

REFERENCE TITLE: schools; prior-year funding

State of Arizona  
Senate  
Fifty-second Legislature  
Second Regular Session  
2016

## **SB 1489**

Introduced by  
Senators Hobbs, Farley

AN ACT

AMENDING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 15, SECTION 4; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, FIRST SPECIAL SESSION, CHAPTER 1, SECTION 1; 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 15-901, Arizona Revised Statutes, as amended by  
3 Laws 2015, chapter 15, section 4, is amended to read:

4 15-901. Definitions

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

6 1. "Average daily membership" means the total enrollment of fractional  
7 students and full-time students, minus withdrawals, of each school day  
8 through the first one hundred days or two hundred days in session, as  
9 applicable, for the current year. Withdrawals include students WHO ARE  
10 formally withdrawn from schools and students WHO ARE absent for ten  
11 consecutive school days, except for excused absences identified by the  
12 department of education. For the purposes of this section, school districts  
13 and charter schools shall report student absence data to the department of  
14 education at least once every sixty days in session. For computation  
15 purposes, the effective date of withdrawal shall be retroactive to the last  
16 day of actual attendance of the student or excused absence.

17 (a) "Fractional student" means:

18 (i) For common schools, a preschool child who is enrolled in a program  
19 for preschool children with disabilities of at least three hundred sixty  
20 minutes each week that meets at least two hundred sixteen hours over the  
21 minimum number of days or a kindergarten student who is at least five years  
22 of age before January 1 of the school year and enrolled in a school  
23 kindergarten program that meets at least three hundred fifty-six hours for a  
24 one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours  
25 prescribed in this section. Lunch periods and recess periods may not be  
26 included as part of the instructional hours unless the child's individualized  
27 education program requires instruction during those periods and the specific  
28 reasons for such instruction are fully documented. In computing the average  
29 daily membership, preschool children with disabilities and kindergarten  
30 students shall be counted as one-half of a full-time student. For common  
31 schools, a part-time student is a student enrolled for less than the total  
32 time for a full-time student as defined in this section. A part-time common  
33 school student shall be counted as one-fourth, one-half or three-fourths of a  
34 full-time student if the student is enrolled in an instructional program that  
35 is at least one-fourth, one-half or three-fourths of the time a full-time  
36 student is enrolled as defined in subdivision (b) of this paragraph.

37 (ii) For high schools, a part-time student who is enrolled in less  
38 than four subjects that count toward graduation as defined by the state board  
39 of education, each of which, if taught each school day for the minimum number  
40 of days required in a school year, would meet a minimum of one hundred  
41 twenty-three hours a year, or the equivalent, in a recognized high school.  
42 The average daily membership of a part-time high school student shall be 0.75  
43 if the student is enrolled in an instructional program of three subjects that  
44 meet at least five hundred forty hours for a one hundred ~~eighty-day~~  
45 EIGHTY-DAY school year, or the instructional hours prescribed in this

1 section. The average daily membership of a part-time high school student  
2 shall be 0.5 if the student is enrolled in an instructional program of two  
3 subjects that meet at least three hundred sixty hours for a one hundred  
4 ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in  
5 this section. The average daily membership of a part-time high school  
6 student shall be 0.25 if the student is enrolled in an instructional program  
7 of one subject that meets at least one hundred eighty hours for a one hundred  
8 ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in  
9 this section.

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

11 (i) For common schools, a student who is at least six years of age  
12 before January 1 of a school year, who has not graduated from the highest  
13 grade taught in the school district and who is regularly enrolled in a course  
14 of study required by the state board of education. First, second and third  
15 grade students or ungraded group B children with disabilities who are at  
16 least five, but under six, years of age by September 1 must be enrolled in an  
17 instructional program that meets for a total of at least seven hundred twelve  
18 hours for a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the  
19 instructional hours prescribed in this section. Fourth, fifth and sixth  
20 grade students must be enrolled in an instructional program that meets for a  
21 total of at least eight hundred ninety hours for a one hundred ~~eighty-day~~  
22 EIGHTY-DAY school year, or the instructional hours prescribed in this  
23 section. Seventh and eighth grade students must be enrolled in an  
24 instructional program that meets for at least one thousand hours. Lunch  
25 periods and recess periods may not be included as part of the instructional  
26 hours unless the student is a child with a disability and the child's  
27 individualized education program requires instruction during those periods  
28 and the specific reasons for such instruction are fully documented.

