

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

# SENATE BILL 1744

## AN ACT

AMENDING SECTION 15-185, ARIZONA REVISED STATUTES; REPEALING SECTIONS 15-217, 15-217.01 AND 15-217.02, ARIZONA REVISED STATUTES; AMENDING SECTION 15-217.03, ARIZONA REVISED STATUTES; REPEALING SECTION 15-217.03, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-393, 15-536, 15-538.01, 15-701, 15-704, 15-901, 15-945, 15-1107, 15-2402, 15-2403, 28-472 AND 41-1276, ARIZONA REVISED STATUTES; AMENDING LAWS 2023, CHAPTER 142, SECTIONS 12, 13 AND 14; 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 and 15-217.02, Arizona Revised Statutes,  
38 are repealed from and after June 30, 2025.

39 Sec. 3. Section 15-217.03, Arizona Revised Statutes, is amended to  
40 read:

41 15-217.03. Community college adult education workforce  
42 development program; fund; program schools;  
43 annual reports

44 A. The community college adult education workforce development  
45 program is established within the state board of education, to be

1 administered by the department of education, to provide adult learners  
2 with integrated education and training ~~programs~~ AS DEFINED IN THE  
3 WORKFORCE INNOVATION AND OPPORTUNITY ACT (P.L. 113-128; 128 STAT. 1425; 29  
4 UNITED STATES CODE SECTION 3272) and additional study and support  
5 services, ~~that lead to the issuance of~~ INCLUDING both of the following:

6 1. ACADEMIC INSTRUCTION THAT IS ALIGNED WITH ADULT EDUCATION AND  
7 LITERACY ACTIVITIES AS DEFINED IN THE WORKFORCE INNOVATION AND OPPORTUNITY  
8 ACT, INCLUDING INSTRUCTION THAT LEADS TO THE ISSUANCE OF a high school  
9 diploma or high school equivalency diploma.

10 2. An industry-recognized credential, COMMUNITY COLLEGE CERTIFICATE  
11 or community college degree.

12 B. To be eligible to participate in the program, the program  
13 applicant must be a community college district that is established  
14 pursuant to section 15-1402, that provides high school diplomas or high  
15 school equivalency diplomas and that provides workforce training that  
16 leads to industry-recognized credentials or workforce or degree programs,  
17 including workforce programs accredited by a regional accrediting body  
18 recognized by the United States department of education. If a program  
19 applicant meets the requirements of this subsection, the department of  
20 education shall distribute monies to the program applicant as prescribed  
21 in subsection ~~C~~ D of this section.

22 C. A PROGRAM SCHOOL MAY RECEIVE MONIES UNDER SUBSECTION D OF THIS  
23 SECTION FOR EACH ADULT LEARNER WHO IS A STUDENT IN THE PROGRAM IF THE  
24 ADULT LEARNER MEETS ALL OF THE FOLLOWING REQUIREMENTS:

25 1. ENROLLS IN A COMMUNITY COLLEGE ADULT EDUCATION PROGRAM.

26 2. PARTICIPATES IN INTEGRATED EDUCATION AND TRAINING AS DEFINED IN  
27 THE WORKFORCE INNOVATION AND OPPORTUNITY ACT, OR ITS SUCCESSOR.

28 3. PURSUES ACADEMIC SKILLS DEVELOPMENT RELATED TO ADULT EDUCATION  
29 AND LITERACY ACTIVITIES AS DEFINED IN THE WORKFORCE INNOVATION AND  
30 OPPORTUNITY ACT.

31 ~~C~~ D. The community college adult education workforce development  
32 program fund is established consisting of legislative appropriations and  
33 any other monies. The department of education shall administer the fund.  
34 Monies in the fund are continuously appropriated and are exempt from the  
35 provisions of section 35-190 relating to lapsing of appropriations.  
36 Notwithstanding any other law, a program school shall be funded as  
37 follows:

38 1. The program school may receive up to \$3,000 per full-time  
39 student in the program each fiscal year. Part-time students shall be  
40 funded in proportion to the number of enrolled courses or hours of  
41 instruction.

42 2. The department of education shall distribute fund monies to all  
43 program schools that meet the criteria prescribed in subsection B of this  
44 section in a proportional manner based on the number of adult learners  
45 each program school serves.

1           ~~D~~. E. A program school shall use monies received under this  
2 section to supplement and not supplant current program offerings. In  
3 addition to any monies received from the fund, a program school may accept  
4 and spend federal monies and private grants, gifts, contributions and  
5 devises to assist the program school in carrying out the purposes of this  
6 section. A program school shall use monies received under subsection ~~E~~ D  
7 of this section for adult learners to participate in a high school diploma  
8 or high school equivalency diploma program that also offers an  
9 industry-recognized credential, A COMMUNITY COLLEGE CERTIFICATE or A  
10 community college degree. A portion of monies may be used for additional  
11 support services to ensure the success of adult learners in the program,  
12 including the following:

- 13           1. Transportation assistance for adult learners with a demonstrated  
14 need.
- 15           2. Child care services for dependents of adult learners while the  
16 adult learner is on-site.
- 17           3. College and career counseling.
- 18           4. Job placement assistance.

19           ~~E~~. F. For each year that monies are appropriated by the  
20 legislature to the fund established by subsection ~~E~~ D of this section, on  
21 or before October 30, each participating community college shall submit a  
22 report regarding the community college adult education workforce  
23 development program to the department of education. The department of  
24 education shall compile the reports received from each participating  
25 community college and, on or before December 15 of each year, shall  
26 provide an annual report to the governor, the president of the senate, the  
27 speaker of the house of representatives and the state board of education  
28 and shall provide a copy of this report to the secretary of state. Each  
29 report shall include, at a minimum, all of the following information for  
30 each participating community college for the preceding school year:

- 31           1. The number of adult learners enrolled in the program.
- 32           2. The completion rate of high school diplomas and high school  
33 equivalency diplomas earned by adult learners enrolled in the program.
- 34           3. The average progress of adult learners toward meeting completion  
35 criteria.
- 36           4. The number and type of industry-recognized credentials,  
37 COMMUNITY COLLEGE CERTIFICATES, community college degree credits and  
38 community college degrees earned by adult learners enrolled in the  
39 program.
- 40           5. A descriptive summary of the community college adult education  
41 workforce development program offered.
- 42           6. The number of adult learners who have newly acquired proficiency  
43 in the English language.
- 44           7. The information required by the performance measures adopted by  
45 the state board of education pursuant to section 15-217.



1 ~~F.~~ G. The state board of education, in cooperation with the  
2 department of education, may request information from any program  
3 applicant or program school for the purposes of determining program  
4 eligibility and funding distributions under this section.

5 ~~G.~~ H. The state board of education, in cooperation with the  
6 department of education, may develop a process to bring a program school  
7 into compliance or revoke the program school's authorization to  
8 participate in the program, at the discretion of the state board of  
9 education.

10 ~~H.~~ I. The department of education shall provide adequate staff  
11 support for the state board of education to comply with this section.

