

State of Arizona
House of Representatives
Forty-eighth Legislature
First Regular Session
2007

HOUSE BILL 2790

AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-105; AMENDING SECTION 15-185, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-245 AND 15-246; AMENDING SECTIONS 15-341.01 AND 15-531, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 7, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-720.01; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-901.04; AMENDING SECTIONS 15-945, 15-1044 AND 41-1276, ARIZONA REVISED STATUTES; AMENDING LAWS 2006, CHAPTER 375, SECTION 3; AMENDING LAWS 2006, CHAPTER 375, SECTION 5; 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. Title 15, chapter 1, article 1, Arizona Revised Statutes,
3 is amended by adding section 15-105, to read:

4 15-105. Identity verified fingerprints

5 BEGINNING ON JANUARY 1, 2008, AN APPLICANT WHO APPLIES FOR A NEW
6 TEACHING CERTIFICATE IN ORDER TO TEACH IN A SCHOOL DISTRICT, AN APPLICANT WHO
7 APPLIES FOR A RENEWAL OF AN EXISTING TEACHING CERTIFICATE IN ORDER TO
8 CONTINUE TEACHING IN A SCHOOL DISTRICT, AN APPLICANT WHO IS REQUIRED FOR THE
9 FIRST TIME TO BE FINGERPRINTED IN ORDER TO TEACH IN A CHARTER SCHOOL AND AN
10 APPLICANT WHO IS REQUIRED TO RENEW FINGERPRINTS IN ORDER TO CONTINUE TEACHING
11 IN A CHARTER SCHOOL PURSUANT TO SECTION 15-183 AND AN APPLICANT WHO IS
12 REQUIRED TO BE FINGERPRINTED PURSUANT TO SECTION 15-512 SHALL SUBMIT FOR AN
13 IDENTITY VERIFIED FINGERPRINT CARD THAT WILL BE USED BY THE DEPARTMENT OF
14 PUBLIC SAFETY TO PROCESS THE FINGERPRINT CLEARANCE CARD PURSUANT TO TITLE 41,
15 CHAPTER 12, ARTICLE 3.1 AS FOLLOWS:

16 1. THE APPLICANT SHALL SUBMIT A REQUEST FOR AN APPLICATION PACKET FROM
17 THE DEPARTMENT OF PUBLIC SAFETY.

18 2. THE APPLICATION PACKET SHALL BE CONTAINED IN AN ENVELOPE SPECIFIED
19 BY THE DEPARTMENT OF PUBLIC SAFETY AND SHALL INCLUDE THE FOLLOWING:

20 (a) A BLANK APPLICANT FINGERPRINT CARD.

21 (b) AN APPLICATION FOR A FINGERPRINT CLEARANCE CARD.

22 (c) INSTRUCTIONS FOR THE RETURN OF THE APPLICATION PACKET.

23 3. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY CONTRACT FOR FINGERPRINTING
24 SERVICES THROUGH AN ENTITY OR ENTITIES AND SHALL PROVIDE A COPY OF THE
25 INSTRUCTIONS TO THE ENTITY OR ENTITIES AS PROVIDED BY THE DEPARTMENT OF
26 PUBLIC SAFETY REGARDING THE SUBMISSION OF IDENTITY VERIFIED FINGERPRINTS. IF
27 A SCHOOL DISTRICT OR CHARTER SCHOOL ELECTS TO PROVIDE FINGERPRINTING
28 SERVICES, THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL AUTHORIZE AN INDIVIDUAL
29 EMPLOYED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL TO ADMINISTER THE SERVICES.

30 4. THE DEPARTMENT OF PUBLIC SAFETY SHALL PROVIDE INSTRUCTIONS TO LAW
31 ENFORCEMENT AGENCIES AND PUBLIC SCHOOLS REGARDING THE SUBMISSION OF IDENTITY
32 VERIFIED FINGERPRINTS. THE DEPARTMENT OF PUBLIC SAFETY SHALL REJECT THE
33 APPLICATION FOR A FINGERPRINT CLEARANCE CARD IF THE APPLICATION IS NOT
34 CORRECT OR IS NOT SUBMITTED ACCORDING TO THE INSTRUCTIONS PROVIDED BY THE
35 DEPARTMENT OF PUBLIC SAFETY.

36 5. THE APPLICANT, AT THE TIME THAT IDENTITY VERIFIED FINGERPRINTS ARE
37 TAKEN, SHALL PROVIDE THE LAW ENFORCEMENT AGENCY, SCHOOL DISTRICT, CHARTER
38 SCHOOL OR OTHER ENTITY WITH A COMPLETED APPLICATION FORM FOR A FINGERPRINT
39 CLEARANCE CARD, THE FINGERPRINT CARD WITH THE REQUISITE DEMOGRAPHIC
40 INFORMATION AND THE REQUIRED FEE IN THE FORM OF A MONEY ORDER OR CASHIER'S
41 CHECK MADE OUT TO THE ARIZONA DEPARTMENT OF PUBLIC SAFETY. THE LAW
42 ENFORCEMENT AGENCY, SCHOOL DISTRICT, CHARTER SCHOOL OR OTHER ENTITY SHALL
43 VERIFY THE IDENTITY OF THE APPLICANT THROUGH RECOGNIZED MEANS OF PHOTOGRAPHIC
44 IDENTIFICATION AND A COMPARISON OF THE DEMOGRAPHIC INFORMATION ON THE
45 PHOTOGRAPHIC IDENTIFICATION AGAINST THE DEMOGRAPHIC INFORMATION ON THE

1 APPLICATION FORM AND THE FINGERPRINT CARD. THE AUTHORIZED PERSON TAKING THE
2 FINGERPRINTS SHALL ENTER ON THE APPLICATION FORM A DESCRIPTION OF THE
3 PHOTOGRAPHIC IDENTIFICATION PRESENTED BY THE APPLICANT. THE LAW ENFORCEMENT
4 AGENCY, SCHOOL DISTRICT, CHARTER SCHOOL OR OTHER ENTITY SHALL PLACE THE
5 COMPLETED FINGERPRINT CARD, COMPLETED APPLICATION FORM OR ANY OTHER FORM
6 REQUIRED BY THE DEPARTMENT OF PUBLIC SAFETY AND THE FEE PROVIDED BY THE
7 APPLICANT IN THE POST PAID ENVELOPE PROVIDED BY THE DEPARTMENT OF PUBLIC
8 SAFETY AND MAIL IT TO THE FINGERPRINTING DIVISION AT THE DEPARTMENT OF PUBLIC
9 SAFETY. A LAW ENFORCEMENT AGENCY, SCHOOL DISTRICT, CHARTER SCHOOL OR OTHER
10 ENTITY MAY CHARGE THE APPLICANT A REASONABLE FEE FOR SERVICES PROVIDED
11 PURSUANT TO THIS SECTION.

12 6. THE DEPARTMENT OF PUBLIC SAFETY SHALL PROCESS THE APPLICATION
13 PACKET IN THE SAME MANNER PRESCRIBED FOR FINGERPRINT CLEARANCE CARDS ISSUED
14 PURSUANT TO TITLE 41, CHAPTER 12, ARTICLE 3.1.

