

REFERENCE TITLE: school finance revisions

State of Arizona
Senate
Forty-ninth Legislature
Second Regular Session
2010

SB 1284

Introduced by
Senator Huppenthal

AN ACT

AMENDING SECTIONS 15-185, 15-393, 15-448 AND 15-901, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-901.05; AMENDING SECTIONS 15-903, 15-913, 15-913.01, 15-951, 15-973, 15-1204, 15-1371 AND 15-1372, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 15-185. Charter schools; financing; civil penalty;
5 transportation; definitions

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

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

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

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

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

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

41 4. If a school district uses the provisions of paragraph 3 of this
42 subsection, the school district is not eligible to include those pupils in
43 its student count for the purposes of computing an increase in its revenue
44 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 SECTION 15-941 and 15-942~~
27 ~~do DOES~~ not 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. A charter school that provides two hundred days of instruction may
36 use section 15-902.02 for the purposes of this section. Before the one
37 hundredth day or two hundredth day in session, as applicable, the state board
38 of education or the state board for charter schools may require a charter
39 school to report periodically regarding pupil enrollment and attendance, and
40 the department of education may revise its computation of equalization
41 assistance based on the report. A charter school shall revise its student
42 count, base support level and additional assistance before May 15. A charter
43 school that overestimated its student count shall revise its budget before
44 May 15. A charter school that underestimated its student count may revise
45 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 five hundred
8 eighty-eight dollars forty-four cents per student count in kindergarten
9 programs and grades one through eight and one thousand eight hundred
10 fifty-one dollars thirty cents per student count in grades nine through
11 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 as prescribed in section 15-973,
16 subsection B.

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

21 7. Not later than noon on the day preceding each apportionment date
22 established by paragraph 5 of this subsection, the superintendent of public
23 instruction shall furnish to the state treasurer an abstract of the
24 apportionment and shall certify the apportionment to the department of
25 administration, which shall draw its warrant in favor of the charter schools
26 for the amount apportioned.

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

1 charter school, except that if the pupil is enrolled in both a charter school
2 and a joint technological education district and resides within the
3 boundaries of a school district participating in the joint technological
4 education district, the sum of the average daily membership for that pupil in
5 the charter school and the joint technological education district shall be
6 reduced to 1.25 and shall be apportioned between the charter school and the
7 joint technological education district based on the percentage of total time
8 that the pupil is enrolled or in attendance in the charter school and the
9 joint technological education district. The uniform system of financial
10 records shall include guidelines for the apportionment of the pupil
11 enrollment and attendance as provided in this section.

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

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

25 2. For a charter school sponsored by the state board of education or
26 the state board for charter schools, the total of the base support level and
27 the additional assistance shall not be less than zero.

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

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

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

1 G. At the request of a charter school, the county school
2 superintendent of the county where the charter school is located may provide
3 the same educational services to the charter school as prescribed in section
4 15-308, subsection A. The county school superintendent may charge a fee to
5 recover costs for providing educational services to charter schools.

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

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

43 J. A charter school may receive and spend monies distributed by the
44 department of education pursuant to section 42-5029, subsection E and section
45 37-521, subsection B.

1 K. If a school district transports or contracts to transport pupils to
2 the Arizona state schools for the deaf and the blind during any fiscal year,
3 the school district may transport or contract with a charter school to
4 transport sensory impaired pupils during that same fiscal year to a charter
5 school if requested by the parent of the pupil and if the distance from the
6 pupil's place of actual residence within the school district to the charter
7 school is less than the distance from the pupil's place of actual residence
8 within the school district to the campus of the Arizona state schools for the
9 deaf and the blind.

10 L. For the purposes of this section:

11 1. "Monies intended for the basic maintenance and operations of the
12 school" means monies intended to provide support for the educational program
13 of the school, except that it does not include supplemental assistance for a
14 specific purpose or title VIII of the elementary and secondary education act
15 of 1965 monies. The auditor general shall determine which federal or state
16 monies meet the definition in this paragraph.

17 2. "Operated for or by the same school district" means the charter
18 school is either governed by the same district governing board or operated by
19 the district in the same manner as other traditional schools in the district
20 or is operated by an independent party that has a contract with the school
21 district. The auditor general and the department of education shall
22 determine which charter schools meet the definition in this subsection.

23 Sec. 2. Section 15-393, Arizona Revised Statutes, is amended to read:
24 15-393. Joint technological education district governing board;
25 report; definition

26 A. The management and control of the joint district are vested in the
27 joint technological education district governing board, including the content
28 and quality of the courses offered by the district, the quality of teachers
29 who provide instruction on behalf of the district, the salaries of teachers
30 who provide instruction on behalf of the district and the reimbursement of
31 other entities for the facilities used by the district. Unless the governing
32 boards of the school districts participating in the formation of the joint
33 district vote to implement an alternative election system as provided in
34 subsection B of this section, the joint board shall consist of five members
35 elected from five single member districts formed within the joint
36 district. The single member district election system shall be submitted as
37 part of the plan for the joint district pursuant to section 15-392 and shall
38 be established in the plan as follows:

39 1. The governing boards of the school districts participating in the
40 formation of the joint district shall define the boundaries of the single
41 member districts so that the single member districts are as nearly equal in
42 population as is practicable, except that if the joint district lies in part
43 in each of two or more counties, at least one single member district may be
44 entirely within each of the counties comprising the joint district if this

1 district design is consistent with the obligation to equalize the population
2 among single member districts.

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

6 3. A person who is a registered voter of this state and who is a
7 resident of the single member district is eligible for election to the office
8 of joint board member from the single member district. The terms of office
9 of the members of the joint board shall be as prescribed in section 15-427,
10 subsection B. An employee of a joint technological education district or the
11 spouse of an employee shall not hold membership on a governing board of a
12 joint technological education district by which the employee is employed. A
13 member of one school district governing board or joint technological
14 education district governing board is ineligible to be a candidate for
15 nomination or election to or serve simultaneously as a member of any other
16 governing board, except that a member of a governing board may be a candidate
17 for nomination or election for any other governing board if the member is
18 serving in the last year of a term of office. A member of a governing board
19 shall resign the member's seat on the governing board before becoming a
20 candidate for nomination or election to the governing board of any other
21 school district or joint technological education district, unless the member
22 of the governing board is serving in the last year of a term of office.

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

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

32 C. The joint technological education district shall be subject to the
33 following provisions of this title:

- 34 1. Chapter 1, articles 1 through 6.
- 35 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 36 3. Articles 2, 3 and 5 of this chapter.
- 37 4. Section 15-361.
- 38 5. Chapter 4, articles 1, 2 and 5.
- 39 6. Chapter 5, articles 1, 2 and 3.
- 40 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729
41 and 15-730.
- 42 8. Chapter 7, article 5.
- 43 9. Chapter 8, articles 1, 3 and 4.
- 44 10. Sections 15-828 and 15-829.

1 11. Chapter 9, article 1, article 6, except for section 15-995, and
2 article 7.

3 12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.

4 13. Sections 15-1101 and 15-1104.

5 14. Chapter 10, articles 2, 3, 4 and 8.

6 D. Notwithstanding subsection C of this section, the following apply
7 to a joint technological education district:

8 1. A joint district may issue bonds for the purposes specified in
9 section 15-1021 and in chapter 4, article 5 of this title to an amount in the
10 aggregate, including the existing indebtedness, not exceeding one per cent of
11 the taxable property used for secondary tax purposes, as determined pursuant
12 to title 42, chapter 15, article 1, within the joint technological education
13 district as ascertained by the last property tax assessment previous to
14 issuing the bonds.

15 2. The number of governing board members for a joint district shall be
16 as prescribed in subsection A of this section.

17 3. If a career and technical education and vocational education course
18 or program provided pursuant to this article is provided in a facility owned
19 or operated by a school district in which a pupil is enrolled, including
20 satellite courses, the sum of the daily attendance, as provided in section
21 15-901, subsection A, paragraph 6, for that pupil in both the school district
22 and joint technological education district shall not exceed 1.25 and the sum
23 of the fractional student enrollment, as provided in section 15-901,
24 subsection A, paragraph 2, subdivision (a), shall not exceed 1.25 for the
25 courses taken in the school district and the facility, including satellite
26 courses. The school district and the joint district shall determine the
27 apportionment of the daily attendance and fractional student enrollment for
28 that pupil between the school district and the joint district.