12 Sec. 4. Delayed repeal

13 Section 15-217.03, Arizona Revised Statutes, as amended by this act,  
14 is repealed from and after June 30, 2025.

15 Sec. 5. Section 15-393, Arizona Revised Statutes, is amended to  
16 read:

17 15-393. Career technical education district governing board;  
18 report; definitions

19 A. The management and control of a career technical education  
20 district are vested in the career technical education district governing  
21 board, including the content and quality of the courses offered by the  
22 district, the quality of teachers who provide instruction on behalf of the  
23 district, the salaries of teachers who provide instruction on behalf of  
24 the district and the reimbursement of other entities for the facilities  
25 used by the district. This section does not restrict a school district  
26 from offering any career and technical education course that does not  
27 qualify for funding as a career technical education course or career  
28 technical education district program. Unless the governing boards of the  
29 school districts participating in the formation of the career technical  
30 education district vote to implement an alternative election system as  
31 provided in subsection B of this section, the career technical education  
32 board consists of five members elected from five single member districts  
33 formed within the career technical education district. The single member  
34 district election system shall be submitted as part of the plan for the  
35 career technical education district pursuant to section 15-392 and shall  
36 be established in the plan as follows:

37 1. The governing boards of the school districts participating in  
38 the formation of the career technical education district shall define the  
39 boundaries of the single member districts so that the single member  
40 districts are as nearly equal in population as is practicable, except that  
41 if the career technical education district lies in part in each of two or  
42 more counties, at least one single member district may be entirely within  
43 each of the counties comprising the career technical education district if  
44 this district design is consistent with the obligation to equalize the  
45 population among single member districts.

1           2. The boundaries of each single member district shall follow  
2 election precinct boundary lines, as far as practicable, in order to avoid  
3 further segmentation of the precincts.

4           3. A person who is a registered voter of this state and who has  
5 been a resident of the single member district for at least one year  
6 immediately preceding the date of the election is eligible for election to  
7 the office of career technical education board member from the single  
8 member district. The terms of office of the members of the career  
9 technical education board shall be as prescribed in section 15-427,  
10 subsection B. An employee of a career technical education district or the  
11 spouse of an employee shall not hold membership on a governing board of a  
12 career technical education district by which the employee is employed. A  
13 member of one school district governing board or career technical  
14 education district governing board is ineligible to be a candidate for  
15 nomination or election to or serve simultaneously as a member of any other  
16 governing board, except that a member of a governing board may be a  
17 candidate for nomination or election for any other governing board if the  
18 member is serving in the last year of a term of office. A member of a  
19 governing board shall resign the member's seat on the governing board  
20 before becoming a candidate for nomination or election to the governing  
21 board of any other school district or career technical education district,  
22 unless the member of the governing board is serving in the last year of a  
23 term of office. Members of a career technical education district  
24 governing board are subject to the conflict of interest requirements  
25 prescribed in section 38-503.

26           4. Nominating petitions shall be signed by the number of qualified  
27 electors of the single member district as provided in section 16-322.

28           B. The governing boards of the school districts participating in  
29 the formation of the career technical education district may vote to  
30 implement any other alternative election system for the election of career  
31 technical education district board members. If an alternative election  
32 system is selected, it shall be submitted as part of the plan for the  
33 career technical education district pursuant to section 15-392, and the  
34 implementation of the system shall be as approved by the United States  
35 justice department.

36           C. Career technical education districts are subject to the  
37 following provisions of this title:

- 38           1. Chapter 1, articles 1, ~~through~~ 2, 3, 4, 5 AND 6.
- 39           2. Sections 15-208, 15-210, 15-213 and 15-234.
- 40           3. Articles 2, 3 and 5 of this chapter.
- 41           4. Section 15-361.
- 42           5. Chapter 4, articles 1, 2 and 5.
- 43           6. Chapter 5, articles 1 and 3.
- 44           7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728,  
45 15-729 and 15-730.

- 1           8. Chapter 7, article 5.
- 2           9. Chapter 8, articles 1, 3 and 4.
- 3           10. Sections 15-828 and 15-829.
- 4           11. Chapter 9, article 1, article 6, except for section 15-995, and
- 5 article 7.
- 6           12. Sections 15-941, 15-943.01, 15-953 and 15-973.
- 7           13. Sections 15-1101 and 15-1104.
- 8           14. Chapter 10, articles 2, 3, 4 and 8.

9           D. Notwithstanding subsection C of this section, the following  
10 apply to a career technical education district:

11           1. A career technical education district may issue bonds for the  
12 purposes specified in section 15-1021 and in chapter 4, article 5 of this  
13 title to an amount in the aggregate, including the existing indebtedness,  
14 not exceeding one percent of the net assessed value of the full cash value  
15 of the property within the career technical education district. For the  
16 purposes of this paragraph, "full cash value" and "net assessed value"  
17 have the same meanings prescribed in section 42-11001.

18           2. The number of governing board members for a career technical  
19 education district shall be as prescribed in subsection A of this section.

20           3. The student count for the first year of operation of a career  
21 technical education district as provided in this article shall be  
22 determined as follows:

23           (a) Determine the estimated student count for career technical  
24 education district classes that will operate in the first year of  
25 operation. This estimate shall be based on actual registration of pupils  
26 as of March 30 scheduled to attend classes that will be operated by the  
27 career technical education district. The student count for the school  
28 district of residence of the pupils registered at the career technical  
29 education district shall be adjusted. The adjustment shall cause the  
30 school district of residence to reduce the student count for the pupil to  
31 reflect the courses to be taken at the career technical education  
32 district. The school district of residence shall review and approve the  
33 adjustment of its own student count as provided in this subdivision before  
34 the pupils from the school district can be added to the student count of  
35 the career technical education district.

36           (b) The student count for the new career technical education  
37 district shall be the student count as determined in subdivision (a) of  
38 this paragraph.

39           (c) For the first year of operation, the career technical education  
40 district shall revise the student count to the actual average daily  
41 membership as prescribed in section 15-901, subsection A, paragraph 1 for  
42 students attending classes in the career technical education district. A  
43 career technical education district shall revise its student count, the  
44 base support level as provided in section 15-943.02, the revenue control  
45 limit as provided in section 15-944.01 and the district additional

1 assistance as provided in section 15-962.01 before May 15. A career  
2 technical education district that overestimated its student count shall  
3 revise its budget before May 15. A career technical education district  
4 that underestimated its student count may revise its budget before May 15.

5 (d) After March 15 of the first year of operation, the school  
6 district of residence shall adjust its student count by reducing it to  
7 reflect the courses actually taken at the career technical education  
8 district. The school district of residence shall revise its student  
9 count, the base support level as provided in section 15-943, the revenue  
10 control limit as provided in section 15-944 and the district additional  
11 assistance as provided in section 15-962.01 prior to May 15. A district  
12 that underestimated the student count for students attending the career  
13 technical education district shall revise its budget before May 15. A  
14 district that overestimated the student count for students attending the  
15 career technical education district may revise its budget before May 15.

16 (e) The procedures for implementing this paragraph shall be as  
17 prescribed in the uniform system of financial records.

18 For the purposes of this paragraph, "school district of residence" means  
19 the school district that included the pupil in its average daily  
20 membership for the year before the first year of operation of the career  
21 technical education district and that would have included the pupil in its  
22 student count for the purposes of computing its base support level for the  
23 fiscal year of the first year of operation of the career technical  
24 education district if the pupil had not enrolled in the career technical  
25 education district.

26 4. A student includes any person enrolled in the career technical  
27 education district without regard to the person's age or high school  
28 graduation status, except that:

29 (a) A student in a kindergarten program or in any of grades one  
30 through eight who enrolls in courses offered by the career technical  
31 education district shall not be included in the career technical education  
32 district's student count or average daily membership.

33 (b) A student in a kindergarten program or in any of grades one  
34 through eight who is enrolled in career and technical education courses  
35 shall not be funded in whole or in part with monies provided by a career  
36 technical education district, except that a pupil in grade eight may be  
37 funded with monies generated by the \$.05 qualifying tax rate authorized in  
38 subsection F of this section.

39 (c) A student who has graduated from high school or received a  
40 general equivalency diploma or who is over twenty-one years of age shall  
41 not be included in the student count of the career technical education  
42 district for the purposes of chapter 9, articles 3, 4 and 5 of this title.

43 5. A career technical education district may operate for more than  
44 one hundred eighty days per year, or less, with the equivalent number of  
45 hours of instruction.

1           6. A career technical education district may use the carryforward  
2 provisions of section 15-943.01.

