

REFERENCE TITLE: school finance; per pupil funding

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SB 1258

Introduced by
Senator Crandall

AN ACT

AMENDING SECTION 15-808, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 306, SECTION 5; REPEALING SECTION 15-808, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2010, CHAPTER 318, SECTION 10; AMENDING SECTIONS 15-901, 15-902.03 AND 15-1021, ARIZONA REVISED STATUTES; BLENDING MULTIPLE ENACTMENTS; RELATING TO SCHOOL FINANCE; PROVIDING FOR CONDITIONAL ENACTMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-808, Arizona Revised Statutes, as amended by
3 Laws 2010, chapter 306, section 5, is amended to read:

4 15-808. Arizona online instruction; reports; definitions

5 A. Arizona online instruction shall be instituted to meet the needs of
6 pupils in the information age. The state board of education shall select
7 traditional public schools and the state board for charter schools shall
8 sponsor charter schools to be online course providers or online schools. The
9 state board of education and the state board for charter schools shall
10 jointly develop standards for the approval of online course providers and
11 online schools based on the following criteria:

12 1. The depth and breadth of curriculum choices.

13 2. The variety of educational methodologies employed by the school and
14 the means of addressing the unique needs and learning styles of targeted
15 pupil populations, including computer assisted learning systems, virtual
16 classrooms, virtual laboratories, electronic field trips, electronic mail,
17 virtual tutoring, online help desk, group chat sessions and noncomputer based
18 activities performed under the direction of a certificated teacher.

19 3. The availability of an intranet or private network to safeguard
20 pupils against predatory and pornographic elements of the internet.

21 4. The availability of filtered research access to the internet.

22 5. The availability of private individual electronic mail between
23 pupils, teachers, administrators and parents in order to protect the
24 confidentiality of pupil records and information.

25 6. The availability of faculty members who are experienced with
26 computer networks, the internet and computer animation.

27 7. The extent to which the school intends to develop partnerships with
28 universities, community colleges and private businesses.

29 8. The services offered to developmentally disabled populations.

30 9. The grade levels that will be served.

31 B. Each new school that provides online instruction shall provide
32 online instruction on a probationary status. After a new school that
33 provides online instruction has clearly demonstrated the academic integrity
34 of its instruction through the actual improvement of the academic performance
35 of its students, the school may apply to be removed from probationary status.
36 The state board of education or the state board for charter schools shall
37 remove from Arizona online instruction any probationary school that fails to
38 clearly demonstrate improvement in academic performance within three years
39 measured against goals in the approved application and the state's
40 accountability system. The state board of education and the state board for
41 charter schools shall review the effectiveness of each participating school
42 and other information that is contained in the annual report prescribed in
43 subsection D of this section. All pupils who participate in Arizona online
44 instruction shall reside in this state. Pupils who participate in Arizona
45 online instruction are subject to the testing requirements prescribed in

chapter 7, article 3 of this title. Upon enrollment, the school shall notify the parents or guardians of the pupil of the state testing requirements. If a pupil fails to comply with the testing requirements and the school administers the tests pursuant to this subsection to less than ninety-five per cent of the pupils in Arizona online instruction, the pupil shall not be allowed to participate in Arizona online instruction.

C. Beginning July 1, 2010, the state board of education and the state board for charter schools shall develop annual reporting mechanisms for schools that participate in Arizona online instruction.

D. The department of education shall compile the information submitted in the annual reports by schools participating in Arizona online instruction. The department of education shall submit the compiled report to the governor, the speaker of the house of representatives and the president of the senate by November 15 of each year.

E. Each school selected for Arizona online instruction shall ensure that a daily log is maintained for each pupil who participates in Arizona online instruction. The daily log shall describe the amount of time spent by each pupil participating in Arizona online instruction pursuant to this section on academic tasks. The daily log shall be used by the school district or charter school to qualify the pupils who participate in Arizona online instruction in the school's average daily attendance calculations pursuant to ~~section 15-901~~ SUBSECTION F OF THIS SECTION.