15 7. THE DEPARTMENT OF PUBLIC SAFETY SHALL PROVIDE FOR DIGITAL STORAGE
16 AND RETRIEVAL OF IDENTITY VERIFIED FINGERPRINTS TAKEN PURSUANT TO THIS
17 SECTION. THE FINGERPRINTS TAKEN PURSUANT TO THIS SECTION SHALL BE DIGITALLY
18 DESIGNATED IN THE FINGERPRINT ARCHIVE AS IDENTITY VERIFIED FINGERPRINT
19 RECORDS.

20 8. A PERSON WHO HAS A SET OF IDENTITY VERIFIED FINGERPRINTS ON FILE
21 WITH THE DEPARTMENT OF PUBLIC SAFETY PURSUANT TO THIS SECTION SHALL NOT BE
22 REQUIRED TO SUBMIT A NEW SET OF FINGERPRINTS TO THE DEPARTMENT OF PUBLIC
23 SAFETY TO RENEW THE PERSON'S FINGERPRINT CLEARANCE CARD. ON RECEIPT OF THE
24 REQUIRED APPLICATION FORM AND FEE FOR A RENEWAL FINGERPRINT CLEARANCE CARD
25 FROM A PERSON REQUIRED TO SUBMIT IDENTITY VERIFIED FINGERPRINTS, THE
26 DEPARTMENT OF PUBLIC SAFETY SHALL ATTEMPT TO USE THE ELECTRONIC COPY OF THE
27 APPLICANT'S IDENTITY VERIFIED FINGERPRINTS THAT ARE RETAINED PURSUANT TO THIS
28 SECTION TO CONDUCT THE FINGERPRINT STATE AND NATIONAL CRIMINAL RECORDS
29 CHECKS. THE DEPARTMENT OF PUBLIC SAFETY MAY REQUIRE THE APPLICANT TO SUBMIT A
30 NEW SET OF IDENTITY VERIFIED FINGERPRINTS IF THE DEPARTMENT OF PUBLIC SAFETY
31 DETERMINES THAT THE ORIGINAL FINGERPRINTS SUBMITTED HAVE BEEN LOST, DAMAGED
32 OR ARE FOUND TO BE OTHERWISE OF INSUFFICIENT QUALITY TO CONDUCT A VALID
33 TECHNICAL FINGERPRINT SEARCH EITHER BY THE DEPARTMENT OF PUBLIC SAFETY OR THE
34 FEDERAL BUREAU OF INVESTIGATION.

35 Sec. 2. Section 15-185, Arizona Revised Statutes, is amended to read:
36 15-185. Charter schools; financing; definitions

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

39 1. The charter school shall be included in the district's budget and
40 financial assistance calculations pursuant to paragraph 3 of this subsection
41 and chapter 9 of this title, except for chapter 9, article 4 of this title.
42 The charter of the charter school shall include a description of the methods
43 of funding the charter school by the school district. The school district
44 shall send a copy of the charter and application, including a description of
45 how the school district plans to fund the school, to the state board of

1 education before the start of the first fiscal year of operation of the
2 charter school. The charter or application shall include an estimate of the
3 student count for the charter school for its first fiscal year of operation.
4 This estimate shall be computed pursuant to the requirements of paragraph 3
5 of this subsection.

6 2. A school district is not financially responsible for any charter
7 school that is sponsored by the state board of education or the state board
8 for charter schools.

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

10 (a) Increase its student count as provided in subsection B, paragraph
11 2 of this section during the first year of the charter school's operation to
12 include those charter school pupils who were not previously enrolled in the
13 school district. A charter school sponsored by a school district governing
14 board is eligible for the assistance prescribed in subsection B, paragraph 4
15 of this section. The soft capital allocation as provided in section 15-962
16 for the school district sponsoring the charter school shall be increased by
17 the amount of the additional assistance. The school district shall include
18 the full amount of the additional assistance in the funding provided to the
19 charter school.

20 (b) Compute separate weighted student counts pursuant to section
21 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter
22 school pupils in order to maintain eligibility for small school district
23 support level weights authorized in section 15-943, paragraph 1 for its
24 noncharter school pupils only. The portion of a district's student count
25 that is attributable to charter school pupils is not eligible for small
26 school district support level weights.

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

31 5. A school district that sponsors a charter school is not eligible to
32 include the charter school pupils in its student count for the purpose of
33 computing an increase in its capital outlay revenue limit as provided in
34 section 15-961, subsection C, except that if the charter school was
35 previously a school in the district, the district may include in its student
36 count any charter school pupils who were enrolled in the school district in
37 the prior year.

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

43 7. If a school district converts one or more of its district public
44 schools to a charter school and receives assistance as prescribed in
45 subsection B, paragraph 4 of this section, and subsequently converts the

1 charter school back to a district public school, the school district shall
2 repay the state the total additional assistance received for the charter
3 school for all years that the charter school was in operation. The repayment
4 shall be in one lump sum and shall be reduced from the school district's
5 current year equalization assistance. The school district's general budget
6 limit shall be reduced by the same lump sum amount in the current year.

7 B. Financial provisions for a charter school that is sponsored by the
8 state board of education or the state board for charter schools are as
9 follows:

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

13 2. Notwithstanding paragraph 1 of this subsection, the student count
14 shall be determined initially using an estimated student count based on
15 actual registration of pupils before the beginning of the school year. After
16 the first one hundred days or two hundred days in session, as applicable, the
17 charter school shall revise the student count to be equal to the actual
18 average daily membership, as defined in section 15-901, or the adjusted
19 average daily membership, as prescribed in section 15-902, of the charter
20 school. Before the one hundredth day or two hundredth day in session, as
21 applicable, the state board of education or the state board for charter
22 schools may require a charter school to report periodically regarding pupil
23 enrollment and attendance and the department of education may revise its
24 computation of equalization assistance based on the report. A charter school
25 shall revise its student count, base support level and additional assistance
26 before May 15. A charter school that overestimated its student count shall
27 revise its budget before May 15. A charter school that underestimated its
28 student count may revise its budget before May 15.

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

33 4. Equalization assistance for the charter school shall be determined
34 by adding the amount of the base support level and additional assistance.
35 The amount of the additional assistance is one thousand ~~three~~ FOUR hundred
36 ~~eighty-seven~~ FORTY-FIVE dollars twenty-five cents per student count in
37 kindergarten programs and grades one through eight and one thousand six
38 hundred ~~sixteen~~ EIGHTY-FOUR dollars ~~eighty-one~~ FORTY-ONE cents per student
39 count in grades nine through twelve.

40 5. The state board of education shall apportion state aid from the
41 appropriations made for such purposes to the state treasurer for disbursement
42 to the charter schools in each county in an amount as determined by this
43 paragraph. The apportionments shall be made in twelve equal installments of
44 the total amount to be apportioned during the fiscal year on the fifteenth
45 day of each month of the fiscal year.

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

11 7. The charter school shall not charge tuition, levy taxes or issue
12 bonds.

13 8. Not later than noon on the day preceding each apportionment date
14 established by paragraph 5 of this subsection, the superintendent of public
15 instruction shall furnish to the state treasurer an abstract of the
16 apportionment and shall certify the apportionment to the department of
17 administration, which shall draw its warrant in favor of the charter schools
18 for the amount apportioned.