3           7. A school district that is part of a career technical education  
4 district shall use any monies received pursuant to this article to  
5 supplement and not supplant base year career and technical education  
6 courses, and directly related equipment and facilities, except that a  
7 school district that is part of a career technical education district and  
8 that has used monies received pursuant to this article to supplant career  
9 and technical education courses that were offered before the first year  
10 that the school district participated in the career technical education  
11 district or the first year that the school district used monies received  
12 pursuant to this article or that used the monies for purposes other than  
13 for career and technical education courses shall use one hundred percent  
14 of the monies received pursuant to this article to supplement and not  
15 supplant base year career and technical education courses. Each  
16 applicable school district shall provide a report to the career technical  
17 education board and the department of education outlining the required  
18 maintenance of effort and how monies were used to supplement and not  
19 supplant base year career and technical education courses and directly  
20 related equipment and facilities.

21           8. A career technical education district shall use any monies  
22 received pursuant to this article to enhance and not supplant career and  
23 technical education courses and directly related equipment and facilities.

24           9. A career technical education district or a school district that  
25 is part of a career technical education district or a charter school shall  
26 only include pupils in grades nine through twelve and pupils in the school  
27 year immediately following graduation in the calculation of student count  
28 or average daily membership if the pupils are enrolled in courses that are  
29 approved jointly by the governing board of the career technical education  
30 district and each participating school district or charter school for  
31 satellite courses taught within the participating school district or  
32 charter school, or approved solely by the career technical education  
33 district for centrally located courses. Funding may be provided for not  
34 more than four years for the same student. Student count and average  
35 daily membership from courses that are not part of an approved program for  
36 career and technical education shall not be included in student count and  
37 average daily membership of a career technical education district.

38           10. A CAREER TECHNICAL EDUCATION DISTRICT MAY BUILD, MAINTAIN AND  
39 PROVIDE HOUSING FACILITIES AND SUPPORT SERVICES FOR STUDENTS WHO ARE IN  
40 FOSTER CARE OR WHO MEET THE DEFINITION OF UNACCOMPANIED YOUTH AS DEFINED  
41 IN THE MCKINNEY-VENTO HOMELESS ASSISTANCE ACT (P.L. 100-77; 101 STAT. 482;  
42 42 UNITED STATES CODE SECTION 11434a).

43           E. The career technical education board shall appoint a  
44 superintendent as the executive officer of the career technical education  
45 district.

1 F. Taxes may be levied for the support of the career technical  
2 education district as prescribed in chapter 9, article 6 of this title,  
3 except that a career technical education district shall not levy a  
4 property tax pursuant to law that exceeds \$.05 per \$100 assessed valuation  
5 except for bond monies pursuant to subsection D, paragraph 1 of this  
6 section. Such taxes shall be obtained from a levy of taxes on the taxable  
7 property used for secondary tax purposes.

8 G. The schools in the career technical education district are  
9 available to all persons who reside in the career technical education  
10 district and to pupils whose school district of residence within this  
11 state is paying tuition on behalf of the pupils to a district of  
12 attendance that is a member of the career technical education district,  
13 subject to the rules for admission prescribed by the career technical  
14 education board.

15 H. The career technical education board may collect tuition for  
16 adult students and the attendance of pupils who are residents of school  
17 districts that are not participating in the career technical education  
18 district pursuant to arrangements made between the governing board of the  
19 school district and the career technical education board.

20 I. The career technical education board may accept gifts, grants,  
21 federal monies, tuition and other allocations of monies to erect, repair  
22 and equip buildings and for the cost of operating the schools of the  
23 career technical education district.

24 J. One member of the career technical education board shall be  
25 selected ~~chairman~~ CHAIRPERSON. The ~~chairman~~ CHAIRPERSON shall be selected  
26 annually on a rotation basis from among the participating school  
27 districts. The ~~chairman~~ CHAIRPERSON of the career technical education  
28 board shall be a voting member.

29 K. A career technical education board and a community college  
30 district may enter into agreements to provide for administrative,  
31 operational and educational services and facilities.

32 L. Any agreement between the governing board of a career technical  
33 education district and another career technical education district, a  
34 school district, a charter school or a community college district shall be  
35 in the form of an intergovernmental agreement or other written contract.  
36 The auditor general shall modify the uniform system of financial records  
37 and budget forms in accordance with this subsection. The  
38 intergovernmental agreement or other written contract shall completely and  
39 accurately specify each of the following:

40 1. The financial provisions of the intergovernmental agreement or  
41 other written contract and the format for the billing of all services.

42 2. The accountability provisions of the intergovernmental agreement  
43 or other written contract.

1           3. The responsibilities of each career technical education  
2 district, each school district, each charter school and each community  
3 college district that is a party to the intergovernmental agreement or  
4 other written contract.

5           4. The type of instruction that will be provided under the  
6 intergovernmental agreement or other written contract, including  
7 individualized education programs pursuant to section 15-763.

8           5. The quality of the instruction that will be provided under the  
9 intergovernmental agreement or other written contract.

10          6. The transportation services that will be provided under the  
11 intergovernmental agreement or other written contract and the manner in  
12 which transportation costs will be paid.

13          7. The amount that the career technical education district will  
14 contribute to a course and the amount of support required by the school  
15 district, the charter school or the community college.

16          8. That the services provided by the career technical education  
17 district, the school district, the charter school or the community college  
18 district be proportionally calculated in the cost of delivering the  
19 service.

20          9. That the payment for services shall not exceed the cost of the  
21 services provided.

22          10. That the career technical education district will provide the  
23 following minimum services for all member districts:

24           (a) Professional development of career and technical teachers in  
25 the career technical education district who are teaching programs or  
26 courses at a satellite campus.

27           (b) Ongoing evaluation and support of satellite campus programs and  
28 courses to ensure quality and compliance.

29          11. An itemized listing of other goods and services that are  
30 provided to the member district and that are paid for by the retention of  
31 satellite campus student funding.

32          M. A member school district or charter school may not submit  
33 requests to approve or add satellite campus career technical education  
34 district programs or courses directly to the career and technical  
35 education division of the department of education, ~~—~~ but shall submit all  
36 appropriate application documentation and materials for programs or  
37 courses to the career technical education district. On approval from the  
38 career technical education board, a career technical education district  
39 shall only submit requests to approve or add satellite campus career  
40 technical education district programs or courses directly to the career  
41 and technical education division of the department of education, which  
42 shall determine whether the criteria prescribed in section 15-391,  
43 paragraphs 2 and 4 have been met. If the career and technical education  
44 division of the department of education determines that a course does not  
45 meet the criteria for approval as a career technical education course, the

1 governing board of the career technical education district may appeal this  
2 decision to the state board of education acting as the state board of  
3 vocational education.

4 N. Notwithstanding any other law, the average daily membership for  
5 a pupil who is enrolled in a career technical education course and who  
6 does not meet the criteria specified in subsection P, Q or R of this  
7 section shall be 0.25 for each course, except the sum of the average daily  
8 membership shall not exceed the limits prescribed by subsection D, P, Q or  
9 R of this section, as applicable.

10 O. If a career and technical education course or program is  
11 provided on a satellite campus, the sum of the average daily membership,  
12 as provided in section 15-901, subsection A, paragraph 1, for that pupil  
13 in the school district or charter school and career technical education  
14 district shall not exceed 1.25. The school district or charter school and  
15 the career technical education district shall determine the apportionment  
16 of the average daily membership for that pupil between the school district  
17 or charter school and the career technical education district. A pupil  
18 who attends a course or program at a satellite campus and who is not  
19 enrolled in the school district or charter school where the satellite  
20 campus is located may generate the average daily membership of up to 0.25  
21 for one hundred fifty instructional hours of enrollment for instruction  
22 received during any hour of the day, during any day of the week and at any  
23 time between July 1 and June 30 of each fiscal year pursuant to this  
24 subsection if the pupil is enrolled in a school district that is a member  
25 district in the same career technical education district.

