

REFERENCE TITLE: ADE school finance revisions

State of Arizona  
Senate  
Fifty-first Legislature  
Second Regular Session  
2014

## **SB 1350**

Introduced by  
Senators Crandell: Ward

AN ACT

AMENDING SECTION 15-101, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-116; AMENDING SECTIONS 15-185, 15-211, 15-393, 15-792.03, 15-901, 15-902.03, 15-923, 15-941 AND 15-946, 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 15-101, Arizona Revised Statutes, is amended to  
3 read:

4 15-101. Definitions

5 In this title, unless the context otherwise requires:

6 1. "Accommodation school" means either:

7 (a) A school that is operated through the county board of supervisors  
8 and the county school superintendent and that the county school  
9 superintendent administers to serve a military reservation or territory that  
10 is not included within the boundaries of a school district.

11 (b) A school that provides educational services to homeless children  
12 or alternative education programs as provided in section 15-308,  
13 subsection B.

14 (c) A school that is established to serve a military reservation, the  
15 boundaries of which are coterminous with the boundaries of the military  
16 reservation on which the school is located.

17 2. "Assessed valuation" means the valuation derived by applying the  
18 applicable percentage as provided in title 42, chapter 15, article 1 to the  
19 full cash value or limited property value, whichever is applicable, of the  
20 property.

21 3. "Charter holder" means a person that enters into a charter with the  
22 state board for charter schools. For the purposes of this paragraph,  
23 "person" means an individual, partnership, corporation, association or public  
24 or private organization of any kind.

25 4. "Charter school" means a public school established by contract with  
26 a district governing board, the state board of education, the state board for  
27 charter schools, a university under the jurisdiction of the Arizona board of  
28 regents, a community college district with enrollment of more than fifteen  
29 thousand full-time equivalent students or a group of community college  
30 districts with a combined enrollment of more than fifteen thousand full-time  
31 equivalent students pursuant to article 8 of this chapter to provide learning  
32 that will improve pupil achievement.

33 5. "Child with a disability" means a child with a disability as  
34 defined in section 15-761.

35 6. "Class A bonds" means general obligation bonds approved by a vote  
36 of the qualified electors of a school district at an election held on or  
37 before December 31, 1998.

38 7. "Class B bonds" means general obligation bonds approved by a vote  
39 of the qualified electors of a school district at an election held from and  
40 after December 31, 1998.

41 8. "Competency" means a demonstrated ability in a skill at a specified  
42 performance level.

43 9. "Course" means organized subject matter in which instruction is  
44 offered within a given period of time and for which credit toward promotion,

1 graduation or certification is usually given. A course consists of knowledge  
2 selected from a subject for instructional purposes in the schools.

3 10. "Course of study" means a list of required and optional subjects to  
4 be taught in the schools.

5 11. "Dual enrollment course" means a college level course that is  
6 conducted on the campus of a high school or on the campus of a joint  
7 technical education district, that is applicable to an established community  
8 college academic degree or certificate program and that is transferable to a  
9 university under the jurisdiction of the Arizona board of regents. A dual  
10 enrollment course that is applicable to a community college occupational  
11 degree or certificate program may be transferable to a university under the  
12 jurisdiction of the Arizona board of regents.

13 12. "ELEMENTARY GRADES" MEANS KINDERGARTEN PROGRAMS AND GRADES ONE  
14 THROUGH EIGHT.

15 ~~12.~~ 13. "Fiscal year" means the year beginning July 1 and ending  
16 June 30.

17 ~~13.~~ 14. "Governing board" means a body organized for the government  
18 and management of the schools within a school district or a county school  
19 superintendent in the conduct of an accommodation school.

20 ~~14.~~ 15. "Lease" means an agreement for conveyance and possession of  
21 real or personal property.

22 ~~15.~~ 16. "Limited property value" means the value determined pursuant  
23 to title 42, chapter 13, article 7. Limited property value shall be used as  
24 the basis for assessing, fixing, determining and levying primary property  
25 taxes.

26 ~~16.~~ 17. "Parent" means the natural or adoptive parent of a child or a  
27 person who has custody of a child.

28 ~~17.~~ 18. "Person who has custody" means a parent or legal guardian of a  
29 child, a person to whom custody of the child has been given by order of a  
30 court or a person who stands in loco parentis to the child.

31 ~~18.~~ 19. "Primary property taxes" means all ad valorem taxes except for  
32 secondary property taxes.

33 ~~19.~~ 20. "Private school" means a nonpublic institution where  
34 instruction is imparted.

35 ~~20.~~ 21. "School" OR "PUBLIC SCHOOL" means any public institution  
36 established for the purposes of offering instruction to pupils in programs  
37 for preschool children with disabilities, kindergarten programs or any  
38 combination of ELEMENTARY GRADES OR SECONDARY grades one through twelve.

39 ~~21.~~ 22. "School district" means a political subdivision of this state  
40 with geographic boundaries organized for the purpose of the administration,  
41 support and maintenance of the public schools or an accommodation school.

42 23. "SECONDARY GRADES" MEANS GRADES NINE THROUGH TWELVE.

43 ~~22.~~ 24. "Secondary property taxes" means ad valorem taxes used to pay  
44 the principal of and the interest and redemption charges on any bonded  
45 indebtedness or other lawful long-term obligation issued or incurred for a

1 specific purpose by a school district or a community college district and  
2 amounts levied pursuant to an election to exceed a budget, expenditure or tax  
3 limitation.

4 ~~23-~~ 25. "Subject" means a division or field of organized knowledge,  
5 such as English or mathematics, or a selection from an organized body of  
6 knowledge for a course or teaching unit, such as the English novel or  
7 elementary algebra.

8 Sec. 2. Title 15, chapter 1, article 1, Arizona Revised Statutes, is  
9 amended by adding section 15-116, to read:

10 15-116. Public schools; fees; waiver; prohibition

11 A. A SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY  
12 THAT AUTHORIZES THE ASSESSMENT OF FEES PURSUANT TO THIS TITLE SHALL ENSURE  
13 THAT ALL FEES CONTAIN A PROVISION THAT ALLOWS THE FEES TO BE WAIVED IN THE  
14 EVENT OF ECONOMIC HARDSHIP TO THE PUPIL.

15 B. THE NONPAYMENT OF FEES CHARGED BY A PUBLIC SCHOOL MAY NOT PREVENT A  
16 PUPIL FROM ENROLLING IN, APPLYING TO OR REMAINING ENROLLED IN A PUBLIC  
17 SCHOOL.

18 C. THIS SECTION DOES NOT PROHIBIT A SCHOOL DISTRICT OR CHARTER SCHOOL  
19 FROM CHARGING TUITION TO A NONRESIDENT PUPIL AS PERMITTED BY THIS TITLE.

20 Sec. 3. Section 15-185, Arizona Revised Statutes, is amended to read:

21 15-185. Charter schools; financing; civil penalty;  
22 transportation; definitions

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

25 1. The charter school shall be included in the district's budget and  
26 financial assistance calculations pursuant to paragraph 3 of this subsection  
27 and chapter 9 of this title, except for chapter 9, article 4 of this title.  
28 The charter of the charter school shall include a description of the methods  
29 of funding the charter school by the school district. The school district  
30 shall send a copy of the charter and application, including a description of  
31 how the school district plans to fund the school, to the state board of  
32 education before the start of the first fiscal year of operation of the  
33 charter school. The charter or application shall include an estimate of the  
34 student count for the charter school for its first fiscal year of operation.  
35 This estimate shall be computed pursuant to the requirements of paragraph 3  
36 of this subsection.

37 2. A school district is not financially responsible for any charter  
38 school that is sponsored by the state board of education, the state board for  
39 charter schools, a university under the jurisdiction of the Arizona board of  
40 regents, a community college district or a group of community college  
41 districts.