29 4. The student count for the first year of operation of a joint
30 technological education district as provided in this article shall be
31 determined as follows:

32 (a) Determine the estimated student count for joint district classes
33 that will operate in the first year of operation. This estimate shall be
34 based on actual registration of pupils as of March 30 scheduled to attend
35 classes that will be operated by the joint district. The student count for
36 the district of residence of the pupils registered at the joint district
37 shall be adjusted. The adjustment shall cause the district of residence to
38 reduce the student count for the pupil to reflect the courses to be taken at
39 the joint district. The district of residence shall review and approve the
40 adjustment of its own student count as provided in this subdivision before
41 the pupils from the school district can be added to the student count of the
42 joint district.

43 (b) The student count for the new joint district shall be the student
44 count as determined in subdivision (a) of this paragraph.

1 (c) After the first one hundred days or two hundred days in session,
2 as applicable, for the first year of operation, the joint district shall
3 revise the student count to the actual student count for students attending
4 classes in the joint district. A joint district shall revise its student
5 count, the base support level as provided in section 15-943.02, the revenue
6 control limit as provided in section 15-944.01, the capital outlay revenue
7 limit and the soft capital allocation as provided in section 15-962.01 prior
8 to May 15. A joint district that overestimated its student count shall
9 revise its budget prior to May 15. A joint district that underestimated its
10 student count may revise its budget prior to May 15.

11 (d) After the first one hundred days or two hundred days in session,
12 as applicable, for the first year of operation, the district of residence
13 shall adjust its student count by reducing it to reflect the courses actually
14 taken at the joint district. The district of residence shall revise its
15 student count, the base support level as provided in section 15-943, the
16 revenue control limit as provided in section 15-944, the capital outlay
17 revenue limit as provided in section 15-961 and the soft capital allocation
18 as provided in section 15-962 prior to May 15. A district that
19 underestimated the student count for students attending the joint district
20 shall revise its budget prior to May 15. A district that overestimated the
21 student count for students attending the joint district may revise its budget
22 prior to May 15.

23 (e) A joint district for the first year of operation shall not be
24 eligible for adjustment pursuant to section 15-948.

25 (f) The procedures for implementing this paragraph shall be as
26 prescribed in the uniform system of financial records.

27 ~~(g) If the district of residence utilizes section 15-942 to determine~~
28 ~~its student count, the district shall reduce its student count as provided in~~
29 ~~this paragraph by subtracting the appropriate count from the student count~~
30 ~~determined as provided in section 15-942.~~

31 For the purposes of this paragraph, "district of residence" means the
32 district that included the pupil in its average daily membership for the year
33 before the first year of operation of the joint district and that would have
34 included the pupil in its student count for the purposes of computing its
35 base support level for the fiscal year of the first year of operation of the
36 joint district if the pupil had not enrolled in the joint district.

37 5. A student includes any person enrolled in the joint district
38 without regard to the person's age or high school graduation status, except
39 that:

40 (a) A student in a kindergarten program or in grades one through eight
41 who enrolls in courses offered by the joint technological education district
42 shall not be included in the joint district's average daily attendance or
43 average daily membership.

1 (b) A student in a kindergarten program or in grades one through eight
2 who is enrolled in vocational education courses shall not be funded in whole
3 or in part with monies provided by a joint technological education district.

4 (c) A student who is over twenty-two years of age shall not be
5 included in the student count of the joint district for the purposes of
6 chapter 9, articles 3, 4 and 5 of this title.

7 (d) A student in grade nine who enrolls in a career exploration course
8 shall not be included in the joint district's average daily attendance or
9 average daily membership.

10 6. A joint district may operate for more than one hundred seventy-five
11 days per year, with expanded hours of service.

12 7. A joint district may use the excess utility costs provisions of
13 section 15-910 in the same manner as a school district for fiscal years
14 1999-2000 and 2000-2001, except that the base year shall be the first full
15 fiscal year of operations.

16 8. A joint district may use the carryforward provisions of section
17 15-943.01 retroactively to July 1, 1993.

18 9. A school district that is part of a joint district shall use any
19 monies received pursuant to this article to supplement and not supplant base
20 year career and technical education and vocational education courses, and
21 directly related equipment and facilities, except that a school district that
22 is part of a joint technological education district and that has used monies
23 received pursuant to this article to supplant career and technological
24 education and vocational education courses that were offered before the first
25 year that the school district participated in the joint district or the first
26 year that the school district used monies received pursuant to this article
27 or that used the monies for purposes other than for career and technological
28 education and vocational education courses shall:-

29 ~~(a) Use at least thirty three per cent of the monies received pursuant~~
30 ~~to this article in fiscal year 2005-2006 to supplement and not supplant base~~
31 ~~year career and technical education and vocational education courses.~~

32 ~~(b) Use at least sixty six per cent of the monies received pursuant to~~
33 ~~this article in fiscal year 2006-2007 to supplement and not supplant base~~
34 ~~year career and technical education and vocational education courses.~~

35 ~~(c) use one hundred per cent of the monies received pursuant to this~~
36 ~~article in fiscal year 2007-2008 and each fiscal year thereafter~~ to
37 supplement and not supplant base year career and technical education and
38 vocational education courses.

39 10. A joint technological education district shall use any monies
40 received pursuant to this article to enhance and not supplant career and
41 technical education and vocational education courses and directly related
42 equipment and facilities.

43 11. A joint technological education district or a school district that
44 is part of a joint district shall only include pupils in grades nine through
45 twelve in the calculation of average daily membership or average daily

1 attendance if the pupils are enrolled in courses that are approved jointly by
2 the governing board of the joint technological education district and each
3 participating school district for satellite courses taught within the
4 participating school district, or approved solely by the joint technological
5 education district for centrally located courses. Average daily membership
6 and average daily attendance from courses that are not part of an approved
7 program for career and technical education shall not be included in average
8 daily membership and average daily attendance of a joint technological
9 education district. A student in grade nine who enrolls in a career
10 exploration course shall not be included in the joint district's average
11 daily attendance or average daily membership.

12 E. The joint board shall appoint a superintendent as the executive
13 officer of the joint district.

14 F. Taxes may be levied for the support of the joint district as
15 prescribed in chapter 9, article 6 of this title, except that a joint
16 technological education district shall not levy a property tax pursuant to
17 law that exceeds five cents per one hundred dollars assessed valuation except
18 for bond monies pursuant to subsection D, paragraph 1 of this
19 section. Except for the taxes levied pursuant to section 15-994, such taxes
20 shall be obtained from a levy of taxes on the taxable property used for
21 secondary tax purposes.

22 G. The schools in the joint district are available to all persons who
23 reside in the joint district subject to the rules for admission prescribed by
24 the joint board.

25 H. The joint board may collect tuition for adult students and the
26 attendance of pupils who are residents of school districts that are not
27 participating in the joint district pursuant to arrangements made between the
28 governing board of the district and the joint board.

29 I. The joint board may accept gifts, grants, federal monies, tuition
30 and other allocations of monies to erect, repair and equip buildings and for
31 the cost of operation of the schools of the joint district.

32 J. One member of the joint board shall be selected chairman. The
33 chairman shall be selected annually on a rotation basis from among the
34 participating school districts. The chairman of the joint board shall be a
35 voting member.

36 K. A joint board and a community college district may enter into
37 agreements for the provision of administrative, operational and educational
38 services and facilities.

39 L. Any agreement between the governing board of a joint technological
40 education district and another joint technological education district, a
41 school district, a charter school or a community college district shall be in
42 the form of an intergovernmental agreement or other written contract. The
43 auditor general shall modify the uniform system of financial records and
44 budget forms in accordance with this subsection. The intergovernmental

1 agreement or other written contract shall completely and accurately specify
2 each of the following:

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

5 2. The accountability provisions of the intergovernmental agreement or
6 other written contract.

7 3. The responsibilities of each joint technological education
8 district, each school district, each charter school and each community
9 college district that is a party to the intergovernmental agreement or other
10 written contract.

11 4. The type of instruction that will be provided under the
12 intergovernmental agreement or other written contract.

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

15 6. The transportation services that will be provided under the
16 intergovernmental agreement or other written contract and the manner in which
17 transportation costs will be paid.

18 7. The amount that the joint technological education district will
19 contribute to a course and the amount of support required by the school
20 district or the community college.

21 8. That the services provided by the joint technological education
22 district, the school district, the charter school or the community college
23 district be proportionally calculated in the cost of delivering the service.

24 9. That the payment for services shall not exceed the cost of the
25 services provided.

26 10. That any initial intergovernmental agreement or other written
27 contract and any addendums between the governing board of a joint
28 technological education district and another joint technological education
29 district, a school district, a charter school or a community college district
30 be submitted by the joint technological education district to the joint
31 legislative budget committee for review.