F. If a pupil is enrolled in a school district or charter school and also participates in Arizona online instruction, the sum of the average daily membership, which includes enrollment as prescribed in section 15-901, subsection A, paragraph ~~2- 1~~, subdivisions (a) and (b) and daily attendance as prescribed in section 15-901, subsection A, paragraph ~~6- 5~~, for that pupil in the school district or charter school and in Arizona online instruction shall not exceed 1.0. If the pupil is enrolled in a school district or a charter school and also participates in Arizona online instruction and the sum of the daily membership or daily attendance for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between the school district, unless the school district is a joint technical education district subject to the apportionment requirements of section 15-393, or charter school and Arizona online instruction based on the percentage of total time that the pupil is enrolled or in attendance in the school district or charter school and Arizona online instruction. The uniform system of financial records shall include guidelines for the apportionment of the pupil enrollment and attendance as provided in this subsection. Pupils in Arizona online instruction do not incur absences for purposes of ~~section 15-901 and may generate an average daily attendance of 1.0 for attendance hours during any hour of the day, during any day of the week and at any time between July 1 and June 30 of each fiscal year~~ THIS SUBSECTION. For kindergarten programs and grades one through ~~eight~~ TWELVE, average daily membership shall be calculated by ~~dividing the instructional~~

~~hours as reported in the daily log required in subsection E of this section by the applicable hourly requirements prescribed in section 15-901. THE NUMBER OF STUDENTS ENROLLED ON SEPTEMBER 15, NOVEMBER 15, JANUARY 15 AND MARCH 15, AND APPORTIONED BY THE NUMBER OF CLASSES IN WHICH STUDENTS ARE ENROLLED PURSUANT TO SECTION 15-901. For grades nine through twelve, average daily membership shall be calculated by dividing the instructional hours as reported in the daily log required in subsection E of this section by nine hundred.~~ The average daily membership of a pupil who participates in online instruction shall not exceed 1.0. ~~Average daily membership shall not be calculated on the one hundredth day of instruction for the purposes of this section.~~ Funding shall be determined as follows:

1. A pupil who is enrolled full-time in Arizona online instruction shall be funded for online instruction at ninety-five per cent of the base support level that would be calculated for that pupil if that pupil were enrolled as a full-time student in a school district or charter school that does not participate in Arizona online instruction. Additional assistance, capital outlay revenue limit and soft capital allocation limit shall be calculated in the same manner they would be calculated if the student were enrolled in a district or charter school that does not participate in Arizona online instruction.

2. A pupil who is enrolled part-time in Arizona online instruction shall be funded for online instruction at eighty-five per cent of the base support level that would be calculated for that pupil if that pupil were enrolled as a part-time student in a school district or charter school that does not participate in Arizona online instruction. Additional assistance, capital outlay revenue limit and soft capital allocation limit shall be calculated in the same manner they would be calculated if the student were enrolled in a district or charter school that does not participate in Arizona online instruction.

G. If the academic achievement of a pupil declines while the pupil is participating in Arizona online instruction, the pupil's parents, the pupil's teachers and the principal or head teacher of the school shall confer to evaluate whether the pupil should be allowed to continue to participate in Arizona online instruction.

H. To ensure the academic integrity of pupils who participate in online instruction, Arizona online instruction shall include multiple diverse assessment measures and the proctored administration of required state standardized tests.

I. For the purposes of this section:

1. "Full-time student" means:

(a) A student who is at least five years of age before September 1 of a school year and who is enrolled in a school kindergarten program that meets at least three hundred forty-six hours during the school year.

(b) A student who is at least six years of age before September 1 of a school year, who has not graduated from the highest grade taught in the

1 school and who is regularly enrolled in a course of study required by the
2 state board of education. For first, second and third grade students, the
3 instructional program shall meet at least seven hundred twelve hours. For
4 fourth, fifth and sixth grade students, the instructional program shall meet
5 at least eight hundred ninety hours during the school year.