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

43 (a) Increase its student count as provided in subsection B, paragraph  
44 2 of this section during the first year of the charter school's operation to  
45 include those charter school pupils who were not previously enrolled in the

1 school district. A charter school sponsored by a school district governing  
2 board is eligible for the charter additional assistance prescribed in  
3 subsection B, paragraph 4 of this section. The district additional  
4 assistance allocation as provided in section 15-961 for the school district  
5 sponsoring the charter school shall be increased by the amount of the charter  
6 additional assistance. The school district shall include the full amount of  
7 the charter additional assistance in the funding provided to the charter  
8 school.

9 (b) Compute separate weighted student counts pursuant to section  
10 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter  
11 school pupils in order to maintain eligibility for small school district  
12 support level weights authorized in section 15-943, paragraph 1 for its  
13 noncharter school pupils only. The portion of a district's student count  
14 that is attributable to charter school pupils is not eligible for small  
15 school district support level weights.

16 4. If a school district uses the provisions of paragraph 3 of this  
17 subsection, the school district is not eligible to include those pupils in  
18 its student count for the purposes of computing an increase in its revenue  
19 control limit and district support level as provided in section 15-948.

20 5. A school district that sponsors a charter school is not eligible to  
21 include the charter school pupils in its student count for the purpose of  
22 computing an increase in its district additional assistance as provided in  
23 section 15-961, subsection B, except that if the charter school was  
24 previously a school in the district, the district may include in its student  
25 count any charter school pupils who were enrolled in the school district in  
26 the prior year.

27 6. A school district that sponsors a charter school is not eligible to  
28 include the charter school pupils in its student count for the purpose of  
29 computing the revenue control limit which is used to determine the maximum  
30 budget increase as provided in chapter 4, article 4 of this title unless the  
31 charter school is located within the boundaries of the school district.

32 7. If a school district converts one or more of its district public  
33 schools to a charter school and receives assistance as prescribed in  
34 subsection B, paragraph 4 of this section, and subsequently converts the  
35 charter school back to a district public school, the school district shall  
36 repay the state the total charter additional assistance received for the  
37 charter school for all years that the charter school was in operation. The  
38 repayment shall be in one lump sum and shall be reduced from the school  
39 district's current year equalization assistance. The school district's  
40 general budget limit shall be reduced by the same lump sum amount in the  
41 current year.

42 B. Financial provisions for a charter school that is sponsored by the  
43 state board of education, the state board for charter schools, a university,  
44 a community college district or a group of community college districts are as  
45 follows:

1           1. The charter school shall calculate a base support level as  
 2 prescribed in section 15-943, except that section 15-941 does not apply to  
 3 these charter schools.

4           2. Notwithstanding paragraph 1 of this subsection, the student count  
 5 shall be determined initially using an estimated student count based on  
 6 actual registration of pupils before the beginning of the school year.  
 7 **NOTWITHSTANDING SECTION 15-1042, SUBSECTION F, STUDENT LEVEL DATA SUBMITTED**  
 8 **TO THE DEPARTMENT MAY BE USED TO DETERMINE ESTIMATED STUDENT COUNTS.** After  
 9 the first **FORTY DAYS**, one hundred days or two hundred days in session, as  
 10 applicable, the charter school shall revise the student count to be equal to  
 11 the actual average daily membership, as defined in section 15-901, of the  
 12 charter school. Before the **FORTIETH DAY**, one hundredth day or two hundredth  
 13 day in session, as applicable, the state board of education, the state board  
 14 for charter schools, the sponsoring university, the sponsoring community  
 15 college district or the sponsoring group of community college districts may  
 16 require a charter school to report periodically regarding pupil enrollment  
 17 and attendance, and the department of education may revise its computation of  
 18 equalization assistance based on the report. A charter school shall revise  
 19 its student count, base support level and charter additional assistance  
 20 before May 15. A charter school that overestimated its student count shall  
 21 revise its budget before May 15. A charter school that underestimated its  
 22 student count may revise its budget before May 15.

23           3. A charter school may utilize section 15-855 for the purposes of  
 24 this section. The charter school and the department of education shall  
 25 prescribe procedures for determining average daily membership.

26           4. Equalization assistance for the charter school shall be determined  
 27 by adding the amount of the base support level and charter additional  
 28 assistance. The amount of the charter additional assistance is one thousand  
 29 six hundred eighty-four dollars nineteen cents per student count in preschool  
 30 programs for children with disabilities, kindergarten programs and grades one  
 31 through eight and one thousand nine hundred sixty-two dollars ninety cents  
 32 per student count in grades nine through twelve.

33           5. The state board of education shall apportion state aid from the  
 34 appropriations made for such purposes to the state treasurer for disbursement  
 35 to the charter schools in each county in an amount as determined by this  
 36 paragraph. The apportionments shall be made as prescribed in section 15-973,  
 37 subsection B.

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

42           7. Not later than noon on the day preceding each apportionment date  
 43 established by paragraph 5 of this subsection, the superintendent of public  
 44 instruction shall furnish to the state treasurer an abstract of the  
 45 apportionment and shall certify the apportionment to the department of

1 administration, which shall draw its warrant in favor of the charter schools  
2 for the amount apportioned.

3 C. If a pupil is enrolled in both a charter school and a public school  
4 that is not a charter school, the sum of the daily membership, which includes  
5 enrollment as prescribed in section 15-901, subsection A, paragraph 1,  
6 subdivisions (a) and (b) and daily attendance as prescribed in section  
7 15-901, subsection A, paragraph 5, for that pupil in the school district and  
8 the charter school shall not exceed 1.0. If a pupil is enrolled in both a  
9 charter school and a public school that is not a charter school, the  
10 department of education shall direct the average daily membership to the  
11 school with the most recent enrollment date. On validation of actual  
12 enrollment in both a charter school and a public school that is not a charter  
13 school and if the sum of the daily membership or daily attendance for that  
14 pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be  
15 apportioned between the public school and the charter school based on the  
16 percentage of total time that the pupil is enrolled or in attendance in the  
17 public school and the charter school. The uniform system of financial  
18 records shall include guidelines for the apportionment of the pupil  
19 enrollment and attendance as provided in this section.

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

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

33 2. For a charter school sponsored by the state board of education, the  
34 state board for charter schools, a university, a community college district  
35 or a group of community college districts, the total of the base support  
36 level and the charter additional assistance shall not be less than zero.

37 3. For a charter school sponsored by a school district, the base  
38 support level for the school district shall not be reduced by more than the  
39 amount that the charter school increased the district's base support level  
40 and district additional assistance allocation.

41 E. If a charter school was a district public school in the prior year  
42 and is now being operated for or by the same school district and sponsored by  
43 the state board of education, the state board for charter schools, a  
44 university, a community college district, a group of community college  
45 districts or a school district governing board, the reduction in subsection D

1 of this section applies. The reduction to the base support level of the  
2 charter school or the sponsoring district of the charter school shall equal  
3 the sum of the base support level and the charter additional assistance  
4 received in the current year for those pupils who were enrolled in the  
5 traditional public school in the prior year and are now enrolled in the  
6 charter school in the current year.

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

10 G. At the request of a charter school, the county school  
11 superintendent of the county where the charter school is located may provide  
12 the same educational services to the charter school as prescribed in section  
13 15-308, subsection A. The county school superintendent may charge a fee to  
14 recover costs for providing educational services to charter schools.

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

32 I. In addition to the withholding of state aid payments pursuant to  
33 subsection H of this section, the sponsor of a charter school may impose a  
34 civil penalty of one thousand dollars per occurrence if a charter school  
35 fails to comply with the fingerprinting requirements prescribed in section  
36 15-183, subsection C or section 15-512. The sponsor of a charter school  
37 shall not impose a civil penalty if it is the first time that a charter  
38 school is out of compliance with the fingerprinting requirements and if the  
39 charter school provides proof within forty-eight hours of written  
40 notification that an application for the appropriate fingerprint check has  
41 been received by the department of public safety. The sponsor of the charter  
42 school shall obtain proof that the charter school has been notified, and the  
43 notification shall identify the date of the deadline and shall be signed by  
44 both parties. The sponsor of a charter school shall automatically impose a  
45 civil penalty of one thousand dollars per occurrence if the sponsor



1 determines that the charter school subsequently violates the fingerprinting  
2 requirements. Civil penalties pursuant to this subsection shall be assessed  
3 by requesting the department of education to reduce the amount of state aid  
4 that the charter school would otherwise receive by an amount equal to the  
5 civil penalty. The amount of state aid withheld shall revert to the state  
6 general fund at the end of the fiscal year.