29 (ii) For high schools, a student WHO HAS not graduated from the  
30 highest grade taught in the school district and WHO IS enrolled in at least  
31 an instructional program of four or more subjects that count toward  
32 graduation as defined by the state board of education, each of which, if  
33 taught each school day for the minimum number of days required in a school  
34 year, would meet a minimum of one hundred twenty-three hours a year, or the  
35 equivalent, that meets for a total of at least seven hundred twenty hours for  
36 a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours  
37 prescribed in this section in a recognized high school. A full-time student  
38 shall not be counted more than once for computation of average daily  
39 membership. The average daily membership of a full-time high school student  
40 shall be 1.0 if the student is enrolled in at least four subjects that meet  
41 at least seven hundred twenty hours for a one hundred ~~eighty-day~~ EIGHTY-DAY  
42 school year, or the equivalent instructional hours prescribed in this  
43 section.

44 (iii) If a child who has not reached five years of age before  
45 September 1 of the current school year is admitted to kindergarten and

1 repeats kindergarten in the following school year, a school district or  
2 charter school is not eligible to receive basic state aid on behalf of that  
3 child during the child's second year of kindergarten. If a child who has not  
4 reached five years of age before September 1 of the current school year is  
5 admitted to kindergarten but does not remain enrolled, a school district or  
6 charter school may receive a portion of basic state aid on behalf of that  
7 child in the subsequent year. A school district or charter school may charge  
8 tuition for any child who is ineligible for basic state aid pursuant to this  
9 item.

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

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

19 (vi) Except as otherwise provided by law, for any student who is  
20 concurrently enrolled, pursuant to section 15-808, in a school district and  
21 Arizona online instruction or a charter school and Arizona online  
22 instruction, the average daily membership shall be apportioned between the  
23 school district and Arizona online instruction or the charter school and  
24 Arizona online instruction and shall not exceed 1.0. The apportionment shall  
25 be based on the percentage of total time that the student is enrolled in or  
26 in attendance at the school district and Arizona online instruction or the  
27 charter school and Arizona online instruction.

28 (vii) For homebound or hospitalized, a student receiving at least four  
29 hours of instruction per week.

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

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

35 (a) Grades one through eight.

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

37 4. "Current year" means the fiscal year in which a school district is  
38 operating.

39 5. "Daily attendance" means:

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

41 (i) Of a kindergarten program or ungraded, but not group B children  
42 with disabilities, ~~and~~ WHO IS at least five, but under six, years of age by  
43 September 1 attends at least three-quarters of the instructional time  
44 scheduled for the day. If the total instruction time scheduled for the year  
45 is at least three hundred fifty-six hours but is less than seven hundred

1 twelve hours, such attendance shall be counted as one-half day of attendance.  
 2 If the instructional time scheduled for the year is at least six hundred  
 3 ninety-two hours, "daily attendance" means days in which a pupil attends at  
 4 least one-half of the instructional time scheduled for the day. Such  
 5 attendance shall be counted as one-half day of attendance.

6 (ii) Of the first, second or third grades attends more than  
 7 three-quarters of the instructional time scheduled for the day.

8 (iii) Of the fourth, fifth or sixth grades attends more than  
 9 three-quarters of the instructional time scheduled for the day, except as  
 10 provided in section 15-797.

11 (iv) Of the seventh or eighth grades attends more than three-quarters  
 12 of the instructional time scheduled for the day, except as provided in  
 13 section 15-797.

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

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

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

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

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

40 (e) For high schools, the attendance of a pupil may be counted as  
 41 one-fourth of a day's attendance for each sixty minutes of instructional time  
 42 in a subject that counts toward graduation, except that attendance for a  
 43 pupil shall not exceed the pupil's full or fractional membership.

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

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

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

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

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

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

26 8. "Eligible students" means:

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

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

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

1 actual place of residence outside the school district boundaries is more than  
2 one and one-half miles from the school facility of attendance.

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

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

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

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

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

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

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

27 13. "Student count" means ~~:-~~

28 ~~(a) Through June 30, 2016,~~ average daily membership as prescribed in  
29 this subsection for the fiscal year before the current year, except that for  
30 the purpose of budget preparation student count means average daily  
31 membership as prescribed in this subsection for the current year.

