

REFERENCE TITLE: K-12 education; budget reconciliation.

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

# HB 2874

Introduced by  
Representative Boone (with permission of committee on Rules)

AN ACT

AMENDING SECTIONS 15-185, 15-901, 15-901.03, 15-910.03, 15-915, 15-941, 15-943 AND 15-945, ARIZONA REVISED STATUTES; MAKING APPROPRIATIONS; RELATING TO KINDERGARTEN THROUGH TWELFTH GRADE EDUCATION BUDGET RECONCILIATION.

(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; definitions

5 A. Financial provisions for a charter school that is sponsored by a  
6 school district governing board are as follows:

7 1. The charter school shall be included in the district's budget and  
8 financial assistance calculations pursuant to paragraph 3 of this subsection  
9 and chapter 9 of this title, except for chapter 9, article 4 of this title.  
10 The charter of the charter school shall include a description of the methods  
11 of funding the charter school by the school district. The school district  
12 shall send a copy of the charter and application, including a description of  
13 how the school district plans to fund the school, to the state board of  
14 education before the start of the first fiscal year of operation of the  
15 charter school. The charter or application shall include an estimate of the  
16 student count for the charter school for its first fiscal year of operation.  
17 This estimate shall be computed pursuant to the requirements of paragraph 3  
18 of this subsection.

19 2. A school district is not financially responsible for any charter  
20 school that is sponsored by the state board of education or the state board  
21 for charter schools.

22 3. A school district that sponsors a charter school may:

23 (a) Increase its student count as provided in subsection B, paragraph  
24 2 of this section during the first year of the charter school's operation to  
25 include those charter school pupils who were not previously enrolled in the  
26 school district. A charter school sponsored by a school district governing  
27 board is eligible for the assistance prescribed in subsection B, paragraph 4  
28 of this section. The soft capital allocation as provided in section 15-962  
29 for the school district sponsoring the charter school shall be increased by  
30 the amount of the additional assistance. The school district shall include  
31 the full amount of the additional assistance in the funding provided to the  
32 charter school.

33 (b) Compute separate weighted student counts pursuant to section  
34 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter  
35 school pupils in order to maintain eligibility for small school district  
36 support level weights authorized in section 15-943, paragraph 1 for its  
37 noncharter school pupils only. The portion of a district's student count  
38 that is attributable to charter school pupils is not eligible for small  
39 school district support level weights.

40 4. If a school district uses the provisions of paragraph 3 of this  
41 subsection, the school district is not eligible to include those pupils in  
42 its student count for the purposes of computing an increase in its revenue  
43 control limit and district support level as provided in section 15-948.

1           5. A school district that sponsors a charter school is not eligible to  
2 include the charter school pupils in its student count for the purpose of  
3 computing an increase in its capital outlay revenue limit as provided in  
4 section 15-961, subsection C, except that if the charter school was  
5 previously a school in the district, the district may include in its student  
6 count any charter school pupils who were enrolled in the school district in  
7 the prior year.

8           6. A school district that sponsors a charter school is not eligible to  
9 include the charter school pupils in its student count for the purpose of  
10 computing the revenue control limit which is used to determine the maximum  
11 budget increase as provided in chapter 4, article 4 of this title unless the  
12 charter school is located within the boundaries of the school district.

13           7. If a school district converts one or more of its district public  
14 schools to a charter school and receives assistance as prescribed in  
15 subsection B, paragraph 4 of this section, and subsequently converts the  
16 charter school back to a district public school, the school district shall  
17 repay the state the total additional assistance received for the charter  
18 school for all years that the charter school was in operation. The repayment  
19 shall be in one lump sum and shall be reduced from the school district's  
20 current year equalization assistance. The school district's general budget  
21 limit shall be reduced by the same lump sum amount in the current year.

22           B. Financial provisions for a charter school that is sponsored by the  
23 state board of education or the state board for charter schools are as  
24 follows:

25           1. The charter school shall calculate a base support level as  
26 prescribed in section 15-943, except that sections 15-941 and 15-942 do not  
27 apply to these charter schools.

28           2. Notwithstanding paragraph 1 of this subsection, the student count  
29 shall be determined initially using an estimated student count based on  
30 actual registration of pupils before the beginning of the school year. After  
31 the first one hundred days or two hundred days in session, as applicable, the  
32 charter school shall revise the student count to be equal to the actual  
33 average daily membership, as defined in section 15-901, or the adjusted  
34 average daily membership, as prescribed in section 15-902, of the charter  
35 school. Before the one hundredth day or two hundredth day in session, as  
36 applicable, the state board of education or the state board for charter  
37 schools may require a charter school to report periodically regarding pupil  
38 enrollment and attendance and the department of education may revise its  
39 computation of equalization assistance based on the report. A charter school  
40 shall revise its student count, base support level and additional assistance  
41 before May 15. A charter school that overestimated its student count shall  
42 revise its budget before May 15. A charter school that underestimated its  
43 student count may revise its budget before May 15.

1           3. A charter school may utilize section 15-855 for the purposes of  
2 this section. The charter school and the department of education shall  
3 prescribe procedures for determining average daily attendance and average  
4 daily membership.

5           4. Equalization assistance for the charter school shall be determined  
6 by adding the amount of the base support level and additional assistance.  
7 The amount of the additional assistance is one thousand three hundred ~~thirty~~  
8 ~~EIGHTY-SEVEN~~ dollars ~~five~~ TWENTY-FIVE cents per student count in kindergarten  
9 programs and grades one through eight and one thousand ~~five~~ SIX hundred ~~fifty~~  
10 ~~SIXTEEN~~ dollars ~~fourteen~~ EIGHTY-ONE cents per student count in grades nine  
11 through twelve.

12           5. The state board of education shall apportion state aid from the  
13 appropriations made for such purposes to the state treasurer for disbursement  
14 to the charter schools in each county in an amount as determined by this  
15 paragraph. The apportionments shall be made in twelve equal installments of  
16 the total amount to be apportioned during the fiscal year on the fifteenth  
17 day of each month of the fiscal year.

18           6. Notwithstanding paragraph 5 of this subsection, if sufficient  
19 appropriated monies are available after the first forty days in session of  
20 the current year, a charter school may request additional state monies to  
21 fund the increased state aid due to anticipated student growth through the  
22 first one hundred days or two hundred days in session, as applicable, of the  
23 current year as provided in section 15-948. In no event shall a charter  
24 school have received more than three-fourths of its total apportionment  
25 before April 15 of the fiscal year. Early payments pursuant to this  
26 subsection must be approved by the state treasurer, the director of the  
27 department of administration and the superintendent of public instruction.