7 J. A charter school may receive and spend monies distributed by the  
8 department of education pursuant to section 42-5029, subsection E and section  
9 37-521, subsection B.

10 K. If a school district transports or contracts to transport pupils to  
11 the Arizona state schools for the deaf and the blind during any fiscal year,  
12 the school district may transport or contract with a charter school to  
13 transport sensory impaired pupils during that same fiscal year to a charter  
14 school if requested by the parent of the pupil and if the distance from the  
15 pupil's place of actual residence within the school district to the charter  
16 school is less than the distance from the pupil's place of actual residence  
17 within the school district to the campus of the Arizona state schools for the  
18 deaf and the blind.

19 L. Notwithstanding any other law, a university under the jurisdiction  
20 of the Arizona board of regents, a community college district or a group of  
21 community college districts shall not include any student in the student  
22 count of the university, community college district or group of community  
23 college districts for state funding purposes if that student is enrolled in  
24 and attending a charter school sponsored by the university, community college  
25 district or group of community college districts.

26 M. The governing body of a charter school shall transmit a copy of its  
27 proposed budget or the summary of the proposed budget and a notice of the  
28 public hearing to the department of education for posting on the department  
29 of education's website no later than ten days before the hearing and meeting.  
30 If the charter school maintains a website, the charter school governing body  
31 shall post on its website a copy of its proposed budget or the summary of the  
32 proposed budget and a notice of the public hearing.

33 N. The governing body of a charter school shall collaborate with the  
34 private organization that is approved by the state board of education  
35 pursuant to section 15-792.02 to provide approved board examination systems  
36 for the charter school.

37 O. If permitted by federal law, a charter school may opt out of  
38 federal grant opportunities if the charter holder or the appropriate  
39 governing body of the charter school determines that the federal requirements  
40 impose unduly burdensome reporting requirements.

41 P. For the purposes of this section:

42 1. "Monies intended for the basic maintenance and operations of the  
43 school" means monies intended to provide support for the educational program  
44 of the school, except that it does not include supplemental assistance for a  
45 specific purpose or title VIII of the elementary and secondary education act

1 of 1965 monies. The auditor general shall determine which federal or state  
2 monies meet the definition in this paragraph.

3 2. "Operated for or by the same school district" means the charter  
4 school is either governed by the same district governing board or operated by  
5 the district in the same manner as other traditional schools in the district  
6 or is operated by an independent party that has a contract with the school  
7 district. The auditor general and the department of education shall  
8 determine which charter schools meet the definition in this subsection.

9 Sec. 4. Section 15-211, Arizona Revised Statutes, is amended to read:

10 15-211. K-3 reading program; receipt and use of monies;  
11 additional funding; program termination

12 A. The state board of education, in collaboration with the department  
13 of education, shall establish a K-3 reading program to improve the reading  
14 proficiency of pupils in kindergarten programs and grades one, two and three  
15 in the public schools of this state.

16 B. On or before October 1, 2012, each school district and charter  
17 school shall submit to the state board of education a plan for improving the  
18 reading proficiency of its pupils in kindergarten programs and grades one,  
19 two and three. The plan shall include baseline data on the reading  
20 proficiency of its pupils in kindergarten programs and grades one, two and  
21 three and a budget for spending monies from both the K-3 support level weight  
22 and the K-3 reading support level weight established in section 15-943.  
23 Beginning in fiscal year 2013-2014 and each fiscal year thereafter, each  
24 school district and charter school shall submit to the state board of  
25 education on or before October 1 an updated K-3 reading program plan that  
26 includes data on program expenditures and results.

27 C. School districts and charter schools shall use monies generated by  
28 the K-3 reading support level weight established in section 15-943 only on  
29 reading programs for pupils in kindergarten programs and grades one, two and  
30 three with particular emphasis on pupils in kindergarten programs and grades  
31 one and two.

32 D. Each school district and charter school that is assigned a letter  
33 grade of C, D or F pursuant to section 15-241, subsection H or that has more  
34 than ten per cent of its pupils in grade three reading far below the third  
35 grade level according to the reading portion of the Arizona instrument to  
36 measure standards test, or a successor test, shall receive monies generated  
37 by the K-3 reading support level weight established in section 15-943 only  
38 after the K-3 reading program plan of the school district or charter school  
39 has been approved by the state board of education.

40 E. PUPILS IN A CHARTER SCHOOL THAT IS IN ITS FIRST YEAR OF OPERATION  
41 AND THAT IS SPONSORED BY THE STATE BOARD OF EDUCATION, THE STATE BOARD FOR  
42 CHARTER SCHOOLS, A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA BOARD OF  
43 REGENTS, A COMMUNITY COLLEGE DISTRICT OR A GROUP OF COMMUNITY COLLEGE  
44 DISTRICTS ARE ELIGIBLE FOR THE K-3 READING SUPPORT LEVEL WEIGHT.

1           ~~E~~. F. The department of education shall solicit gifts, grants and  
2 donations from any lawful public or private source in order to provide  
3 additional funding for the K-3 reading program.

4           ~~F~~. G. The program established by this section ends on July 1, 2022  
5 pursuant to section 41-3102.

6           Sec. 5. Section 15-393, Arizona Revised Statutes, is amended to read:

7           15-393. Joint technical education district governing board:  
8                                   report; definitions

9           A. The management and control of the joint district are vested in the  
10 joint technical education district governing board, including the content and  
11 quality of the courses offered by the district, the quality of teachers who  
12 provide instruction on behalf of the district, the salaries of teachers who  
13 provide instruction on behalf of the district and the reimbursement of other  
14 entities for the facilities used by the district. Unless the governing  
15 boards of the school districts participating in the formation of the joint  
16 district vote to implement an alternative election system as provided in  
17 subsection B of this section, the joint board shall consist of five members  
18 elected from five single member districts formed within the joint district.  
19 The single member district election system shall be submitted as part of the  
20 plan for the joint district pursuant to section 15-392 and shall be  
21 established in the plan as follows:

22           1. The governing boards of the school districts participating in the  
23 formation of the joint district shall define the boundaries of the single  
24 member districts so that the single member districts are as nearly equal in  
25 population as is practicable, except that if the joint district lies in part  
26 in each of two or more counties, at least one single member district may be  
27 entirely within each of the counties comprising the joint district if this  
28 district design is consistent with the obligation to equalize the population  
29 among single member districts.

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

33           3. A person who is a registered voter of this state and who is a  
34 resident of the single member district is eligible for election to the office  
35 of joint board member from the single member district. The terms of office  
36 of the members of the joint board shall be as prescribed in section 15-427,  
37 subsection B. An employee of a joint technical education district or the  
38 spouse of an employee shall not hold membership on a governing board of a  
39 joint technical education district by which the employee is employed. A  
40 member of one school district governing board or joint technical education  
41 district governing board is ineligible to be a candidate for nomination or  
42 election to or serve simultaneously as a member of any other governing board,  
43 except that a member of a governing board may be a candidate for nomination  
44 or election for any other governing board if the member is serving in the  
45 last year of a term of office. A member of a governing board shall resign

1 the member's seat on the governing board before becoming a candidate for  
2 nomination or election to the governing board of any other school district or  
3 joint technical education district, unless the member of the governing board  
4 is serving in the last year of a term of office.

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

7 B. The governing boards of the school districts participating in the  
8 formation of the joint district may vote to implement any other alternative  
9 election system for the election of joint district board members. If an  
10 alternative election system is selected, it shall be submitted as part of the  
11 plan for the joint district pursuant to section 15-392, and the  
12 implementation of the system shall be as approved by the United States  
13 justice department.

