

State of Arizona  
Senate  
Fiftieth Legislature  
Second Regular Session  
2012

**CHAPTER 357**  
**SENATE BILL 1456**

AN ACT

AMENDING SECTIONS 15-239, 15-901, 15-915 AND 15-945, 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 15-239, Arizona Revised Statutes, is amended to  
3 read:

4 15-239. School compliance and recognition; accreditation;  
5 audits

6 A. The department of education may:

7 1. Monitor school districts to ascertain that laws applying to the  
8 school districts are implemented as prescribed by law.

9 2. Adopt a system of recognition for school districts that meet or  
10 exceed the requirements of the law that apply to the school districts.

11 3. Establish standards and procedures for the accreditation of all  
12 schools requesting state accreditation.

13 B. The department of education may adopt guidelines necessary to  
14 implement this section.

15 C. The department of education may conduct financial, compliance or  
16 average daily membership audits of school districts and charter schools.  
17 Beginning in fiscal year 2011-2012 and in each fiscal year thereafter, the  
18 department of education shall include at least a ten per cent sample of daily  
19 attendance records as part of the average daily membership audits.

20 D. The auditor general may conduct financial, program, compliance or  
21 average daily membership audits of school districts and charter schools.  
22 Beginning in fiscal year 2011-2012 and in each fiscal year thereafter, the  
23 auditor general shall include at least a ten per cent sample of daily  
24 attendance records as part of the average daily membership audits.

25 E. WHEN CONDUCTING MONITORING AND AUDIT ACTIVITIES ALLOWED BY THIS  
26 SECTION, THE DEPARTMENT OF EDUCATION SHALL PRESCRIBE AN AUDIT WINDOW OF UP TO  
27 THREE CONSECUTIVE FISCAL YEARS IMMEDIATELY PRECEDING THE CURRENT FISCAL YEAR  
28 AT THE TIME THE MONITORING OR AUDIT ACTIVITY COMMENCES. IF THE DEPARTMENT  
29 ISSUES FINDINGS WITHIN TWENTY-FOUR MONTHS AFTER THE BEGINNING OF AUDIT OR  
30 MONITORING ACTIVITIES, THE DEPARTMENT MAY ADJUST FUNDING TO A SCHOOL DISTRICT  
31 OR CHARTER SCHOOL IF ACTIONS THAT TOOK PLACE WITHIN THE AUDIT WINDOW RESULTED  
32 IN OVERPAYMENT OR UNDERPAYMENT OF STATE AID TO THE SCHOOL DISTRICT OR CHARTER  
33 SCHOOL.

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

35 15-901. Definitions

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

37 1. "Average daily membership" means the total enrollment of fractional  
38 students and full-time students, minus withdrawals, ~~who are enrolled on~~  
39 ~~September 15, November 15, January 15 and March 15, divided by four~~ OF EACH  
40 SCHOOL DAY THROUGH THE FIRST ONE HUNDRED DAYS OR TWO HUNDRED DAYS IN SESSION,  
41 AS APPLICABLE, FOR THE CURRENT YEAR. Withdrawals include students formally  
42 withdrawn from schools and students absent for ten consecutive school days,  
43 except for excused absences identified by the department of education. For  
44 the purposes of this section, school districts and charter schools shall  
45 report student absence data to the department of education at least once  
46 every sixty days in session. For computation purposes, the effective date of

1 withdrawal shall be retroactive to the last day of actual attendance of the  
2 student or excused absence.

3 (a) "Fractional student" means:

4 (i) For common schools, a preschool child who is enrolled in a program  
5 for preschool children with disabilities of at least three hundred sixty  
6 minutes each week or a kindergarten student at least five years of age before  
7 January 1 of the school year and enrolled in a school kindergarten program  
8 that meets at least three hundred fifty-six hours for a one hundred eighty  
9 day school year, or the instructional hours prescribed in this section.  
10 Lunch periods and recess periods may not be included as part of the  
11 instructional hours unless the child's individualized education program  
12 requires instruction during those periods and the specific reasons for such  
13 instruction are fully documented. In computing the average daily membership,  
14 preschool children with disabilities and kindergarten students shall be  
15 counted as one-half of a full-time student. For common schools, a part-time  
16 student is a student enrolled for less than the total time for a full-time  
17 student as defined in this section. A part-time common school student shall  
18 be counted as one-fourth, one-half or three-fourths of a full-time student if  
19 the student is enrolled in an instructional program that is at least  
20 one-fourth, one-half or three-fourths of the time a full-time student is  
21 enrolled as defined in subdivision (b) of this paragraph.

