



HOUSE OF REPRESENTATIVES

HB 2642

JTED restoration and reforms.

Prime Sponsor: Representative Ackerley, LD 02

DPA Committee on Education

DPA Caucus and COW

X House Engrossed

OVERVIEW

HB 2642 removes the reduction to Joint Technical Education Districts (JTED), school districts and charter schools enacted in the 2015 K-12 Budget Reconciliation Bill, establishes requirements for JTED reporting and administration, establishes the Career and Technical Education (CTE) Task Force and requires a special audit of JTEDs.

PROVISIONS

Definitions

1. Makes the following changes for a course to qualify as a *JTED course*:
 - a. Prohibits the course, or a variation the course, from being required under the minimum course of study to graduate from high school.
 - b. Requires a majority of instructional time to be conducted in a laboratory, field-based or work-based learning environment.
 - c. Requires the demonstration of a need for extra funding to provide the JTED course.
 - d. Requires specialized equipment to provide instruction that exceeds the cost of a standard educational course.
2. Makes the following changes for a program to qualify as a *JTED program*:
 - a. Modifies the examination requirements for qualification as a JTED program to require the student to obtain at least a 60% on an assessment that demonstrates the level of skills, knowledge and competencies necessary to be successful in the designated vocation or an assessment for certification in the vocation.

To qualify as a JTED program, there must be an assessment demonstrating the level of skill or competency in a vocation or industry that leads to certification ([A.R.S. § 15-391](#)).
 - b. Requires a majority of instructional time to be conducted in a laboratory, field-based or work-based learning environment and retains the requirement for career and technical student organization participation.

To qualify as a JTED program there must be a requirement for work-based learning components, career and technical student organization participation and laboratory experience.
 - c. Requires the program to demonstrate alignment through a curriculum, instructional model and course sequence to meet CTE standards.
 - d. Requires specialized equipment to provide instruction that exceeds the cost of a standard educational course.
 - e. Requires the program to have a defined pathway in a specific vocation or industry as determined by the CTE Division of ADE.
 - f. Removes the 120 day requirement for approval as a JTED program.

JTEDs are required to be approved within 120 after submission of documentation to ADE ([A.R.S. § 15-391](#)).

- g. Requires the program to fill a high-need vocational or industry need as determined by the CTE Division of ADE.
- h. Instructs programs to require a single or stackable credit that will allow a student to obtain work on graduation before receiving an associate's or baccalaureate degree.
- i. Requires the program to lead to certification or licensure in the vocation or industry that has been verified and accepted by the vocation or industry and that qualifies the recipient for employment that the student would not otherwise qualify for.
 - i. Requires the student to qualify for employment that they would not otherwise qualify for without completion of the JTED program if there is no certification or licensure accepted by the vocation.
- j. Requires instruction and instructional materials in courses that are substantially different from and exceed the scope of standard instruction and include vocational skills, competencies and knowledge to be successful in the vocation or industry.
- k. Directs the program to obtain an agreement with an industry or vocation to provide financial or technical support to the JTED for a specific program, including in-kind contributions and donations.
- l. Requires the program to demonstrate a need for extra funding.

JTED Administration and Finance

- 3. Prohibits students who have graduated from high school, received a general equivalency diploma or are enrolled in an internship course as part of a JTED program from being included in the student count of a JTED for funding purposes.
 - a. Specifies that only the internship component does not qualify for student count purposes.
- 4. Requires, beginning July 1, 2016, JTED intergovernmental agreements to outline the following:
 - a. Minimum services provided by the JTED for member districts:
 - i. Professional development of career and technical teachers in the JTED who are teaching programs or courses on a satellite campus
 - ii. Ongoing evaluation and support of satellite campus programs and courses to ensure quality and compliance
 - b. An itemized listing of other goods and services provided to the member district that are paid for by the retention of satellite campus student funding.
- 5. Removes the requirement for JTEDs to annually provide a report to ADE.
Statute requires each JTED to submit a detailed annual report to ADE containing specified information including Average Daily Membership (ADM), programs and costs ([A.R.S. § 15-393 \(M\)](#))
- 6. Prohibits member districts or charter schools from submitting requests for the approval or addition of satellite campus programs or courses directly to ADE.
 - a. Directs application documents and materials to be submitted to the JTED.
 - b. Instructs the JTED, on approval by the JTED board, to submit requests for approval or addition to ADE.
- 7. Removes an exemption for leased centralized campuses to calculate ADM.
A leased centralized campus may calculate an ADM up to 1.75 if conditions are met, including that the lease is established as fair market value as approved by the Joint

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Committee on Capitol Review. This requirement is currently scheduled to be exempted on January 1, 2017 ([A.R.S. § 15-393 \(R\)\(4\)](#)).