19 C. If a pupil is enrolled in both a charter school and a public school
20 that is not a charter school, the sum of the daily membership, which includes
21 enrollment as prescribed in section 15-901, subsection A, paragraph 2,
22 subdivisions (a) and (b) and daily attendance as prescribed in section
23 15-901, subsection A, paragraph 6, for that pupil in the school district and
24 the charter school shall not exceed 1.0, except that if the pupil is enrolled
25 in both a charter school and a joint technological education district and
26 resides within the boundaries of a school district participating in the joint
27 technological education district, the sum of the average daily membership for
28 that pupil in the charter school and the joint technological education
29 district shall not exceed 1.25. If a pupil is enrolled in both a charter
30 school and a public school that is not a charter school, the department of
31 education shall direct the average daily membership to the school with the
32 most recent enrollment date. Upon validation of actual enrollment in both a
33 charter school and a public school that is not a charter school and if the
34 sum of the daily membership or daily attendance for that pupil is greater
35 than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between
36 the public school and the charter school based on the percentage of total
37 time that the pupil is enrolled or in attendance in the public school and the
38 charter school, except that if the pupil is enrolled in both a charter school
39 and a joint technological education district and resides within the
40 boundaries of a school district participating in the joint technological
41 education district, the sum of the average daily membership for that pupil in
42 the charter school and the joint technological education district shall be
43 reduced to 1.25 and shall be apportioned between the charter school and the
44 joint technological education district based on the percentage of total time
45 that the pupil is enrolled or in attendance in the charter school and the

1 joint technological education district. The uniform system of financial
2 records shall include guidelines for the apportionment of the pupil
3 enrollment and attendance as provided in this section.

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

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

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

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

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

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

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

42 H. If the sponsor of the charter school determines at a public meeting
43 that the charter school is not in compliance with federal law, with the laws
44 of this state or with its charter, the sponsor of a charter school may submit
45 a request to the department of education to withhold up to ten per cent of

1 the monthly apportionment of state aid that would otherwise be due the
2 charter school. The department of education shall adjust the charter
3 school's apportionment accordingly. The sponsor shall provide written notice
4 to the charter school at least seventy-two hours before the meeting and shall
5 allow the charter school to respond to the allegations of noncompliance at
6 the meeting before the sponsor makes a final determination to notify the
7 department of education of noncompliance. The charter school shall submit a
8 corrective action plan to the sponsor on a date specified by the sponsor at
9 the meeting. The corrective action plan shall be designed to correct
10 deficiencies at the charter school and to ensure that the charter school
11 promptly returns to compliance. When the sponsor determines that the charter
12 school is in compliance, the department of education shall restore the full
13 amount of state aid payments to the charter school.

14 I. A charter school may receive and spend monies distributed by the
15 department of education pursuant to section 42-5029, subsection E and section
16 37-521, subsection B.

17 J. For the purposes of this section:

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

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

29 Sec. 3. Title 15, chapter 2, article 2, Arizona Revised Statutes, is
30 amended by adding sections 15-245 and 15-246, to read:

31 15-245. American competitiveness project fund; technical
32 assistance; grants

33 A. THE AMERICAN COMPETITIVENESS PROJECT FUND IS ESTABLISHED CONSISTING
34 OF MONIES DEPOSITED IN THE FUND BY THE DEPARTMENT OF EDUCATION. THE
35 DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND.

36 B. THE DEPARTMENT OF EDUCATION MAY SOLICIT AND ACCEPT DONATIONS,
37 GRANTS, GIFTS, CONTRIBUTIONS AND DEVICES FROM INDIVIDUALS, CORPORATIONS AND
38 NONPROFIT ORGANIZATIONS FOR DEPOSIT IN THE FUND.

39 C. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT
40 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

41 D. THE DEPARTMENT OF EDUCATION MAY USE THE MONIES IN THE FUND TO
42 PROVIDE TECHNICAL ASSISTANCE AND TO DISTRIBUTE AMERICAN COMPETITIVENESS
43 PROJECT GRANTS TO SCHOOLS AND OTHER LOCAL EDUCATIONAL AGENCIES THAT OFFER
44 ACADEMIC PROGRAMS THAT EMPHASIZE EACH OF THE FOLLOWING:

- 1 1. FOREIGN LANGUAGE ACQUISITION.
- 2 2. INTERNATIONAL BUSINESS.
- 3 3. WORLD HISTORY.

4 15-246. Arizona government education fund

5 A. THE ARIZONA GOVERNMENT EDUCATION FUND IS ESTABLISHED CONSISTING OF
6 LEGISLATIVE APPROPRIATIONS, GIFTS, GRANTS AND DONATIONS. THE DEPARTMENT OF
7 EDUCATION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE EXEMPT FROM THE
8 PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

9 B. THE DEPARTMENT SHALL USE MONIES IN THE FUND TO CONTRACT WITH THIRD
10 PARTIES TO PROVIDE FOR ANNUAL, ONE-WEEK HIGH SCHOOL CIVICS COURSES THAT FOCUS
11 ON STATE GOVERNMENT. THE COURSES SHALL BE SPONSORED BY A FEDERALLY CHARTERED
12 NATIONAL VETERANS' ORGANIZATION THAT HAS AT LEAST FIFTY YEARS OF EXPERIENCE
13 IN PROVIDING THIS TYPE OF CIVICS EDUCATION. THE COURSES SHALL BE CONDUCTED
14 ON THE CAMPUSES OF PUBLIC AND PRIVATE POSTSECONDARY INSTITUTIONS IN THIS
15 STATE.

16 Sec. 4. Section 15-341.01, Arizona Revised Statutes, is amended to
17 read:

18 15-341.01. One hundred eighty day school year; definition

19 A. Notwithstanding any other law, school instruction shall be
20 conducted in each public school in this state for school sessions that total
21 at least one hundred eighty days each school year. The superintendent of
22 public instruction shall cause all relevant school funding formulas to be
23 adjusted to reflect instruction on the one hundred eighty days' equivalency.
24 The department of education shall adjust the amount of state aid distributed
25 to school districts pursuant to section 15-971 to correspond to the increased
26 number of school days prescribed by this section.

27 ~~B. The legislative council shall prepare draft legislation that
28 conforms the statutes and furthers the purposes of this section pursuant to
29 article IV, part 1, section 1, Constitution of Arizona.~~

30 B. FOR THE PURPOSES OF THIS SECTION, "ONE HUNDRED EIGHTY DAYS" MEANS
31 ONE HUNDRED EIGHTY DAYS OF INSTRUCTION OR AN EQUIVALENT NUMBER OF MINUTES OF
32 INSTRUCTION PER SCHOOL YEAR BASED ON A DIFFERENT NUMBER OF DAYS OF
33 INSTRUCTION APPROVED BY THE SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL
34 GOVERNING BODY.

35 Sec. 5. Section 15-531, Arizona Revised Statutes, is amended to read:

36 15-531. Fees

37 The state board of education may fix and collect fees for:

- 38 1. Issuance and evaluation, singly or both, including provisional,
39 basic or standard teaching certificate, administrative, specialized service,
40 nurse, career and technical education, vocational education or substitute,
41 special subject endorsements including guidance-counselor, art, music,
42 physical education, industrial arts, librarian or driver training, one year
43 and multi-year certificates including adult education, emergency or intern
44 certificates, not less than twenty dollars and not more than thirty dollars.