22 (ii) For high schools, a part-time student who is enrolled in less  
23 than four subjects that count toward graduation as defined by the state board  
24 of education, EACH OF WHICH, IF TAUGHT EACH SCHOOL DAY FOR THE MINIMUM NUMBER  
25 OF DAYS REQUIRED IN A SCHOOL YEAR, WOULD MEET A MINIMUM OF ONE HUNDRED  
26 TWENTY-THREE HOURS A YEAR, OR THE EQUIVALENT, in a recognized high school.  
27 The average daily membership of a part-time high school student shall be 0.75  
28 if the student is enrolled in an instructional program of three subjects that  
29 meet at least five hundred forty hours for a one hundred eighty day school  
30 year, or the instructional hours prescribed in this section. The average  
31 daily membership of a part-time high school student shall be 0.5 if the  
32 student is enrolled in an instructional program of two subjects that meet at  
33 least three hundred sixty hours for a one hundred eighty day school year, or  
34 the instructional hours prescribed in this section. The average daily  
35 membership of a part-time high school student shall be 0.25 if the student is  
36 enrolled in an instructional program of one subject that meets at least one  
37 hundred eighty hours for a one hundred eighty day school year, or the  
38 instructional hours prescribed in this section.

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

40 (i) For common schools, a student who is at least six years of age  
41 before January 1 of a school year, who has not graduated from the highest  
42 grade taught in the school district and who is regularly enrolled in a course  
43 of study required by the state board of education. First, second and third  
44 grade students, ungraded students at least six, but under nine, years of age  
45 by September 1 or ungraded group B children with disabilities who are at  
46 least five, but under six, years of age by September 1 must be enrolled in an

1 instructional program that meets for a total of at least seven hundred twelve  
2 hours for a one hundred eighty day school year, or the instructional hours  
3 prescribed in this section. Fourth, fifth and sixth grade students or  
4 ungraded students at least nine, but under twelve, years of age by September  
5 1 must be enrolled in an instructional program that meets for a total of at  
6 least eight hundred ninety hours for a one hundred eighty day school year, or  
7 the instructional hours prescribed in this section. Seventh and eighth grade  
8 students or ungraded students at least twelve, but under fourteen, years of  
9 age by September 1 must be enrolled in an instructional program that meets  
10 for at least one thousand hours. Lunch periods and recess periods may not be  
11 included as part of the instructional hours unless the student is a child  
12 with a disability and the child's individualized education program requires  
13 instruction during those periods and the specific reasons for such  
14 instruction are fully documented.

15 (ii) For high schools, except as provided in section 15-105, a student  
16 not graduated from the highest grade taught in the school district, or an  
17 ungraded student at least fourteen years of age by September 1, and enrolled  
18 in at least an instructional program of four or more subjects that count  
19 toward graduation as defined by the state board of education, EACH OF WHICH,  
20 IF TAUGHT EACH SCHOOL DAY FOR THE MINIMUM NUMBER OF DAYS REQUIRED IN A SCHOOL  
21 YEAR, WOULD MEET A MINIMUM OF ONE HUNDRED TWENTY-THREE HOURS A YEAR, OR THE  
22 EQUIVALENT, that meets for a total of at least seven hundred twenty hours for  
23 a one hundred eighty day school year, or the instructional hours prescribed  
24 in this section in a recognized high school. A full-time student shall not  
25 be counted more than once for computation of average daily membership. The  
26 average daily membership of a full-time high school student shall be 1.0 if  
27 the student is enrolled in at least four subjects that meet at least seven  
28 hundred twenty hours for a one hundred eighty day school year, or the  
29 equivalent instructional hours prescribed in this section.

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

33 (iv) Except as otherwise provided by law, for any student who is  
34 concurrently enrolled in a school district and a charter school, the average  
35 daily membership shall be apportioned between the school district and the  
36 charter school and shall not exceed 1.0. The apportionment shall be based on  
37 the percentage of total time that the student is enrolled in or in attendance  
38 at the school district and the charter school.

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

1 in attendance at the school district and Arizona online instruction or the  
2 charter school and Arizona online instruction.

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

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

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

10 (a) Grades one through eight.

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

12 4. "Current year" means the fiscal year in which a school district is  
13 operating.

14 5. "Daily attendance" means:

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

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

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

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

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

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

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

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

6 (c) For common schools, the attendance of a preschool child with  
7 disabilities shall be counted as one-fourth day's attendance for each  
8 thirty-six minutes of attendance not including lunch periods and recess  
9 periods, except as provided in paragraph 1, subdivision (a), item (i) of this  
10 subsection for children with disabilities up to a maximum of three hundred  
11 sixty minutes each week.

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

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

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

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

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

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

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

1 transportation scheduled return point or from the school of attendance to his  
2 residence. Daily route mileage includes the total number of miles necessary  
3 to drive to transport eligible students from and to their residence as  
4 provided in this paragraph.