14 C. The joint technical education district shall be subject to the  
15 following provisions of this title:

- 16 1. Chapter 1, articles 1 through 6.
- 17 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 18 3. Articles 2, 3 and 5 of this chapter.
- 19 4. Section 15-361.
- 20 5. Chapter 4, articles 1, 2 and 5.
- 21 6. Chapter 5, articles 1, 2 and 3.
- 22 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729  
23 and 15-730.
- 24 8. Chapter 7, article 5.
- 25 9. Chapter 8, articles 1, 3 and 4.
- 26 10. Sections 15-828 and 15-829.
- 27 11. Chapter 9, article 1, article 6, except for section 15-995, and  
28 article 7.
- 29 12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.
- 30 13. Sections 15-1101 and 15-1104.
- 31 14. Chapter 10, articles 2, 3, 4 and 8.

32 D. Notwithstanding subsection C of this section, the following apply  
33 to a joint technical education district:

34 1. A joint district may issue bonds for the purposes specified in  
35 section 15-1021 and in chapter 4, article 5 of this title to an amount in the  
36 aggregate, including the existing indebtedness, not exceeding one per cent of  
37 the taxable property used for secondary tax purposes, as determined pursuant  
38 to title 42, chapter 15, article 1, within the joint technical education  
39 district as ascertained by the last property tax assessment previous to  
40 issuing the bonds.

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

43 3. The student count for the first year of operation of a joint  
44 technical education district as provided in this article shall be determined  
45 as follows:

1 (a) Determine the estimated student count for joint district classes  
2 that will operate in the first year of operation. This estimate shall be  
3 based on actual registration of pupils as of March 30 scheduled to attend  
4 classes that will be operated by the joint district. The student count for  
5 the district of residence of the pupils registered at the joint district  
6 shall be adjusted. The adjustment shall cause the district of residence to  
7 reduce the student count for the pupil to reflect the courses to be taken at  
8 the joint district. The district of residence shall review and approve the  
9 adjustment of its own student count as provided in this subdivision before  
10 the pupils from the school district can be added to the student count of the  
11 joint district.

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

14 (c) For the first year of operation, the joint district shall revise  
15 the student count to the actual average daily membership as prescribed in  
16 section 15-901, subsection A, paragraph 1 for students attending classes in  
17 the joint district. A joint district shall revise its student count, the  
18 base support level as provided in section 15-943.02, the revenue control  
19 limit as provided in section 15-944.01 and the district additional assistance  
20 as provided in section 15-962.01 prior to May 15. A joint district that  
21 overestimated its student count shall revise its budget prior to May 15. A  
22 joint district that underestimated its student count may revise its budget  
23 prior to May 15.

24 (d) After March 15 of the first year of operation, the district of  
25 residence shall adjust its student count by reducing it to reflect the  
26 courses actually taken at the joint district. The district of residence  
27 shall revise its student count, the base support level as provided in section  
28 15-943, the revenue control limit as provided in section 15-944 and the  
29 district additional assistance as provided in section 15-962.01 prior to  
30 May 15. A district that underestimated the student count for students  
31 attending the joint district shall revise its budget prior to May 15. A  
32 district that overestimated the student count for students attending the  
33 joint district may revise its budget prior to May 15.

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

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

38 (g) Pupils in an approved joint technical education district  
39 centralized program may generate an average daily membership of 1.0 during  
40 any day of the week and at any time between July 1 and June 30 of each fiscal  
41 year.

42 For the purposes of this paragraph, "district of residence" means the  
43 district that included the pupil in its average daily membership for the year  
44 before the first year of operation of the joint district and that would have  
45 included the pupil in its student count for the purposes of computing its

1 base support level for the fiscal year of the first year of operation of the  
2 joint district if the pupil had not enrolled in the joint district.

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

6 (a) A student in a kindergarten program or in grades one through nine  
7 who enrolls in courses offered by the joint technical education district  
8 shall not be included in the joint district's student count or average daily  
9 membership.

10 (b) A student in a kindergarten program or in grades one through nine  
11 who is enrolled in career and technical education courses shall not be funded  
12 in whole or in part with monies provided by a joint technical education  
13 district, except that a pupil in grade eight or nine may be funded with  
14 monies generated by the five cent qualifying tax rate authorized in  
15 subsection F of this section.

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

19 5. A joint district may operate for more than one hundred eighty days  
20 per year, with expanded hours of service.

21 6. A joint district may use the carryforward provisions of section  
22 15-943.01.

23 7. A school district that is part of a joint district shall use any  
24 monies received pursuant to this article to supplement and not supplant base  
25 year career and technical education courses, and directly related equipment  
26 and facilities, except that a school district that is part of a joint  
27 technical education district and that has used monies received pursuant to  
28 this article to supplant career and technical education courses that were  
29 offered before the first year that the school district participated in the  
30 joint district or the first year that the school district used monies  
31 received pursuant to this article or that used the monies for purposes other  
32 than for career and technical education courses shall use one hundred per  
33 cent of the monies received pursuant to this article to supplement and not  
34 supplant base year career and technical education courses.

35 8. A joint technical education district shall use any monies received  
36 pursuant to this article to enhance and not supplant career and technical  
37 education courses and directly related equipment and facilities.

38 9. A joint technical education district or a school district that is  
39 part of a joint district shall only include pupils in grades ten through  
40 twelve in the calculation of student count or average daily membership if the  
41 pupils are enrolled in courses that are approved jointly by the governing  
42 board of the joint technical education district and each participating school  
43 district for satellite courses taught within the participating school  
44 district, or approved solely by the joint technical education district for  
45 centrally located courses. Student count and average daily membership from

1 courses that are not part of an approved program for career and technical  
2 education shall not be included in student count and average daily membership  
3 of a joint technical education district.

4 E. The joint board shall appoint a superintendent as the executive  
5 officer of the joint district.

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

13 G. The schools in the joint district are available to all persons who  
14 reside in the joint district and to pupils whose district of residence **WITHIN**  
15 **THIS STATE** is paying tuition on behalf of the pupils to a district of  
16 attendance that is a member of the joint technical education district,  
17 subject to the rules for admission prescribed by the joint board.

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

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

25 J. One member of the joint board shall be selected chairman. The  
26 chairman shall be selected annually on a rotation basis from among the  
27 participating school districts. The chairman of the joint board shall be a  
28 voting member.

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

32 L. Any agreement between the governing board of a joint technical  
33 education district and another joint technical education district, a school  
34 district, a charter school or a community college district shall be in the  
35 form of an intergovernmental agreement or other written contract. The  
36 auditor general shall modify the uniform system of financial records and  
37 budget forms in accordance with this subsection. The intergovernmental  
38 agreement or other written contract shall completely and accurately specify  
39 each of the following:

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

42 2. The accountability provisions of the intergovernmental agreement or  
43 other written contract.

1           3. The responsibilities of each joint technical education district,  
2 each school district, each charter school and each community college district  
3 that is a party to the intergovernmental agreement or other written contract.

4           4. The type of instruction that will be provided under the  
5 intergovernmental agreement or other written contract, including  
6 individualized education programs pursuant to section 15-763.

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

9           6. The transportation services that will be provided under the  
10 intergovernmental agreement or other written contract and the manner in which  
11 transportation costs will be paid.

12           7. The amount that the joint technical education district will  
13 contribute to a course and the amount of support required by the school  
14 district or the community college.

15           8. That the services provided by the joint technical education  
16 district, the school district, the charter school or the community college  
17 district be proportionally calculated in the cost of delivering the service.

18           9. That the payment for services shall not exceed the cost of the  
19 services provided.

20           M. On or before December 31 of each year, each joint technical  
21 education district shall submit a detailed report to the career and technical  
22 education division of the department of education. The career and technical  
23 education division of the department of education shall collect, summarize  
24 and analyze the data submitted by the joint districts, shall submit an annual  
25 report that summarizes the data submitted by the joint districts to the  
26 governor, the speaker of the house of representatives, the president of the  
27 senate and the state board of education and shall submit a copy of this  
28 report to the secretary of state. The data submitted by each joint technical  
29 education district shall include the following:

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

31           2. The program listings and program descriptions of programs offered  
32 by the joint district, including the course sequences for each program.