1 COMPARABLE SCHOOLS THAT ARE NOT IN THE MATHEMATICS OR SCIENCE ACHIEVEMENT
2 PROGRAM.

3 D. THE MATHEMATICS OR SCIENCE ACHIEVEMENT PROGRAM FUND IS ESTABLISHED
4 CONSISTING OF MONIES APPROPRIATED FOR THIS PURPOSE. THE STATE BOARD OF
5 EDUCATION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE EXEMPT FROM THE
6 PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE
7 STATE BOARD OF EDUCATION MAY RETAIN UP TO FIVE PER CENT OF THE MONIES
8 APPROPRIATED TO THE STATE BOARD FOR THE PURPOSES OF THIS SECTION FOR COSTS
9 ASSOCIATED WITH ADMINISTERING THE MATHEMATICS OR SCIENCE ACHIEVEMENT GRANT
10 PROGRAM.

11 E. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2017
12 PURSUANT TO SECTION 41-3102.

13 Sec. 7. Section 15-901, Arizona Revised Statutes, is amended to read:

14 15-901. Definitions

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

16 1. "Average daily attendance" or "ADA" means actual average daily
17 attendance through the first one hundred days or two hundred days in session,
18 as applicable.

19 2. "Average daily membership" means the total enrollment of fractional
20 students and full-time students, minus withdrawals, of each school day
21 through the first one hundred days or two hundred days in session, as
22 applicable, for the current year. Withdrawals include students formally
23 withdrawn from schools and students absent for ten consecutive school days,
24 except for excused absences as identified by the department of education.
25 For computation purposes, the effective date of withdrawal shall be
26 retroactive to the last day of actual attendance of the student.

27 (a) "Fractional student" means:

28 (i) For common schools, until fiscal year 2001-2002, a preschool child
29 who is enrolled in a program for preschool children with disabilities of at
30 least three hundred sixty minutes each week or a kindergarten student at
31 least five years of age prior to January 1 of the school year and enrolled in
32 a school kindergarten program that meets at least three hundred forty-six
33 instructional hours during the minimum number of days required in a school
34 year as provided in section 15-341. In fiscal year 2001-2002, the
35 kindergarten program shall meet at least three hundred forty-eight hours. In
36 fiscal year 2002-2003, the kindergarten program shall meet at least three
37 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program
38 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,
39 the kindergarten program shall meet at least three hundred fifty-four hours.
40 In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten
41 program shall meet at least three hundred fifty-six hours. Lunch periods and
42 recess periods may not be included as part of the instructional hours unless
43 the child's individualized education program requires instruction during
44 those periods and the specific reasons for such instruction are fully
45 documented. In computing the average daily membership, preschool children

1 with disabilities and kindergarten students shall be counted as one-half of a
2 full-time student. For common schools, a part-time student is a student
3 enrolled for less than the total time for a full-time student as defined in
4 this section. A part-time common school student shall be counted as
5 one-fourth, one-half or three-fourths of a full-time student if the student
6 is enrolled in an instructional program that is at least one-fourth, one-half
7 or three-fourths of the time a full-time student is enrolled as defined in
8 subdivision (b) of this paragraph.

9 (ii) For high schools, a part-time student who is enrolled in less
10 than four subjects that count toward graduation as defined by the state board
11 of education in a recognized high school and who is taught in less than
12 twenty instructional hours per week prorated for any week with fewer than
13 five school days. A part-time high school student shall be counted as
14 one-fourth, one-half or three-fourths of a full-time student if the student
15 is enrolled in an instructional program that is at least one-fourth, one-half
16 or three-fourths of a full-time instructional program as defined in
17 subdivision (c) of this paragraph.

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

19 (i) For common schools, a student who is at least six years of age
20 prior to January 1 of a school year, who has not graduated from the highest
21 grade taught in the school district and who is regularly enrolled in a course
22 of study required by the state board of education. Until fiscal year
23 2001-2002, first, second and third grade students, ungraded students at least
24 six, but under nine, years of age by September 1 or ungraded group B children
25 with disabilities who are at least five, but under six, years of age by
26 September 1 must be enrolled in an instructional program that meets for a
27 total of at least six hundred ninety-two hours during the minimum number of
28 days required in a school year as provided in section 15-341. In fiscal year
29 2001-2002, the program shall meet at least six hundred ninety-six hours. In
30 fiscal year 2002-2003, the program shall meet at least seven hundred hours.
31 In fiscal year 2003-2004, the program shall meet at least seven hundred four
32 hours. In fiscal year 2004-2005, the program shall meet at least seven
33 hundred eight hours. In fiscal year 2005-2006 and in each fiscal year
34 thereafter, the program shall meet at least seven hundred twelve hours. Until
35 fiscal year 2001-2002, fourth, fifth and sixth grade students or ungraded
36 students at least nine, but under twelve, years of age by September 1 must be
37 enrolled in an instructional program that meets for a total of at least eight
38 hundred sixty-five hours during the minimum number of school days required in
39 a school year as provided in section 15-341. In fiscal year 2001-2002, the
40 program shall meet at least eight hundred seventy hours. In fiscal year
41 2002-2003, the program shall meet at least eight hundred seventy-five hours.
42 In fiscal year 2003-2004, the program shall meet at least eight hundred
43 eighty hours. In fiscal year 2004-2005, the program shall meet at least
44 eight hundred eighty-five hours. In fiscal year 2005-2006 and each fiscal
45 year thereafter, the program shall meet at least eight hundred ninety hours.

1 Until fiscal year 2001-2002, seventh and eighth grade students or ungraded
2 students at least twelve, but under fourteen, years of age by September 1
3 must be enrolled in an instructional program that meets for a total of at
4 least one thousand thirty-eight hours during the minimum number of days
5 required in a school year as provided in section 15-341. In fiscal year
6 2001-2002, the program shall meet at least one thousand forty-four hours. In
7 fiscal year 2002-2003, the program shall meet at least one thousand fifty
8 hours. In fiscal year 2003-2004, the program shall meet at least one
9 thousand fifty-six hours. In fiscal year 2004-2005, the program shall meet
10 at least one thousand sixty-two hours. In fiscal year 2005-2006 and each
11 fiscal year thereafter, the program shall meet at least one thousand
12 sixty-eight hours. Lunch periods and recess periods may not be included as
13 part of the instructional hours unless the student is a child with a
14 disability and the child's individualized education program requires
15 instruction during those periods and the specific reasons for such
16 instruction are fully documented.

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

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

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

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

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

39 (iii) For fiscal year 2002-2003, an instructional program that meets
40 at least a total of seven hundred eight hours during the minimum number of
41 days required and includes at least four subjects each of which, if taught
42 each school day for the minimum number of days required in a school year,
43 would meet a minimum of one hundred twenty-two hours a year, or the
44 equivalent, or one or more subjects taught in amounts of time totaling at

1 least twenty hours per week prorated for any week with fewer than five school
2 days.

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

10 (v) For fiscal year 2004-2005, an instructional program that meets at
11 least a total of seven hundred sixteen hours during the minimum number of
12 days required and includes at least four subjects each of which, if taught
13 each school day for the minimum number of days required in a school year,
14 would meet a minimum of one hundred twenty-three hours a year, or the
15 equivalent, or one or more subjects taught in amounts of time totaling at
16 least twenty hours per week prorated for any week with fewer than five school
17 days.