32 ~~(b) Beginning July 1, 2016, average daily membership as prescribed in~~  
33 ~~this subsection for the current year.~~

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

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

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

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

- 1           B. In this title, unless the context otherwise requires:
- 2           1. "Base" means the revenue level per student count specified by the
- 3 legislature.
- 4           2. "Base level" means the following amounts plus the percentage
- 5 increases to the base level as provided in sections 15-902.04, ~~15-918.04,~~
- 6 ~~15-919.04~~ and 15-952, except that if a school district or charter school is
- 7 eligible for an increase in the base level as provided in two or more of
- 8 these sections, the base level amount shall be calculated by compounding
- 9 rather than adding the sum of one plus the percentage of the increase from
- 10 those different sections:
- 11           (a) For fiscal year 2007-2008, three thousand two hundred twenty-six
- 12 dollars eighty-eight cents.
- 13           (b) For fiscal year 2008-2009, three thousand two hundred ninety-one
- 14 dollars forty-two cents.
- 15           (c) For fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013,
- 16 three thousand two hundred sixty-seven dollars seventy-two cents.
- 17           (d) For fiscal year 2013-2014, three thousand three hundred twenty-six
- 18 dollars fifty-four cents.
- 19           (e) For fiscal year 2014-2015, three thousand three hundred
- 20 seventy-three dollars eleven cents.
- 21           (f) For fiscal year 2015-2016, three thousand four hundred twenty-six
- 22 dollars seventy-four cents.
- 23           3. "Base revenue control limit" means the base revenue control limit
- 24 computed as provided in section 15-944.
- 25           4. "Base support level" means the base support level as provided in
- 26 section 15-943.
- 27           5. "Certified teacher" means a person who is certified as a teacher
- 28 pursuant to the rules adopted by the state board of education, who renders
- 29 direct and personal services to ~~school children~~ SCHOOLCHILDREN in the form of
- 30 instruction related to the school district's educational course of study and
- 31 who is paid from the maintenance and operation section of the budget.
- 32           6. "DD" means programs for children with developmental delays who are
- 33 at least three years of age but under ten years of age. A preschool child
- 34 who is categorized under this paragraph is not eligible to receive funding
- 35 pursuant to section 15-943, paragraph 2, subdivision (b).
- 36           7. "ED, MIID, SLD, SLI and OHI" means programs for children with
- 37 emotional disabilities, mild intellectual disabilities, a specific learning
- 38 disability, a speech/language impairment and other health impairments. A
- 39 preschool child who is categorized as SLI under this paragraph is not
- 40 eligible to receive funding pursuant to section 15-943, paragraph 2,
- 41 subdivision (b).
- 42           8. "ED-P" means programs for children with emotional disabilities who
- 43 are enrolled in private special education programs as prescribed in section
- 44 15-765, subsection D, paragraph 1 or in an intensive school district program
- 45 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

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

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

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

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

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

1           16. "K-3 reading" means reading programs for pupils in kindergarten  
2 programs and grades one, two and three.

3           17. "MD-R, A-R and SID-R" means resource programs for pupils with  
4 multiple disabilities, autism and severe intellectual disability.

5           18. "MD-SC, A-SC and SID-SC" means self-contained programs for pupils  
6 with multiple disabilities, autism and severe intellectual disability.

7           19. "MD-SSI" means a program for pupils with multiple disabilities with  
8 severe sensory impairment.

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

11           21. "OI-R" means a resource program for pupils with orthopedic  
12 impairments.

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

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

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

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

22           26. "Small isolated school district" means a school district that meets  
23 all of the following:

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

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

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

33           27. "Small school district" means a school district that meets all of  
34 the following:

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

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

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

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

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

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

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

4 Sec. 2. Section 15-901, Arizona Revised Statutes, as amended by Laws  
5 2015, first special session, chapter 1, section 1, is amended to read:

6 15-901. Definitions

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

8 1. "Average daily membership" means the total enrollment of fractional  
9 students and full-time students, minus withdrawals, of each school day  
10 through the first one hundred days or two hundred days in session, as  
11 applicable, for the current year. Withdrawals include students WHO ARE  
12 formally withdrawn from schools and students WHO ARE absent for ten  
13 consecutive school days, except for excused absences identified by the  
14 department of education. For the purposes of this section, school districts  
15 and charter schools shall report student absence data to the department of  
16 education at least once every sixty days in session. For computation  
17 purposes, the effective date of withdrawal shall be retroactive to the last  
18 day of actual attendance of the student or excused absence.