28           7. The charter school shall not charge tuition, levy taxes or issue  
29 bonds.

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

36           C. If a pupil is enrolled in both a charter school and a public school  
37 that is not a charter school, the sum of the daily membership, which includes  
38 enrollment as prescribed in section 15-901, subsection A, paragraph 2,  
39 subdivisions (a) and (b) and daily attendance as prescribed in section  
40 15-901, subsection A, paragraph 6, for that pupil in the school district and  
41 the charter school shall not exceed 1.0. If a pupil is enrolled in both a  
42 charter school and a public school that is not a charter school, the  
43 department of education shall direct the average daily membership to the  
44 school with the most recent enrollment date. Upon validation of actual  
45 enrollment in both a charter school and a public school that is not a charter

1 school and if the sum of the daily membership or daily attendance for that  
2 pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be  
3 apportioned between the public school and the charter school based on the  
4 percentage of total time that the pupil is enrolled or in attendance in the  
5 public school and the charter school. The uniform system of financial  
6 records shall include guidelines for the apportionment of the pupil  
7 enrollment and attendance as provided in this section.

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

20 1. Equalization assistance shall not be less than zero.

21 2. For a charter school sponsored by the state board of education or  
22 the state board for charter schools, the total of the base support level, the  
23 capital outlay revenue limit, the soft capital allocation and the additional  
24 assistance shall not be less than zero.

25 3. For a charter school sponsored by a school district, the base  
26 support level for the school district shall not be reduced by more than the  
27 amount that the charter school increased the district's base support level,  
28 capital outlay revenue limit and soft capital allocation.

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

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

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

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

18 I. A charter school may receive and spend monies distributed by the  
19 department of education pursuant to section 42-5029, subsection E and section  
20 37-521, subsection B.

21 J. For the purposes of this section:

22 1. "Monies intended for the basic maintenance and operations of the  
23 school" means monies intended to provide support for the educational program  
24 of the school, except that it does not include supplemental assistance for a  
25 specific purpose or P.L. 81-874 monies. The auditor general shall determine  
26 which federal or state monies meet the definition in this paragraph.

27 2. "Operated for or by the same school district" means the charter  
28 school is either governed by the same district governing board or operated by  
29 the district in the same manner as other traditional schools in the district  
30 or is operated by an independent party that has a contract with the school  
31 district. The auditor general and the department of education shall  
32 determine which charter schools meet the definition in this subsection.

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

34 15-901. Definitions

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

36 1. "Average daily attendance" or "ADA" means actual average daily  
37 attendance through the first one hundred days or two hundred days in session,  
38 as applicable.

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

1 For computation purposes, the effective date of withdrawal shall be  
2 retroactive to the last day of actual attendance of the student.

3 (a) "Fractional student" means:

4 (i) For common schools, until fiscal year 2001-2002, a preschool child  
5 who is enrolled in a program for preschool children with disabilities of at  
6 least three hundred sixty minutes each week or a kindergarten student at  
7 least five years of age prior to January 1 of the school year and enrolled in  
8 a school kindergarten program that meets at least three hundred forty-six  
9 instructional hours during the minimum number of days required in a school  
10 year as provided in section 15-341. In fiscal year 2001-2002, the  
11 kindergarten program shall meet at least three hundred forty-eight hours. In  
12 fiscal year 2002-2003, the kindergarten program shall meet at least three  
13 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program  
14 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,  
15 the kindergarten program shall meet at least three hundred fifty-four hours.  
16 In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten  
17 program shall meet at least three hundred fifty-six hours. Lunch periods and  
18 recess periods may not be included as part of the instructional hours unless  
19 the child's individualized education program requires instruction during  
20 those periods and the specific reasons for such instruction are fully  
21 documented. In computing the average daily membership, preschool children  
22 with disabilities and kindergarten students shall be counted as one-half of a  
23 full-time student. For common schools, a part-time student is a student  
24 enrolled for less than the total time for a full-time student as defined in  
25 this section. A part-time common school student shall be counted as  
26 one-fourth, one-half or three-fourths of a full-time student if the student  
27 is enrolled in an instructional program that is at least one-fourth, one-half  
28 or three-fourths of the time a full-time student is enrolled as defined in  
29 subdivision (b) of this paragraph.

30 (ii) For high schools, a part-time student who is enrolled in less  
31 than four subjects that count toward graduation as defined by the state board  
32 of education in a recognized high school and who is taught in less than  
33 twenty instructional hours per week prorated for any week with fewer than  
34 five school days. A part-time high school student shall be counted as  
35 one-fourth, one-half or three-fourths of a full-time student if the student  
36 is enrolled in an instructional program that is at least one-fourth, one-half  
37 or three-fourths of a full-time instructional program as defined in  
38 subdivision (c) of this paragraph.

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

40 (i) For common schools, a student who is at least six years of age  
41 prior to January 1 of a school year, who has not graduated from the highest  
42 grade taught in the school district and who is regularly enrolled in a course  
43 of study required by the state board of education. Until fiscal year  
44 2001-2002, first, second and third grade students, ungraded students at least  
45 six, but under nine, years of age by September 1 or ungraded group B children

1 with disabilities who are at least five, but under six, years of age by  
2 September 1 must be enrolled in an instructional program that meets for a  
3 total of at least six hundred ninety-two hours during the minimum number of  
4 days required in a school year as provided in section 15-341. In fiscal year  
5 2001-2002, the program shall meet at least six hundred ninety-six hours. In  
6 fiscal year 2002-2003, the program shall meet at least seven hundred hours.  
7 In fiscal year 2003-2004, the program shall meet at least seven hundred four  
8 hours. In fiscal year 2004-2005, the program shall meet at least seven  
9 hundred eight hours. In fiscal year 2005-2006 and in each fiscal year  
10 thereafter, the program shall meet at least seven hundred twelve hours.  
11 Until fiscal year 2001-2002, fourth, fifth and sixth grade students or  
12 ungraded students at least nine, but under twelve, years of age by September  
13 1 must be enrolled in an instructional program that meets for a total of at  
14 least eight hundred sixty-five hours during the minimum number of school days  
15 required in a school year as provided in section 15-341. In fiscal year  
16 2001-2002, the program shall meet at least eight hundred seventy hours. In  
17 fiscal year 2002-2003, the program shall meet at least eight hundred  
18 seventy-five hours. In fiscal year 2003-2004, the program shall meet at  
19 least eight hundred eighty hours. In fiscal year 2004-2005, the program  
20 shall meet at least eight hundred eighty-five hours. In fiscal year  
21 2005-2006 and each fiscal year thereafter, the program shall meet at least  
22 eight hundred ninety hours. Until fiscal year 2001-2002, seventh and eighth  
23 grade students or ungraded students at least twelve, but under fourteen,  
24 years of age by September 1 must be enrolled in an instructional program that  
25 meets for a total of at least one thousand thirty-eight hours during the  
26 minimum number of days required in a school year as provided in section  
27 15-341. In fiscal year 2001-2002, the program shall meet at least one  
28 thousand forty-four hours. In fiscal year 2002-2003, the program shall meet  
29 at least one thousand fifty hours. In fiscal year 2003-2004, the program  
30 shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005,  
31 the program shall meet at least one thousand sixty-two hours. In fiscal year  
32 2005-2006 and each fiscal year thereafter, the program shall meet at least  
33 one thousand sixty-eight hours. Lunch periods and recess periods may not be  
34 included as part of the instructional hours unless the student is a child  
35 with a disability and the child's individualized education program requires  
36 instruction during those periods and the specific reasons for such  
37 instruction are fully documented.