32 M. On or before December 31 of each year, each joint technological
33 education district shall submit a detailed report to the career and technical
34 education division of the department of education. The career and technical
35 education division of the department of education shall collect, summarize
36 and analyze the data submitted by the joint districts, shall submit an annual
37 report that summarizes the data submitted by the joint districts to the
38 governor, the speaker of the house of representatives, the president of the
39 senate and the state board of education and shall submit a copy of this
40 report to the secretary of state ~~and the director of the Arizona state~~
41 ~~library, archives and public records~~. The data submitted by each joint
42 technological education district shall include the following:

43 1. The average daily membership of the joint district.

44 2. The course listings and course descriptions of courses offered by
45 the joint district.

1 list the full cash value, the assessed valuation and the estimated amount of
2 the primary property taxes and the estimated amount of the secondary property
3 taxes under the proposed unification for each of the following:

4 1. An owner occupied residence whose assessed valuation is the average
5 assessed valuation of property classified as class three, as prescribed by
6 section 42-12003 for the current year in the school district.

7 2. An owner occupied residence whose assessed valuation is one-half of
8 the assessed valuation of the residence in paragraph 1 of this subsection.

9 3. An owner occupied residence whose assessed valuation is twice the
10 assessed valuation of the residence in paragraph 1 of this subsection.

11 4. A business whose assessed valuation is the average of the assessed
12 valuation of property classified as class one, as prescribed by section
13 42-12001, paragraphs 12 and 13 for the current year in the school district.

14 C. The boundaries of the unified school district shall be the
15 boundaries of the former common school district or districts that unify. The
16 boundaries of the common school district or districts that are not unifying
17 remain unchanged. The county school superintendent, immediately upon receipt
18 of the approved resolutions prescribed by subsection B of this section, shall
19 file with the board of supervisors, the county assessor and the
20 superintendent of public instruction a transcript of the boundaries of the
21 unified school district. The boundaries shown in the transcript shall become
22 the legal boundaries of the school districts on July 1 of the next fiscal
23 year.

24 D. On formation of the unified school district, the governing board
25 consists of the members of the former school district governing boards and
26 the members shall hold office until January 1 following the first general
27 election after formation of the district.

28 E. Beginning on January 1 following the first general election after
29 formation of the unified school district, the governing board shall have five
30 members. At the first general election after the formation of the district,
31 members shall be elected in the following manner:

32 1. The three candidates receiving the highest, the second highest and
33 the third highest number of votes shall be elected to four year terms.

34 2. The two candidates receiving the fourth and fifth highest number of
35 votes shall be elected to two year terms. Thereafter all offices shall have
36 four year terms.

37 F. The new unified school district may appoint a resident of the
38 remaining common school district to serve as a nonvoting member of the
39 governing board to represent the interests of the high school pupils who
40 reside in the remaining common school district and who attend school in the
41 unified school district.

42 G. For the first year of operation, the unified school district
43 governing board shall prepare a consolidated budget based on the student
44 counts from the school districts comprising the unified school district,
45 except that for purposes of determining budget amounts and equalization

1 assistance, the student count for the former high school district shall not
2 include the prior year average daily membership attributable to high school
3 pupils from a common school district that was part of the former high school
4 district but is not part of the unified school district. The unified school
5 district shall charge the remaining common school district tuition for these
6 pupils as provided in subsection J of this section ~~and shall not include such~~
7 ~~pupils for the purpose of making any adjustment for rapid decline in student~~
8 ~~count pursuant to section 15-942.~~ The unified school district may budget for
9 unification assistance pursuant to section 15-912.01.

10 H. The governing board of the unified school district shall prepare
11 policies, curricula and budgets for the district. These policies shall
12 require that:

13 1. The base compensation of each certificated teacher for the first
14 year of operation of the new unified school district shall not be lower than
15 the certificated teacher's base compensation for the prior year in the
16 previously existing school districts.

17 2. The certificated teacher's years of employment in the previously
18 existing school districts shall be included in determining the teacher's
19 certificated years of employment in the new unified school district.

20 I. Upon formation of a unified school district any existing override
21 authorization of the former high school district and the former common school
22 district or districts shall continue until expiration based on the revenue
23 control limit of the school district or districts that had override
24 authorization prior to unification. The unified school district may request
25 new override authorization for the budget year as provided in section 15-481
26 based on the combined revenue control limit of the new district after
27 unification. If the unified school district's request for override
28 authorization is approved, it will replace any existing override for the
29 budget year.

30 J. The unified school district shall admit high school pupils who
31 reside in a common school district that was located within the boundaries of
32 the former high school district. Tuition shall be paid to the unified school
33 district by the common school district in which such pupils reside. Such
34 tuition amount shall be calculated in accordance with section 15-824, subject
35 to the following modifications:

36 1. If the former high school district had outstanding bonded
37 indebtedness at the time of unification, the combined tuition for the group
38 of high school pupils who reside in each common school district shall include
39 a debt service amount for the former high school district's outstanding
40 bonded indebtedness that is determined as follows:

41 (a) Divide the total secondary assessed valuation of the common school
42 district in which the group of pupils ~~reside~~ RESIDES by the total secondary
43 assessed valuation of the former high school district. For the purposes of
44 this subdivision, "secondary assessed valuation" means secondary assessed
45 valuation for the tax year prior to the year when the unification occurs and

1 includes the values used to determine voluntary contributions collected
2 pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

3 (b) Multiply the quotient obtained in subdivision (a) by the unified
4 school district's annual debt service expenditure.

5 2. The debt service portion of such tuition payments calculated
6 pursuant to paragraph 1 of this subsection shall be used exclusively for debt
7 service of the outstanding bonded indebtedness of the former high school
8 district. When such indebtedness is fully extinguished, the debt service
9 portion of a pupil's tuition shall be determined in accordance with paragraph
10 3 of this subsection.

11 3. If the former high school district had no outstanding bonded
12 indebtedness at the time of unification, the tuition calculation shall
13 include the actual school district expenditures for the portion of any debt
14 service of the unified school district that pertains to any construction or
15 renovation of high school facilities divided by the school district's student
16 count for the high school portion of the school district.

17 4. The unified school district shall not include in the tuition
18 calculation any debt service that pertains to any construction or renovation
19 of school facilities for preschool through grade eight.

20 5. Notwithstanding section 15-951, subsection ~~H~~ G, the revenue
21 control limit of the common school district shall include the full amount of
22 the debt service portion of the tuition calculated pursuant to this
23 subsection.

24 K. All assets and liabilities of the unifying school districts shall
25 be transferred and assumed by the new unified school district. Any existing
26 bonded indebtedness of a common school district or a high school district
27 unifying pursuant to this section shall be assumed by the new unified school
28 district and shall be regarded as an indebtedness of the new unified school
29 district for the purpose of determining the debt incurring authority of the
30 district. Taxes for the payment of such bonded indebtedness shall be levied
31 on all taxable property in the new unified school district, but nothing in
32 this subsection shall be construed to relieve from liability to taxation for
33 the payment of all taxable property of the former high school district if
34 necessary to prevent a default in the payment of any bonded indebtedness of
35 the former high school district. The residents of a common school district
36 that does not unify shall not vote in bond or override elections of the
37 unified school district and shall not be assessed taxes as a result of a bond
38 or override election of the unified school district.

39 L. If the remaining common school district had authorization for an
40 override as provided in section 15-481 or 15-482, the override authorization
41 continues for the remaining common school district or districts in the same
42 manner as before the formation of the unified school district.

43 M. The bonding authorization and bonding limitations continue for the
44 remaining common school district or districts in the same manner as before
45 the formation of the unified school district.

1 N. Nothing in this section shall be construed to relieve a school
2 district formed pursuant to section 15-457 or 15-458 of its liability for any
3 outstanding bonded indebtedness.

4 O. For school districts that become unified after July 1, 2004 and
5 where all of the common schools were eligible for the small school district
6 weight pursuant to section 15-943, paragraph 1, subdivision (a) when
7 computing their base support level and base revenue control limit before
8 unification, the unified school district may continue to use the small school
9 district weight as follows:

10 1. Annually determine the common school student count and the weighted
11 student count pursuant to section 15-943, paragraph 1, subdivision (a) for
12 each common school district before unification.

13 2. Calculate the sum of the common school districts' student counts
14 and weighted student counts determined in paragraph 1 of this subsection.

15 3. Divide the sum of the weighted student counts by the sum of the
16 student counts determined in paragraph 2 of this subsection.