33           3. The costs associated with each program offered by the joint  
34 district.

35           4. The completion rate for each program offered by the joint district.  
36 For the purposes of this paragraph, "completion rate" means the completion  
37 rate for students who are designated as concentrators in that program by the  
38 department of education under the career and technology approved plan.

39           5. The graduation rate from the school district of residence of  
40 students who have completed a program in the joint district.

41           6. A detailed description of the career opportunities available to  
42 students after completion of the program offered by the joint district.

43           7. A detailed description of the career placement of students who have  
44 completed the program offered by the joint district.



1           8. Any other data deemed necessary by the department of education to  
2 carry out its duties under this subsection.

3           N. If the career and technical education division of the department of  
4 education determines that a course does not meet the criteria for approval as  
5 a joint technical education course, the governing board of the joint  
6 technical education district may appeal this decision to the state board of  
7 education acting as the state board of vocational education.

8           O. Notwithstanding any other law, the average daily membership for a  
9 pupil who is enrolled in a joint technical education course defined in  
10 section 15-391 and who does not meet the criteria specified in subsection Q  
11 or R of this section shall be 0.25 for each course, except the sum of the  
12 average daily membership shall not exceed the limits prescribed by subsection  
13 D, Q or R of this section, as applicable.

14           P. If a career and technical education course or program is provided  
15 on a satellite campus, the sum of the average daily membership, as provided  
16 in section 15-901, subsection A, paragraph 1, for that pupil in both the  
17 school district and joint technical education district shall not exceed 1.25.  
18 The school district and the joint district shall determine the apportionment  
19 of the average daily membership for that pupil between the school district  
20 and the joint district. A pupil who attends a course or program at a  
21 satellite campus and who is not enrolled in the school district where the  
22 satellite campus is located may generate the average daily membership  
23 pursuant to this subsection if the pupil is enrolled in a school district  
24 that is a member district in the same joint technical education district.

25           Q. The sum of the average daily membership of a pupil who is enrolled  
26 in both the school district and joint technical education district course or  
27 program provided at a community college pursuant to subsection K of this  
28 section or at a centralized campus shall not exceed 1.75. The member school  
29 district and the joint district shall determine the apportionment of the  
30 average daily membership and student enrollment for that pupil between the  
31 member school district and the joint district, except that the amount  
32 apportioned shall not exceed 1.0 for either entity. Notwithstanding any  
33 other law, the average daily membership for a pupil in grade ten, eleven or  
34 twelve who is enrolled in a course that meets for at least one hundred fifty  
35 minutes per class period at a centralized campus shall be 0.75. To qualify  
36 for funding pursuant to this subsection, a centralized campus shall offer  
37 programs and courses to all eligible students in each member district of the  
38 joint technical education district.

39           R. The average daily membership for a pupil in grade ten, eleven or  
40 twelve who is enrolled in a course that meets for at least one hundred fifty  
41 minutes per class period at a leased centralized campus shall not exceed  
42 0.75. The sum of the average daily membership, as provided in section  
43 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the  
44 school district and in joint technical education district courses provided at

1 a leased centralized campus shall not exceed 1.75 if all of the following  
2 conditions are met:

3 1. The course qualifies as a joint technical education course as  
4 defined in section 15-391.

5 2. The course is offered to all eligible students in each member  
6 district of the joint technical education district and enrolls students from  
7 multiple high schools.

8 3. The joint technical education district program in which the course  
9 is included addresses a specific industry need and has been developed in  
10 cooperation with that industry, or the leased facility is a state or federal  
11 asset that would otherwise be unused or underutilized.

12 4. The lease is established at fair market value if the lease is  
13 executed for a facility located on the site of a member district and was  
14 approved by the joint committee on capital review, except that a lease that  
15 was executed or renewed before December 31, 2012 is not subject to approval  
16 by the joint committee on capital review. The requirement prescribed in this  
17 paragraph does not apply from and after December 31, 2016.

18 S. A student who is enrolled in an accommodation school as defined in  
19 section 15-101 may be treated as a student of the school district in which  
20 the student physically resides for the purposes of enrollment in a joint  
21 technical education district and shall be included in the calculation of  
22 average daily membership for either the joint technical education district or  
23 the accommodation school, or both.

24 T. Notwithstanding any other law, beginning in fiscal year 2011-2012,  
25 the student count for a joint technical education district shall be  
26 equivalent to the joint technical education district's average daily  
27 membership.

28 U. For the purposes of this section:

29 1. "Base year" means the complete school year in which voters of a  
30 school district elected to join a joint technical education district.

31 2. "Centralized campus" means a facility that is owned and operated by  
32 a joint technical education district for the purpose of offering joint  
33 technical education programs or joint technical education courses as defined  
34 in section 15-391.

35 3. "Lease" means a written agreement in which the right of occupancy  
36 or use of real property is conveyed from one person or entity to another  
37 person or entity for a specified period of time.

38 4. "Leased centralized campus" means a facility that is leased and  
39 operated by a joint technical education district for the purpose of offering  
40 joint technical education programs or joint technical education courses as  
41 defined in section 15-391.

42 5. "Satellite campus" means a facility that is owned or operated by a  
43 school district for the purpose of offering joint technical education  
44 programs or joint technical education courses as defined in section 15-391.

1           Sec. 6. Section 15-792.03, Arizona Revised Statutes, is amended to  
2 read:

3           15-792.03. Grand Canyon diploma

4           A. The private organization selected pursuant to section 15-792.02  
5 shall develop the Grand Canyon diploma to be approved and adopted by the  
6 state board of education. School districts and charter schools in this state  
7 may choose to offer a Grand Canyon diploma beginning in the 2012-2013 school  
8 year. A high school student who is enrolled in a school district or charter  
9 school that offers a Grand Canyon diploma may choose to pursue a Grand Canyon  
10 diploma.

11           B. Students are eligible for the Grand Canyon diploma and may be  
12 awarded the Grand Canyon diploma at the end of grade ten or during or at the  
13 end of grade eleven or twelve if the students meet the criteria. Students  
14 who elect to pursue a Grand Canyon diploma shall participate in a board  
15 examination system that consists of internationally benchmarked instructional  
16 programs of study chosen by an interstate compact on board examination  
17 systems.

18           C. Students who are eligible for a Grand Canyon diploma shall have  
19 multiple pathways available to them and may:

20           1. Enroll the following ~~fall~~ semester in a community college under the  
21 jurisdiction of a community college district in this state. Community  
22 colleges under the jurisdiction of a community college district in this state  
23 shall admit students who obtain a Grand Canyon diploma and who otherwise meet  
24 the qualifications for admission. The school district or charter school from  
25 which the student earned the Grand Canyon diploma shall include that student  
26 in the school district's or charter school's ~~student-count~~ AVERAGE DAILY  
27 MEMBERSHIP and shall continue to receive per pupil funding for a student who  
28 earns a Grand Canyon diploma until that student would otherwise have  
29 graduated at the end of grade twelve, as long as that student is enrolled as  
30 a full-time student in a community college under the jurisdiction of a  
31 community college district in this state. The school district or charter  
32 school shall subtract twenty per cent of its average daily membership amount  
33 and reimburse the community college if the student has earned a Grand Canyon  
34 diploma and is attending a community college as a full-time student. If the  
35 student attends community college on a community college campus, the school  
36 district or charter school shall reimburse the community college district for  
37 the amount of operating and capital outlay full-time student equivalency  
38 monies. For the purposes of this paragraph, the amount of operating  
39 full-time student equivalency monies shall be equivalent to the average  
40 appropriation per full-time student equivalent for all community college  
41 districts as calculated pursuant to section 15-1466, subsection C,  
42 paragraph 2. Fifty per cent of the remaining balance of the per pupil  
43 funding shall be used for teacher and pupil incentives, including scholarship  
44 programs, to offset the costs of board examinations and to provide customized  
45 programs of assistance for students who do not pass the board examinations.