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

7 8. "Eligible students" means:

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

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

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

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

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

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

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

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

45 11. "High school district" means a political subdivision of this state  
46 offering instruction to students for grades nine through twelve or that

1 portion of the budget of a common school district that is allocated to  
2 teaching high school subjects with permission of the state board of  
3 education.

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

6 13. "Student count" means average daily membership as prescribed in  
7 this subsection for the fiscal year before the current year, except that for  
8 the purpose of budget preparation student count means average daily  
9 membership as prescribed in this subsection for the current year.

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

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

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

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

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

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

25 2. "Base level" means the following amounts plus the percentage  
26 increases to the base level as provided in sections 15-902.02, 15-918.04,  
27 15-919.04 and 15-952, except that if a school district or charter school is  
28 eligible for an increase in the base level as provided in two or more of  
29 these sections, the base level amount shall be calculated by compounding  
30 rather than adding the sum of one plus the percentage of the increase from  
31 those different sections:

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

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

36 (c) For fiscal years 2009-2010, 2010-2011 and 2011-2012, three  
37 thousand two hundred sixty-seven dollars seventy-two cents.

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

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

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

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

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

11           8. "ED-P" means programs for children with emotional disabilities who  
12 are enrolled in private special education programs as prescribed in section  
13 15-765, subsection D, paragraph 1 or in an intensive school district program  
14 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

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

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

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

41           14. "Homebound" or "hospitalized" means a pupil who is capable of  
42 profiting from academic instruction but is unable to attend school due to  
43 illness, disease, accident or other health conditions, who has been examined  
44 by a competent medical doctor and who is certified by that doctor as being  
45 unable to attend regular classes for a period of not less than three school  
46 months or a pupil who is capable of profiting from academic instruction but

1 is unable to attend school regularly due to chronic or acute health problems,  
2 who has been examined by a competent medical doctor and who is certified by  
3 that doctor as being unable to attend regular classes for intermittent  
4 periods of time totaling three school months during a school year. The  
5 medical certification shall state the general medical condition, such as  
6 illness, disease or chronic health condition, that is the reason that the  
7 pupil is unable to attend school. Homebound or hospitalized includes a  
8 student who is unable to attend school for a period of less than three months  
9 due to a pregnancy if a competent medical doctor, after an examination,  
10 certifies that the student is unable to attend regular classes due to risk to  
11 the pregnancy or to the student's health.

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

13 16. "MD-R, A-R and SID-R" means resource programs for pupils with  
14 multiple disabilities, autism and severe intellectual disability.

15 17. "MD-SC, A-SC and SID-SC" means self-contained programs for pupils  
16 with multiple disabilities, autism and severe intellectual disability.

17 18. "MD-SSI" means a program for pupils with multiple disabilities with  
18 severe sensory impairment.

19 19. "MOID" means programs for pupils with moderate intellectual  
20 disability.

21 20. "OI-R" means a resource program for pupils with orthopedic  
22 impairments.

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

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

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

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

32 25. "Small isolated school district" means a school district that meets  
33 all of the following:

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

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

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

43 26. "Small school district" means a school district that meets all of  
44 the following:

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

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

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

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

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

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

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

13 Sec. 3. Section 15-915, Arizona Revised Statutes, is amended to read:

14 15-915. Correction of state aid or budget limit errors;  
15 definition

16 A. If the superintendent of public instruction determines that the  
17 calculation of state aid for a school district or charter school or the  
18 calculation of the school district's or charter school's budget limits within  
19 the previous ~~year~~ **THREE YEARS** did not conform with statutory requirements,  
20 the superintendent shall require correction of the errors as follows:

21 1. Corrections may be made in the current year or in the budget year,  
22 except that in case of hardship to the school district, the superintendent  
23 may approve corrections partly in one year and partly in the year after that  
24 year.

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

28 3. Errors in the calculation of the school district's or charter  
29 school's budget limits shall be corrected at a public hearing by requiring  
30 the governing board to reduce or by allowing it to increase its budget by the  
31 amount of the correction to be made that year. Overbudgeting errors  
32 corrected as provided in this paragraph are exempt from section 15-905,  
33 subsections L and M. Not later than three days after the hearing and  
34 correction, the budget as revised shall be submitted electronically to the  
35 superintendent of public instruction. ~~Nothing in~~ This paragraph shall **NOT** be  
36 construed to require a decrease in state aid not otherwise required by  
37 paragraph 2 of this subsection.

38 B. Subject to the review by the joint legislative budget committee,  
39 the superintendent of public instruction shall adjust state aid for a school  
40 district in the current year if the governing board of a school district  
41 requests the recalculation of state aid for a prior year due to a change in  
42 assessed valuation that occurred as the result of a judgment in accordance  
43 with section 42-16213.