17 4. The amount determined in paragraph 3 of this subsection shall be
18 the weight for the common schools in the unified school district.

19 P. A unified school district may calculate its revenue control limit
20 and district support level by using subsection O of this section as follows:

21 1. Determine the number of individual school districts that existed
22 before unification into a single school district.

23 2. Multiply the amount determined in paragraph 1 of this subsection by
24 six hundred.

25 3. Multiply the amount determined in paragraph 2 of this subsection by
26 0.80.

27 4. If the amount determined in paragraph 3 of this subsection exceeds
28 the student count of the unified school district, the unified school district
29 is eligible to use subsection O of this section.

30 Q. Subsections O and P of this section shall remain in effect until
31 the aggregate student count of the common school districts before unification
32 exceeds the aggregate number of students of the common school districts
33 before unification authorized to utilize section 15-943, paragraph 1,
34 subdivision (a).

35 Sec. 4. Section 15-901, Arizona Revised Statutes, is amended to read:
36 15-901. Definitions

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

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

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

1 except for excused absences as identified by the department of education.
2 For computation purposes, the effective date of withdrawal shall be
3 retroactive to the last day of actual attendance of the student.

4 (a) "Fractional student" means:

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

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

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

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

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

39 (ii) For high schools, except as provided in section 15-105, a student
40 not graduated from the highest grade taught in the school district, or an
41 ungraded student at least fourteen years of age by September 1, and enrolled
42 in at least a full-time instructional program of subjects that count toward
43 graduation as defined by the state board of education in a recognized high
44 school. A full-time student shall not be counted more than once for
45 computation of average daily membership.

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

4 (iv) Except as otherwise provided by law, for any student who is
5 concurrently enrolled in a school district and a charter school, the average
6 daily membership shall be apportioned between the school district and the
7 charter school and shall not exceed 1.0. The apportionment shall be based on
8 the percentage of total time that the student is enrolled in or in attendance
9 at the school district and the charter school.

10 (v) Except as otherwise provided by law, for any student who is
11 concurrently enrolled, pursuant to section 15-808, in a school district and
12 Arizona online instruction or a charter school and Arizona online
13 instruction, the average daily membership shall be apportioned between the
14 school district and Arizona online instruction or the charter school and
15 Arizona online instruction and shall not exceed 1.0. The apportionment shall
16 be based on the percentage of total time that the student is enrolled in or
17 in attendance at the school district and Arizona online instruction or the
18 charter school and Arizona online instruction.

19 (vi) For homebound or hospitalized, a student receiving at least four
20 hours of instruction per week.

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

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

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

35 (iii) For fiscal year 2002-2003, an instructional program that meets
36 at least a total of seven hundred eight hours during the minimum number of
37 days required and includes at least four subjects each of which, if taught
38 each school day for the minimum number of days required in a school year,
39 would meet a minimum of one hundred twenty-two hours a year, or the
40 equivalent, or one or more subjects taught in amounts of time totaling at
41 least twenty hours per week prorated for any week with fewer than five school
42 days.

43 (iv) For fiscal year 2003-2004, an instructional program that meets at
44 least a total of seven hundred twelve hours during the minimum number of days
45 required and includes at least four subjects each of which, if taught each

1 school day for the minimum number of days required in a school year, would
2 meet a minimum of one hundred twenty-three hours a year, or the equivalent,
3 or one or more subjects taught in amounts of time totaling at least twenty
4 hours per week prorated for any week with fewer than five school days.

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

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

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

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

26 5. "Current year" means the fiscal year in which a school district is
27 operating.

28 6. "Daily attendance" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 8. "District support level" means the base support level plus the
22 transportation support level.

23 9. "Eligible students" means:

24 (a) Students who are transported by or for a school district and who
25 qualify as full-time students or fractional students, except students for
26 whom transportation is paid by another school district or a county school
27 superintendent, and:

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

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

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

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

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

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

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

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

23 13. "Revenue control limit" means the base revenue control limit plus
24 the transportation revenue control limit.

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

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

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

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

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

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

42 1. "Base" means the revenue level per student count specified by the
43 legislature.

44 2. "Base level" means THE FOLLOWING AMOUNTS PLUS THE PERCENTAGE
45 INCREASES TO THE BASE LEVEL AS PROVIDED IN SECTIONS 15-902.01, 15-918, 15-919

1 AND 15-952, WHICH SHALL BE DETERMINED BY MULTIPLYING THE BASE LEVEL DEFINED
2 IN THIS PARAGRAPH BY THE SUM OF ONE PLUS THE SUM OF THE AUTHORIZED PERCENTAGE
3 INCREASES:

4 (a) For fiscal year 2007-2008, three thousand two hundred twenty-six
5 dollars eighty-eight cents.

6 (b) For fiscal year 2008-2009, three thousand two hundred ninety-one
7 dollars forty-two cents.

8 (c) For fiscal year 2009-2010, three thousand two hundred sixty-seven
9 dollars seventy-two cents.

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

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

14 5. "Certified teacher" means a person who is certified as a teacher
15 pursuant to the rules adopted by the state board of education, who renders
16 direct and personal services to school children in the form of instruction
17 related to the school district's educational course of study and who is paid
18 from the maintenance and operation section of the budget.

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

23 7. "ED, MIMR, SLD, SLI and OHI" means programs for children with
24 emotional disabilities, mild mental retardation, a specific learning
25 disability, a speech/language impairment and other health impairments. A
26 preschool child who is categorized as SLI under this paragraph is not
27 eligible to receive funding pursuant to section 15-943, paragraph 2,
28 subdivision (b).

29 8. "ED-P" means programs for children with emotional disabilities who
30 are enrolled in private special education programs as prescribed in section
31 15-765, subsection D, paragraph 1 or in an intensive school district program
32 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

44 11. "Group A" means educational programs for career exploration, a
45 specific learning disability, an emotional disability, mild mental

1 retardation, remedial education, a speech/language impairment, developmental
2 delay, homebound, bilingual, other health impairments and gifted pupils.

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

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

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

30 15. "K" means kindergarten programs.

31 16. "K-3" means kindergarten programs and grades one through three.

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

34 18. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils
35 with multiple disabilities, autism and severe mental retardation.

36 19. "MDSSI" means a program for pupils with multiple disabilities with
37 severe sensory impairment.

38 20. "MOMR" means programs for pupils with moderate mental retardation.

39 21. "OI-R" means a resource program for pupils with orthopedic
40 impairments.

41 22. "OI-SC" means a self-contained program for pupils with orthopedic
42 impairments.

43 23. "PSD" means preschool programs for children with disabilities as
44 provided in section 15-771.

1 24. "P-SD" means programs for children who meet the definition of
2 preschool severe delay as provided in section 15-771.

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

6 26. "Small isolated school district" means a school district which
7 meets all of the following:

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

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

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

17 27. "Small school district" means a school district which meets all of
18 the following:

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

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

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

26 28. "Transportation revenue control limit" means the transportation
27 revenue control limit computed as prescribed in section 15-946.

28 29. "Transportation support level" means the support level for pupil
29 transportation operating expenses as provided in section 15-945.

30 30. "VI" means programs for pupils with visual impairments.

31 31. "Voc. Ed." means career and technical education and vocational
32 education programs, as defined in section 15-781.

33 Sec. 5. Title 15, chapter 9, article 1, Arizona Revised Statutes, is
34 amended by adding section 15-901.05, to read:

35 15-901.05. Application of school finance changes

36 TO THE EXTENT PERMITTED BY THE CONSTITUTION OF ARIZONA, UNLESS
37 OTHERWISE SPECIFIED BY LAW, THE DEPARTMENT SHALL APPLY ANY CHANGE TO STATE
38 LAW THAT OCCURS AFTER THE EFFECTIVE DATE OF THIS SECTION AND THAT MODIFIES OR
39 IMPACTS THE SCHOOL FINANCE FORMULAS PRESCRIBED IN THIS TITLE, INCLUDING THE
40 BASE SUPPORT LEVEL, THE BASE REVENUE CONTROL LIMIT, THE TRANSPORTATION
41 SUPPORT LEVEL, THE TRANSPORTATION REVENUE CONTROL LIMIT, THE CAPITAL OUTLAY
42 REVENUE LIMIT, THE SOFT CAPITAL ALLOCATION, THE GENERAL BUDGET LIMIT, THE
43 UNRESTRICTED BUDGET LIMIT OR THE SOFT CAPITAL ALLOCATION LIMIT, ON THE
44 EFFECTIVE DATE OF THAT CHANGE TO STATE LAW SO THAT IT APPLIES TO THE ENTIRE
45 FISCAL YEAR IN WHICH THE CHANGE BECAME EFFECTIVE.