1 The other fifty per cent shall be used for maintenance and operations,  
2 including capital. Under this paragraph, a student who earns a Grand Canyon  
3 diploma is responsible for tuition. A student who earns a Grand Canyon  
4 diploma may enroll in community college courses offered on a community  
5 college campus or a high school campus, or both. Notwithstanding any other  
6 law, community college districts shall not classify a student who remains in  
7 high school pursuant to this paragraph as a full-time equivalent student.  
8 Students who take courses on high school campuses pursuant to this paragraph  
9 shall be eligible to participate in extracurricular activities, including  
10 interscholastic sports, through the end of grade twelve. The expenditure by  
11 community college districts of payments from the school district or charter  
12 school to the community colleges under this section shall not be included  
13 under the district expenditure limitation prescribed pursuant to article IX,  
14 section 21, Constitution of Arizona. If the instruction provided under this  
15 paragraph is offered on a community college campus, the funding and  
16 implementation mechanics between the school district or charter school and  
17 the community college shall be determined by agreement between the school  
18 district or charter school and the community college.

19 2. Remain in high school and enroll in additional advanced preparation  
20 board examination programs that are designed to prepare those students for  
21 admission to selective postsecondary institutions that offer baccalaureate  
22 degree programs. These board examination programs shall be selected from a  
23 list approved by an interstate compact for board examination systems. The  
24 school district or charter school from which the student became eligible for  
25 the Grand Canyon diploma shall include that student in the school district's  
26 or charter school's ~~student count~~ AVERAGE DAILY MEMBERSHIP and shall continue  
27 to receive per pupil funding for a student who is eligible for a Grand Canyon  
28 diploma until that student would otherwise have graduated at the end of grade  
29 twelve, as long as that student is enrolled in approved advanced preparation  
30 board examination programs at that school district or charter school.  
31 Students who elect to remain in high school pursuant to this paragraph shall  
32 not be prevented from enrolling at a high school after the pupil becomes  
33 eligible for a Grand Canyon diploma and shall be eligible to participate in  
34 extracurricular activities, including interscholastic sports, through the end  
35 of grade twelve.

36 3. Enroll in a full-time career and technical education program  
37 offered on a high school campus or a joint technical education district  
38 campus, or any combination of these campuses. Students who elect to remain  
39 in high school pursuant to this paragraph shall not be prevented from  
40 enrolling at a high school after the pupil becomes eligible for a Grand  
41 Canyon diploma and shall be eligible to participate in extracurricular  
42 activities, including interscholastic sports, through the end of grade  
43 twelve. The school district or charter school from which the student became  
44 eligible for the Grand Canyon diploma shall include that student in the  
45 school district's or charter school's ~~student count~~ AVERAGE DAILY MEMBERSHIP

1 and shall continue to receive per pupil funding for a student who is eligible  
2 for a Grand Canyon diploma until that student would otherwise have graduated  
3 at the end of grade twelve, as long as that student is enrolled in an  
4 approved full-time career and technical education program. Notwithstanding  
5 any other law, if the instruction provided under this paragraph is provided  
6 by a joint technical education district in a full-time career and technical  
7 education program that is designed to lead to a certificate that is awarded  
8 by an industry or recognized as meeting industry standards, the sum of the  
9 average daily membership for that pupil shall not exceed 1.25, and the  
10 average daily membership shall be apportioned at 1.0 for the joint technical  
11 education district and 0.25 for the school district.

12 4. Remain in high school without completing the next level of board  
13 examination systems and participate in programs of study available to the  
14 students through the school district or charter school. The school district  
15 or charter school will continue to include the students in the school  
16 district's or charter school's count and shall continue to receive per pupil  
17 funding for the students until those students would have otherwise graduated  
18 at the end of grade twelve, as long as those students are enrolled in  
19 approved programs of study at that school district or charter school.  
20 Students who elect to remain in high school pursuant to this paragraph shall  
21 be eligible to participate in extracurricular activities, including  
22 interscholastic sports.

23 5. If accepted for admission to a university under the jurisdiction of  
24 the Arizona board of regents, enroll in the university after completion of  
25 additional high school coursework designed to prepare students for admission  
26 to selective postsecondary institutions that offer baccalaureate degrees.  
27 The school district or charter school from which the student earned the grand  
28 canyon diploma shall include that student in the school district's or charter  
29 school's ~~student count~~ AVERAGE DAILY MEMBERSHIP and shall continue to receive  
30 per pupil funding for a student who earns a grand canyon diploma until that  
31 student would otherwise have graduated at the end of grade twelve for as long  
32 as that student is enrolled as a full-time student in the university.  
33 One-third of the school district's or charter school's average daily  
34 membership amount shall be retained by the school district or the operator of  
35 the charter school. One-third of the school district's or charter school's  
36 average daily membership amount shall be retained for use at the school site.  
37 One-third of the school district's or charter school's average daily  
38 membership amount shall be distributed as follows:

39 (a) One-half shall be deposited in a scholarship account established  
40 and managed by the school district from which the student graduated  
41 specifically for a student who qualifies for the grand canyon diploma and who  
42 attends a university under the jurisdiction of the Arizona board of regents  
43 as a full-time student.

44 (b) One-half shall be retained by the university where the student is  
45 enrolled.

1 D. Students who pursue but do not meet the eligibility requirements  
2 for a Grand Canyon diploma at the end of grade ten or eleven shall receive a  
3 customized program of assistance during the next school year that addresses  
4 areas in which the student demonstrated deficiencies in the approved board  
5 examinations. These students may retake the board examinations at the next  
6 available examination administration. Students may choose to return to a  
7 traditional academic program without completing the board examination system  
8 curriculum.

9 E. The private organization selected pursuant to section 15-792.02  
10 shall develop detailed requirements for students to become eligible for the  
11 Grand Canyon diploma, as approved and adopted by the state board of  
12 education, that include at least the following:

13 1. Demonstrated skills and knowledge in English and mathematical  
14 literacy to be successful in college level courses offered by the community  
15 colleges in this state that count toward a degree or certificate without  
16 taking remedial or developmental coursework as determined by an interstate  
17 compact on board examination systems.

18 2. Satisfactory grades on approved board examinations in subjects  
19 determined to be necessary to prepare a student to enter community college  
20 without remedial or developmental coursework and that do not include  
21 coursework required exclusively for entry into an institution that awards  
22 baccalaureate degrees.

23 Sec. 7. Section 15-901, Arizona Revised Statutes, is amended to read:  
24 15-901. Definitions

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

26 1. "Average daily membership" means the total enrollment of fractional  
27 students and full-time students, minus withdrawals, of each school day  
28 through the first one hundred days or two hundred days in session, as  
29 applicable, for the current year. Withdrawals include students formally  
30 withdrawn from schools and students absent for ten consecutive school days,  
31 except for excused absences identified by the department of education. For  
32 the purposes of this section, school districts and charter schools shall  
33 report student absence data to the department of education at least once  
34 every sixty days in session. For computation purposes, the effective date of  
35 withdrawal shall be retroactive to the last day of actual attendance of the  
36 student or excused absence.

37 (a) "Fractional student" means:

38 (i) For common schools, a preschool child who is enrolled in a program  
39 for preschool children with disabilities of at least three hundred sixty  
40 minutes each week **THAT MEETS AT LEAST TWO HUNDRED SIXTEEN HOURS OVER THE**  
41 **MINIMUM NUMBER OF DAYS** or a kindergarten student **WHO IS** at least five years  
42 of age before January 1 of the school year and enrolled in a school  
43 kindergarten program that meets at least three hundred fifty-six hours for a  
44 one hundred eighty day school year, or the instructional hours prescribed in  
45 this section. Lunch periods and recess periods may not be included as part

1 of the instructional hours unless the child's individualized education  
2 program requires instruction during those periods and the specific reasons  
3 for such instruction are fully documented. In computing the average daily  
4 membership, preschool children with disabilities and kindergarten students  
5 shall be counted as one-half of a full-time student. For common schools, a  
6 part-time student is a student enrolled for less than the total time for a  
7 full-time student as defined in this section. A part-time common school  
8 student shall be counted as one-fourth, one-half or three-fourths of a  
9 full-time student if the student is enrolled in an instructional program that  
10 is at least one-fourth, one-half or three-fourths of the time a full-time  
11 student is enrolled as defined in subdivision (b) of this paragraph.