6 (c) Seventh and eighth grade students or ungraded students who are at
7 least twelve, but under fourteen, years of age on or before September 1 and
8 who are enrolled in an instructional program of courses that meets at least
9 one thousand sixty-eight hours during the school year.

10 (d) For high schools, except as provided in section 15-105, a student
11 not graduated from the highest grade taught in the school district, or an
12 ungraded student at least fourteen years of age on or before September 1, and
13 who is enrolled in at least four courses throughout the year that meet at
14 least nine hundred hours during the school year. A full-time student shall
15 not be counted more than once for computation of average daily membership.

16 2. "Online course provider" means a school other than an online school
17 that is selected by the state board of education or the state board for
18 charter schools to participate in Arizona online instruction pursuant to this
19 section and that provides at least one online academic course that is
20 approved by the state board of education.

21 3. "Online school" means a school that provides at least four online
22 academic courses or one or more online courses for the equivalent of at least
23 five hours each day for one hundred eighty school days and that is a charter
24 school that is sponsored by the state board for charter schools or a
25 traditional public school that is selected by the state board of education to
26 participate in Arizona online instruction.

27 4. "Part-time student" means:

28 (a) Any student who is enrolled in a program that does not meet the
29 definition in paragraph 1 of this subsection shall be funded at eighty-five
30 per cent of the base support level that would be calculated for that pupil if
31 that pupil were enrolled as a part-time student in a school district or
32 charter school that does not participate in Arizona online instruction.

33 (b) A part-time student of seventy-five per cent average daily
34 membership shall be enrolled in at least three subjects throughout the year
35 that offer for first, second and third grade students at least five hundred
36 thirty-four instructional hours in a school year and for fourth, fifth and
37 sixth grade students at least six hundred sixty-eight instructional hours in
38 a school year. A part-time student of fifty per cent average daily
39 membership shall be enrolled in at least two subjects throughout the year
40 that offer for first, second and third grade students at least three hundred
41 fifty-six instructional hours in a school year and for fourth, fifth and
42 sixth grade students at least four hundred forty-five instructional hours in
43 a school year. A part-time student of twenty-five per cent average daily
44 membership shall be enrolled in at least one subject throughout the year that
45 offers for first, second and third grade students at least one hundred

seventy-eight instructional hours in a school year and for fourth, fifth and sixth grade students at least two hundred twenty-three instructional hours in a school year.

(c) For seventh and eighth grade students, a part-time student of seventy-five per cent average daily membership shall be enrolled in at least three subjects throughout the year that offer at least eight hundred one instructional hours in a school year. A part-time student of fifty per cent average daily membership shall be enrolled in at least two subjects throughout the year that offer at least five hundred thirty-four instructional hours in a school year. A part-time student of twenty-five per cent average daily membership shall be enrolled in at least one subject throughout the year that offers at least two hundred sixty-seven instructional hours in a school year.

(d) For high school students, a part-time student of seventy-five per cent average daily membership shall be enrolled in at least three subjects throughout the year that offer at least six hundred seventy-five instructional hours in a school year. A part-time student of fifty per cent average daily membership shall be enrolled in at least two subjects throughout the year that offer at least four hundred fifty instructional hours in a school year. A part-time student of twenty-five per cent average daily membership shall be enrolled in at least one subject throughout the year that offers at least two hundred twenty-five instructional hours in a school year.

Sec. 2. Repeal

Section 15-808, Arizona Revised Statutes, as amended by Laws 2010, chapter 318, section 10, is repealed.