38 (ii) For high schools, a student not graduated from the highest grade  
39 taught in the school district, or an ungraded student at least fourteen years  
40 of age by September 1, and enrolled in at least a full-time instructional  
41 program of subjects that count toward graduation as defined by the state  
42 board of education in a recognized high school. A full-time student shall  
43 not be counted more than once for computation of average daily membership.

1 (iii) For homebound or hospitalized, a student receiving at least four  
2 hours of instruction per week.

3 (c) "Full-time instructional program" means:

4 (i) Through fiscal year 2000-2001, at least four subjects, each of  
5 which, if taught each school day for the minimum number of days required in a  
6 school year, would meet a minimum of one hundred twenty hours a year, or the  
7 equivalent, or one or more subjects taught in amounts of time totaling at  
8 least twenty hours per week prorated for any week with fewer than five school  
9 days.

10 (ii) For fiscal year 2001-2002, an instructional program that meets at  
11 least a total of seven hundred four hours during the minimum number of days  
12 required and includes at least four subjects each of which, if taught each  
13 school day for the minimum number of days required in a school year, would  
14 meet a minimum of one hundred twenty-two hours a year, or the equivalent, or  
15 one or more subjects taught in amounts of time totaling at least twenty hours  
16 per week prorated for any week with fewer than five school days.

17 (iii) For fiscal year 2002-2003, an instructional program that meets  
18 at least a total of seven hundred eight hours during the minimum number of  
19 days required and includes at least four subjects each of which, if taught  
20 each school day for the minimum number of days required in a school year,  
21 would meet a minimum of one hundred twenty-two hours a year, or the  
22 equivalent, or one or more subjects taught in amounts of time totaling at  
23 least twenty hours per week prorated for any week with fewer than five school  
24 days.

25 (iv) For fiscal year 2003-2004, an instructional program that meets at  
26 least a total of seven hundred twelve hours during the minimum number of days  
27 required and includes at least four subjects each of which, if taught each  
28 school day for the minimum number of days required in a school year, would  
29 meet a minimum of one hundred twenty-three hours a year, or the equivalent,  
30 or one or more subjects taught in amounts of time totaling at least twenty  
31 hours per week prorated for any week with fewer than five school days.

32 (v) For fiscal year 2004-2005, an instructional program that meets at  
33 least a total of seven hundred sixteen hours during the minimum number of  
34 days required and includes at least four subjects each of which, if taught  
35 each school day for the minimum number of days required in a school year,  
36 would meet a minimum of one hundred twenty-three hours a year, or the  
37 equivalent, or one or more subjects taught in amounts of time totaling at  
38 least twenty hours per week prorated for any week with fewer than five school  
39 days.

40 (vi) For fiscal year 2005-2006 and each fiscal year thereafter, an  
41 instructional program that meets at least a total of seven hundred twenty  
42 hours during the minimum number of days required and includes at least four  
43 subjects each of which, if taught each school day for the minimum number of  
44 days required in a school year, would meet a minimum of one hundred  
45 twenty-three hours a year, or the equivalent, or one or more subjects taught

1 in amounts of time totaling at least twenty hours per week prorated for any  
2 week with fewer than five school days.

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

5 4. "Common school district" means a political subdivision of this  
6 state offering instruction to students in programs for preschool children  
7 with disabilities and kindergarten programs and grades one through eight.

8 5. "Current year" means the fiscal year in which a school district is  
9 operating.

10 6. "Daily attendance" means:

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

12 (i) Of a kindergarten program or ungraded, but not group B children  
13 with disabilities, and at least five, but under six, years of age by  
14 September 1 attends at least three-quarters of the instructional time  
15 scheduled for the day. If the total instruction time scheduled for the year  
16 is at least three hundred forty-six hours but is less than six hundred  
17 ninety-two hours such attendance shall be counted as one-half day of  
18 attendance. If the instructional time scheduled for the year is at least six  
19 hundred ninety-two hours, "daily attendance" means days in which a pupil  
20 attends at least one-half of the instructional time scheduled for the  
21 day. Such attendance shall be counted as one-half day of attendance.

22 (ii) Of the first, second or third grades, ungraded and at least six,  
23 but under nine, years of age by September 1 or ungraded group B children with  
24 disabilities and at least five, but under six, years of age by September 1  
25 attends more than three-quarters of the instructional time scheduled for the  
26 day.

27 (iii) Of the fourth, fifth or sixth grades or ungraded and at least  
28 nine, but under twelve, years of age by September 1 attends more than  
29 three-quarters of the instructional time scheduled for the day, except as  
30 provided in section 15-797.

31 (iv) Of the seventh or eighth grades or ungraded and at least twelve,  
32 but under fourteen, years of age by September 1 attends more than  
33 three-quarters of the instructional time scheduled for the day, except as  
34 provided in section 15-797.

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

39 (i) If attendance for all pupils in the school is based on quarter  
40 days, the attendance of a pupil shall be counted as one-fourth of a day's  
41 attendance for each one-fourth of full-time instructional time attended.

42 (ii) If attendance for all pupils in the school is based on half days,  
43 the attendance of at least three-quarters of the instructional time scheduled  
44 for the day shall be counted as a full day's attendance and attendance at a

1 minimum of one-half but less than three-quarters of the instructional time  
2 scheduled for the day equals one-half day of attendance.

3 (c) For common schools, the attendance of a preschool child with  
4 disabilities shall be counted as one-fourth day's attendance for each  
5 thirty-six minutes of attendance not including lunch periods and recess  
6 periods, except as provided in paragraph 2, subdivision (a), item (i) of this  
7 subsection for children with disabilities up to a maximum of three hundred  
8 sixty minutes each week.