18 (vi) For fiscal year 2005-2006 and each fiscal year thereafter, an
19 instructional program that meets at least a total of seven hundred twenty
20 hours during the minimum number of days required and includes at least four
21 subjects each of which, if taught each school day for the minimum number of
22 days required in a school year, would meet a minimum of one hundred
23 twenty-three hours a year, or the equivalent, or one or more subjects taught
24 in amounts of time totaling at least twenty hours per week prorated for any
25 week with fewer than five school days.

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

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

31 5. "Current year" means the fiscal year in which a school district is
32 operating.

33 6. "Daily attendance" means:

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

35 (i) Of a kindergarten program or ungraded, but not group B children
36 with disabilities, and at least five, but under six, years of age by
37 September 1 attends at least three-quarters of the instructional time
38 scheduled for the day. If the total instruction time scheduled for the year
39 is at least three hundred forty-six hours but is less than six hundred
40 ninety-two hours such attendance shall be counted as one-half day of
41 attendance. If the instructional time scheduled for the year is at least six
42 hundred ninety-two hours, "daily attendance" means days in which a pupil
43 attends at least one-half of the instructional time scheduled for the day.
44 Such attendance shall be counted as one-half day of attendance.

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

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

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

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

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

21 (ii) If attendance for all pupils in the school is based on half days,
22 the attendance of at least three-quarters of the instructional time scheduled
23 for the day shall be counted as a full day's attendance and attendance at a
24 minimum of one-half but less than three-quarters of the instructional time
25 scheduled for the day equals one-half day of attendance.

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 not including lunch periods and recess
29 periods, except as provided in paragraph 2, subdivision (a), item (i) of this
30 subsection for children with disabilities up to a maximum of three hundred
31 sixty minutes each week.

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

42 (e) For high schools or ungraded schools in which the pupil is at
43 least fourteen years of age by September 1, the attendance of a pupil may be
44 counted as one-fourth of a day's attendance for each sixty minutes of
45 instructional time in a subject that counts toward graduation, except that

1 attendance for a pupil shall not exceed the pupil's full or fractional
2 membership.

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

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

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

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

17 (b) The total number of miles driven daily on routes approved by the
18 superintendent of public instruction for which a private party, a political
19 subdivision or a common or a contract carrier is reimbursed for bringing an
20 eligible student from the place of his residence to a school transportation
21 pickup point or to the school of attendance and from the school
22 transportation scheduled return point or from the school of attendance to his
23 residence. Daily route mileage includes the total number of miles necessary
24 to drive to transport eligible students from and to their residence as
25 provided in this paragraph.

26 8. "District support level" means the base support level plus the
27 transportation support level.

28 9. "Eligible students" means:

29 (a) Students who are transported by or for a school district and who
30 qualify as full-time students or fractional students, except students for
31 whom transportation is paid by another school district or a county school
32 superintendent, and:

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

41 (ii) For high school students, whose place of actual residence within
42 the school district is more than one and one-half miles from the school
43 facility of attendance or students who are admitted pursuant to section
44 15-816.01 and who meet the economic eligibility requirements established
45 under the national school lunch and child nutrition acts (42 United States

1 Code sections 1751 through 1785) for free or reduced price lunches and whose
2 actual place of residence outside the school district boundaries is more than
3 one and one-half miles from the school facility of attendance.

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

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

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

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

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

21 12. "High school district" means a political subdivision of this state
22 offering instruction to students for grades nine through twelve or that
23 portion of the budget of a common school district which is allocated to
24 teaching high school subjects with permission of the state board of
25 education.

26 13. "Revenue control limit" means the base revenue control limit plus
27 the transportation revenue control limit.

28 14. "Student count" means average daily membership as prescribed in
29 this subsection for the fiscal year prior to the current year, except that
30 for the purpose of budget preparation student count means average daily
31 membership as prescribed in this subsection for the current year.

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

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

36 17. "Total students transported" means all eligible students
37 transported from their place of residence to a school transportation pickup
38 point or to the school of attendance and from the school of attendance or
39 from the school transportation scheduled return point to their place of
40 residence.

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

- 1 B. In this title, unless the context otherwise requires:
2 1. "Base" means the revenue level per student count specified by the
3 legislature.
4 2. "Base level" means:
5 ~~(a) For fiscal year 2004-2005, two thousand eight hundred ninety-three~~
6 ~~dollars eighteen cents.~~
7 ~~(b) For fiscal year 2005-2006, three thousand one dollars.~~
8 ~~(c)~~ (a) For fiscal year 2006-2007, three thousand one hundred
9 thirty-three dollars fifty-three cents.
10 (b) FOR FISCAL YEAR 2007-2008, THREE THOUSAND TWO HUNDRED TWENTY-SIX
11 DOLLARS EIGHTY-EIGHT CENTS.
12 3. "Base revenue control limit" means the base revenue control limit
13 computed as provided in section 15-944.
14 4. "Base support level" means the base support level as provided in
15 section 15-943.
16 5. "Certified teacher" means a person who is certified as a teacher
17 pursuant to the rules adopted by the state board of education, who renders
18 direct and personal services to school children in the form of instruction
19 related to the school district's educational course of study and who is paid
20 from the maintenance and operation section of the budget.
21 6. "ED, MIMR, SLD, SLI and OHI" means programs for children with
22 emotional disabilities, mild mental retardation, a specific learning
23 disability, a speech/language impairment and other health impairments.
24 7. "ED-P" means programs for children with emotional disabilities who
25 are enrolled in private special education programs as prescribed in section
26 15-765, subsection D, paragraph 1 or in an intensive school district program
27 as provided in section 15-765, subsection D, paragraph 2.
28 8. "ELL" means English learners who do not speak English or whose
29 native language is not English, who are not currently able to perform
30 ordinary classroom work in English and who are enrolled in an English
31 language education program pursuant to sections 15-751, 15-752 and 15-753.
32 9. "Full-time equivalent certified teacher" or "FTE certified teacher"
33 means for a certified teacher the following:
34 (a) If employed full time as defined in section 15-501, 1.00.
35 (b) If employed less than full time, multiply 1.00 by the percentage
36 of a full school day, or its equivalent, or a full class load, or its
37 equivalent, for which the teacher is employed as determined by the governing
38 board.
39 10. "Group A" means educational programs for career exploration, a
40 specific learning disability, an emotional disability, mild mental
41 retardation, remedial education, a speech/language impairment, homebound,
42 bilingual, preschool moderate delay, preschool speech/language delay, other
43 health impairments and gifted pupils.

1 11. "Group B" means educational improvements for pupils in kindergarten
2 programs and grades one through three, educational programs for autism, a
3 hearing impairment, moderate mental retardation, multiple disabilities,
4 multiple disabilities with severe sensory impairment, orthopedic impairments,
5 preschool severe delay, severe mental retardation and emotional disabilities
6 for school age pupils enrolled in private special education programs or in
7 school district programs for children with severe disabilities or visual
8 impairment and English learners enrolled in a program to promote English
9 language proficiency pursuant to section 15-752.

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

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

28 14. "K" means kindergarten programs.

29 15. "K-3" means kindergarten programs and grades one through three.

30 16. "MD-R, A-R and SMR-R" means resource programs for pupils with
31 multiple disabilities, autism and severe mental retardation.