Sec. 3. Section 15-901, Arizona Revised Statutes, is amended to read: 15-901. Definitions

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

1. "Average daily membership" means the total enrollment of fractional students and full-time students, minus withdrawals, who are enrolled on September 15, November 15, January 15 and March 15, divided by four. Withdrawals include students formally withdrawn from schools and students absent for ten consecutive school days, except for excused absences identified by the department of education. For the purposes of this section, school districts and charter schools shall report student absence data to the department of education at least once every sixty days in session. For computation purposes, the effective date of withdrawal shall be retroactive to the last day of actual attendance of the student or excused absence.

(a) "Fractional student" means:

(i) For common schools, a preschool child who is enrolled in a program for preschool children with disabilities of at least three hundred sixty minutes each week or a kindergarten student at least five years of age prior to January 1 of the school year and enrolled in a school kindergarten program that meets at least three hundred fifty-six hours for a one hundred eighty

1 day school year, or the instructional hours prescribed in this section.
2 Lunch periods and recess periods may not be included as part of the
3 instructional hours unless the child's individualized education program
4 requires instruction during those periods and the specific reasons for such
5 instruction are fully documented. In computing the average daily membership,
6 preschool children with disabilities and kindergarten students shall be
7 counted as one-half of a full-time student. For common schools, a part-time
8 student is a student enrolled for less than the total time for a full-time
9 student as defined in this section. A part-time common school student shall
10 be counted as one-fourth, one-half or three-fourths of a full-time student if
11 the student is enrolled in an instructional program that is at least
12 one-fourth, one-half or three-fourths of the time a full-time student is
13 enrolled as defined in subdivision (b) of this paragraph.

14 (ii) For high schools, a part-time student who is enrolled in less
15 than four subjects that count toward graduation as defined by the state board
16 of education in a recognized high school. The average daily membership of a
17 part-time high school student shall be 0.75 if the student is enrolled in an
18 instructional program of three subjects that meet at least five hundred
19 ~~eighty~~ FORTY hours for a one hundred eighty day school year, or the
20 instructional hours prescribed in this section. The average daily membership
21 of a part-time high school student shall be 0.5 if the student is enrolled in
22 an instructional program of two subjects that meet at least three hundred
23 sixty hours for a one hundred eighty day school year, or the instructional
24 hours prescribed in this section. The average daily membership of a
25 part-time high school student shall be 0.25 if the student is enrolled in an
26 instructional program of one subject that meets at least one hundred eighty
27 hours for a one hundred eighty day school year, or the instructional hours
28 prescribed in this section.

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

30 (i) For common schools, a student who is at least six years of age
31 prior to January 1 of a school year, who has not graduated from the highest
32 grade taught in the school district and who is regularly enrolled in a course
33 of study required by the state board of education. First, second and third
34 grade students, ungraded students at least six, but under nine, years of age
35 by September 1 or ungraded group B children with disabilities who are at
36 least five, but under six, years of age by September 1 must be enrolled in an
37 instructional program that meets for a total of at least seven hundred twelve
38 hours for a one hundred eighty day school year, or the instructional hours
39 prescribed in this section. Fourth, fifth and sixth grade students or
40 ungraded students at least nine, but under twelve, years of age by September
41 1 must be enrolled in an instructional program that meets for a total of at
42 least eight hundred ninety hours for a one hundred eighty day school year, or
43 the instructional hours prescribed in this section. Seventh and eighth grade
44 students or ungraded students at least twelve, but under fourteen, years of
45 age by September 1 must be enrolled in an instructional program that meets

1 ~~for a In fiscal years 2005-2006 through 2009-2010, the program shall meet at~~
2 ~~least one thousand sixty eight hours. In fiscal year 2010-2011 and each~~
3 ~~fiscal year thereafter, the program shall meet~~ at least one thousand hours.
4 Lunch periods and recess periods may not be included as part of the
5 instructional hours unless the student is a child with a disability and the
6 child's individualized education program requires instruction during those
7 periods and the specific reasons for such instruction are fully documented.