19 (a) "Fractional student" means:

20 (i) For common schools, a preschool child who is enrolled in a program  
21 for preschool children with disabilities of at least three hundred sixty  
22 minutes each week that meets at least two hundred sixteen hours over the  
23 minimum number of days or a kindergarten student who is at least five years  
24 of age before January 1 of the school year and enrolled in a school  
25 kindergarten program that meets at least three hundred fifty-six hours for a  
26 one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours  
27 prescribed in this section. Lunch periods and recess periods may not be  
28 included as part of the instructional hours unless the child's individualized  
29 education program requires instruction during those periods and the specific  
30 reasons for such instruction are fully documented. In computing the average  
31 daily membership, preschool children with disabilities and kindergarten  
32 students shall be counted as one-half of a full-time student. For common  
33 schools, a part-time student is a student enrolled for less than the total  
34 time for a full-time student as defined in this section. A part-time common  
35 school student shall be counted as one-fourth, one-half or three-fourths of a  
36 full-time student if the student is enrolled in an instructional program that  
37 is at least one-fourth, one-half or three-fourths of the time a full-time  
38 student is enrolled as defined in subdivision (b) of this paragraph.

39 (ii) For high schools, a part-time student who is enrolled in less  
40 than four subjects that count toward graduation as defined by the state board  
41 of education, each of which, if taught each school day for the minimum number  
42 of days required in a school year, would meet a minimum of one hundred  
43 twenty-three hours a year, or the equivalent, in a recognized high school.  
44 The average daily membership of a part-time high school student shall be 0.75  
45 if the student is enrolled in an instructional program of three subjects that

1 meet at least five hundred forty hours for a one hundred ~~eighty-day~~  
2 EIGHTY-DAY school year, or the instructional hours prescribed in this  
3 section. The average daily membership of a part-time high school student  
4 shall be 0.5 if the student is enrolled in an instructional program of two  
5 subjects that meet at least three hundred sixty hours for a one hundred  
6 ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in  
7 this section. The average daily membership of a part-time high school  
8 student shall be 0.25 if the student is enrolled in an instructional program  
9 of one subject that meets at least one hundred eighty hours for a one hundred  
10 ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in  
11 this section.

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

13 (i) For common schools, a student who is at least six years of age  
14 before January 1 of a school year, who has not graduated from the highest  
15 grade taught in the school district and who is regularly enrolled in a course  
16 of study required by the state board of education. First, second and third  
17 grade students or ungraded group B children with disabilities who are at  
18 least five, but under six, years of age by September 1 must be enrolled in an  
19 instructional program that meets for a total of at least seven hundred twelve  
20 hours for a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the  
21 instructional hours prescribed in this section. Fourth, fifth and sixth  
22 grade students must be enrolled in an instructional program that meets for a  
23 total of at least eight hundred ninety hours for a one hundred ~~eighty-day~~  
24 EIGHTY-DAY school year, or the instructional hours prescribed in this  
25 section. Seventh and eighth grade students must be enrolled in an  
26 instructional program that meets for at least one thousand hours. Lunch  
27 periods and recess periods may not be included as part of the instructional  
28 hours unless the student is a child with a disability and the child's  
29 individualized education program requires instruction during those periods  
30 and the specific reasons for such instruction are fully documented.

31 (ii) For high schools, a student WHO HAS not graduated from the  
32 highest grade taught in the school district and WHO IS enrolled in at least  
33 an instructional program of four or more subjects that count toward  
34 graduation as defined by the state board of education, each of which, if  
35 taught each school day for the minimum number of days required in a school  
36 year, would meet a minimum of one hundred twenty-three hours a year, or the  
37 equivalent, that meets for a total of at least seven hundred twenty hours for  
38 a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours  
39 prescribed in this section in a recognized high school. A full-time student  
40 shall not be counted more than once for computation of average daily  
41 membership. The average daily membership of a full-time high school student  
42 shall be 1.0 if the student is enrolled in at least four subjects that meet  
43 at least seven hundred twenty hours for a one hundred ~~eighty-day~~ EIGHTY-DAY  
44 school year, or the equivalent instructional hours prescribed in this  
45 section.

1 (iii) If a child who has not reached five years of age before  
2 September 1 of the current school year is admitted to kindergarten and  
3 repeats kindergarten in the following school year, a school district or  
4 charter school is not eligible to receive basic state aid on behalf of that  
5 child during the child's second year of kindergarten. If a child who has not  
6 reached five years of age before September 1 of the current school year is  
7 admitted to kindergarten but does not remain enrolled, a school district or  
8 charter school may receive a portion of basic state aid on behalf of that  
9 child in the subsequent year. A school district or charter school may charge  
10 tuition for any child who is ineligible for basic state aid pursuant to this  
11 item.