9 (d) For high schools or ungraded schools in which the pupil is at  
10 least fourteen years of age by September 1, the attendance of a pupil shall  
11 not be counted as a full day unless the pupil is actually and physically in  
12 attendance and enrolled in and carrying four subjects, each of which, if  
13 taught each school day for the minimum number of days required in a school  
14 year, would meet a minimum of one hundred twenty hours a year, or the  
15 equivalent, that count toward graduation in a recognized high school except  
16 as provided in section 15-797 and subdivision (e) of this paragraph.  
17 Attendance of a pupil carrying less than the load prescribed shall be  
18 prorated.

19 (e) For high schools or ungraded schools in which the pupil is at  
20 least fourteen years of age by September 1, the attendance of a pupil may be  
21 counted as one-fourth of a day's attendance for each sixty minutes of  
22 instructional time in a subject that counts toward graduation, except that  
23 attendance for a pupil shall not exceed the pupil's full or fractional  
24 membership.

25 (f) For homebound or hospitalized, a full day of attendance may be  
26 counted for each day during a week in which the student receives at least  
27 four hours of instruction.

28 (g) For school districts which maintain school for an approved  
29 year-round school year operation, attendance shall be based on a computation,  
30 as prescribed by the superintendent of public instruction, of the one hundred  
31 eighty days' equivalency or two hundred days' equivalency, as applicable, of  
32 instructional time as approved by the superintendent of public instruction  
33 during which each pupil is enrolled.

34 7. "Daily route mileage" means the sum of:

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

39 (b) The total number of miles driven daily on routes approved by the  
40 superintendent of public instruction for which a private party, a political  
41 subdivision or a common or a contract carrier is reimbursed for bringing an  
42 eligible student from the place of his residence to a school transportation  
43 pickup point or to the school of attendance and from the school  
44 transportation scheduled return point or from the school of attendance to his  
45 residence. Daily route mileage includes the total number of miles necessary

1 to drive to transport eligible students from and to their residence as  
2 provided in this paragraph.

3 8. "District support level" means the base support level plus the  
4 transportation support level.

5 9. "Eligible students" means:

6 (a) Students who are transported by or for a school district and who  
7 qualify as full-time students or fractional students, except students for  
8 whom transportation is paid by another school district or a county school  
9 superintendent, and:

10 (i) For common school students, whose place of actual residence within  
11 the school district is more than one mile from the school facility of  
12 attendance or students who are admitted pursuant to section 15-816.01 and who  
13 meet the economic eligibility requirements established under the national  
14 school lunch and child nutrition acts (42 United States Code sections 1751  
15 through 1785) for free or reduced price lunches and whose actual place of  
16 residence outside the school district boundaries is more than one mile from  
17 the school facility of attendance.

18 (ii) For high school students, whose place of actual residence within  
19 the school district is more than one and one-half miles from the school  
20 facility of attendance or students who are admitted pursuant to section  
21 15-816.01 and who meet the economic eligibility requirements established  
22 under the national school lunch and child nutrition acts (42 United States  
23 Code sections 1751 through 1785) for free or reduced price lunches and whose  
24 actual place of residence outside the school district boundaries is more than  
25 one and one-half miles from the school facility of attendance.

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

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

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

38 10. "Enrolled" or "enrollment" means when a pupil is currently  
39 registered in the school district.

40 11. "GDP price deflator" means the average of the four implicit price  
41 deflators for the gross domestic product reported by the United States  
42 department of commerce for the four quarters of the calendar year.

- 1           12. "High school district" means a political subdivision of this state  
2 offering instruction to students for grades nine through twelve or that  
3 portion of the budget of a common school district which is allocated to  
4 teaching high school subjects with permission of the state board of  
5 education.
- 6           13. "Revenue control limit" means the base revenue control limit plus  
7 the transportation revenue control limit.
- 8           14. "Student count" means average daily membership as prescribed in  
9 this subsection for the fiscal year prior to the current year, except that  
10 for the purpose of budget preparation student count means average daily  
11 membership as prescribed in this subsection for the current year.
- 12           15. "Submit electronically" means submitted in a format and in a manner  
13 prescribed by the department of education.
- 14           16. "Total bus mileage" means the total number of miles driven by all  
15 buses of a school district during the school year.
- 16           17. "Total students transported" means all eligible students  
17 transported from their place of residence to a school transportation pickup  
18 point or to the school of attendance and from the school of attendance or  
19 from the school transportation scheduled return point to their place of  
20 residence.
- 21           18. "Unified school district" means a political subdivision of the  
22 state offering instruction to students in programs for preschool children  
23 with disabilities and kindergarten programs and grades one through twelve.
- 24           B. In this title, unless the context otherwise requires:
- 25           1. "Base" means the revenue level per student count specified by the  
26 legislature.
- 27           2. "Base level" means:
- 28           (a) For fiscal year 2004-2005, two thousand eight hundred ninety-three  
29 dollars eighteen cents.
- 30           (b) For fiscal year 2005-2006, three thousand one dollars.
- 31           (c) FOR FISCAL YEAR 2006-2007, THREE THOUSAND SIXTY-ONE DOLLARS TWO  
32 CENTS.
- 33           3. "Base revenue control limit" means the base revenue control limit  
34 computed as provided in section 15-944.
- 35           4. "Base support level" means the base support level as provided in  
36 section 15-943.
- 37           5. "Certified teacher" means a person who is certified as a teacher  
38 pursuant to the rules adopted by the state board of education, who renders  
39 direct and personal services to school children in the form of instruction  
40 related to the school district's educational course of study and who is paid  
41 from the maintenance and operation section of the budget.
- 42           6. "ED, MIMR, SLD, SLI and OHI" means programs for children with  
43 emotional disabilities, mild mental retardation, a specific learning  
44 disability, a speech/language impairment and other health impairments.

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

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

9           9. "Full-time equivalent certified teacher" or "FTE certified teacher"  
10 means for a certified teacher the following:

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

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

16           10. "Group A" means educational programs for career exploration, a  
17 specific learning disability, an emotional disability, mild mental  
18 retardation, remedial education, a speech/language impairment, homebound,  
19 bilingual, preschool moderate delay, preschool speech/language delay, other  
20 health impairments and gifted pupils.

21           11. "Group B" means educational improvements for pupils in kindergarten  
22 programs and grades one through three, educational programs for autism, a  
23 hearing impairment, moderate mental retardation, multiple disabilities,  
24 multiple disabilities with severe sensory impairment, orthopedic impairments,  
25 preschool severe delay, severe mental retardation and emotional disabilities  
26 for school age pupils enrolled in private special education programs or in  
27 school district programs for children with severe disabilities or visual  
28 impairment and English learners enrolled in a program to promote English  
29 language proficiency pursuant to section 15-752.