1 Sec. 6. Section 15-903, Arizona Revised Statutes, is amended to read:
2 15-903. Budget format: prohibited expenditures

3 A. The superintendent of public instruction in conjunction with the
4 auditor general shall prepare and prescribe a budget format to be utilized by
5 all school districts.

6 B. The budget format shall be designed to allow all school districts
7 to plan and provide in detail for the use of available funds. The budget
8 format shall contain distinct sections for, but need not be limited to,
9 maintenance and operation, debt service, special projects, capital outlay,
10 adjacent ways and classroom site fund. The maintenance and operation section
11 shall include, but need not be limited to, separate subsections for regular
12 education programs, special education programs and operational expenditures
13 for pupil transportation. Each subsection shall clearly distinguish
14 classroom instruction expenditures. The special education program subsection
15 shall include, but is not limited to, programs for each disability
16 classification as defined in section 15-761 and programs for gifted,
17 vocational and technological education, remedial education and bilingual
18 students. The total expenditures for each of these programs shall be
19 included on the budget form. The pupil transportation subsection shall
20 include all operational expenditures relating to the transportation of
21 pupils, including all operational expenditures within a contract if the
22 school district contracts for pupil transportation.

23 C. The capital outlay section of the budget shall include separate
24 subsections for unrestricted capital outlay and soft capital allocation. The
25 soft capital allocation subsection shall include budgeted expenditures as
26 prescribed in section 15-962. The unrestricted capital outlay subsection
27 shall include budgeted expenditures for acquisitions by purchase,
28 lease-purchase or lease of capital items as defined in the uniform system of
29 financial records. These sections and subsections shall include:

30 1. Land, buildings and improvements to land and buildings, including
31 labor and related employee benefits costs and material costs if work is
32 performed by school district employees.

33 2. Furniture, furnishings, athletic equipment and other equipment,
34 including computer software.

35 3. Pupil and nonpupil transportation vehicles and equipment, including
36 all capital expenditures within a contract if the school district contracts
37 for pupil transportation.

38 4. Textbooks and related printed subject matter materials adopted by
39 the governing board.

40 5. Instructional aids.

41 6. Library books.

42 7. Payment of principal and interest on bonds.

43 8. School district administration emergency needs that are directly
44 related to pupils.

1 D. The budget format shall contain distinct subsections for the
2 following:

3 1. Special programs to improve academic achievement of pupils in
4 kindergarten programs and grades one through three as provided in section
5 15-482.

6 2. School plant funds.

7 3. Capital outlay budget increases as provided in section 15-481.

8 4. Property taxation, including the following:

9 (a) The primary tax rates for the school district for the current year
10 and the budget year.

11 (b) The secondary tax rates for maintenance and operation, K-3 and
12 capital overrides for the school district for the current year and the budget
13 year.

14 (c) The secondary tax rates for class A bonds for the school district
15 for the current year and the budget year.

16 (d) The secondary tax rates for class B bonds for the school district
17 for the current year and the budget year.

18 5. A description of any corrections or adjustments made to the budget
19 pursuant to section 15-915.

20 E. The budget format shall also contain:

21 1. A statement identifying proposed pupil-teacher ratios and
22 pupil-staff ratios relating to the provision of special education services
23 for the budget year.

24 2. A statement identifying the number of full-time equivalent
25 certified employees.

26 ~~3. If a governing board uses section 15-942 relating to the adjustment
27 for rapid decline in student count, a statement identifying the actual per
28 cent decline in student count and a statement identifying the additional
29 allowable expenditures attributable to using the rapid decline provisions as
30 provided in section 15-942.~~

31 F. The special projects section shall include budgeted expenditures
32 for state special projects, including special adult projects, career
33 education, deficiencies correction fund projects, building renewal fund
34 projects and new school facilities fund projects, such federal special
35 projects as ESEA title programs, vocational education and title IV Indian
36 education, and other special projects.

37 G. A school district shall not make expenditures for campaign
38 literature associated with school district or charter school officials. If
39 the superintendent of public instruction determines that a school district
40 has violated this subsection, the superintendent of public instruction may
41 withhold any portion of the school district's apportionment of state aid.

42 H. The budget format shall include an electronic format that shall be
43 submitted for each proposed, adopted and revised budget.

1 Sec. 7. Section 15-913, Arizona Revised Statutes, is amended to read:
2 15-913. Education program: juvenile detention centers

3 A. Each county that operates a juvenile detention center shall offer
4 an education program to serve all school-age children in its juvenile
5 detention center. The county school superintendent and the presiding
6 juvenile court judge in each county shall agree on the method of delivery of
7 the juvenile detention center education program.

8 B. The state board of education shall prescribe standards and
9 achievement testing requirements for county juvenile detention center
10 education programs that shall attempt to ensure that the programs are
11 compatible with public school education goals and requirements. The county
12 school superintendent shall attempt to coordinate the program with each
13 pupil's school district of residence to assist the pupil's transition back to
14 the school district at the appropriate time.

15 C. A county may operate its juvenile detention center education
16 program through an existing accommodation school.

17 D. If a county chooses not to operate its juvenile detention center
18 education program through an existing accommodation school, the county school
19 superintendent may establish a detention center education fund to provide
20 financial support to the program. The detention center education fund for
21 each program shall consist of a base amount plus a variable amount. For
22 fiscal year 1994-1995 the base amount is twenty thousand dollars and the
23 variable amount shall be determined pursuant to subsection E of this
24 section. Beginning with fiscal year 1995-1996 the base amount is the amount
25 for the prior year adjusted by the growth rate prescribed by law, subject to
26 appropriation. The base amount and variable amount for each county or
27 counties served shall be funded with state general fund monies, subject to
28 appropriation. The county school superintendent must submit claims for
29 payments to the state superintendent of public instruction. The county
30 school superintendent shall deposit the payments into the detention center
31 education fund.

32 E. The variable amount shall be determined as follows:

33 1. Determine the number of days in the prior fiscal year that each
34 child who had been in the detention center for more than forty-eight hours
35 received an instructional program of at least two hundred forty minutes. No
36 school district may count a child as being in attendance in that school
37 district on a day that the child is counted for the purposes of this
38 paragraph.

39 2. Multiply the number of days determined under paragraph 1 of this
40 subsection by the following amount:

41 (a) For fiscal year 1994-1995, fifteen dollars.

42 (b) For fiscal year 1995-1996 and thereafter, the amount for the prior
43 year adjusted by the growth rate prescribed by law, subject to appropriation.

44 3. For each child with a disability as defined in section 15-761 who
45 had been in the detention center for more than forty-eight hours:

1 (a) Determine the amount prescribed in section 15-1204, subsection E,
2 paragraph 1 or 2 and add one hundred dollars for capital outlay costs.

3 (b) Divide the sum determined under subdivision (a) of this paragraph
4 by one hundred seventy-five.

5 (c) Subtract the amount prescribed in paragraph 2, subdivision (a) or
6 (b) of this subsection from the quotient determined in subdivision (b) of
7 this paragraph.

8 (d) Determine the number of days in the prior fiscal year that the
9 child received an instructional program of at least two hundred forty
10 minutes.

11 (e) Multiply the amount determined in subdivision (d) of this
12 paragraph by the difference determined in subdivision (c) of this paragraph.

13 4. Add the amounts determined in paragraph 3 of this subsection for
14 all children with disabilities.

15 5. Add the sum determined in paragraph 4 of this subsection to the
16 product determined in paragraph 2 of this subsection. This sum is the
17 variable amount.

18 F. If a county detention center education program serves more than one
19 county, the county school superintendents and the presiding juvenile court
20 judges of the counties being served shall agree on a county of
21 jurisdiction. The county school superintendent shall deposit into the
22 detention center education fund of the county of jurisdiction monies that are
23 received from the superintendent of public instruction pursuant to this
24 section for all counties served by the county of jurisdiction.

25 G. If a county operated a juvenile detention center education program
26 through an accommodation school in the year before it begins to operate its
27 juvenile detention center education program as provided in subsection D of
28 this section, for the first year of operation as provided in subsection D of
29 this section, the student count of the accommodation school shall be reduced
30 by the student count attributable to the detention center program. ~~The
31 provisions of section 15-942 shall not apply to this reduction in student
32 count.~~

33 Sec. 8. Section 15-913.01, Arizona Revised Statutes, is amended to
34 read:

35 15-913.01. Education program; county jails

36 A. Each county that operates a county jail shall offer an education
37 program to serve all prisoners who are under eighteen years of age and
38 prisoners with disabilities who are age twenty-one or younger and who are
39 confined in the county jail. The county school superintendent and the
40 sheriff in each county shall agree on the method of delivery of the education
41 program.