32 17. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils
33 with multiple disabilities, autism and severe mental retardation.

34 18. "MDSSI" means a program for pupils with multiple disabilities with
35 severe sensory impairment.

36 19. "MOMR" means programs for pupils with moderate mental retardation.

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

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

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

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

1 BY THE STATE BOARD OF EDUCATION. THE DEPARTMENT OF EDUCATION SHALL SELECT A
2 SCHOOL THAT HAS AN EFFECTIVE PLAN THAT DEMONSTRATES COMMITMENT TO
3 INSTRUCTIONAL CHANGE REQUIRED TO ACHIEVE SIGNIFICANT PERFORMANCE GAINS
4 THROUGH PARTICIPATION IN THE PILOT PROGRAM AND THAT DEMONSTRATES A FINANCIAL
5 COMMITMENT BY SUBMITTING A BUDGET THAT SHOWS THE AMOUNT OF FUNDING THAT THE
6 SCHOOL WILL CONTRIBUTE TO THE PILOT PROGRAM. THE DEPARTMENT OF EDUCATION
7 SHALL DISTRIBUTE MONIES APPROPRIATED FOR THIS PURPOSE TO THE SELECTED SCHOOL.

8 D. THE SCHOOL THAT IS SELECTED TO PARTICIPATE IN THE PILOT PROGRAM
9 SHALL USE THE MONIES DISTRIBUTED PURSUANT TO THIS SECTION FOR THE FOLLOWING
10 PURPOSES TO SIGNIFICANTLY INCREASE ACADEMIC PERFORMANCE:

11 1. TO UPGRADE INSTRUCTIONAL TECHNOLOGY SYSTEMS IN THE CLASSROOM BY
12 ADDRESSING ALL SYSTEM ASPECTS, INCLUDING A DIGITAL CURRICULUM, SOFTWARE,
13 COMPUTER HARDWARE, TECHNICAL SUPPORT, DATA AND LOCAL AREA NETWORKS WITH FILE
14 SERVERS AND BROADBAND INTERNET CONNECTIVITY.

15 2. TO ENSURE ACCESS TO ONE NETWORKED COMPUTER WITH BROADBAND INTERNET
16 ACCESS, ACCORDING TO STANDARDS ESTABLISHED BY THE GOVERNMENT INFORMATION
17 TECHNOLOGY AGENCY, FOR EVERY PUPIL IN EVERY ACADEMIC CLASSROOM.

18 3. TO PROVIDE TRAINING TO TEACHERS ON CLASSROOM APPLICATION AND
19 INSTRUCTIONAL TECHNOLOGY.

20 E. THE DEPARTMENT OF EDUCATION SHALL SUBMIT AN ANNUAL UPDATE BEGINNING
21 ON JANUARY 1, 2008 THAT SUMMARIZES THE RESULTS OF THE PILOT PROGRAM TO THE
22 GOVERNOR, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE
23 SENATE AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE DEPARTMENT OF
24 EDUCATION SHALL PROVIDE A COPY OF THIS ANNUAL UPDATE TO THE SECRETARY OF
25 STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC
26 RECORDS. THE ANNUAL UPDATE SHALL INCLUDE A SUMMARY OF THE PILOT PROGRAM'S
27 IMPACT ON THE SCHOOL'S BUDGET, INCLUDING ANY IMPACT ON HARD AND SOFT CAPITAL
28 SPENDING, EXPENDITURES DELINEATED BY ADMINISTRATION AND CLASSROOM SPENDING,
29 EXPENDITURES DELINEATED BY MAINTENANCE AND OPERATIONS AND CAPITAL SPENDING
30 AND THE IMPACT OF THE PILOT PROGRAM ON ACCOUNTABILITY MEASURES, INCLUDING ANY
31 ACADEMIC GAINS MADE BY PUPILS AS A RESULT OF THE PILOT PROGRAM.

32 F. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2010.

33 Sec. 9. Section 15-945, Arizona Revised Statutes, is amended to read:
34 15-945. Transportation support level

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

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

39 2. Multiply the figure obtained in paragraph 1 of this subsection by
40 one hundred eighty.

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

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

1 5. Determine the classification in column 1 of this paragraph for the
 2 quotient determined in paragraph 4 of this subsection. Multiply the product
 3 obtained in paragraph 2 of this subsection by the corresponding state support
 4 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 2006-2007 2007-2008
9 0.5 or less	\$2.19 \$2.23
10 More than 0.5 through 1.0	\$1.77 \$1.81
11 More than 1.0	\$2.19 \$2.23

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

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

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

21 2. Multiply the product obtained in subsection A, paragraph 5 of this
 22 section by the corresponding state support level for academic education,
 23 career and technical education, vocational education and athletic trips as
 24 provided in column 2, 3 or 4 of this paragraph, whichever is appropriate for
 25 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>
30 0.5 or less	0.15	0.10	0.25
31 More than 0.5 through 1.0	0.15	0.10	0.25
32 More than 1.0	0.18	0.12	0.30

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

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

42 1. Determine the sum of the following:

43 (a) The total number of miles driven by all buses of a school district
 44 while transporting eligible pupils with disabilities on scheduled routes from
 45 their residence to the school of attendance and from the school of attendance

1 to their residence on routes for extended school year services in accordance
2 with section 15-881.

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

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

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

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

24 Sec. 10. Section 15-1044, Arizona Revised Statutes, is amended to
25 read:

26 15-1044. Arizona e-learning task force; duties

27 A. The Arizona e-learning task force is established. The task force
28 shall consist of the following members who shall be appointed on or before
29 August 31, 2006:

30 1. Two representatives of the business community with expertise in
31 technology issues, one of whom shall be appointed by the governor and one of
32 whom shall be appointed by the speaker of the house of representatives.

33 2. Two persons who shall have a background in psychometrics, one of
34 whom shall be appointed by the president of the senate and one of whom shall
35 be appointed by the speaker of the house of representatives.

36 3. Two persons who have expertise in curriculum development, one of
37 whom shall be appointed by the governor and one of whom shall be appointed by
38 the president of the senate.

39 4. One teacher who provides instruction in grade six, seven, eight or
40 nine in a public, private or charter school and who is appointed by the
41 speaker of the house of representatives.

42 5. One person who represents a public, private or charter school that
43 provides instruction in grade six, seven, eight or nine and who is appointed
44 by the governor.

1 6. One person who represents an entity that has at least ten years of
2 experience in teacher training and professional development coursework and
3 that has provided such training and coursework to at least five thousand
4 teachers and who is appointed by the president of the senate.

5 7. TWO PERSONS WHO REPRESENT HIGHER EDUCATION AND WHO HAVE EXPERTISE
6 IN EDUCATION TECHNOLOGY AND TWENTY-FIRST CENTURY LEARNING, ONE OF WHOM SHALL
7 BE APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE OF WHOM SHALL BE
8 APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

9 8. ONE PERSON WHO HAS A BACKGROUND IN ONLINE OR DIGITAL FORMAT
10 FORMATIVE ASSESSMENT AND WHO IS APPOINTED BY THE GOVERNOR.

11 ~~7-~~ 9. The superintendent of public instruction or the superintendent's
12 designee.

13 ~~8-~~ 10. The director of the government information technology agency or
14 the director's designee.