26 P. The sum of the average daily membership of a pupil who is  
27 enrolled in both the school district and career technical education course  
28 or career technical education program provided by a community college  
29 pursuant to subsection K of this section or at a centralized campus shall  
30 not exceed 1.75. The average daily membership for a pupil who is enrolled  
31 in a career technical education course or career technical education  
32 program provided by a community college shall be 0.25 for the accumulation  
33 of every three community college credits for which a student is enrolled  
34 in career technical education courses. The member school district and the  
35 career technical education district shall determine the apportionment of  
36 the average daily membership and student enrollment for that pupil between  
37 the member school district and the career technical education district,  
38 except that the amount apportioned shall not exceed 1.0 for either entity.  
39 Notwithstanding any other law, the average daily membership for a pupil  
40 who is in grade nine, ten, eleven or twelve or in the school year  
41 immediately following graduation and who is enrolled in a course that  
42 meets for at least one hundred fifty minutes per class period at a  
43 centralized campus shall be 0.75. To qualify for funding pursuant to this  
44 subsection, a centralized campus shall offer programs and courses to all  
45 eligible students in each member district of the career technical



1 education district. Students in an approved career technical education  
2 program may generate an average daily membership of up to 1.75 for  
3 instruction received during any hour of the day, during any day of the  
4 week and at any time between July 1 and June 30 of each fiscal year.  
5 Average daily membership shall not be calculated on the one hundredth day  
6 of instruction for the purposes of this section. Average daily membership  
7 shall be calculated by dividing the instructional hours of enrollment by  
8 six hundred hours, except that:

9 1. At least one hundred fifty hours and less than three hundred  
10 hours equals 0.25 average daily membership.

11 2. At least three hundred hours and less than four hundred fifty  
12 hours equals 0.5 average daily membership.

13 3. At least four hundred fifty hours and less than six hundred  
14 hours equals 0.75 average daily membership.

15 4. At least six hundred hours equals 1.0 average daily membership.

16 Q. The average daily membership for a pupil who is in grade nine,  
17 ten, eleven or twelve or in the school year immediately following  
18 graduation and who is enrolled in a course that meets for at least one  
19 hundred fifty minutes per class period at a leased centralized campus  
20 shall not exceed 0.75. Students in an approved career technical education  
21 program provided by a leased centralized campus may generate an average  
22 daily membership for instruction received during any hour of the day,  
23 during any day of the week and at any time between July 1 and June 30 of  
24 each fiscal year. Average daily membership shall be calculated by  
25 dividing the instructional hours of enrollment by six hundred hours,  
26 except that:

27 1. At least one hundred fifty hours and less than three hundred  
28 hours equals 0.25 average daily membership.

29 2. At least three hundred hours and less than four hundred fifty  
30 hours equals 0.5 average daily membership.

31 3. At least four hundred fifty hours and less than six hundred  
32 hours equals 0.75 average daily membership.

33 4. At least six hundred hours equals 1.0 average daily membership.

34 R. The sum of the average daily membership, as provided in section  
35 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the  
36 school district and in career technical education courses provided at a  
37 leased centralized campus shall not exceed 1.75 if all of the following  
38 conditions are met:

39 1. The course qualifies as a career technical education course.

40 2. The course is offered to all eligible students in each member  
41 district of the career technical education district and enrolls students  
42 from multiple high schools.

43 3. The career technical education district program in which the  
44 course is included addresses a specific industry need and has been

1 developed in cooperation with that industry, or the leased facility is a  
2 state or federal asset that would otherwise be unused or underutilized.

3 4. The lease is established at fair market value if the lease is  
4 executed for a facility located on the site of a member district and was  
5 approved by the joint committee on capital review, except that a lease  
6 that was executed or renewed before December 31, 2012 is not subject to  
7 approval by the joint committee on capital review.

8 S. A student who is enrolled in an accommodation school may be  
9 treated as a student of the school district in which the student  
10 physically resides for the purposes of enrollment in a career technical  
11 education district and shall be included in the calculation of average  
12 daily membership for either the career technical education district or the  
13 accommodation school, or both.

14 T. Notwithstanding any other law, the student count for a career  
15 technical education district shall be equivalent to the career technical  
16 education district's average daily membership. Students in an approved  
17 career technical education program provided by a satellite campus,  
18 centralized campus or leased centralized campus may generate an average  
19 daily membership subject to the limits prescribed by subsections D, N, O,  
20 P, Q and R of this section, as applicable, for instruction received during  
21 any hour of the day, during any day of the week and at any time between  
22 July 1 and June 30 of each fiscal year. Average daily membership shall  
23 not be calculated on the one hundredth day of instruction for the purposes  
24 of this section. The department may not restrict the instructional time  
25 by limiting the particular days of the week or time of the fiscal year for  
26 instruction to occur.

27 U. A school district or charter school may not prohibit or  
28 discourage students who are enrolled in that school district or charter  
29 school from attending courses offered by a career technical education  
30 district, including requiring students to generate a full 1.0 average  
31 daily membership or to enroll in more courses than are needed to graduate  
32 before enrolling in and attending programs or courses offered by a career  
33 technical education district.

34 V. The governing board of the career technical education district  
35 may contract with any charter school that is located within the boundaries  
36 of the career technical education district to allow that charter school to  
37 offer career and technical education courses or programs as a satellite  
38 campus.

39 W. Beginning in 2020 and every five years thereafter, the career  
40 and technical education division of the department of education shall  
41 review career technical education district programs and career technical  
42 education courses to ensure compliance, quality and eligibility. Any  
43 program or course deemed to not meet the requirements set forth by law  
44 shall not be funded for the current school year and shall be removed from  
45 the approved program and course list for the purposes of funding. The

1 career and technical education division may establish a staggered schedule  
2 for reviewing each career technical education district.

3 X. Notwithstanding subsection D, paragraphs 4 and 9 and subsections  
4 P, Q and R of this section, for a student in grade nine, funding shall be  
5 provided pursuant to this section only if the student reaches the fortieth  
6 day of grade eleven enrolled in an approved career technical education  
7 program and meets the requirements prescribed in subsection Z of this  
8 section. At that time funding shall be provided for that student for  
9 grade nine and for any subsequent year in which the student is eligible  
10 for funding pursuant to this section.

11 Y. On or before September 1 of each year, the office of economic  
12 opportunity in collaboration with the department of education shall  
13 compile an in-demand regional education list of the approved career  
14 technical education programs that lead to a career path in high demand  
15 with median-to-high-wage jobs in that region. The office of economic  
16 opportunity shall incorporate industry feedback as part of developing the  
17 in-demand regional educational list. The office of economic opportunity  
18 shall submit the in-demand regional education list to the Arizona career  
19 and technical education quality commission for review and approval.

20 Z. Notwithstanding subsection D, paragraphs 4 and 9 and subsections  
21 P, Q and R of this section, for a student in grade nine or in the school  
22 year immediately following graduation, funding shall be provided pursuant  
23 to this section only if the student is enrolled in a program that was  
24 included on the in-demand regional education list compiled pursuant to  
25 subsection Y of this section for that student's region for the year in  
26 which the student began the program.

27 AA. For the purposes of this section:

28 1. "Base year" means the complete school year in which voters of a  
29 school district elected to join a career technical education district.

30 2. "Centralized campus" means a facility that is owned and operated  
31 by a career technical education district to offer career technical  
32 education district programs or career technical education courses.

33 3. "Lease" means a written agreement in which the right to occupy  
34 or use real property is conveyed from one person or entity to another  
35 person or entity for a specified period of time.