42 B. The county school superintendent shall develop policies and
43 procedures for the transfer of educational records of any prisoner confined
44 in a county jail who has been transferred from a juvenile detention center or

1 from any other public agency ~~which~~ THAT has provided educational services to
2 that prisoner.

3 C. A county may operate its county jail education program through an
4 accommodation school that provides alternative education services pursuant to
5 section 15-308, except that each pupil enrolled in the accommodation school
6 county jail education program shall be funded at an amount equal to
7 seventy-two per cent of the amount for that pupil if that pupil were enrolled
8 in another accommodation school program.

9 D. If a county chooses not to operate its county jail education
10 program through an accommodation school, the county school superintendent may
11 establish a county jail education fund to provide financial support to the
12 program. The county jail education fund for each program shall consist of a
13 base amount plus a variable amount. For fiscal year 1999-2000 the base
14 amount is fourteen thousand four hundred dollars and the variable amount
15 shall be determined pursuant to subsection E of this section. The base
16 amount and variable amount for each county or counties served shall be funded
17 with state general fund monies, subject to appropriation. The county school
18 superintendent must submit claims for payments to the state superintendent of
19 public instruction. The county school superintendent shall deposit the
20 payments into the county jail education fund.

21 E. The variable amount shall be determined as follows:

22 1. Determine the number of days in the prior fiscal year that each
23 pupil who is a prisoner and WHO had been in the county jail for more than
24 forty-eight hours received an instructional program of at least two hundred
25 forty minutes. No school district may count a pupil as being in attendance
26 in that school district on a day that the pupil is counted as a prisoner for
27 the purposes of this paragraph.

28 2. Multiply the number of days determined under paragraph 1 of this
29 subsection by the following amount:

30 (a) For fiscal year 1999-2000, ten dollars eighty cents.

31 (b) For fiscal year 2000-2001 and each year thereafter, the amount for
32 the prior year adjusted by any growth rate prescribed by law, subject to
33 legislative appropriation.

34 3. For each pupil who is a child with a disability as defined in
35 section 15-761, who is a prisoner and who had been in the county jail for
36 more than forty-eight hours:

37 (a) Determine the amount prescribed in section 15-1204, subsection E,
38 paragraph 1 or 2, multiply the amount by .72 and add seventy-two dollars for
39 capital outlay costs.

40 (b) Divide the sum determined under subdivision (a) of this paragraph
41 by one hundred seventy-five.

42 (c) Subtract the amount prescribed in paragraph 2 of this subsection
43 from the quotient determined in subdivision (b) of this paragraph.

1 (d) Determine the number of days in the prior fiscal year that the
2 pupil received an instructional program of at least two hundred forty
3 minutes.

4 (e) Multiply the amount determined in subdivision (d) of this
5 paragraph by the difference determined in subdivision (c) of this paragraph.

6 4. Add the amounts determined in paragraph 3 of this subsection for
7 all pupils with disabilities who are prisoners.

8 5. Add the sum determined in paragraph 4 of this subsection to the
9 product determined in paragraph 2 of this subsection. This sum is the
10 variable amount.

11 F. If a county jail education program serves more than one county, the
12 county school superintendents and the sheriffs of the counties being served
13 shall agree on a county of jurisdiction. The county school superintendent
14 shall deposit into the county jail education fund of the county of
15 jurisdiction monies that are received from the superintendent of public
16 instruction pursuant to this section for all counties served by the county of
17 jurisdiction.

18 G. If a county operated a county jail education program through an
19 accommodation school in the year before it begins to operate its county jail
20 education program as provided in subsection D of this section, for the first
21 year of operation as provided in subsection D of this section, the student
22 count of the accommodation school shall be reduced by the average daily
23 membership attributable to the accommodation school's county jail program in
24 its last fiscal year of operation. ~~The provisions of section 15-942 shall
25 not apply to this reduction in student count.~~

26 Sec. 9. Section 15-951, Arizona Revised Statutes, is amended to read:

27 15-951. Revenue control limit, capital outlay revenue limit,
28 soft capital allocation, district support level and
29 student count for a common school district not within
30 a high school district

31 A. Notwithstanding section 15-947, the revenue control limit for a
32 common school district not within a high school district is the sum of the
33 following:

34 1. The base revenue control limit computed as prescribed in section
35 15-944 but excluding pupils admitted to another school district as provided
36 in section 15-824, subsection A, paragraph 2.

37 2. The tuition payable for high school pupils who attend school in
38 another school district as provided in section 15-824, subsection A,
39 paragraph 2, including any transportation charge, except as provided in
40 subsection H of this section.

41 3. The transportation revenue control limit for all pupils who reside
42 in the district except those high school pupils transported by another
43 district.

1 B. Notwithstanding subsection A of this section, for the purposes of
2 sections 15-481, 15-482 and 15-1102, the revenue control limit for a common
3 school district not within a high school district is the sum of the
4 following:

5 1. The base revenue control limit for pupils computed as prescribed in
6 section 15-944 but excluding pupils admitted to another school district as
7 provided in section 15-824, subsection A, paragraph 2.

8 2. The transportation revenue control limit for all pupils who reside
9 in the district except those high school pupils transported by another
10 district.

11 C. Notwithstanding section 15-961, the capital outlay revenue limit
12 for a common school district not within a high school district is the capital
13 outlay revenue limit computed as prescribed in section 15-961 but excluding
14 pupils who are admitted to another school district as provided in section
15 15-824, subsection A, paragraph 2.

16 D. Notwithstanding section 15-962, the soft capital allocation for a
17 common school district not within a high school district is the soft capital
18 allocation computed as prescribed in section 15-962 but excluding pupils who
19 are both admitted to another school district as provided in section 15-824,
20 subsection A, paragraph 2 and not transported by the common school district.

21 E. Notwithstanding section 15-947, the district support level for a
22 common school district not within a high school district is the sum of the
23 following:

24 1. The base support level computed as prescribed in section 15-943 but
25 excluding pupils who are admitted to another school district as provided in
26 section 15-824, subsection A, paragraph 2.

27 2. The tuition payable for high school pupils who are admitted to
28 another school district as provided in section 15-824, subsection A,
29 paragraph 2, including any transportation charge, except as provided in
30 subsection H of this section.

31 3. The transportation support level for all pupils who reside in the
32 school district except those high school pupils transported by another school
33 district.

34 ~~F. For the purpose of determining eligibility to adjust the student
35 count as provided in section 15-942, the student count for a common school
36 district not within a high school district is the student count for pupils in
37 the school district less the student count for pupils enrolled in another
38 school district as provided in section 15-824, subsection A, paragraph 2.~~

39 ~~G.~~ F. For the purpose of determining eligibility to increase the
40 revenue control limit and district support level or recompute the revenue
41 control limit as provided in section 15-948, the student count for a common
42 school district not within a high school district is the student count for
43 pupils in kindergarten programs and grades one through twelve, including
44 pupils enrolled in another school district as provided in section 15-824,
45 subsection A, paragraph 2.

1 ~~H.~~ G. The tuition amount in subsections A and E of this section shall
2 not include amounts per student count for bond issues as prescribed by
3 section 15-824, subsection G, paragraph 1, subdivision (c) in excess of the
4 following:

5 1. One hundred fifty dollars if the pupil's school district of
6 residence pays tuition for seven hundred fifty or fewer pupils to other
7 school districts.

8 2. Two hundred dollars if the pupil's school district of residence
9 pays tuition for one thousand or fewer, but more than seven hundred fifty
10 pupils to other school districts.

11 3. The actual cost per student count if the pupil's school district of
12 residence pays tuition for more than one thousand pupils to other school
13 districts.

14 Sec. 10. Section 15-973, Arizona Revised Statutes, is amended to read:

15 15-973. Apportionment of funds; expenditure limitation

16 A. The state board of education shall apportion state aid from
17 appropriations made for such purpose to the several counties on the basis of
18 state aid entitlement for the school districts in each county. No allowance
19 shall be made for nonresident alien children nor for wards of the United
20 States for whom tuition is paid, but attendance of a student in a school of a
21 county adjoining the county of his residence outside the state under a
22 certificate of educational convenience as provided by section 15-825 shall be
23 deemed to be enrollment in the school of the county or school district of his
24 residence.