30           12. "HI" means programs for pupils with hearing impairment.

31           13. "Homebound" or "hospitalized" means a pupil who is capable of  
32 profiting from academic instruction but is unable to attend school due to  
33 illness, disease, accident or other health conditions, who has been examined  
34 by a competent medical doctor and who is certified by that doctor as being  
35 unable to attend regular classes for a period of not less than three school  
36 months or a pupil who is capable of profiting from academic instruction but  
37 is unable to attend school regularly due to chronic or acute health problems,  
38 who has been examined by a competent medical doctor and who is certified by  
39 that doctor as being unable to attend regular classes for intermittent  
40 periods of time totaling three school months during a school year. The  
41 medical certification shall state the general medical condition, such as  
42 illness, disease or chronic health condition, that is the reason that the  
43 pupil is unable to attend school. Homebound or hospitalized includes a  
44 student who is unable to attend school for a period of less than three months  
45 due to a pregnancy if a competent medical doctor, after an examination,

- 1 certifies that the student is unable to attend regular classes due to risk to  
2 the pregnancy or to the student's health.
- 3 14. "K-3" means kindergarten programs and grades one through three.
- 4 15. "MD-R, A-R and SMR-R" means resource programs for pupils with  
5 multiple disabilities, autism and severe mental retardation.
- 6 16. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils  
7 with multiple disabilities, autism and severe mental retardation.
- 8 17. "MDSSI" means a program for pupils with multiple disabilities with  
9 severe sensory impairment.
- 10 18. "MOMR" means programs for pupils with moderate mental retardation.
- 11 19. "OI-R" means a resource program for pupils with orthopedic  
12 impairments.
- 13 20. "OI-SC" means a self-contained program for pupils with orthopedic  
14 impairments.
- 15 21. "PSD" means preschool programs for children with disabilities as  
16 provided in section 15-771.
- 17 22. "P-SD" means programs for children who meet the definition of  
18 preschool severe delay as provided in section 15-771.
- 19 23. "Qualifying tax rate" means the qualifying tax rate specified in  
20 section 15-971 applied to the assessed valuation used for primary property  
21 taxes.
- 22 24. "Small isolated school district" means a school district which  
23 meets all of the following:
- 24 (a) Has a student count of fewer than six hundred in kindergarten  
25 programs and grades one through eight or grades nine through twelve.
- 26 (b) Contains no school which is fewer than thirty miles by the most  
27 reasonable route from another school, or, if road conditions and terrain make  
28 the driving slow or hazardous, fifteen miles from another school which  
29 teaches one or more of the same grades and is operated by another school  
30 district in this state.
- 31 (c) Is designated as a small isolated school district by the  
32 superintendent of public instruction.
- 33 25. "Small school district" means a school district which meets all of  
34 the following:
- 35 (a) Has a student count of fewer than six hundred in kindergarten  
36 programs and grades one through eight or grades nine through twelve.
- 37 (b) Contains at least one school which is fewer than thirty miles by  
38 the most reasonable route from another school which teaches one or more of  
39 the same grades and is operated by another school district in this state.
- 40 (c) Is designated as a small school district by the superintendent of  
41 public instruction.
- 42 26. "Transportation revenue control limit" means the transportation  
43 revenue control limit computed as prescribed in section 15-946.

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

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

4           29. "Voc. Ed." means career and technical education and vocational  
5 education programs, as defined in section 15-781.

6           Sec. 3. Section 15-901.03, Arizona Revised Statutes, is amended to  
7 read:

8           15-901.03. Transfers; review

9           Notwithstanding section 35-173, subsection C, any transfer to or from  
10 the amount appropriated for basic state aid entitlement, additional state aid  
11 to schools, ~~certificates of educational convenience or~~ the special education  
12 fund OR OTHER STATE AID TO DISTRICTS line items shall require review by the  
13 joint legislative budget committee.

14           Sec. 4. Section 15-910.03, Arizona Revised Statutes, is amended to  
15 read:

16           15-910.03 Excess utilities; funding plan; review

17           A. Beginning July 1, 2005, each school district ~~that budgets for~~  
18 ~~excess utilities~~ shall annually develop, adopt and certify a plan at the same  
19 public meeting where the school district budget is proposed and adopted  
20 containing the following information:

21           1. A review and summary for each fiscal year since fiscal year  
22 1999-2000 that includes the expenditures for the direct operational costs of  
23 each of the following that are contained within the revenue control limit and  
24 of the excess utilities budget outside the revenue control limit:

- 25           (a) Heating.
- 26           (b) Cooling.
- 27           (c) Water.
- 28           (d) Electricity.
- 29           (e) Telephone communications.
- 30           (f) Sanitation fees.

31           2. A review and summary that includes the current year budget, the  
32 current year estimated expenditures and the proposed budget for the direct  
33 operational costs of each of the following that are contained within the  
34 revenue control limit and of the excess utilities budget outside the revenue  
35 control limit:

- 36           (a) Heating.
- 37           (b) Cooling.
- 38           (c) Water.
- 39           (d) Electricity.
- 40           (e) Telephone communications.
- 41           (f) Sanitation fees.

42           3. A per pupil cost for the total expenditures for the direct  
43 operational costs that are contained within the revenue control limit and a  
44 per pupil cost for the total expenditures for the direct operational costs

1 that are part of the excess utilities budget outside the revenue control  
2 limit as prescribed in paragraphs 1 and 2.

3 4. **IF THE SCHOOL DISTRICT BUDGETS FOR EXCESS UTILITIES**, a review and  
4 summary of specific financial goals to enable the school district to pay for  
5 all utility costs within the revenue control limit on or before June 30, 2009  
6 as approved by the voters of this state in the referendum designated as  
7 proposition 301 at the 2000 general election.

8 5. **IF THE SCHOOL DISTRICT BUDGETS FOR EXCESS UTILITIES**, a review of  
9 the district's plan to ensure that the school district is making progress  
10 toward the achievement of the financial goals prescribed in paragraph 4.

11 B. Each school district shall annually submit a copy of the plan  
12 prescribed in subsection A to the department of education on or before  
13 July 18.

14 C. The department of education shall prepare and submit an annual  
15 report on or before December 1 to the joint legislative budget committee  
16 containing a summary of the school district plans and costs per pupil as  
17 prescribed in subsection A. The department of education shall include in the  
18 report a list of school districts that ~~budgeted for excess utilities but that~~  
19 did not submit a plan pursuant to this section.

