutes, the
4 department of education may use monies in the failing schools tutoring
5 fund established by section 15-241, Arizona Revised Statutes, in fiscal
6 year 2024-2025 for the following school improvements:

- 7 1. To provide assistance to school districts and charter schools
8 for professional development and coaching for teachers and principals.
9 2. To monitor the progress of school districts and charter schools
10 towards improved academic outcomes.
11 3. Outreach to ensure that schools and parents have access to
12 tutoring opportunities.

13 Sec. 15. Telecommunication fund for the deaf; use of monies;
14 fiscal year 2024-2025

15 Notwithstanding section 36-1947, Arizona Revised Statutes, in fiscal
16 year 2024-2025, the Arizona state schools for the deaf and the blind may
17 use monies appropriated from the telecommunication fund for the deaf
18 established by section 36-1947, Arizona Revised Statutes, for educational
19 and operational costs of the Arizona state schools for the deaf and the
20 blind.

21 Sec. 16. Intent

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