36 4. "Leased centralized campus" means a facility that is leased and  
37 operated by a career technical education district to offer career  
38 technical education district programs or career technical education  
39 courses.

40 5. "Satellite campus" means a facility that is owned or operated by  
41 a school district or charter school to offer career technical education  
42 district programs or career technical education courses.

1           Sec. 6. Section 15-536, Arizona Revised Statutes, is amended to  
2 read:

3           15-536. Offer of contract to probationary teacher;  
4                     acceptance; notice to teacher of intention not to  
5                     reemploy; definition

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

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

1 C. This section ~~shall~~ DOES not ~~be construed to~~ provide a  
2 probationary teacher with the right to a hearing pursuant to section  
3 15-539, subsection F.

4 D. A certificated teacher who is currently a continuing teacher as  
5 defined in section 15-538.01 but who has been designated after an  
6 evaluation conducted according to the requirements pursuant to section  
7 15-537 in the lowest performance classification for the current school  
8 year shall become a probationary teacher ~~as defined in section 15-536~~ for  
9 the subsequent school year and shall remain a probationary teacher until  
10 that teacher's performance classification is designated in either of the  
11 two highest performance classifications.

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

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

16 15-538.01. Offer of contract to continuing teacher;  
17 definition

18 A. ON OR AFTER MARCH 15 OF EACH YEAR, the governing board shall  
19 offer to each continuing teacher a contract renewal for the next ensuing  
20 school year unless the governing board, a member of the GOVERNING board  
21 acting on behalf of the GOVERNING board or the superintendent of the  
22 school district gives notice to the teacher of the GOVERNING board's  
23 intent not to offer a contract and to dismiss the teacher as provided in  
24 section 15-539.

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

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

1 D. For the purposes of this section, "continuing teacher" means a  
2 certificated teacher who has been and is currently employed by the school  
3 district for the major portion of three consecutive school years and who  
4 has not been designated in the lowest performance classification for the  
5 previous school year or who has not regained continuing status after being  
6 designated as a probationary teacher pursuant to subsection C of this  
7 section.

8 Sec. 8. Section 15-701, Arizona Revised Statutes, is amended to  
9 read:

10 15-701. Common schools; promotions; requirements;  
11 certificate; supervision of eighth grades by  
12 superintendent of high school district; high school  
13 admissions; academic credit; definition

14 A. The state board of education shall:

15 1. Prescribe a minimum course of study incorporating the academic  
16 standards adopted by the state board of education to be taught in the  
17 common schools.

18 2. Prescribe competency requirements for the promotion of pupils  
19 from the eighth grade and competency requirements for the promotion of  
20 pupils from the third grade that incorporate the academic standards in at  
21 least the areas of reading, writing, mathematics, science and social  
22 studies. The competency requirements for the promotion of pupils from the  
23 third grade shall include the following:

24 (a) A requirement that a pupil not be promoted from the third grade  
25 if the pupil obtains a score on the reading portion of the statewide  
26 assessment that does not demonstrate sufficient reading skills as  
27 established by the state board. A pupil may not be retained pursuant to  
28 this subdivision if data regarding the pupil's performance on the  
29 statewide assessment is not available before the end of the current  
30 academic year and may not be retained more than once. A pupil who is not  
31 retained due to the unavailability of test data must receive  
32 evidence-based intervention and remedial strategies pursuant to  
33 subdivision (c) of this paragraph if the third grade assessment data  
34 subsequently does not demonstrate sufficient reading skills.

35 (b) A mechanism to allow a school district governing board or  
36 charter school governing body to promote from the third grade a pupil who  
37 does not demonstrate sufficient reading skills pursuant to subdivision (a)  
38 of this paragraph if the pupil:

39 (i) Is an English learner or a limited English proficient student  
40 as defined in section 15-751 and has had fewer than three years of English  
41 language instruction.

42 (ii) Is in the process of a special education referral or  
43 evaluation for placement in special education, has been diagnosed as  
44 having a significant reading impairment, including dyslexia, or is a child  
45 with a disability as defined in section 15-761 if the pupil's

1 individualized education program team and the pupil's parent or guardian  
2 agree that promotion is appropriate based on the pupil's individualized  
3 education program.

4 (iii) Has demonstrated or subsequently demonstrates sufficient  
5 reading skills or adequate progress toward sufficient reading skills of  
6 the third grade reading standards as evidenced through a collection of  
7 reading assessments approved by the state board of education, which  
8 includes an alternative standardized reading assessment approved by the  
9 state board.

10 (iv) Receives intervention and remedial services during the summer  
11 or a subsequent school year pursuant to subdivision (c) of this paragraph  
12 and demonstrates sufficient progress based on guidelines issued pursuant  
13 to subsection B, paragraph 7 of this section.

14 (c) Evidence-based intervention and remedial strategies developed  
15 by the state board of education for pupils who are not promoted from the  
16 third grade. A school district governing board or charter school  
17 governing body shall offer more than one of the intervention and remedial  
18 strategies developed by the state board of education. The parent or  
19 guardian of a pupil who is not promoted from the third grade and the  
20 pupil's teacher and principal may choose the most appropriate intervention  
21 and remedial strategies that will be provided to that pupil. The  
22 intervention and remedial strategies developed by the state board of  
23 education shall include:

24 (i) A requirement that the pupil be assigned for evidence-based  
25 reading instruction by a different teacher who was designated in that  
26 teacher's most recent performance evaluation in one of the top two  
27 performance classifications.

28 (ii) Summer school reading instruction.

29 (iii) In the next academic year, intensive reading instruction that  
30 occurs before, during or after the regular school day, or any combination  
31 of before, during and after the regular school day.

32 (iv) Small group and teacher-led evidence-based reading  
33 instruction, which may include computer-based or online reading  
34 instruction.

35 (d) A requirement that a school district governing board or charter  
36 school governing body that promotes a pupil pursuant to subdivision (b) of  
37 this paragraph provide annual reporting to the department of education on  
38 or before October 1 that includes information on the total number of  
39 pupils subject to the retention provisions of subdivision (a) of this  
40 paragraph, the total number of students promoted pursuant to subdivision  
41 (b) of this paragraph, the total number of pupils retained in grade three  
42 and the interventions administered pursuant to subdivision (c) of this  
43 paragraph.

44 3. Provide for universal screening of pupils in preschool programs,  
45 kindergarten programs and grades one through three that is designed to

1 identify pupils who have reading deficiencies pursuant to section 15-704.  
2 ~~If sufficient monies are appropriated, beginning in the 2022-2023 school~~  
3 ~~year, the state board of education shall adopt a kindergarten entry~~  
4 ~~evaluation tool that school districts and charter schools may administer~~  
5 ~~to pupils in kindergarten programs. Each school district governing board~~  
6 ~~and charter school governing body shall select appropriate evaluation~~  
7 ~~methods or assessments, or both, to administer to pupils in kindergarten~~  
8 ~~programs for the purposes of this paragraph. A school district or charter~~  
9 ~~school shall administer the evaluation tool selected by the school~~  
10 ~~district governing board or charter school governing body pursuant to this~~  
11 ~~paragraph within forty-five calendar days after the beginning of each~~  
12 ~~school year or within forty-five calendar days after a pupil enrolls.~~  
13 ~~School districts and charter schools are not required to administer the~~  
14 ~~kindergarten entry evaluation tool adopted by the state board of education~~  
15 ~~pursuant to this paragraph.~~

16 4. Develop evidence-based intervention and remedial strategies  
17 pursuant to paragraph 2, subdivision (c) of this subsection for pupils in  
18 kindergarten programs and grades one through three who are identified as  
19 having reading deficiencies pursuant to section 15-704.