15 B. The task force shall annually elect a chairperson from among the
16 members of the task force. The department of education shall provide staff
17 support for the task force.

18 C. The initial members appointed pursuant to subsection A, paragraphs
19 1 through ~~6- 8~~ shall assign themselves by lot to terms of one, two and three
20 years in office. All subsequent members appointed pursuant to subsection A,
21 paragraphs 1 through ~~6- 8~~ serve three year terms. The chairperson shall
22 notify the appointing authority of these terms.

23 D. The task force shall:

24 1. Examine e-learning programs in other states.

25 2. Analyze potential methods to implement e-learning programs in this
26 state.

27 3. Develop innovative e-learning solutions.

28 4. Annually report to the legislature regarding e-learning programs
29 and solutions.

30 E. Task force members are not eligible for compensation, but task
31 force members who are appointed pursuant to subsection A, paragraphs 1
32 through ~~6- 8~~ are eligible for reimbursement of expenses pursuant to title 38,
33 chapter 4, article 2 from monies appropriated to the department of education.

34 Sec. 11. Section 41-1276, Arizona Revised Statutes, is amended to
35 read:

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

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

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

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

1 B. The truth in taxation rates consist of the qualifying tax rate for
2 a high school district or a common school district within a high school
3 district that does not offer instruction in high school subjects pursuant to
4 section 15-971, subsection B, paragraph 1, a qualifying tax rate for a
5 unified district, a common school district not within a high school district
6 or a common school district within a high school district that offers
7 instruction in high school subjects pursuant to section 15-971, subsection B,
8 paragraph 2 and a state equalization assistance property tax rate pursuant to
9 section 15-994 that will offset the change in net assessed valuation of
10 property that was subject to tax in the prior year.

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

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

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

19 3. Divide the amount determined in paragraph 1 of this subsection by
20 the amount determined in paragraph 2 of this subsection.

21 4. Adjust the qualifying tax rates and the state equalization
22 assistance property tax rate for the current fiscal year by the percentage
23 determined in paragraph 3 of this subsection in order to offset the change in
24 net assessed value.

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

36 E. If the legislature proposes either qualifying tax rates or a state
37 equalization assistance property tax rate that exceeds the truth in taxation
38 rate:

39 1. The house of representatives ways and means committee and the
40 senate finance committee or their successor committees shall hold a joint
41 hearing on or before February 28 and publish a notice of a truth in taxation
42 hearing that meets the following requirements:

43 (a) The notice shall be published twice in a newspaper of general
44 circulation in this state that is published at the state capital. The first
45 publication shall be at least fourteen but not more than twenty days before

1 the date of the hearing. The second publication shall be at least seven but
2 not more than ten days before the date of the hearing.

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

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

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

10 Truth in Taxation Hearing
11 Notice of Tax Increase

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

16 The proposed tax increase will cause the taxes on a
17 \$100,000 home to increase by \$_____.

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

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

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

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

35 G. Notwithstanding any other law, the legislature shall not adopt a
36 state budget that provides for either qualifying tax rates pursuant to
37 section 15-971 or a state equalization assistance property tax rate pursuant
38 to section 15-994 that exceeds the truth in taxation rates computed pursuant
39 to subsection A of this section unless the rates are adopted by a concurrent
40 resolution approved by an affirmative roll call vote of two-thirds of the
41 members of each house of the legislature before the legislature enacts the
42 general appropriations bill. If the resolution is not approved by two-thirds
43 of the members of each house of the legislature, the rates for the following
44 fiscal year shall be the truth in taxation rates determined pursuant to

1 subsection C of this section and shall be transmitted to the superintendent
2 of public instruction and the county boards of supervisors.

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

9 I. Pursuant to subsection C of this section, the qualifying tax rate
10 in tax year ~~2006~~ 2007 for a high school district or a common school district
11 within a high school district that does not offer instruction in high school
12 subjects as provided in section 15-447 is ~~\$1.7394~~ \$1.6020 and for a unified
13 school district, a common school district not within a high school district
14 or a common school district within a high school district that offers
15 instruction in high school subjects as provided in section 15-447 is ~~\$3.4788~~
16 \$3.2040. The state equalization assistance property tax rate in tax years
17 2006, 2007 and 2008 is zero. The state equalization assistance property tax
18 rate in tax year 2009 shall be computed by annually adjusting the tax year
19 2005 rate of \$0.4358 as provided by this section through tax year 2009.

20 Sec. 12. Laws 2006, chapter 375, section 3 is amended to read:

21 Sec. 3. E-learning pilot program

22 A. The department of education, in cooperation with the e-learning
23 task force established by section 15-1044, Arizona Revised Statutes, ~~as added~~
24 ~~by this act~~, shall establish an e-learning pilot program at up to ten
25 schools.

26 B. On or before December 15, ~~2006~~ 2007, the e-learning task force, in
27 cooperation with the department of education, shall prepare an actionable
28 request for proposals to implement a three-year e-learning pilot program to
29 help participating schools to achieve academic and motivational gains based
30 on the state and national average and shall submit the preliminary request
31 for proposals to the joint legislative budget committee for review and
32 comment. The request for proposals shall require all responses to meet the
33 government information technology agency standards. The request shall
34 include:

35 1. The scope of work, including programmatic, performance and
36 technical requirements, conceptual design, specifications and functional and
37 operational elements for the delivery of the completed components of the
38 pilot program.

39 2. A description of the qualifications required of the entity or group
40 of entities that will be selected for the pilot program.

41 3. Copies of the contract documents that the successful bidder or
42 group of bidders will be expected to sign.

43 4. A timeline for the design and completion of the pilot program.

44 5. The estimated cost of the components of the pilot program.

45 6. Any other information relevant to the pilot program.

1 C. Based on the comments received from the joint legislative budget
2 committee, the task force shall finalize the request for proposals and the
3 department of education shall issue the finalized request for proposals
4 within thirty days after the hearing conducted by the joint legislative
5 budget committee.

6 D. The department of education shall award a contract or contracts
7 within one hundred eighty days after the issuance of the finalized request
8 for proposals.

9 E. At least ten days before the department of education enters into a
10 contract or contracts that result from the request for proposals, the
11 superintendent of public instruction shall submit the provisions of the
12 contract or contracts for review by the joint legislative budget committee in
13 executive session.

14 F. The overall e-learning system shall be implemented through a
15 three-year pilot program by an entity or a group of entities that delivers
16 the following elements:

17 1. Program management by an organization that is capable of each of
18 the following:

19 (a) Delivering reliable psychometric analysis of academic gains.

20 (b) Evaluating coursework for alignment with the academic standards
21 adopted by the state board of education.

22 (c) Performing reliability analysis of electronic systems delivering
23 coursework and assessments.

24 (d) Analysis and direction towards system improvements.

25 (e) Delivering monthly reports on the performance of the system and
26 directing any corrective steps required to achieve success.

27 2. A central delivery or supporting system with the ability to deliver
28 course work to fifty thousand students simultaneously at the highest
29 reliability level both at home and at school.