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

15 (v) Except as otherwise provided by law, for any student who is  
16 concurrently enrolled in a school district and a charter school, the average  
17 daily membership shall be apportioned between the school district and the  
18 charter school and shall not exceed 1.0. The apportionment shall be based on  
19 the percentage of total time that the student is enrolled in or in attendance  
20 at the school district and the charter school.

21 (vi) Except as otherwise provided by law, for any student who is  
22 concurrently enrolled, pursuant to section 15-808, in a school district and  
23 Arizona online instruction or a charter school and Arizona online  
24 instruction, the average daily membership shall be apportioned between the  
25 school district and Arizona online instruction or the charter school and  
26 Arizona online instruction and shall not exceed 1.0. The apportionment shall  
27 be based on the percentage of total time that the student is enrolled in or  
28 in attendance at the school district and Arizona online instruction or the  
29 charter school and Arizona online instruction.

30 (vii) For homebound or hospitalized, a student receiving at least four  
31 hours of instruction per week.

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

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

37 (a) Grades one through eight.

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

39 4. "Current year" means the fiscal year in which a school district is  
40 operating.

41 5. "Daily attendance" means:

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

43 (i) Of a kindergarten program or ungraded, but not group B children  
44 with disabilities, ~~and~~ WHO IS at least five, but under six, years of age by  
45 September 1 attends at least three-quarters of the instructional time

1 scheduled for the day. If the total instruction time scheduled for the year  
2 is at least three hundred fifty-six hours but is less than seven hundred  
3 twelve hours, such attendance shall be counted as one-half day of attendance.  
4 If the instructional time scheduled for the year is at least six hundred  
5 ninety-two hours, "daily attendance" means days in which a pupil attends at  
6 least one-half of the instructional time scheduled for the day. Such  
7 attendance shall be counted as one-half day of attendance.

8 (ii) Of the first, second or third grades attends more than  
9 three-quarters of the instructional time scheduled for the day.

10 (iii) Of the fourth, fifth or sixth grades attends more than  
11 three-quarters of the instructional time scheduled for the day, except as  
12 provided in section 15-797.

13 (iv) Of the seventh or eighth grades attends more than three-quarters  
14 of the instructional time scheduled for the day, except as provided in  
15 section 15-797.

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

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

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

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

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

42 (e) For high schools, the attendance of a pupil may be counted as  
43 one-fourth of a day's attendance for each sixty minutes of instructional time  
44 in a subject that counts toward graduation, except that attendance for a  
45 pupil shall not exceed the pupil's full or fractional membership.

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

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

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

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

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

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

26 8. "Eligible students" means:

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

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

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

1 actual place of residence outside the school district boundaries is more than  
2 one and one-half miles from the school facility of attendance.

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

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

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

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

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

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

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

27 13. "Student count" means ~~:-~~

28 ~~(a) Through June 30, 2016,~~ average daily membership as prescribed in  
29 this subsection for the fiscal year before the current year, except that for  
30 the purpose of budget preparation student count means average daily  
31 membership as prescribed in this subsection for the current year.

32 ~~(b) Beginning July 1, 2016, average daily membership as prescribed in~~  
33 ~~this subsection for the current year.~~