20 5. Distribute guidelines for the school districts to follow in  
21 prescribing criteria for the promotion of pupils from grade to grade in  
22 the common schools. These guidelines shall include recommended procedures  
23 for ensuring that the cultural background of a pupil is taken into  
24 consideration when criteria for promotion are being applied.

25 B. School districts and charter schools shall provide annual  
26 written notification to parents of pupils in kindergarten programs and  
27 first, second and third grades that a pupil who does not demonstrate  
28 sufficient reading skills pursuant to subsection A of this section will  
29 not be promoted from the third grade. School districts and charter  
30 schools shall identify each pupil who is at risk of reading below grade  
31 level in kindergarten and grades one, two and three and shall provide to  
32 the parent of that pupil a specific written notification of the reading  
33 deficiency within three weeks after identifying the reading deficiency.  
34 The notification shall include the following information:

- 35 1. A description of the pupil's specific individual needs.
- 36 2. A description of the current reading services provided to the  
37 pupil.
- 38 3. A description of the available supplemental instructional  
39 services and supporting programs that are designed to remediate reading  
40 deficiencies. Each school district or charter school shall offer more  
41 than one evidence-based intervention strategy and more than one remedial  
42 strategy developed by the state board of education for pupils with reading  
43 deficiencies. The notification shall list the intervention and remedial  
44 strategies offered and shall instruct the parent to choose, in



1 consultation with the pupil's teacher, the most appropriate strategies to  
2 be provided and implemented for that child.

3 4. Parental strategies to assist the pupil to attain reading  
4 proficiency.

5 5. The frequency with which the school district or charter school  
6 will provide timely updates and information to the parent on the pupil's  
7 progress toward reading proficiency.

8 6. A statement that the pupil will not be promoted from the third  
9 grade if the pupil does not demonstrate sufficient reading skills pursuant  
10 to subsection A, paragraph 2, subdivision (a) of this section, unless the  
11 pupil is exempt from mandatory retention in grade three or the pupil  
12 qualifies for an exemption pursuant to subsection A, paragraph 2,  
13 subdivision (b) of this section.

14 7. A description of the school district or charter school policies  
15 on midyear promotion to a higher grade.

16 C. Pursuant to the guidelines that the state board of education  
17 distributes, the governing board of a school district shall:

18 1. Prescribe curricula that include the academic standards in the  
19 required subject areas pursuant to subsection A, paragraph 1 of this  
20 section.

21 2. Prescribe criteria for the promotion of pupils from grade to  
22 grade in the common schools in the school district. These criteria shall  
23 include accomplishment of the academic standards in at least reading,  
24 writing, mathematics, science and social studies, as determined by  
25 district assessment. Other criteria may include additional measures of  
26 academic achievement and attendance.

27 D. The governing board may prescribe the course of study and  
28 competency requirements for promotion that are in addition to or higher  
29 than the course of study and competency requirements the state board  
30 prescribes.

31 E. A teacher shall determine whether to promote or retain a pupil  
32 in a grade in a common school on the basis of the prescribed criteria.  
33 The governing board, if it reviews the decision of a teacher to promote or  
34 retain a pupil in a grade in a common school as provided in section  
35 15-342, paragraph 11, shall base its decision on the prescribed criteria.

36 F. A governing board may provide and issue certificates of  
37 promotion to pupils whom it promotes from the eighth grade of a common  
38 school. Such certificates shall be signed by the principal or  
39 superintendent of schools. If there is no principal or superintendent of  
40 schools, the certificates shall be signed by an eighth grade teacher. The  
41 certificates shall admit the holders to any high school in this state.

42 G. Within any high school district or union high school district,  
43 the superintendent of the high school district shall supervise the work of  
44 the eighth grade of all schools that do not employ a superintendent or  
45 principal.

1 H. A school district shall not deny a pupil who is between the ages  
2 of sixteen and twenty-one years admission to a high school because the  
3 pupil does not hold an eighth grade certificate. Governing boards shall  
4 establish procedures for determining the admissibility of pupils who are  
5 under sixteen years of age and who do not hold eighth grade certificates.

6 I. The state board of education shall adopt rules to allow common  
7 school pupils who can demonstrate competency in a particular academic  
8 course or subject to obtain academic credit for the course or subject  
9 without enrolling in the course or subject.

10 J. A school district may conduct a ceremony to honor pupils who  
11 have been promoted from the eighth grade.

12 K. For the purposes of this section, "dyslexia" means a condition  
13 that:

14 1. Is neurological in origin.

15 2. Is characterized by difficulties with accurate or fluent word  
16 recognition and by poor spelling and decoding abilities, including  
17 difficulties that typically result from a deficit in the phonological  
18 component of language that is often unexpected in relation to other  
19 cognitive abilities and to the provision of effective classroom  
20 instruction.

21 3. May include secondary consequences such as problems with reading  
22 comprehension and reduced reading experience that may impede the growth of  
23 vocabulary and background knowledge.

24 Sec. 9. Section 15-704, Arizona Revised Statutes, is amended to  
25 read:

26 15-704. Reading proficiency; dyslexia screening plan;  
27 parental notification; definitions

28 A. Each school district or charter school that provides instruction  
29 in kindergarten programs and grades one through three shall select and  
30 administer screening, ongoing diagnostic and classroom-based instructional  
31 reading assessments, including a motivational assessment ~~and the~~  
32 ~~kindergarten entry evaluation tool selected by the school district~~  
33 ~~governing board or charter school governing body pursuant to section~~  
34 ~~15-701, subsection A, paragraph 3,~~ to monitor student progress. Each  
35 school shall use the diagnostic information to plan evidence-based  
36 appropriate and effective instruction and intervention.

37 B. ~~On or before July 1, 2022;~~ The department of education shall  
38 develop a dyslexia screening plan that meets all of the following  
39 requirements:

40 1. Ensures that within forty-five calendar days after the beginning  
41 of each school year or within forty-five calendar days after a student  
42 enrollment occurs after the first day of school, every student who is  
43 enrolled in a kindergarten program or grade one in a public school in this  
44 state is screened for indicators of dyslexia.

1           2. Provides guidance for notifications sent by public schools to  
2 parents of students who are identified as having indicators of dyslexia  
3 based on a screening for indicators.

4           3. Is developed collaboratively with the dyslexia specialist for  
5 the department designated pursuant to section 15-211, and other experts on  
6 dyslexia, including representatives in this state of an international  
7 organization on dyslexia.

8           4. Ensures that screening for indicators of dyslexia includes the  
9 following:

10           (a) Phonological and phonemic awareness.

11           (b) Rapid naming skills.

12           (c) Correspondence between sounds and letters.

13           (d) Nonsense word fluency.

14           (e) Sound symbol recognition.

15           C. The screening for indicators of dyslexia may be integrated with  
16 reading proficiency screenings as prescribed in this section.

17           D. Each school district or charter school that provides instruction  
18 for pupils in kindergarten programs and grades one through three shall  
19 conduct a curriculum evaluation and adopt an evidence-based reading  
20 curriculum that includes the essential components of reading instruction.  
21 All school districts and charter schools that offer instruction in  
22 kindergarten programs and grades one through three shall provide ongoing  
23 teacher training based on evidence-based reading research.

24           E. Each school district or charter school that provides instruction  
25 in kindergarten programs and grades one through three shall devote  
26 reasonable amounts of time to explicit evidence-based instruction and  
27 independent reading in grades one through three.

28           F. A pupil in grade three who does not demonstrate proficiency on  
29 the reading standards measured by the statewide assessment administered  
30 pursuant to section 15-741 shall be provided core reading instruction and  
31 intensive, evidence-based reading instruction as defined by the state  
32 board of education until the pupil meets these standards.