25 B. Apportionments shall be made as follows:

26 1. By the close of business on the first day of business of August,
27 one-twelfth of the total amount to be apportioned during the fiscal year.

28 2. By the close of business on the first day of business of September,
29 one-twelfth of the total amount to be apportioned during the fiscal year.

30 3. By the close of business on the first day of business of October,
31 one-twelfth of the total amount to be apportioned during the fiscal year.

32 4. By the close of business on the first day of business of November,
33 one-twelfth of the total amount to be apportioned during the fiscal year.

34 5. By the close of business on the first day of business of December,
35 one-twelfth of the total amount to be apportioned during the fiscal year.

36 6. By the close of business on the first day of business of January,
37 one-twelfth of the total amount to be apportioned during the fiscal year.

38 7. By the close of business on the first day of business of February,
39 one-twelfth of the total amount to be apportioned during the fiscal year.

40 8. By the close of business on the first day of business of March,
41 one-twelfth of the total amount to be apportioned during the fiscal year.

42 9. By the close of business on the first day of business of April,
43 one-twelfth of the total amount to be apportioned during the fiscal year.

44 10. By the close of business on the first day of business of May,
45 one-twelfth of the total amount to be apportioned during the fiscal year.

1 11. By the close of business on the first day of business of June,
2 one-twelfth of the total amount to be apportioned during the fiscal year.

3 12. By the close of business on the last day of business of June,
4 one-twelfth of the total amount to be apportioned during the fiscal year.

5 The superintendent of public instruction shall furnish to the county
6 treasurer and the county school superintendent an abstract of the
7 apportionment and shall certify the apportionment to the department of
8 administration, which shall draw its warrant in favor of the county treasurer
9 of each county for the amount apportioned. Upon receipt of the warrant the
10 county treasurer shall notify the county school superintendent of the amount,
11 together with any other monies standing to the credit of such school district
12 in the county school fund.

13 C. Notwithstanding subsection B of this section, if sufficient
14 appropriated funds are available and on a showing by a school district that
15 additional state monies are necessary for current expenses, an apportionment
16 or part of an apportionment of state aid may be paid to the school district
17 prior to the date set for such apportionment by subsection B of this section.
18 After the first forty days in session of the current year, a school district
19 may request additional state monies to fund the increased state aid due to
20 anticipated student growth through the first one hundred days or two hundred
21 days in session, as applicable, of the current year as provided in section
22 15-948. In no event shall a school district have received more than
23 three-fourths of its total apportionment before ~~April 30~~ MAY 1 of the fiscal
24 year. Early payments pursuant to this subsection must be approved by the
25 state treasurer, the director of the department of administration and the
26 superintendent of public instruction.

27 D. The superintendent of public instruction shall not make application
28 to the federal government to utilize title VIII of the elementary and
29 secondary education act of 1965 monies in determining the apportionment
30 prescribed in this section.

31 E. If a school district which is eligible to receive monies pursuant
32 to this article is unable to meet a scheduled payment on any lawfully
33 incurred long-term obligation for debt service as provided in section
34 15-1022, the county treasurer shall use any amount distributed pursuant to
35 this section to make the payment. The county treasurer shall keep a record
36 of all the instances in which a payment is made pursuant to this subsection.
37 Any monies subsequently collected by the district to make the scheduled
38 payment shall be used to replace the amount diverted pursuant to this
39 subsection. When determining the total amount to be funded by a levy of
40 secondary taxes upon property within the school district for the following
41 fiscal year, the county board of supervisors shall add to the amounts
42 budgeted to be expended during the following fiscal year an amount equal to
43 the total of all payments pursuant to this subsection during the current
44 fiscal year which were not repaid during the current year.

1 F. The total amount of state monies that may be spent in any fiscal
2 year by the state board of education for apportionment of state aid for
3 education shall not exceed the amount appropriated or authorized by section
4 35-173 for that purpose. This section shall not be construed to impose a
5 duty on an officer, agent or employee of this state to discharge a
6 responsibility or to create any right in a person or group if the discharge
7 or right would require an expenditure of state monies in excess of the
8 expenditure authorized by legislative appropriation for that specific
9 purpose.

10 Sec. 11. Section 15-1204, Arizona Revised Statutes, is amended to
11 read:

12 15-1204. Voucher; application; approval; requirements; budgets;
13 prohibited uses; advances

14 A. When an institution decides to place a person in an institutional
15 special education program, the institution, upon application to and approval
16 by the division of special education, shall have a permanent special
17 education institutional voucher issued pursuant to this article to pay the
18 special education instructional costs of the person at the institution.

19 B. When an institution decides to place a person who resides in the
20 institution in a school special education program, the school, upon
21 application to and approval by the division of special education, shall have
22 a permanent special education institutional voucher issued pursuant to this
23 article to pay the special education instructional costs of the person in the
24 school.

25 C. No person residing in an institution and attending a school may
26 have a certificate of educational convenience issued pursuant to section
27 15-825, subsection A.

28 D. The director of the division of special education shall develop
29 requirements for the approval of vouchers, pursuant to this section,
30 including the requirement that the person be educationally evaluated.

31 E. If approved, the voucher, in an amount not exceeding the sum of the
32 following, shall be paid directly to the institution or deposited with the
33 county treasurer to the credit of the school, with notice to the county
34 school superintendent:

35 1. For group A, the base level multiplied by two.

36 2. For group B, the sum of the base for kindergarten through eight and
37 the support level weight for the category, multiplied by the base level.

38 3. For both group A and group B, one hundred dollars for capital
39 outlay costs and fifty dollars for transportation costs.

40 F. The budget format developed cooperatively between the department of
41 economic security and the department of education pursuant to section 8-503
42 shall be used by the institutions to determine and segregate residential
43 costs from educational instructional costs.

44 G. If sufficient appropriated monies are available and upon a showing
45 by an institution that additional state monies are necessary for current

1 expenses, an advance apportionment of state aid may be paid to an
2 institution. In no event shall an institution have received more than
3 three-fourths of its total apportionment under this section before ~~April 15~~
4 ~~MAY 1~~ of the fiscal year. Early payments pursuant to this subsection must be
5 approved by the state treasurer, the director of the department of
6 administration and the superintendent of public instruction.

7 H. Notwithstanding subsection G of this section, when making the April
8 payment to an institution, the department of education may include an
9 additional amount based on an estimate of monies payable to the institution
10 in May. Before the department of education apportions monies to the
11 institution in June, it shall adjust the June payment to account for any
12 discrepancies between the monies actually paid in April and May and the
13 amount which should have been paid. If an overpayment in May exceeds the
14 total amount payable in June, the institution shall refund to the department
15 of education an amount equal to the overpayment within sixty days of
16 notification of the overpayment. If the overpayment is not refunded within
17 sixty days by the institution, the superintendent of public instruction shall
18 reduce the state aid entitlement to the institution for the succeeding fiscal
19 year to recover any overpayment of state aid received during the current
20 fiscal year.

21 I. Any special education institutional voucher issued pursuant to this
22 article shall not be used in any school or institution that discriminates on
23 the basis of race, religion, creed, color or national origin.

24 J. The state board of education may withhold state aid from an
25 institution for noncompliance with any applicable statute or any applicable
26 rule adopted by the state board.

27 Sec. 12. Section 15-1371, Arizona Revised Statutes, is amended to
28 read:

29 15-1371. Equalization assistance for state educational system
30 for committed youth; state education fund for
31 committed youth

32 A. The superintendent of the state educational system for committed
33 youth shall calculate a base support level as prescribed in section 15-943
34 and a capital outlay revenue limit as prescribed in section 15-961 for the
35 educational system established pursuant to section 41-2831, except that:

36 1. Notwithstanding section 15-901:

37 (a) The student count shall be determined using the following
38 definitions:

39 (i) "Daily attendance" means days in which a pupil attends an
40 educational program for a minimum of two hundred forty minutes not including
41 meal and recess periods. Attendance for one hundred twenty or more minutes
42 but fewer than two hundred forty minutes shall be counted as one-half day's
43 attendance.

44 (ii) "Fractional student" means a pupil enrolled in an educational
45 program of one hundred twenty or more minutes but fewer than two hundred

1 forty minutes a day not including meal and recess periods. A fractional
2 student shall be counted as one-half of a full-time student.

3 (iii) "Full-time student" means a pupil enrolled in an educational
4 program for a minimum of two hundred forty minutes a day not including meal
5 and recess periods.