8. Removes the requirement for the Base Support Level (BSL) for charter schools or school districts and JTEDs to be funded at 92.5%.
[Laws 2015, Chapter 15](#), required JTEDs, charter schools and school districts to be funded at 92.5% of the BSL for satellite programs beginning in Fiscal Year 2017 and permitted school districts and charter schools to use a portion of the received JTED funds to offset the loss 7.5% reduction.
9. Removes the authority for school districts or charter schools to transfer monies from the JTED portion of the revenue to offset the 7.5% reduction in BSL.
10. Includes charter schools in the prohibition on discouraging students from attending JTED courses.
 - a. Stipulates that charter schools and school districts are prohibited from requiring students to generate a full 1.0 ADM or enrolling in more courses than needed for a student to graduate before enrolling in and attending JTED courses.
School districts are prohibited from discouraging or prohibiting students enrolled in the district from attending JTED courses ([A.R.S. § 15-393 \(T\)](#)).
11. Requires the CTE Division of ADE to review JTED programs and courses to ensure compliance, quality and eligibility every five years, beginning in 2020.
 - a. Prohibits programs or courses that do not meet statutory requirements from being funded for the preceding school year and directs those programs or courses to be removed from the approved program course list.
 - b. Permits ADE to establish a staggered review schedule.
12. Requires ADE to include JTEDs in annual achievement profiles.
13. Directs ADE, subject to Arizona State Board of Education approval, to develop specific criteria applicable to JTEDs and include JTEDs in the letter grade classification system.
14. Requires ADE to include the following performance indicators in achievement profiles and letter grade classifications.
 - a. The graduation rate of all students enrolled in CTE programs or courses.
 - b. The completion rate for each JTED program.
 - c. Performance on JTED assessments.
 - d. Post-graduation employment rates for students who complete a CTE program.
15. Stipulates that JTEDs are subject to school district performance audits.
16. Directs the Auditor General (OAG) to consider the differences and applicable laws for JTEDs when conducting a performance audit.
17. Directs the CTE Division of ADE to annually submit a JTED report by December 31 to the Governor, Speaker of the House of Representatives and President of the Senate and submit a copy to the Secretary of State.
 - a. Directs the CTE Division of ADE to submit a copy of the report to JLBC for review.
18. Requires the annual report to include:
 - a. The ADM of each JTED, including the ADM of each centralized campus, satellite campus and leased centralized campus.

- b. The actual student count of each JTED, including the student count of each centralized campus, satellite campus and leased centralized campus.
 - c. The programs and courses offered by each JTED, including the location of the program or course.
 - d. The student enrollment of each program and course for each JTED, based on location.
 - e. The costs associated with each program.
 - f. A listing of any programs or courses discontinued by review of CTE ADE.
 - g. A listing of programs or courses added by CTE ADE.
 - h. Additional data or information deemed necessary by ADE.
19. Directs OAG, in consultation with ADE, to develop and establish uniform cost reporting guidelines, policies and procedures for JTED programs.
- a. Requires any guideline, policy or procedure to allow for the effective comparison of cost between JTED programs.

CTE Task Force (Task Force)

20. Establishes, as session law, the Task Force consisting of:
- a. Three members of the Senate, appointed by the President of the Senate, only two of whom may be of the same political party.
 - i. Requires the President of the Senate to designate one of the appointees as co-chair.
 - b. Three members of the House of Representatives, appointed by the Speaker of the House of Representatives, only two of whom may be of the same political party.
 - i. Requires the Speaker of the House of Representatives to designate one of the appointees as co-chair.
 - c. One member affiliated with a statewide policy and research organization with a background in school finance, school choice and education policy, appointed by the Governor.
 - d. One member affiliated with a major taxpayer organization, appointed by the Governor.
 - e. One member representing a high-need vocation or industry in the state, appointed by the Governor.
 - f. Two members representing different JTEDs, appointed by the President of the Senate.
 - i. Requires one member to be from a JTED with 2,000 or more students enrolled in a centralized campus and the other from a JTED with a majority of students enrolled in a satellite campus.
 - g. Two members representing different JTEDs, appointed by the Speaker of the House of Representatives.
 - i. Requires both members to be from separate JTEDs with less than 2,000 students.
21. Prohibits Task Force members from being eligible to receive compensation, but determines members to be eligible for reimbursement of expenses.
22. Directs the CTE Division of ADE to lend technical support and provide data, research or information on request.
23. Directs the Task Force to study and analyze:
- a. Uniformity in CTE course offerings and titles across JTEDs.
 - b. Uniformity in course sequencing for completing CTE programs across JTEDs.
 - c. Uniformity in certifications and licensure issued on the completion of CTE programs across JTEDs.
 - d. The establishment of open enrollment and school choice across JTEDs.

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- e. JTED financing and allocation of monies to member districts and charter schools for students enrolled in satellite campuses.
 - f. The reduction of duplicative CTE programs and courses based on locations of other campuses and community college CTE programs and courses.
 - g. Any other issues to reform, promote and enhance CTE.
24. Directs the Task Force to submit an annual report of its findings and recommendations for administrative and legislative action by December 15 to the Governor, President of the Senate and Speaker of the House of Representatives and provide a copy of the report to the Secretary of State.
25. Repeals the Task Force on January 1, 2019.

ADE and Joint Legislative Budget Committee (JLBC) Review

26. Directs, as session law, ADE to immediately begin reviewing the compliance and eligibility of all JTED programs and courses current in effect.
27. Requires ADE to submit quarterly reports to JLBC until January 1, 2019, on its progress and subsequent approval or rejection of currently eligible JTED programs and courses.
28. Prohibits JTED programs or courses that do not meet the requirements of this Act from receiving funding.

OAG Special Audit

29. Requires, as session law, OAG to conduct a special audit of JTEDs, as scheduled by the Joint Legislative Audit Committee, that includes the following:
- a. The delivery of CTE for schools that are not included in JTEDs compared to the delivery of CTE in a JTED.
 - b. The delivery of CTE at a centralized campus compared to a satellite campus.
 - c. The growth in satellite campus programs compared to centralized campus programs.
 - d. The spending habits of JTEDs.
 - e. The efficiency of JTED practices and administrative spending.
 - f. The relationship between JTEDs and member districts and services provided to member districts.
 - g. The variety, scope and duplication of JTED program and course offerings.
 - h. Any follow-up issues arising since the previous audit or issues necessary for the completion of the audit, as determined by OAG.

Miscellaneous

30. Contains a retroactive effective date of July 1, 2016.
31. Contains an emergency clause.
32. Makes technical and conforming changes.