33           G. The governing board of each school district and the governing  
34 body of each charter school shall determine the percentage of pupils at  
35 each school in grade three who do not demonstrate proficiency on the  
36 reading standards prescribed by the state board of education and measured  
37 by the statewide assessment administered pursuant to section 15-741. If  
38 more than twenty percent of students in grade three at either the  
39 individual school level or at the school district level do not demonstrate  
40 proficiency on the standards, the governing board or governing body shall  
41 conduct a review of its reading program that includes curriculum and  
42 professional development in light of current, evidence-based reading  
43 research.

1 H. Based on the review required in subsection G of this section,  
2 the governing board or governing body and the school principal of each  
3 school that does not demonstrate proficiency on the reading standards, in  
4 conjunction with school council members, if applicable, shall develop  
5 methods of best practices for teaching reading based on essential  
6 components of reading instruction and supported by evidence-based reading  
7 research. These methods shall be adopted at a public meeting and shall be  
8 implemented the following academic year.

9 I. Subsections G and H of this section shall be coordinated with  
10 efforts to develop and implement an improvement plan if required pursuant  
11 to section 15-241.02.

12 J. For the purposes of this section:

13 1. "Essential components of reading instruction" means explicit and  
14 systematic instruction in the following:

15 (a) Phonological awareness, including phonemic awareness.

16 (b) Phonics encoding and decoding.

17 (c) Vocabulary development.

18 (d) Reading fluency as demonstrated by automatic reading of text.

19 (e) Reading comprehension of written text.

20 (f) Written and oral expression, including spelling and  
21 handwriting.

22 2. "Evidence-based reading research" means research that  
23 demonstrates either:

24 (a) A statistically significant effect on improving student  
25 outcomes or other relevant outcomes based on either:

26 (i) Strong evidence from at least one well-designed and  
27 well-implemented experimental study.

28 (ii) Moderate evidence from at least one well-designed and  
29 well-implemented quasi-experimental study.

30 (iii) Promising evidence from at least one well-designed and  
31 well-implemented correlational study with statistical controls for  
32 selection bias.

33 (b) A rationale based on high-quality research findings or positive  
34 evaluation that an activity, strategy or intervention is likely to improve  
35 student outcomes or other relevant outcomes and that includes ongoing  
36 efforts to examine the effects of these activities, strategies or  
37 interventions.

38 3. "Reading" means a complex system of deriving meaning from  
39 written text that requires all of the following:

40 (a) The skills and knowledge to understand how phonemes or speech  
41 sounds are connected to written text.

42 (b) The ability to decode unfamiliar words.

43 (c) The ability to read fluently.

44 (d) Sufficient background information and vocabulary to foster  
45 reading comprehension.

1 (e) The development of appropriate active strategies to construct  
2 meaning from written text.

3 (f) The development and maintenance of a motivation to read.

4 Sec. 10. Section 15-901, Arizona Revised Statutes, is amended to  
5 read:

6 15-901. Definitions

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

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

27 (a) "Fractional student" means:

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

1 school during the regular school day shall be included in the calculation  
2 of the average daily membership for that student.

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

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

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

42 (ii) For high schools, a student who has not graduated from the  
43 highest grade taught in the school district and who is enrolled in at  
44 least an instructional program of four or more subjects that count toward  
45 graduation as defined by the state board of education, each of which, if

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

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

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

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

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

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

1 (c) "Regular school day" means the regularly scheduled class  
2 periods intended for instructional purposes. Instructional purposes may  
3 include core subjects, elective subjects, lunch, study halls, music  
4 instruction and other classes that advance the academic instruction of  
5 pupils. Instructional purposes do not include athletic practices or  
6 extracurricular clubs and activities.

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

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

12 (a) Grades one through eight.

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

14 4. "Current year" means the fiscal year in which a school district  
15 is operating.

16 5. "Daily attendance" means:

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

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

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

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

44 (iv) Of the seventh or eighth grades attends more than  
45 three-quarters of the instructional time scheduled for the day, except as



1 provided in section 15-797. A school district or charter school may  
2 satisfy any of the time and hours requirements prescribed in this item in  
3 any manner prescribed in the school district's or charter school's  
4 instructional time model adopted under section 15-901.08.

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

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

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

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

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

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

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

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

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

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

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

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

41 7. "District support level" means the base support level plus the  
42 transportation support level.

43 8. "Eligible students" means:

44 (a) Students who are transported by or for a school district and  
45 who qualify as full-time students or fractional students, except students

1 for whom transportation is paid by another school district or a county  
2 school superintendent, and:

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

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

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

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

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

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

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

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

43 12. "Instructional hours" or "instructional time" means hours or  
44 time spent pursuant to an instructional time model adopted under section  
45 15-901.08.

1           13. "Revenue control limit" means the base revenue control limit  
2 plus the transportation revenue control limit.

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

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

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

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

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

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

20           1. "Base" means the revenue level per student count specified by  
21 the legislature.

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

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

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

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

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

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

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

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

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

41           7. "ED, MIID, SLD, SLI and OHI" means programs for children with  
42 emotional disabilities, mild intellectual disabilities, a specific  
43 learning disability, a speech/language impairment and other health  
44 impairments. A preschool child who is categorized as SLI under this

1 paragraph is not eligible to receive funding pursuant to section 15-943,  
2 paragraph 2, subdivision (b).

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

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

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

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

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

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

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

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

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

1 for free or reduced-price lunches, or an equivalent measure recognized for  
2 participating in the federal free and reduced-price lunch program and  
3 other school programs dependent on a poverty measure, including the  
4 community eligibility provision for which free and reduced-price lunch  
5 data is not available.

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

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

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

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

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

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

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

35 22. "MOID" means programs for pupils with moderate intellectual  
36 disability.

37 23. "OI-R" means a resource program for pupils with orthopedic  
38 impairments.

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

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

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

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

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

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

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

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

15           29. "Small school district" means a school district that meets all  
16 of the following:

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

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

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

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

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

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

29           Sec. 11. Section 15-945, Arizona Revised Statutes, is amended to  
30 read:

31           15-945. Transportation support level

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

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

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

40           3. Determine the number of eligible students transported in the  
41 fiscal year prior to the current year.

42           4. Divide the amount determined in paragraph 1 of this subsection  
43 by the amount determined in paragraph 3 of this subsection to determine  
44 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 <del>2023-2024</del> 2024-2025
10 0.5 or less	<del>2.89</del> 2.95
11 More than 0.5 through 1.0	<del>2.37</del> 2.42
12 More than 1.0	<del>2.89</del> 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. 12. Section 15-1107, Arizona Revised Statutes, is amended to  
32 read:

33 15-1107. [Litigation recovery fund; disposition of proceeds](#)

34 A. Monies received for and derived from settlement of legal  
35 controversies or from recovery of costs, attorney fees or damages by a  
36 school district in litigation by or against the school district shall be  
37 deposited with the county treasurer who shall credit the deposits to the  
38 litigation recovery fund of the school district. The litigation recovery  
39 fund is a continuing fund that is not subject to reversion.

40 B. If a school district receives monies as provided in subsection A  
41 of this section for the purpose of replacing or repairing school buildings  
42 or other school property, the governing board, or the superintendent or  
43 chief administrative officer with the approval of the governing board, may  
44 apply the proceeds ~~only~~ to:

1           1. Reimburse the building renewal grant fund established by section  
2 41-5731 or the emergency deficiencies correction fund established by  
3 section 41-5721 to the extent that monies were received from those funds  
4 for replacing or repairing school buildings or other school property that  
5 was the subject of the dispute and the monies recovered by the school  
6 district pursuant to subsection A of this section are designated for the  
7 replacement or repair. The school district shall prioritize the  
8 reimbursement as described in this paragraph, if applicable.

9           2. Pay any outstanding bonded indebtedness of the school district  
10 that is payable from the levy of taxes on property within the school  
11 district.