20 Sec. 5. Section 15-915, Arizona Revised Statutes, is amended to read:

21 **15-915. Correction of state aid or budget limit errors;**  
22 **definition**

23 A. If the superintendent of public instruction determines that the  
24 calculation of state aid for a school district or charter school or the  
25 calculation of the school district's or charter school's budget limits within  
26 the previous three years did not conform with statutory requirements, the  
27 superintendent shall require correction of the errors as follows:

28 1. Corrections may be made in the current year or in the budget year,  
29 except that in case of hardship to the school district, the superintendent  
30 may approve corrections partly in one year and partly in the year after that  
31 year.

32 2. Errors in the calculation of state aid shall be corrected by  
33 increasing or decreasing the state aid to the school district or charter  
34 school in the year or years in which the correction is made.

35 3. Errors in the calculation of the school district's or charter  
36 school's budget limits shall be corrected at a public hearing by requiring  
37 the governing board to reduce or by allowing it to increase its budget by the  
38 amount of the correction to be made that year. Overbudgeting errors  
39 corrected as provided in this paragraph are exempt from the provisions of  
40 section 15-905, subsections L and M. Not later than three days after the  
41 hearing and correction, the budget as revised shall be submitted  
42 electronically to the superintendent of public instruction.

43 B. Subject to the review by the joint legislative budget committee,  
44 the superintendent of public instruction shall adjust state aid for a school  
45 district in the current year if the governing board of a school district

1 requests the recalculation of state aid for a prior year due to a change in  
 2 assessed valuation that occurred as the result of a judgment in accordance  
 3 with section 42-16213.

4 C. NOTWITHSTANDING SUBSECTION A OF THIS SECTION, A SCHOOL DISTRICT OR  
 5 CHARTER SCHOOL MAY NOT MAKE UPWARD REVISIONS TO ITS AVERAGE DAILY MEMBERSHIP  
 6 COUNTS FOR A PARTICULAR SCHOOL YEAR AFTER JUNE 30 OF THE SUBSEQUENT SCHOOL  
 7 YEAR.

8 ~~C.~~ D. For THE purposes of this section, "state aid":

9 1. For school districts means state aid as determined in section  
 10 15-971 and additional state aid as determined in section 15-972.

11 2. For charter schools means state aid as determined in section  
 12 15-185.

13 Sec. 6. Section 15-941, Arizona Revised Statutes, is amended to read:

14 ~~15-941.~~ Teacher experience index; computation; definition

15 A. The teacher experience index for each school district shall be  
 16 computed as follows:

17 1. For the school district:

				Number of FTE years of experience of certified teachers	
<u>Number of years of experience</u>		<u>Number of FTE certified teachers</u>		<u>teachers</u>	
23	1	x	_____	=	_____
24	2	x	_____	=	_____
25	3	x	_____	=	_____
26	4	x	_____	=	_____
27	5	x	_____	=	_____
28	6	x	_____	=	_____
29	7	x	_____	=	_____
30	8	x	_____	=	_____
31	9	x	_____	=	_____
32	10	x	_____	=	_____
33	11	x	_____	=	_____
34	12	x	_____	=	_____
35	13	x	_____	=	_____
36	14	x	_____	=	_____
37	15 (or more)	x	_____	=	_____
38	Total		_____		_____
39			A		B

40  
 41 2. Divide total B by total A to determine the average number of FTE  
 42 years of experience of FTE certified teachers in the school district.

1	3. For the state:				
2					Number of FTE
3					years of
4					experience of
5	Number of years		Number of FTE		certified
6	<u>of experience</u>		<u>certified teachers</u>		<u>teachers</u>
7	1	x	_____	=	_____
8	2	x	_____	=	_____
9	3	x	_____	=	_____
10	4	x	_____	=	_____
11	5	x	_____	=	_____
12	6	x	_____	=	_____
13	7	x	_____	=	_____
14	8	x	_____	=	_____
15	9	x	_____	=	_____
16	10	x	_____	=	_____
17	11	x	_____	=	_____
18	12	x	_____	=	_____
19	13	x	_____	=	_____
20	14	x	_____	=	_____
21	15 (or more)	x	_____	=	_____
22		Total	_____		_____
23			C		D

24  
25 4. Divide total D by total C to determine the average number of FTE  
26 years of experience of FTE certified teachers in the state.

27 5. Subtract the quotient obtained in paragraph 4 ~~of this subsection~~  
28 from the quotient obtained in paragraph 2 ~~of this subsection~~ and multiply the  
29 remainder by 0.0225.

30 6. Add 1.00 to the product obtained in paragraph 5 ~~of this subsection~~.

31 B. Librarians, guidance counselors, curriculum coordinators and other  
32 personnel who do not conduct regularly scheduled classes shall not be  
33 included as certified teachers and shall be coded separately from certified  
34 teachers in the uniform system of financial records.

35 C. Each school district shall on or before October 15 submit to the  
36 superintendent of public instruction in electronic format the data prescribed  
37 in subsection A, paragraphs 1 and 2 for the current year. The superintendent  
38 of public instruction shall use the data to compute the teacher experience  
39 index of each school district for the budget year.

40 D. The superintendent of public instruction shall on or before March  
41 15 notify each school district of its teacher experience index for the budget  
42 year. BETWEEN MARCH 15 AND APRIL 15, A SCHOOL DISTRICT MAY SUBMIT  
43 CORRECTIONS TO DATA THAT IT SUBMITTED PURSUANT TO SUBSECTION C AND THE  
44 SUPERINTENDENT OF PUBLIC INSTRUCTION SHALL ON OR BEFORE APRIL 15 RECOMPUTE  
45 THE TEACHER EXPERIENCE INDEX FOR THE DISTRICT FOR THE BUDGET YEAR USING THE

1 CORRECTED DATA. THE TEACHER EXPERIENCE INDEX FOR A SCHOOL DISTRICT THAT DOES  
 2 NOT SUBMIT DATA CORRECTIONS BETWEEN MARCH 15 AND APRIL 15 SHALL BE THE  
 3 TEACHER EXPERIENCE INDEX COMPUTED FOR THE DISTRICT BY THE SUPERINTENDENT OF  
 4 PUBLIC INSTRUCTION ON OR BEFORE MARCH 15. A SCHOOL DISTRICT THAT SUBMITS  
 5 DATA CORRECTIONS PURSUANT TO THIS SUBSECTION SHALL SUBMIT A LETTER EXPLAINING  
 6 THE NEED FOR THE CORRECTIONS TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND  
 7 THE CHAIRMAN OF THE JOINT LEGISLATIVE BUDGET COMMITTEE. The teacher  
 8 experience index for the budget year shall not be recalculated after ~~March~~  
 9 ~~APRIL~~ 15 unless the superintendent of public instruction determines that the  
 10 school district has submitted data resulting in an overstatement of the  
 11 teacher experience index for the budget year.