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

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

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

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

- 1           B. In this title, unless the context otherwise requires:
- 2           1. "Base" means the revenue level per student count specified by the
- 3 legislature.
- 4           2. "Base level" means the following amounts plus the percentage
- 5 increases to the base level as provided in sections 15-902.04 and 15-952,
- 6 except that if a school district or charter school is eligible for an
- 7 increase in the base level as provided in two or more of these sections, the
- 8 base level amount shall be calculated by compounding rather than adding the
- 9 sum of one plus the percentage of the increase from those different sections:
- 10           (a) For fiscal year 2007-2008, three thousand two hundred twenty-six
- 11 dollars eighty-eight cents.
- 12           (b) For fiscal year 2008-2009, three thousand two hundred ninety-one
- 13 dollars forty-two cents.
- 14           (c) For fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013,
- 15 three thousand two hundred sixty-seven dollars seventy-two cents.
- 16           (d) For fiscal year 2013-2014, three thousand three hundred twenty-six
- 17 dollars fifty-four cents.
- 18           (e) For fiscal year 2014-2015, three thousand three hundred
- 19 seventy-three dollars eleven cents.
- 20           (f) For fiscal year 2015-2016, three thousand six hundred dollars zero
- 21 cents.
- 22           3. "Base revenue control limit" means the base revenue control limit
- 23 computed as provided in section 15-944.
- 24           4. "Base support level" means the base support level as provided in
- 25 section 15-943.
- 26           5. "Certified teacher" means a person who is certified as a teacher
- 27 pursuant to the rules adopted by the state board of education, who renders
- 28 direct and personal services to ~~school children~~ SCHOOLCHILDREN in the form of
- 29 instruction related to the school district's educational course of study and
- 30 who is paid from the maintenance and operation section of the budget.
- 31           6. "DD" means programs for children with developmental delays who are
- 32 at least three years of age but under ten years of age. A preschool child
- 33 who is categorized under this paragraph is not eligible to receive funding
- 34 pursuant to section 15-943, paragraph 2, subdivision (b).
- 35           7. "ED, MIID, SLD, SLI and OHI" means programs for children with
- 36 emotional disabilities, mild intellectual disabilities, a specific learning
- 37 disability, a speech/language impairment and other health impairments. A
- 38 preschool child who is categorized as SLI under this paragraph is not
- 39 eligible to receive funding pursuant to section 15-943, paragraph 2,
- 40 subdivision (b).
- 41           8. "ED-P" means programs for children with emotional disabilities who
- 42 are enrolled in private special education programs as prescribed in section
- 43 15-765, subsection D, paragraph 1 or in an intensive school district program
- 44 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

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

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

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

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

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

- 1           16. "K-3 reading" means reading programs for pupils in kindergarten  
2 programs and grades one, two and three.
- 3           17. "MD-R, A-R and SID-R" means resource programs for pupils with  
4 multiple disabilities, autism and severe intellectual disability.
- 5           18. "MD-SC, A-SC and SID-SC" means self-contained programs for pupils  
6 with multiple disabilities, autism and severe intellectual disability.
- 7           19. "MD-SSI" means a program for pupils with multiple disabilities with  
8 severe sensory impairment.
- 9           20. "MOID" means programs for pupils with moderate intellectual  
10 disability.
- 11          21. "OI-R" means a resource program for pupils with orthopedic  
12 impairments.
- 13          22. "OI-SC" means a self-contained program for pupils with orthopedic  
14 impairments.
- 15          23. "PSD" means preschool programs for children with disabilities as  
16 provided in section 15-771.
- 17          24. "P-SD" means programs for children who meet the definition of  
18 preschool severe delay as provided in section 15-771.
- 19          25. "Qualifying tax rate" means the qualifying tax rate specified in  
20 section 15-971 applied to the assessed valuation used for primary property  
21 taxes.
- 22          26. "Small isolated school district" means a school district that meets  
23 all of the following:
- 24           (a) Has a student count of fewer than six hundred in kindergarten  
25 programs and grades one through eight or grades nine through twelve.
- 26           (b) Contains no school that is fewer than thirty miles by the most  
27 reasonable route from another school, or, if road conditions and terrain make  
28 the driving slow or hazardous, fifteen miles from another school that teaches  
29 one or more of the same grades and is operated by another school district in  
30 this state.
- 31           (c) Is designated as a small isolated school district by the  
32 superintendent of public instruction.
- 33          27. "Small school district" means a school district that meets all of  
34 the following:
- 35           (a) Has a student count of fewer than six hundred in kindergarten  
36 programs and grades one through eight or grades nine through twelve.
- 37           (b) Contains at least one school that is fewer than thirty miles by  
38 the most reasonable route from another school that teaches one or more of the  
39 same grades and is operated by another school district in this state.
- 40           (c) Is designated as a small school district by the superintendent of  
41 public instruction.
- 42          28. "Transportation revenue control limit" means the transportation  
43 revenue control limit computed as prescribed in section 15-946.
- 44          29. "Transportation support level" means the support level for pupil  
45 transportation operating expenses as provided in section 15-945.

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

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

4           Sec. 3. Conditional enactment

5           Section 15-901, Arizona Revised Statutes, as amended by Laws 2015,  
6 first special session, chapter 1, section 1 and this act, does not become  
7 effective unless the Constitution of Arizona is amended by Proposition 123 at  
8 the special election conducted on May 17, 2016.