12           3. Construct, acquire, improve, repair or furnish school buildings  
13 after notice. If the proceeds are applied to a project that costs more  
14 than \$250,000, the governing board, or the superintendent or chief  
15 administrative officer with the approval of the governing board, may apply  
16 the proceeds after notice and a hearing.

17           4. Replace or repair the school property other than school  
18 buildings.

19           C. ~~Except as~~ IF A SCHOOL DISTRICT RECEIVES MONIES AS PROVIDED IN  
20 SUBSECTION A OF THIS SECTION FOR PURPOSES OTHER THAN THOSE provided in  
21 subsection B of this section, the governing board, or the superintendent  
22 or chief administrative officer with the approval of the governing board,  
23 may apply the proceeds of litigation recoveries:

24           1. To procure legal services or for the costs of litigation.

25           2. FOR REMEDIAL MEASURES REASONABLY RELATED TO A LEGAL CONTROVERSY  
26 OR LITIGATION BY OR AGAINST THE SCHOOL DISTRICT.

27           D. AFTER ALL OTHER EXPENDITURES AUTHORIZED UNDER THIS SECTION, A  
28 SCHOOL DISTRICT MAY USE MONIES REMAINING IN THE SCHOOL DISTRICT'S  
29 LITIGATION RECOVERY FUND FOR MAINTENANCE AND OPERATION OR UNRESTRICTED  
30 CAPITAL OUTLAY.

31           Sec. 13. 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. THIS SUBSECTION DOES  
32 NOT REQUIRE THE DEPARTMENT TO ANNUALLY VERIFY THE CHILD'S DISABILITY FOR  
33 THE PURPOSE OF SECTION 15-2401, PARAGRAPH 7, SUBDIVISION (a), ITEM (i),  
34 (ii) OR (iii), IF APPLICABLE.

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

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

1 does not respond in sixty calendar days, the department shall close the  
2 account and any remaining monies shall be returned to the state.

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

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

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

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

19 Sec. 14. Section 15-2403, Arizona Revised Statutes, is amended to  
20 read:

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

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

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

34 C. THE DEPARTMENT SHALL ANNUALLY REVIEW A SAMPLE OF ARIZONA  
35 EMPOWERMENT SCHOLARSHIP ACCOUNTS, SELECTED AT RANDOM, TO DETERMINE WHETHER  
36 THE PARENT OR QUALIFIED STUDENT IS IN COMPLIANCE WITH THE TERMS OF THE  
37 CONTRACT, APPLICABLE LAWS, RULES AND ORDERS RELATING TO THE ARIZONA  
38 EMPOWERMENT SCHOLARSHIP ACCOUNTS PROGRAM. THE ARIZONA EMPOWERMENT  
39 SCHOLARSHIP ACCOUNT OF A PARENT OR QUALIFIED STUDENT WHO IS IN GOOD  
40 STANDING MAY BE RANDOMLY SELECTED PURSUANT TO THIS SUBSECTION ONLY ONE  
41 TIME DURING ANY FIVE-YEAR PERIOD. The department may remove any parent or  
42 qualified student from eligibility for an Arizona empowerment scholarship  
43 account if the parent or qualified student fails to comply with the terms  
44 of the contract or applicable laws, rules or orders or knowingly misuses  
45 monies or knowingly fails to comply with the terms of the contract with

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

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

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

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

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

43 H. The department shall accept applications between July 1 and June  
44 30 of each year. The department shall ~~enroll and~~ issue an award letter to  
45 eligible applicants within thirty days after receipt of a completed



1 application and all required documentation. IF AN ELIGIBLE APPLICANT  
2 COMPLETES AN APPLICATION IN ADVANCE FOR AN ARIZONA EMPOWERMENT SCHOLARSHIP  
3 ACCOUNT TO BE FUNDED BEGINNING ON A LATER DATE, THE DEPARTMENT MAY ENROLL  
4 THE ELIGIBLE APPLICANT ON THE LATER DATE, EXCEPT THAT THE DEPARTMENT MAY  
5 NOT ENROLL THE APPLICANT MORE THAN TWO FISCAL QUARTERS AFTER THE FISCAL  
6 QUARTER IN WHICH THE APPLICATION IS COMPLETED OR ON A DATE THAT IS AFTER  
7 MARCH 31 AND BEFORE JULY 1. IF AN ELIGIBLE APPLICANT COMPLETES AN  
8 APPLICATION AFTER MARCH 31 AND BEFORE JULY 1, THE DEPARTMENT SHALL ENROLL  
9 THE APPLICANT ON OR AFTER JULY 1. THE DEPARTMENT SHALL ENROLL ALL OTHER  
10 ELIGIBLE APPLICANTS WHEN THE DEPARTMENT ISSUES AN AWARD LETTER PURSUANT TO  
11 THIS SUBSECTION. THIS SUBSECTION DOES NOT ALLOW A QUALIFIED STUDENT TO  
12 RECEIVE MONIES IN AN ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT WHILE THE  
13 QUALIFIED STUDENT IS ENROLLED IN A SCHOOL DISTRICT OR CHARTER SCHOOL. On  
14 or before ~~May 30~~ SEPTEMBER 1 AND NOVEMBER 1 of each year, the department  
15 shall furnish to the joint legislative budget committee AND THE GOVERNOR'S  
16 OFFICE OF STRATEGIC PLANNING AND BUDGETING an estimate of the amount  
17 required to fund Arizona empowerment scholarship accounts for the  
18 following fiscal year. The department shall include in its budget request  
19 for the following fiscal year the amount estimated pursuant to section  
20 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. 15. 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. 16. 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. 17. 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. 18. 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.

1           Sec. 19. Laws 2023, chapter 142, section 14 is amended to read:

2           Sec. 14. Continuing high school and workforce training  
3                     program; enrollment limits; retroactivity; delayed  
4                     repeal

5           A. Notwithstanding section 15-217.01, Arizona Revised Statutes, the  
6 state board of education may approve program schools for the continuing  
7 high school and workforce training program with a total projected  
8 full-time enrollment of:

9           1. In fiscal year 2023-2024, not more than six hundred.

10          2. In fiscal year 2024-2025, not more than ~~eight~~ FIVE hundred  
11 TWENTY.

12          B. This section applies retroactively to from and after June 30,  
13 2023.

14          C. This section is repealed from and after June 30, 2025.

15          Sec. 20. Repeal

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

17          Sec. 21. Failing schools tutoring fund; use of monies; fiscal  
18                     year 2024-2025; report

19          A. Notwithstanding section 15-241, Arizona Revised Statutes, the  
20 department of education may use monies in the failing schools tutoring  
21 fund established by section 15-241, Arizona Revised Statutes, in fiscal  
22 year 2024-2025 for the following school improvements:

23          1. To provide assistance to school districts and charter schools  
24 for professional development and coaching for teachers and principals.

25          2. To monitor the progress of school districts and charter schools  
26 towards improved academic outcomes.

27          3. Outreach to ensure that schools and parents have access to  
28 tutoring opportunities.

29          B. On or before September 1, 2024, the department of education  
30 shall report the proposed expenditures for fiscal year 2024-2025 pursuant  
31 to subsection A of this section to the governor, the speaker of the house  
32 of representatives, the president of the senate, the director of the joint  
33 legislative budget committee and the director of the governor's office of  
34 strategic planning and budgeting.

35          Sec. 22. Telecommunication fund for the deaf; use of monies;  
36                     fiscal year 2024-2025

37          Notwithstanding section 36-1947, Arizona Revised Statutes, in fiscal  
38 year 2024-2025, the Arizona state schools for the deaf and the blind may  
39 use monies appropriated from the telecommunication fund for the deaf  
40 established by section 36-1947, Arizona Revised Statutes, for educational  
41 and operational costs of the Arizona state schools for the deaf and the  
42 blind.

1           Sec. 23. Intent

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