12 E. For the purposes of this section, "number of years of experience"  
 13 means the number of years of classroom instruction conducted by a certified  
 14 teacher in the school district in which the certified teacher is currently  
 15 employed, including the number of years of experience of the certified  
 16 teacher granted by the school district for the certified teacher on the  
 17 district's salary schedule for experience outside of the school district.

18 Sec. 7. Section 15-943, Arizona Revised Statutes, is amended to read:  
 19 15-943. Base support level

20 The base support level for each school district shall be computed as  
 21 follows:

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

24 (a) For school districts whose student count in kindergarten programs  
 25 and grades one through eight is classified in column 1 of this subdivision,  
 26 the support level weight for kindergarten programs and grades one through  
 27 eight is the corresponding support level weight prescribed in column 2 or 3  
 28 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated School Districts	Support Level Weight For Small School Districts
1-99	1.559	1.399
100-499	1.358 + [0.0005 x (500 - student count)]	1.278 + [0.0003 x (500 - student count)]
500-599	1.158 + [0.002 x (600 - student count)]	1.158 + [0.0012 x (600 - student count)]

38 (b) For school districts whose student count in grades nine through  
 39 twelve is classified in column 1 of this subdivision, the support level  
 40 weight for grades nine through twelve is the corresponding support level  
 41 weight prescribed in column 2 or 3 of this subdivision, whichever is  
 42 appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated School Districts	Support Level Weight For Small School Districts
<u>Student Count</u>		
1-99	1.669	1.559
100-499	1.468 + [0.0005 x (500 - student count)]	1.398 + [0.0004 x (500 - student count)]
500-599	1.268 + [0.002 x (600 - student count)]	1.268 + [0.0013 x (600 - student count)]

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

(a)

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

(b)

<u>Funding Category</u>	<u>Support Level Weight</u>	<u>Student Count</u>	<u>Weighted Student Count</u>
HI	4.771 x	_____	= _____
K-3	<del>0.060</del> x	_____	= _____
	0.210		
ELL	0.115 x	_____	= _____
MD-R, A-R and SMR-R	6.024 x	_____	= _____
MD-SC, A-SC and SMR-SC	5.833 x	_____	= _____
MD-SSI	6.531 x	_____	= _____
OI-R	3.158 x	_____	= _____
OI-SC	5.576 x	_____	= _____
P-SD	3.595 x	_____	= _____
ED, MIMR, SLD, SLI and OHI	0.003 x	_____	= _____
ED-P	4.647 x	_____	= _____
MOMR	4.421 x	_____	= _____
VI	4.806 x	_____	= _____
	Subtotal	B	_____

(c) Total of subtotals A and B: \_\_\_\_\_

3. Multiply the total determined in paragraph 2 by the base level.

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

1           Sec. 8. Section 15-945, Arizona Revised Statutes, is amended to read:  
 2           15-945. Transportation support level

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

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

7           2. Multiply the figure obtained in paragraph 1 of this subsection by  
 8 one hundred seventy-five.

9           3. Determine the number of eligible students transported in the fiscal  
 10 year prior to the current year.

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

14           5. Determine the classification in column 1 of this paragraph for the  
 15 quotient determined in paragraph 4 of this subsection. Multiply the product  
 16 obtained in paragraph 2 of this subsection by the corresponding state support  
 17 level for each route mile as provided in column 2 of this 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 2005-2006
22           0.5 or less	<del>\$2.15</del> \$2.19
23           More than 0.5 through 1.0	<del>\$1.74</del> \$1.77
24           More than 1.0	<del>\$2.15</del> \$2.19

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

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

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

34           2. Multiply the product obtained in subsection A, paragraph 5 of this  
 35 section by the corresponding state support level for academic education,  
 36 career and technical education, vocational education and athletic trips as  
 37 provided in column 2, 3 or 4 of this paragraph, whichever is appropriate for  
 38 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>
43           0.5 or less	0.15	0.10	0.25
44           More than 0.5 through 1.0	0.15	0.10	0.25
45           More than 1.0	0.18	0.12	0.30

1 For the purposes of this paragraph, "district type 02" means a unified school  
2 district or an accommodation school that offers instruction in grades nine  
3 through twelve, "district type 03" means a common school district not within  
4 a high school district, "district type 04" means a common school district  
5 within a high school district or an accommodation school that does not offer  
6 instruction in grades nine through twelve and "district type 05" means a high  
7 school district.

8 C. The support level for extended school year ~~programs~~ SERVICES for  
9 pupils with disabilities is computed as follows:

10 1. Determine the sum of the following:

11 (a) The total number of miles driven by all buses of a school district  
12 while transporting eligible pupils with disabilities on scheduled routes from  
13 their residence to the school of attendance and from the school of attendance  
14 to their residence on routes for ~~an~~ extended school year ~~program~~ SERVICES in  
15 accordance with section 15-881.

16 (b) The total number of miles driven on routes approved by the  
17 superintendent of public instruction for which a private party, a political  
18 subdivision or a common or a contract carrier is reimbursed for bringing an  
19 eligible pupil with a disability from the place of the pupil's residence to a  
20 school transportation pickup point or to the school facility of attendance  
21 and from the school transportation scheduled return point or from the school  
22 facility to the pupil's residence for ~~an~~ extended school year ~~program~~  
23 SERVICES in accordance with section 15-881.

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

27 D. The transportation support level for each school district for the  
28 current year is the sum of the support level for to and from school as  
29 determined in subsection A of this section, ~~and~~ the support level for  
30 academic education, career and technical education, vocational education and  
31 athletic trips as determined in subsection B of this section and the support  
32 level for extended school year ~~programs~~ SERVICES for pupils with disabilities  
33 as determined in subsection C of this section.

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

37 Sec. 9. Calculation of instructional days for fiscal year  
38 2006-2007

39 Notwithstanding any other law, for fiscal year 2006-2007, the term "one  
40 hundred eighty days" in section 15-341.01, Arizona Revised Statutes, means  
41 one hundred eighty days of instruction or an equivalent number of minutes of  
42 instruction per school year based on a different number of days of  
43 instruction approved by the school district governing board.



1           Sec. 12. Desegregation budget; limit

2           Notwithstanding section 15-910, Arizona Revised Statutes, the maximum  
3 amount that a school district may budget for desegregation activities for  
4 fiscal year 2006-2007 shall be computed as follows:

5           1. Determine the amount that the district budgeted for desegregation  
6 activities for fiscal year 2005-2006 pursuant to Laws 2005, chapter 329,  
7 section 12.