6 (b) "Seriously emotionally disabled pupils enrolled in a school
7 district program as provided in section 15-765" includes seriously
8 emotionally disabled pupils enrolled in the department of juvenile
9 corrections school system.

10 2. All pupils shall be counted as if they were enrolled in grades nine
11 through twelve.

12 3. The teacher experience index is 1.00.

13 4. The base support level shall be calculated using the base level
14 multiplied by 1.0, except that the state educational system for committed
15 youth is also eligible beginning with fiscal year 1992-1993 for additional
16 teacher compensation monies as specified in section 15-952.

17 5. Section 15-943, paragraph 1 does not apply.

18 B. The superintendent may use sections 15-855, ~~15-942~~ and 15-948 in
19 making the calculations prescribed in subsection A of this section, except
20 that for the 1992-1993 fiscal year rapid decline shall not be used. The
21 superintendent of the system and the department of education shall prescribe
22 procedures for determining average daily attendance and average daily
23 membership.

24 C. Equalization assistance for the state educational system for
25 committed youth for the budget year is determined by adding the amount of the
26 base support level and the capital outlay revenue limit for the budget year
27 calculated as prescribed in subsection A of this section.

28 D. The state educational system for committed youth shall not receive
29 twenty-five per cent of the equalization assistance unless it is accredited
30 by the north central association of colleges and secondary schools.

31 E. The state education fund for committed youth is established. Fund
32 monies shall be used for the purposes of the state educational system for
33 committed youth, and notwithstanding section 35-173, monies appropriated to
34 the fund shall not be transferred to or used for any program not within the
35 state educational system for committed youth. State equalization assistance
36 for the state educational system for committed youth as determined in
37 subsection A of this section, other state and federal monies received from
38 the department of education for the state educational system for committed
39 youth and monies appropriated for the state educational system for committed
40 youth, except monies appropriated pursuant to subsection F of this section,
41 shall be deposited in the fund. The state treasurer shall maintain separate
42 accounts for fund monies if the separate accounts are required by statute or
43 federal law.

44 F. The department of juvenile corrections may seek appropriations for
45 capital needs for land, buildings and improvements, including repairs and

1 maintenance, required to maintain the state educational system for committed
2 youth.

3 G. The state board of education shall apportion state aid and deposit
4 it, pursuant to sections 35-146 and 35-147, in the state education fund for
5 committed youth in an amount as determined by subsection A of this section.
6 The apportionments shall be as follows:

7 1. On July 1, one-third of the total amount to be apportioned during
8 the fiscal year.

9 2. On October 15, one-twelfth of the total amount to be apportioned
10 during the fiscal year.

11 3. On December 15, one-twelfth of the total amount to be apportioned
12 during the fiscal year.

13 4. On January 15, one-twelfth of the total amount to be apportioned
14 during the fiscal year.

15 5. On February 15, one-twelfth of the total amount to be apportioned
16 during the fiscal year.

17 6. On March 15, one-twelfth of the total amount to be apportioned
18 during the fiscal year.

19 7. On April 15, one-twelfth of the total amount to be apportioned
20 during the fiscal year.

21 8. On May 15, one-twelfth of the total amount to be apportioned during
22 the fiscal year.

23 9. On June 15, one-twelfth of the total amount to be apportioned
24 during the fiscal year.

25 H. In conjunction with the department of administration, the
26 superintendent of the state educational system for committed youth shall
27 establish procedures to account for the receipt and expenditure of state
28 education fund for committed youth monies by modifying the current accounting
29 system used for state agencies as necessary.

30 Sec. 13. Section 15-1372, Arizona Revised Statutes, is amended to
31 read:

32 15-1372. Equalization assistance for state educational system
33 for persons in the state department of corrections;
34 fund

35 A. The state department of corrections shall provide educational
36 services for pupils who are under the age of eighteen years and pupils with
37 disabilities who are age twenty-one or younger who are committed to the state
38 department of corrections. The department of education shall provide
39 technical assistance to the state department of corrections on request and
40 shall assist the state department of corrections in establishing program and
41 personnel standards.

42 B. The state education fund for correctional education is established.
43 Subject to legislative appropriation, fund monies shall be used for the
44 purposes of providing education to pupils as specified in subsection A of
45 this section. Notwithstanding section 35-173, monies appropriated to the

1 fund shall not be transferred to or used for any program not directly related
2 to the educational services required by this section. State equalization
3 assistance, other state and federal monies received from the department of
4 education for which the pupils in correctional education programs qualify and
5 monies appropriated for correctional education except monies appropriated
6 pursuant to subsection C of this section shall be deposited in the fund. The
7 state treasurer shall maintain separate accounts for fund monies if the
8 separate accounts are required by statute or federal law.

9 C. The state department of corrections may seek appropriations for
10 capital needs for land, buildings and improvements, including repairs and
11 maintenance, required to maintain the educational services required by this
12 section.

13 D. The state board of education shall apportion state aid and deposit
14 it, pursuant to sections 35-146 and 35-147, in the state education fund for
15 correctional education in an amount as determined by subsection E of this
16 section. The apportionments are as follows:

17 1. On July 1, one-third of the total amount to be apportioned during
18 the fiscal year.

19 2. On October 15, one-twelfth of the total amount to be apportioned
20 during the fiscal year.

21 3. On December 15, one-twelfth of the total amount to be apportioned
22 during the fiscal year.

23 4. On January 15, one-twelfth of the total amount to be apportioned
24 during the fiscal year.

25 5. On February 15, one-twelfth of the total amount to be apportioned
26 during the fiscal year.

27 6. On March 15, one-twelfth of the total amount to be apportioned
28 during the fiscal year.

29 7. On April 15, one-twelfth of the total amount to be apportioned
30 during the fiscal year.

31 8. On May 15, one-twelfth of the total amount to be apportioned during
32 the fiscal year.

33 9. On June 15, one-twelfth of the total amount to be apportioned
34 during the fiscal year.

35 E. The director of the state department of corrections shall calculate
36 a base support level as prescribed in section 15-943 and a capital outlay
37 revenue limit as prescribed in section 15-961 for the educational services
38 required by this section, except that:

39 1. Notwithstanding section 15-901, the student count shall be
40 determined using the following definitions:

41 (a) "Daily attendance" means days in which a pupil attends an
42 educational program for a minimum of one hundred eighty minutes not including
43 meal and recess periods. Attendance for ninety or more minutes but fewer
44 than one hundred eighty minutes shall be counted as one-half day's
45 attendance.

1 (b) "Fractional student" means a pupil enrolled in an educational
2 program of ninety or more minutes but fewer than one hundred eighty minutes
3 per day not including meal and recess periods. A fractional student shall be
4 counted as one-half of a full-time student.

5 (c) "Full-time student" means a pupil enrolled in an educational
6 program for a minimum of one hundred eighty minutes per day not including
7 meal and recess periods.

8 (d) "Pupil with a disability" has the same meaning as child with a
9 disability prescribed in section 15-761.

10 2. All pupils shall be counted as if they were enrolled in grades nine
11 through twelve.

12 3. The teacher experience index is 1.00.

13 4. The calculation for additional teacher compensation monies as
14 prescribed in section 15-952 is available.

15 5. Section 15-943, paragraph 1 does not apply.

16 6. The base support level and capital outlay amounts calculated
17 pursuant to this section shall be multiplied by 0.67.

18 7. The school year shall consist of a period of not less than two
19 hundred eight days.

20 F. The director of the state department of corrections may use
21 sections 15-855, ~~15-942~~ and 15-948 in making the calculations prescribed in
22 subsection E of this section. The director of the state department of
23 corrections and the department of education shall prescribe procedures for
24 calculating average daily attendance and average daily membership.

25 G. Equalization assistance for correctional education programs
26 provided for those pupils specified in subsection A of this section is
27 determined by adding the amount of the base support level and the capital
28 outlay revenue limit for the budget year calculated as prescribed in
29 subsection E of this section.

30 H. The director of the state department of corrections shall keep
31 records and provide information as the department of education requires to
32 determine the appropriate amount of equalization assistance. Equalization
33 assistance shall be used to provide educational services in this section.

34 I. The department of education and the state department of corrections
35 shall enter into an intergovernmental agreement that establishes the
36 necessary accountability between the two departments regarding the
37 administrative and funding requirements contained in subsections A and B of
38 this section. The agreement shall:

39 1. Provide for appropriate education to all committed youths as
40 required by state and federal law.

41 2. Provide financial information to meet requirements for equalization
42 assistance.

43 3. Provide for appropriate pupil intake and assessment procedures.

44 4. Require pupil performance assessment and the reporting of results.