8 (ii) For high schools, except as provided in section 15-105, a student
9 not graduated from the highest grade taught in the school district, or an
10 ungraded student at least fourteen years of age by September 1, and enrolled
11 in at least an instructional program of four or more subjects that count
12 toward graduation as defined by the state board of education, that meets for
13 a total of at least seven hundred twenty hours for a one hundred eighty day
14 school year, or the instructional hours prescribed in this section in a
15 recognized high school. A full-time student shall not be counted more than
16 once for computation of average daily membership. The average daily
17 membership of a full-time high school student shall be 1.0 if the student is
18 enrolled in at least four subjects that meet at least seven hundred twenty
19 hours for a one hundred eighty day school year, or the equivalent
20 instructional hours prescribed in this section.

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

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

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

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

41 2. "Budget year" means the fiscal year for which the school district
42 is budgeting and which immediately follows the current year.

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

1 (a) Grades one through eight.
 2 (b) Grades one through nine pursuant to section 15-447.01.
 3 4. "Current year" means the fiscal year in which a school district is
 4 operating.
 5 5. "Daily attendance" means:
 6 (a) For common schools, days in which a pupil:
 7 (i) Of a kindergarten program or ungraded, but not group B children
 8 with disabilities, and at least five, but under six, years of age by
 9 September 1 attends at least three-quarters of the instructional time
 10 scheduled for the day. If the total instruction time scheduled for the year
 11 is at least three hundred forty-six hours but is less than six hundred
 12 ninety-two hours such attendance shall be counted as one-half day of
 13 attendance. If the instructional time scheduled for the year is at least six
 14 hundred ninety-two hours, "daily attendance" means days in which a pupil
 15 attends at least one-half of the instructional time scheduled for the day.
 16 Such attendance shall be counted as one-half day of attendance.
 17 (ii) Of the first, second or third grades, ungraded and at least six,
 18 but under nine, years of age by September 1 or ungraded group B children with
 19 disabilities and at least five, but under six, years of age by September 1
 20 attends more than three-quarters of the instructional time scheduled for the
 21 day.
 22 (iii) Of the fourth, fifth or sixth grades or ungraded and at least
 23 nine, but under twelve, years of age by September 1 attends more than
 24 three-quarters of the instructional time scheduled for the day, except as
 25 provided in section 15-797.
 26 (iv) Of the seventh or eighth grades or ungraded and at least twelve,
 27 but under fourteen, years of age by September 1 attends more than
 28 three-quarters of the instructional time scheduled for the day, except as
 29 provided in section 15-797.
 30 (b) For common schools, the attendance of a pupil at three-quarters or
 31 less of the instructional time scheduled for the day shall be counted as
 32 follows, except as provided in section 15-797 and except that attendance for
 33 a fractional student shall not exceed the pupil's fractional membership:
 34 (i) If attendance for all pupils in the school is based on quarter
 35 days, the attendance of a pupil shall be counted as one-fourth of a day's
 36 attendance for each one-fourth of full-time instructional time attended.
 37 (ii) If attendance for all pupils in the school is based on half days,
 38 the attendance of at least three-quarters of the instructional time scheduled
 39 for the day shall be counted as a full day's attendance and attendance at a
 40 minimum of one-half but less than three-quarters of the instructional time
 41 scheduled for the day equals one-half day of attendance.
 42 (c) For common schools, the attendance of a preschool child with
 43 disabilities shall be counted as one-fourth day's attendance for each
 44 thirty-six minutes of attendance not including lunch periods and recess
 45 periods, except as provided in paragraph 2, subdivision (a), item (i) of this

subsection for children with disabilities up to a maximum of three hundred sixty minutes each week.

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

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

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

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

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

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

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

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

8. "Eligible students" means:

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

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

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

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

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

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

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

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

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

12. "Revenue control limit" means the base revenue control limit plus the transportation revenue control limit.

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

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

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

16. "Total students transported" means all eligible students transported from their place of residence to a school transportation pickup point or to the school of attendance and from the school of attendance or from the school transportation scheduled return point to their place of residence.