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

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

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

1 for at least one thousand hours. Lunch periods and recess periods may not be  
2 included as part of the instructional hours unless the student is a child  
3 with a disability and the child's individualized education program requires  
4 instruction during those periods and the specific reasons for such  
5 instruction are fully documented.

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

21 (iii) If a child who has not reached five years of age before  
22 September 1 of the current school year is admitted to kindergarten and  
23 repeats kindergarten in the following school year, a school district or  
24 charter school is not eligible to receive basic state aid on behalf of that  
25 child during the child's second year of kindergarten. If a child who has not  
26 reached five years of age before September 1 of the current school year is  
27 admitted to kindergarten but does not remain enrolled, a school district or  
28 charter school may receive a portion of basic state aid on behalf of that  
29 child in the subsequent year. A school district or charter school may charge  
30 tuition for any child who is ineligible for basic state aid pursuant to this  
31 item.

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

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

41 (vi) Except as otherwise provided by law, for any student who is  
42 concurrently enrolled, pursuant to section 15-808, in a school district and  
43 Arizona online instruction or a charter school and Arizona online  
44 instruction, the average daily membership shall be apportioned between the  
45 school district and Arizona online instruction or the charter school and



1 Arizona online instruction and shall not exceed 1.0. The apportionment shall  
2 be based on the percentage of total time that the student is enrolled in or  
3 in attendance at the school district and Arizona online instruction or the  
4 charter school and Arizona online instruction.

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

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

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

12 (a) Grades one through eight.

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

14 4. "Current year" means the fiscal year in which a school district is  
15 operating.

16 5. "Daily attendance" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 8. "Eligible students" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32           2. "Base level" means the following amounts plus the percentage  
33 increases to the base level as provided in sections 15-902.04, 15-918.04,  
34 15-919.04 and 15-952, except that if a school district or charter school is  
35 eligible for an increase in the base level as provided in two or more of  
36 these sections, the base level amount shall be calculated by compounding  
37 rather than adding the sum of one plus the percentage of the increase from  
38 those different sections:

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

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

43           (c) For fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013,  
44 three thousand two hundred sixty-seven dollars seventy-two cents.

1 (d) For fiscal year 2013-2014, three thousand three hundred twenty-six  
2 dollars fifty-four cents.

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

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

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

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

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

22 8. "ED-P" means programs for children with emotional disabilities who  
23 are enrolled in private special education programs as prescribed in section  
24 15-765, subsection D, paragraph 1 or in an intensive school district program  
25 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

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

41 12. "Group B" means educational improvements for pupils in kindergarten  
42 programs and grades one through three, educational programs for autism, a  
43 hearing impairment, a moderate intellectual disability, multiple  
44 disabilities, multiple disabilities with severe sensory impairment,  
45 orthopedic impairments, preschool severe delay, a severe intellectual

1 disability and emotional disabilities for school age pupils enrolled in  
2 private special education programs or in school district programs for  
3 children with severe disabilities or visual impairment and English learners  
4 enrolled in a program to promote English language proficiency pursuant to  
5 section 15-752.

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

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

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

25 16. "K-3 Reading" means reading programs for pupils in kindergarten  
26 programs and grades one, two and three.

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

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

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

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

35 21. "OI-R" means a resource program for pupils with orthopedic  
36 impairments.

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

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

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

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

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

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

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

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

12           27. "Small school district" means a school district that meets all of  
13 the following:

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

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

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

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

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

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

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

28           Sec. 8. Section 15-902.03, Arizona Revised Statutes, is amended to  
29 read:

30           15-902.03. Procedures for determining average daily membership

31           A. The department of education shall ~~compute~~ RECOMPUTE and aggregate  
32 average daily membership for the ~~current~~ PREVIOUS FISCAL year no later than  
33 ~~April 15~~ AUGUST 30, ~~and shall not further aggregate student data after April~~  
34 ~~15 for the current year~~. The department shall inform school districts and  
35 charter schools of their final average daily membership ~~counts~~ no later than  
36 ~~April 22 of the current year~~ SEPTEMBER 15. ~~School districts shall use these~~  
37 ~~student counts to determine the average daily membership for the budget year.~~  
38 NO LATER THAN NOVEMBER 1 OF EACH YEAR, STATE AID CALCULATIONS FOR ALL SCHOOL  
39 DISTRICTS AND CHARTER SCHOOLS FOR THE PREVIOUS FISCAL YEAR MUST BE FINALIZED  
40 AND THE BUDGET LIMITS FOR SCHOOL DISTRICTS MUST BE ADJUSTED. Any future  
41 adjustments in student counts, if discovered by the school district or  
42 charter school ~~after April 15~~, shall be made pursuant to section 15-915.  
43 ~~This subsection does not apply to Arizona online instruction.~~

44           B. Notwithstanding subsection A of this section, school districts may  
45 continue to make budget adjustments pursuant to section 15-905, make

1 corrections pursuant to section 15-915 and use the adjustment for growth in  
 2 student count pursuant to section 15-948.

3 Sec. 9. Section 15-923, Arizona Revised Statutes, is amended to read:  
 4 15-923. Contracts for transportation

5 A. As an alternative to maintaining and operating a transportation  
 6 program or in conjunction with a transportation program, a school district  
 7 may, if it is found to be economically advantageous, contract for  
 8 transportation. Contracts may be with another political subdivision, a  
 9 common or contract carrier or a private party.

10 B. In addition to other powers and duties prescribed by title 11,  
 11 chapter 2, article 4, any board of supervisors may at the request of any or  
 12 all of the governing boards of the school districts within the county provide  
 13 necessary student transportation. If the board of supervisors and the  
 14 governing board or boards of such school districts mutually agree that such  
 15 an arrangement is economically advantageous, the governing board of the  
 16 school district is authorized to sell or lease its bus or buses to the board  
 17 of supervisors for such purposes. Agreement between the parties shall be by  
 18 written contract.

19 C. ~~In no event shall~~ An eligible student who is transported part by  
 20 contract and part by school district transportation facilities MAY NOT be  
 21 counted as more than one eligible student.

22 D. MILES DRIVEN TO TRANSPORT ELIGIBLE STUDENTS MAY NOT BE REPORTED AS  
 23 DAILY ROUTE MILES BY MORE THAN ONE SCHOOL DISTRICT.

24 ~~D-~~ E. Each school district shall submit electronically to the  
 25 department of education the routes contracted, the contractor contract  
 26 information, the number of eligible students transported by each contractor  
 27 and any additional information requested by the department of education.

28 Sec. 10. Section 15-941, Arizona Revised Statutes, is amended to read:  
 29 15-941. Teacher experience index; computation; definition

30 A. The teacher experience index for each school district shall be  
 31 computed as follows:

32 1. For the school district:

					Number of FTE years of experience of certified
	<u>Number of years of experience</u>		<u>Number of FTE certified teachers</u>		<u>teachers</u>
33	1	x	_____	=	_____
34	2	x	_____	=	_____
35	3	x	_____	=	_____
36	4	x	_____	=	_____
37	5	x	_____	=	_____
38	6	x	_____	=	_____
39	7	x	_____	=	_____
40	8	x	_____	=	_____



1	9	x	_____	=	_____
2	10	x	_____	=	_____
3	11	x	_____	=	_____
4	12	x	_____	=	_____
5	13	x	_____	=	_____
6	14	x	_____	=	_____
7	15 (or more)	x	_____	=	_____
8		Total	_____		_____
9			A		B

10  
 11 2. Divide total B by total A to determine the average number of FTE  
 12 years of experience of FTE certified teachers in the school district.