8           2. Compute the percentage increase in average daily membership for the  
9 district, as defined in section 15-901, Arizona Revised Statutes, for the  
10 2005-2006 school year above the 2004-2005 school year. If average daily  
11 membership for the district decreased for the 2005-2006 school year below the  
12 2004-2005 school year, assume a per cent increase of zero.

13           3. Multiply the amount determined in paragraph 1 of this section by  
14 the percentage determined in paragraph 2 of this section.

15           4. Multiply the amount determined in paragraph 1 of this section by  
16 two per cent for assumed inflation.

17           5. Add the amounts determined in paragraphs 1, 3 and 4 of this  
18 section.

19           Sec. 13. Adjustment for rapid decline in student count for  
20 fiscal year 2006-2007

21           Notwithstanding section 15-942, Arizona Revised Statutes, for fiscal  
22 year 2006-2007, the department of education shall reduce by fifty per cent  
23 the amount of rapid decline funding that a school district would otherwise be  
24 eligible to receive pursuant to section 15-942, subsections A through F,  
25 Arizona Revised Statutes.

26           Sec. 14. Joint technological education districts; basic state  
27 aid cap; fiscal year 2006-2007

28           Notwithstanding section 15-971, Arizona Revised Statutes, or any other  
29 law, the maximum amount of state aid for equalization assistance for  
30 education that may be apportioned to a joint technological education district  
31 for fiscal year 2006-2007 is the amount that was apportioned to it for fiscal  
32 year 2005-2006 apart from any prior year adjustments or double the amount of  
33 its qualifying tax rate revenues for fiscal year 2006-2007, whichever is  
34 greater.

35           Sec. 15. Joint technological education districts; property tax  
36 rate cap; fiscal year 2006-2007

37           Notwithstanding section 15-971, Arizona Revised Statutes, or any other  
38 law, the total property tax rate that a joint technological education  
39 district levies for fiscal year 2006-2007 shall not exceed the total property  
40 tax rate that it levied for fiscal year 2004-2005.

41           Sec. 16. Temporary prohibition on joining or forming joint  
42 technological education districts

43           Notwithstanding sections 15-392 and 15-395, Arizona Revised Statutes,  
44 during fiscal year 2006-2007 school districts shall not be allowed to:

- 1 1. Form any new joint technological education district.
- 2 2. Join or vote to join a joint technological education district.

3 Sec. 17. Audits; average daily membership

4 For fiscal year 2006-2007, the department of education or the office of  
5 the auditor general may conduct financial, program or compliance audits,  
6 including average daily membership audits, of school districts and charter  
7 schools.

8 Sec. 18. Teacher experience index; recalculation; exemption

9 Notwithstanding section 15-941, subsection D, Arizona Revised Statutes,  
10 as amended by this act, the teacher experience index for a school district  
11 for fiscal year 2006-2007 may be recalculated after April 15, 2006 if the  
12 school district reported a total attending average daily membership count of  
13 more than five thousand one hundred pupils and less than five thousand two  
14 hundred pupils for the 2004-2005 school year in the annual report of the  
15 superintendent of public instruction for fiscal year 2004-2005. The teacher  
16 experience index calculated for all other school districts on or before March  
17 15, 2006 shall be used in the calculation of their base support level for  
18 fiscal year 2006-2007.

19 Sec. 19. Appropriation; Hayden-Winkelman unified school  
20 district; repayment schedule and terms

21 A. Notwithstanding section 15-2084, Arizona Revised Statutes, the sum  
22 of \$696,500 is appropriated from the school improvement revenue bond debt  
23 service fund for fiscal year 2006-2007 to the department of education for  
24 distribution to Hayden-Winkelman unified school district No. 41. The  
25 district shall use the monies solely for the purpose of redeeming its  
26 outstanding series 1995 capital appreciation bonds.

27 B. The district shall levy a tax on the secondary assessment roll to  
28 repay the amount appropriated by this section in three annual installments of  
29 principal and simple interest at the rate of four per cent per year on July  
30 1, 2008, July 1, 2009 and July 1, 2010, but not more than a total sum of  
31 \$696,500 each year. The payments shall be credited to the school improvement  
32 revenue bond debt service fund established pursuant to section 15-2084,  
33 Arizona Revised Statutes.

34 C. Notwithstanding any other law, through July 1, 2015 the district  
35 shall reduce its primary property tax rate each year to fully reflect any  
36 reduction in the qualifying tax rate required by section 41-1276, Arizona  
37 Revised Statutes, and shall not propose or conduct any election to approve:

- 38 1. Any budget override.
- 39 2. Any authorization to issue bonds or incur any other form of  
40 district indebtedness.

1           Sec. 20. Appropriation; basic state aid; conditional repeal

2           A. An additional \$71,406,100 is appropriated to the department of  
3 education for basic state aid for fiscal year 2006-2007.

4           B. If the county equalization assistance for education rate used by  
5 the department of education to determine equalization assistance payments for  
6 fiscal year 2006-2007 pursuant to section 15-971, Arizona Revised Statutes,  
7 is greater than \$0.2800, the appropriation provide by subsection A of this  
8 section is repealed.

9           Sec. 21. Conditional appropriation; conditional repeal; notice

10          A. State general fund revenue for fiscal year 2005-2006, not including  
11 the beginning balance and including one-time revenues, is forecasted to be  
12 \$8,878,726,500. The state general fund revenue forecast for fiscal year  
13 2005-2006 includes \$10,000,000 from the transfer of in lieu vehicle  
14 inspection fees as part of one-time revenue and \$108,004,400 for  
15 disproportionate share revenue. The staff director of the joint legislative  
16 budget committee and the governor's office of strategic planning and  
17 budgeting may adjust the state general fund revenue forecast for fiscal year  
18 2005-2006 to reflect changes in the actual amount of in lieu fee transfers  
19 and disproportionate share revenue.

20          B. If, as determined by the staff director of the joint legislative  
21 budget committee and the governor's office of strategic planning and  
22 budgeting, the actual state general fund revenue from fiscal year 2005-2006  
23 exceeds the forecast by \$191,000,000 or more, an additional \$191,000,000 is  
24 appropriated from the state general fund to the department of education for  
25 basic state aid for fiscal year 2006-2007 and sections 9 and 10 of this act,  
26 relating to school district state aid apportionment, are repealed on the  
27 later of the following if the director of the joint legislative budget  
28 committee notifies in writing the director of legislative council that the  
29 condition has been met:

- 30           1. The effective date of this act.
- 31           2. The date the director of the legislative council receives the  
32 notice.