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

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

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

2. "Base level" means the following amounts plus the percentage increases to the base level as provided in sections 15-902.02, 15-918.04, 15-919.04 and 15-952, except that if a school district or charter school is eligible for an increase in the base level as provided in two or more of these sections, the base level amount shall be calculated by compounding rather than adding the sum of one plus the percentage of the increase from those different sections:

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

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

(c) For fiscal years 2009-2010 and 2010-2011, three thousand two hundred sixty-seven dollars seventy-two cents.

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

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

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

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

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

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

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

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

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

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

11. "Group A" means educational programs for career exploration, a specific learning disability, an emotional disability, mild mental retardation, remedial education, a speech/language impairment, developmental delay, homebound, bilingual, other health impairments and gifted pupils.

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

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

14. "Homebound" or "hospitalized" means a pupil who is capable of profiting from academic instruction but is unable to attend school due to illness, disease, accident or other health conditions, who has been examined by a competent medical doctor and who is certified by that doctor as being unable to attend regular classes for a period of not less than three school months or a pupil who is capable of profiting from academic instruction but is unable to attend school regularly due to chronic or acute health problems, who has been examined by a competent medical doctor and who is certified by that doctor as being unable to attend regular classes for intermittent periods of time totaling three school months during a school year. The

1 medical certification shall state the general medical condition, such as
2 illness, disease or chronic health condition, that is the reason that the
3 pupil is unable to attend school. Homebound or hospitalized includes a
4 student who is unable to attend school for a period of less than three months
5 due to a pregnancy if a competent medical doctor, after an examination,
6 certifies that the student is unable to attend regular classes due to risk to
7 the pregnancy or to the student's health.

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

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

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

13 18. "MDSSI" means a program for pupils with multiple disabilities with
14 severe sensory impairment.

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

16 20. "OI-R" means a resource program for pupils with orthopedic
17 impairments.

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

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

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

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

27 25. "Small isolated school district" means a school district which
28 meets all of the following:

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

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

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

38 26. "Small school district" means a school district which meets all of
39 the following:

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

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

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

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

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

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

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

Sec. 4. Section 15-902.03, Arizona Revised Statutes, is amended to read:

15-902.03. Procedures for determining average daily membership

A. The department of education shall compute and aggregate average daily membership for the current year no later than April 15, and shall not further aggregate student data after April 15 for the current year. The department shall inform school districts and charter schools of their final average daily membership counts no later than April 22 of the current year. School districts AND CHARTER SCHOOLS shall use these student counts to determine the average daily membership for the budget year. Any future adjustments in student counts, if discovered by the school district or charter school after April 15, shall be made pursuant to section 15-915.

~~This subsection does not apply to Arizona online instruction.~~

B. Notwithstanding subsection A of this section, school districts may continue to make budget adjustments pursuant to section 15-905, make corrections pursuant to section 15-915 and use the adjustment for growth in student count pursuant to section 15-948.

Sec. 5. Section 15-1021, Arizona Revised Statutes, is amended to read:

15-1021. Limitation on bonded indebtedness: limitation on authorization and issuance of bonds

A. Until December 31, 1999, a school district may issue class A bonds for the purposes specified in this section and chapter 4, article 5 of this title to an amount in the aggregate, including the existing indebtedness, not exceeding fifteen per cent of the taxable property used for secondary property tax purposes, as determined pursuant to title 42, chapter 15, article 1, within a school district as ascertained by the last property tax assessment previous to issuing the bonds.

B. From and after December 31, 1998, a school district may issue class B bonds for the purposes specified in this section and chapter 4, article 5 of this title to an amount in the aggregate, including the existing class B indebtedness, not exceeding five per cent of the taxable property used for secondary property tax purposes, as determined pursuant to title 42, chapter 15, article 1, within a school district as ascertained by the last assessment of state and county taxes previous to issuing the bonds, or one thousand five hundred dollars per student ~~average daily membership~~ COUNT PURSUANT TO SECTION 15-901, whichever amount is greater. A school district shall not

1 issue class B bonds until the proceeds of any class A bonds issued by the
2 school district have been obligated in contract. The total amount of class A
3 and class B bonds issued by a school district shall not exceed the debt
4 limitations prescribed in article IX, section 8, Constitution of Arizona.