44 C. Notwithstanding subsection A of this section, a school district or  
45 charter school may not make upward revisions to its average daily membership

1 counts for a particular school year after June 30 of the subsequent school  
2 year.

3 D. For the purposes of this section, "state aid":

4 1. For school districts means state aid as determined in section  
5 15-971 and additional state aid as determined in section 15-972.

6 2. For charter schools means state aid as determined in section  
7 15-185.

8 Sec. 4. Section 15-945, Arizona Revised Statutes, is amended to read:  
9 15-945. Transportation support level

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

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

14 2. Multiply the figure obtained in paragraph 1 of this subsection by  
15 one hundred eighty, **OR FOR A SCHOOL DISTRICT THAT ELECTS TO PROVIDE TWO**  
16 **HUNDRED DAYS OF INSTRUCTION PURSUANT TO SECTION 15-902.04, MULTIPLY THE**  
17 **FIGURE OBTAINED IN PARAGRAPH 1 OF THIS SUBSECTION BY TWO HUNDRED.**

18 3. Determine the number of eligible students transported in the fiscal  
19 year prior to the current year.

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

23 5. Determine the classification in column 1 of this paragraph for the  
24 quotient determined in paragraph 4 of this subsection. Multiply the product  
25 obtained in paragraph 2 of this subsection by the corresponding state support  
26 level for each route mile as provided in column 2 of this paragraph.

<u>Column 1</u>	<u>Column 2</u>
Approved Daily Route Mileage per Eligible Student Transported	State Support Level per Route Mile for Fiscal Year 2011-2012
0.5 or less	2.37
More than 0.5 through 1.0	1.93
More than 1.0	2.37

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

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

40 1. Determine the classification in column 1 of paragraph 2 of this  
41 subsection for the quotient determined in subsection A, paragraph 4 of this  
42 section.

43 2. Multiply the product obtained in subsection A, paragraph 5 of this  
44 section by the corresponding state support level for academic education,  
45 career and technical education, vocational education and athletic trips as

1 provided in column 2, 3 or 4 of this paragraph, whichever is appropriate for  
 2 the type of district.

3 <u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
4 Approved Daily Route			
5 Mileage per Eligible	District Type	District Type	District Type
6 <u>Student Transported</u>	<u>02 or 03</u>	<u>04</u>	<u>05</u>
7 0.5 or less	0.15	0.10	0.25
8 More than 0.5 through 1.0	0.15	0.10	0.25
9 More than 1.0	0.18	0.12	0.30

10 For the purposes of this paragraph, "district type 02" means a unified school  
 11 district or an accommodation school that offers instruction in grades nine  
 12 through twelve, "district type 03" means a common school district not within  
 13 a high school district, "district type 04" means a common school district  
 14 within a high school district or an accommodation school that does not offer  
 15 instruction in grades nine through twelve and "district type 05" means a high  
 16 school district.

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

19 1. Determine the sum of the following:

20 (a) The total number of miles driven by all buses of a school district  
 21 while transporting eligible pupils with disabilities on scheduled routes from  
 22 their residence to the school of attendance and from the school of attendance  
 23 to their residence on routes for extended school year services in accordance  
 24 with section 15-881.

25 (b) The total number of miles driven on routes approved by the  
 26 superintendent of public instruction for which a private party, a political  
 27 subdivision or a common or a contract carrier is reimbursed for bringing an  
 28 eligible pupil with a disability from the place of the pupil's residence to a  
 29 school transportation pickup point or to the school facility of attendance  
 30 and from the school transportation scheduled return point or from the school  
 31 facility to the pupil's residence for extended school year services in  
 32 accordance with section 15-881.

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

36 D. The transportation support level for each school district for the  
 37 current year is the sum of the support level for to and from school as  
 38 determined in subsection A of this section, the support level for academic  
 39 education, career and technical education, vocational education and athletic  
 40 trips as determined in subsection B of this section and the support level for  
 41 extended school year services for pupils with disabilities as determined in  
 42 subsection C of this section.

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

1           Sec. 5. Leased joint technical education facilities: average  
2                           daily membership calculation for fiscal year  
3                           2012-2013

4           Notwithstanding any other law, for fiscal year 2012-2013, the sum of  
5 the average daily membership of a pupil who is enrolled both in a member  
6 school district and in courses provided at a facility that is currently  
7 leased and operated by the joint technical education district on the  
8 effective date of this act and that is not located on the site of the  
9 student's member district shall not exceed 1.75.

10          Sec. 6. Retroactivity

11          Sections 15-239, 15-901, 15-915 and 15-945, Arizona Revised Statutes,  
12 as amended by this act, apply retroactively to from and after June 30, 2012.

APPROVED BY THE GOVERNOR MAY 14, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 15, 2012.