30 3. Mathematics instruction through a digital curriculum system with
31 coursework and assessments that are aligned with the academic standards
32 adopted by the state board of education. The assessments shall provide
33 formative and cumulative assessments aligned with the coursework, and shall
34 provide percentile rank, grade level and scale scores on the Arizona
35 instrument to measure standards test at the individual, classroom and school
36 level on a real-time basis. The scale score reports on the Arizona
37 instrument to measure standards test shall be on the same scale as the
38 passing scale score for a high school diploma in this state. The entity or
39 group of entities delivering the assessments shall be able to show that the
40 entity or group of entities are capable of delivering these assessments with
41 computer adaptive testing.

42 4. Lap-top technology to teachers and students involved in the pilot
43 program.

44 5. Teacher training and professional development coursework and
45 assessment. The teacher development and training shall be delivered by an

1 entity or group of entities that has experience providing teacher training
2 and professional development coursework and shall include both initial and
3 ongoing components. The coursework shall include strategies and techniques
4 to successfully integrate technological and digital resources into the daily
5 work of students.

6 G. After the department of education and the e-learning task force
7 have awarded a contract to the entity or group of entities that will
8 implement the e-learning pilot program, the department of education, in
9 cooperation with the e-learning task force, shall establish application
10 procedures and additional selection criteria for schools that wish to apply
11 for participation in the pilot program. The pilot program shall be conducted
12 at up to ten schools that provide instruction in any two grades consisting of
13 grade six, seven, eight or nine. Pupils in preschool programs, kindergarten
14 programs, grades one through five and grades ten, eleven and twelve are not
15 eligible to participate in the pilot program. These schools shall be able to
16 demonstrate that the teachers who will participate in the pilot program are
17 committed to the pilot program. The affected teachers shall complete the
18 initial training and professional development component of the pilot program
19 by the end of the fall semester of ~~2007~~ 2008.

20 H. In cooperation with the e-learning task force, the department of
21 education shall submit a report on or before November 15, ~~2010~~ 2011 to the
22 governor, the president of the senate and the speaker of the house of
23 representatives that summarizes the results of the pilot program. The
24 academic effectiveness of pupils in the pilot program shall be measured
25 according to the existing assessment mechanisms prescribed in title 15,
26 Arizona Revised Statutes. The department of education shall provide a copy
27 of this report to the secretary of state and the director of the Arizona
28 state library, archives and public records.

29 I. Schools and pupils that participate in the technology assisted
30 project-based instruction program established pursuant to section 15-808,
31 Arizona Revised Statutes, are not eligible for participation in the pilot
32 program.

33 Sec. 13. Laws 2006, chapter 375, section 5 is amended to read:

34 Sec. 5. Delayed repeal

35 ~~Sections 4 and 5 of this act,~~ LAWS 2006, CHAPTER 375, SECTION 3, AS
36 AMENDED BY THIS ACT, AND SECTION 4, relating to the e-learning pilot program
37 and the e-learning fund, are repealed from and after August 31, ~~2011~~ 2012.

38 Sec. 14. Department of education; e-learning pilot program;
39 distribution of monies

40 Notwithstanding Laws 2006, chapter 375, section 6, the department of
41 education may distribute the monies appropriated for the e-learning pilot
42 program in fiscal years 2006-2007, 2007-2008, 2008-2009, 2009-2010 and
43 2010-2011.

1 Sec. 15. 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 2007-2008 shall be computed as follows:

5 1. Determine the amount that the district budgeted for desegregation
6 activities for fiscal year 2006-2007 pursuant to Laws 2006, chapter 353,
7 section 18.

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 2006-2007 school year above the 2005-2006 school year. If average daily
11 membership for the district decreased for the 2006-2007 school year below the
12 2005-2006 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. 16. Adjustment for rapid decline in student count for
20 fiscal year 2007-2008

21 Notwithstanding section 15-942, Arizona Revised Statutes, for fiscal
22 year 2007-2008, 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. 17. Audits; average daily membership

27 For fiscal year 2007-2008, the department of education or the office of
28 the auditor general may conduct average daily membership audits of school
29 districts and charter schools.

30 Sec. 18. Joint technological education district equalization
31 funding; pro rata reduction

32 A. Notwithstanding section 15-393, Arizona Revised Statutes, or any
33 other law, the department of education shall fund state aid for joint
34 technological education districts for fiscal year 2007-2008 at ninety-one and
35 eight-tenths per cent of the amount that otherwise would be provided by law
36 and shall reduce applicable budget limits of each affected district
37 accordingly.

38 B. Notwithstanding subsection A of this section, a joint technological
39 education district shall not receive less equalization formula funding for
40 fiscal year 2007-2008 than it received for fiscal year 2006-2007 apart from
41 reductions due to changes in student counts, net assessed property values or
42 other technical factors or due to prior year adjustments or corrections. The
43 department of education shall adjust the applicable budget limits of a joint
44 technological education district, as needed, in order to comply with the
45 requirements of this subsection. For the purposes of this subsection,

1 "equalization formula funding" means the sum of a joint technological
2 education district's base support level, as defined in section 15-943.02,
3 Arizona Revised Statutes, and its capital outlay revenue limit and soft
4 capital allocation, as defined in section 15-962.01, Arizona Revised
5 Statutes.

6 Sec. 19. Joint legislative study committee on K-12 school
7 funding and best practices; membership; duties;
8 report

9 A. The joint legislative study committee on K-12 school funding and
10 best practices is established consisting of the following members:

11 1. Five members of the senate who are appointed by the president of
12 the senate, not more than three of whom are members of the same political
13 party.

14 2. Five members of the house of representatives who are appointed by
15 the speaker of the house of representatives, not more than three of whom are
16 members of the same political party.

17 B. The committee shall:

18 1. Review and make recommendations on school district and charter
19 school maintenance and operations funding, including recommendations on
20 formula based funding that impact both local and state funds.

21 2. Review and make recommendations on school district and charter
22 school capital funding, including recommendations on formula based funding
23 that impact both local and state funds.

24 3. Review and make recommendations on best practices in school
25 programs and school finance.

26 C. The committee shall elect a chairperson from its membership.

27 D. The committee may use the expertise and services of the staffs of
28 the department of education and the school facilities board.

29 E. The joint legislative study committee shall submit an initial
30 report on or before December 1, 2007 and a final report on or before December
31 1, 2008 that summarizes the joint legislative study committee's findings and
32 recommendations to the governor, the president of the senate and the speaker
33 of the house of representatives. A copy of each report shall be delivered to
34 the secretary of state and the director of the Arizona state library,
35 archives and public records.

36 Sec. 20. Appropriation; basic state aid; base level increase

37 A. The sum of \$46,000,000 is appropriated from the state general fund
38 in fiscal year 2007-2008 to the department of education to fund an additional
39 increase in the base level authorized in section 15-901, subsection B,
40 paragraph 2, Arizona Revised Statutes, as amended by this act.

41 B. The funding appropriated in subsection A of this section shall be
42 used by school districts, charter schools and the Arizona state schools for
43 the deaf and the blind to provide salary and benefit increases to
44 nonadministrative personnel.

1 and the blind. These increases are intended to be above and beyond any
2 existing contract, agreement or cost-of-living increase and are intended to
3 supplement and not supplant any existing monies for salary and benefit
4 increases for nonadministrative personnel.

5 B. For the purposes of this section, "existing monies" means any
6 monies that school districts or the Arizona state schools for the deaf and
7 the blind budgeted, designated or intended in any way to use for
8 nonadministrative personnel salary and benefit increases in fiscal year
9 2007-2008.