5 C. Until December 31, 1999, a unified school district, as defined
6 under article IX, section 8.1, Constitution of Arizona, may issue class A
7 bonds for the purposes specified in this section and chapter 4, article 5 of
8 this title to an amount in the aggregate, including the existing
9 indebtedness, not exceeding thirty per cent of the taxable property used for
10 secondary property tax purposes, as determined pursuant to title 42, chapter
11 15, article 1, within a unified school district as ascertained by the last
12 property tax assessment previous to issuing the bonds.

13 D. From and after December 31, 1998, a unified school district, as
14 defined under article IX, section 8.1, Constitution of Arizona, may issue
15 class B bonds for the purposes specified in this section and chapter 4,
16 article 5 of this title to an amount in the aggregate, including the existing
17 class B indebtedness, not exceeding ten per cent of the taxable property used
18 for secondary tax purposes, as determined pursuant to title 42, chapter 15,
19 article 1, within a school district as ascertained by the last assessment of
20 state and county taxes previous to issuing the bonds, or one thousand five
21 hundred dollars per student ~~average daily membership~~ COUNT PURSUANT TO
22 SECTION 15-901, whichever amount is greater. A unified school district shall
23 not issue class B bonds until the proceeds of any class A bonds issued by the
24 unified school district have been obligated in contract. The total amount of
25 class A and class B bonds issued by a unified school district shall not
26 exceed the debt limitations prescribed in article IX, section 8.1,
27 Constitution of Arizona.

28 E. No bonds authorized to be issued by an election held after July 1,
29 1980 and before November 24, 2009 may be issued more than six years after the
30 date of the election, except that class A bonds shall not be issued after
31 December 31, 1999. No bonds authorized to be issued by an election held
32 after November 24, 2009 may be issued more than ten years after the date of
33 the election.

34 F. Except as provided in section 15-491, subsection A, paragraph 3,
35 bond proceeds shall not be expended for items whose useful life is less than
36 the average life of the bonds issued, except that bond proceeds shall not be
37 expended for items whose useful life is less than five years.

38 G. A joint technical education district shall not spend class B bond
39 proceeds to construct or renovate a facility located on the campus of a
40 school in a school district that participates in the joint district unless
41 the facility is only used to provide career and technical education and is
42 available to all pupils who live within the joint technical education
43 district. If the facility is not owned by the joint technical education
44 district, an intergovernmental agreement or a written contract shall be
45 executed for ten years or the duration of the bonded indebtedness, whichever

1 is greater. The intergovernmental agreement or written contract shall
2 include provisions:

3 1. That preserve the usage of the facility renovated or constructed,
4 or both, only for career and technology programs operated by the joint
5 technical education district.

6 2. That include the process to be used by the participating district
7 to compensate the joint technical education district in the event that the
8 facility is no longer used only for career and technology education programs
9 offered by the joint technical education district during the life of the
10 bond.

11 H. A school district shall not authorize, issue or sell bonds pursuant
12 to this section if the school district has any existing indebtedness from
13 impact aid revenue bonds pursuant to chapter 16, article 8 of this title,
14 except for bonds issued to refund any bonds issued by the governing board.

15 Sec. 6. Conditional enactment

16 Because sections 3 and 5 of this act amend sections 15-901 and 15-1021,
17 Arizona Revised Statutes, respectively, as amended by ____ Bill ____
18 (reviser's technical corrections; 2011), those sections are effective only if
19 ____ Bill ____, fiftieth legislature, first regular session, relating to
20 multiple, defective and conflicting legislative dispositions of statutory
21 text, is enacted into law.