13 3. For the state:

14			Number of FTE		
15			years of		
16			experience of		
17	<u>Number of years</u>		<u>Number of FTE</u>		<u>Number of FTE</u>
18	<u>of experience</u>		<u>certified teachers</u>		<u>certified</u>
19					<u>teachers</u>
20	1	x	_____	=	_____
21	2	x	_____	=	_____
22	3	x	_____	=	_____
23	4	x	_____	=	_____
24	5	x	_____	=	_____
25	6	x	_____	=	_____
26	7	x	_____	=	_____
27	8	x	_____	=	_____
28	9	x	_____	=	_____
29	10	x	_____	=	_____
30	11	x	_____	=	_____
31	12	x	_____	=	_____
32	13	x	_____	=	_____
33	14	x	_____	=	_____
34	15 (or more)	x	_____	=	_____
35		Total	_____		_____
36			C		D

37 4. Divide total D by total C to determine the average number of FTE  
 38 years of experience of FTE certified teachers in the state.

39 5. Subtract the quotient obtained in paragraph 4 from the quotient  
 40 obtained in paragraph 2 and multiply the remainder by 0.0225.

41 6. Add 1.00 to the product obtained in paragraph 5.

42 B. Librarians, guidance counselors, curriculum coordinators and other  
 43 personnel who do not conduct regularly scheduled classes shall not be  
 44 included as certified teachers and shall be coded separately from certified  
 45 teachers in the uniform system of financial records.

1 C. Each school district shall on or before October 15 submit to the  
 2 superintendent of public instruction in electronic format the data prescribed  
 3 in subsection A, paragraphs 1 and 2 OF THIS SECTION for the current year.  
 4 The superintendent of public instruction shall use the data to compute the  
 5 teacher experience index of each school district for the budget year.

6 D. The superintendent of public instruction ~~shall~~ on or before ~~March~~  
 7 ~~15~~ FEBRUARY 1 SHALL notify each school district of its PRELIMINARY teacher  
 8 experience index for the budget year. Between ~~March 15~~ FEBRUARY 1 and ~~April~~  
 9 ~~15~~ MARCH 1, a school district may submit corrections to data that it  
 10 submitted pursuant to subsection C OF THIS SECTION and the superintendent of  
 11 public instruction on or before ~~April~~ MARCH 15 shall recompute the teacher  
 12 experience index for ~~the district~~ ALL SCHOOL DISTRICTS for the budget year  
 13 using the corrected data. ~~The teacher experience index for a school district~~  
 14 ~~that does not submit data corrections between March 15 and April 15 shall be~~  
 15 ~~the teacher experience index computed for the district by the superintendent~~  
 16 ~~of public instruction on or before March 15. A school district that submits~~  
 17 ~~data corrections pursuant to this subsection shall submit a letter explaining~~  
 18 ~~the need for the corrections to the superintendent of public instruction and~~  
 19 ~~the chairman of the joint legislative budget committee.~~ The teacher  
 20 experience index for the budget year shall not be recalculated after ~~April~~  
 21 MARCH 15 unless the superintendent of public instruction determines that the  
 22 school district has submitted data resulting in an overstatement of the  
 23 teacher experience index for the budget year.

24 E. For the purposes of this section, "number of years of experience"  
 25 means the number of years of classroom instruction conducted by a certified  
 26 teacher in the school district in which the certified teacher is currently  
 27 employed, including the number of years of experience of the certified  
 28 teacher granted by the school district for the certified teacher on the  
 29 district's salary schedule for experience outside of the school district.

30 Sec. 11. Section 15-946, Arizona Revised Statutes, is amended to read:  
 31 15-946. Transportation revenue control limit

32 A. The transportation revenue control limit for each school district  
 33 for the fiscal years 1985-1986, 1986-1987 and 1987-1988 is computed as  
 34 follows:

35 1. Determine the adopted operational expenditure budget for pupil  
 36 transportation for the fiscal year 1984-1985 effective January 1, 1985.

37 2. Determine the transportation revenue control limit for the school  
 38 district for the fiscal year 1984-1985 as provided in this section before  
 39 April 18, 1985.

40 3. If the school district's transportation revenue control limit for  
 41 the fiscal year 1984-1985 as provided in paragraph 2 of this subsection is  
 42 equal to or greater than the amount determined in paragraph 1 of this  
 43 subsection, the transportation revenue control limit for the fiscal year  
 44 1985-1986 is the change in the transportation support level from the fiscal  
 45 year 1984-1985 to the fiscal year 1985-1986 plus the transportation revenue

1 control limit for the fiscal year 1984-1985 as provided in paragraph 2 of  
2 this subsection. For the fiscal years 1986-1987 and 1987-1988 the  
3 transportation revenue control limit is the transportation revenue control  
4 limit for the current year plus the change in the transportation support  
5 level for the current year to the budget year.

6 4. If the school district's transportation revenue control limit for  
7 the fiscal year 1984-1985 as provided in paragraph 2 of this subsection is  
8 less than the amount determined in paragraph 1 of this subsection, the  
9 transportation revenue control limit for the fiscal year 1985-1986 is the sum  
10 of the following:

11 (a) The transportation revenue control limit for the school district  
12 for the fiscal year 1984-1985 as provided in paragraph 2 of this subsection.

13 (b) The change in the transportation support level from the fiscal  
14 year 1984-1985 to the fiscal year 1985-1986.

15 (c) One-third of the amount obtained by subtracting the transportation  
16 revenue control limit for fiscal year 1984-1985 as provided in paragraph 2 of  
17 this subsection from the amount determined in paragraph 1 of this subsection.

18 5. If the transportation revenue control limit of the school district  
19 for the fiscal year 1984-1985 as provided in paragraph 2 of this subsection  
20 is less than the amount determined in paragraph 1 of this subsection, the  
21 transportation revenue control limit for the fiscal years 1986-1987 and  
22 1987-1988 is the sum of the following:

23 (a) The transportation revenue control limit for the current year.

24 (b) The change in the transportation support level from the current  
25 year to the budget year.

26 (c) One-third of the amount obtained by subtracting the transportation  
27 revenue control limit for the fiscal year 1984-1985 as provided in paragraph  
28 2 of this subsection from the amount determined in paragraph 1 of this  
29 subsection.

30 B. The transportation revenue control limit for each school district  
31 for the fiscal year 1988-1989 and each year thereafter shall be the  
32 transportation revenue control limit for the current year plus the increase  
33 in the transportation support level from the current year to the budget year,  
34 except that for fiscal year 2006-2007 and for each fiscal year thereafter,  
35 the transportation revenue control limit shall not increase if the  
36 transportation revenue control limit is more than one hundred twenty per cent  
37 of the transportation support level. ~~For a school district that sponsors a~~  
38 ~~charter school, its transportation revenue control limit for the budget year~~  
39 ~~shall be calculated as follows:~~

40 ~~1. Calculate separately, as prescribed by the department of education,~~  
41 ~~the total transportation support level for the current year for all charter~~  
42 ~~schools under the district's sponsorship in the current year.~~

43 ~~2. Calculate separately, as prescribed by the department of education,~~  
44 ~~the total transportation support level for the budget year for all charter~~  
45 ~~schools under the district's sponsorship in the budget year.~~

1           ~~3. Subtract the amount determined in paragraph 2 of this subsection~~  
2 ~~from the amount determined in paragraph 1 of this subsection. If the result~~  
3 ~~is zero or less, use zero in paragraph 4 of this subsection.~~

4           ~~4. Subtract the amount determined in paragraph 3 of this subsection~~  
5 ~~from the district's transportation revenue control limit for the current~~  
6 ~~year. This is the adjusted transportation revenue control limit for the~~  
7 ~~current year.~~

8           ~~5. The transportation revenue control limit for the budget year is the~~  
9 ~~adjusted transportation revenue control limit for the current year determined~~  
10 ~~in paragraph 4 of this subsection plus the increase in the transportation~~  
11 ~~support level from the current year to the budget year.~~

12           C. Notwithstanding subsection B of this section, if the transportation  
13 support level of a school district exceeds the transportation revenue control  
14 limit in any budget year, the transportation revenue control limit shall be  
15 adjusted in that budget year and every budget year thereafter to equal the  
16 transportation support level.

17           Sec. 12. Retroactivity

18           This act applies retroactively to from and after June 30, 2014.