

State of Arizona
House of Representatives
Fifty-second Legislature
First Special Session
2015

CHAPTER 1
HOUSE BILL 2001

AN ACT

AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; AMENDING LAWS 2015,
CHAPTER 8, SECTION 34; APPROPRIATING MONIES; RELATING TO EDUCATION FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-901, Arizona Revised Statutes, is amended to
3 read:

4 15-901. Definitions

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

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10 withdrawn from schools and students absent for ten consecutive school days,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

17 (a) "Fractional student" means:

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

37 (ii) For high schools, a part-time student who is enrolled in less
38 than four subjects that count toward graduation as defined by the state board
39 of education, each of which, if taught each school day for the minimum number
40 of days required in a school year, would meet a minimum of one hundred
41 twenty-three hours a year, or the equivalent, in a recognized high school.
42 The average daily membership of a part-time high school student shall be 0.75
43 if the student is enrolled in an instructional program of three subjects that
44 meet at least five hundred forty hours for a one hundred eighty day school
45 year, or the instructional hours prescribed in this section. The average
46 daily membership of a part-time high school student shall be 0.5 if the

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

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

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

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

41 (iii) If a child who has not reached five years of age before
42 September 1 of the current school year is admitted to kindergarten and
43 repeats kindergarten in the following school year, a school district or
44 charter school is not eligible to receive basic state aid on behalf of that
45 child during the child's second year of kindergarten. If a child who has not
46 reached five years of age before September 1 of the current school year is

1 admitted to kindergarten but does not remain enrolled, a school district or
2 charter school may receive a portion of basic state aid on behalf of that
3 child in the subsequent year. A school district or charter school may charge
4 tuition for any child who is ineligible for basic state aid pursuant to this
5 item.

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

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

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

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

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

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

31 (a) Grades one through eight.

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

33 4. "Current year" means the fiscal year in which a school district is
34 operating.

35 5. "Daily attendance" means:

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

37 (i) Of a kindergarten program or ungraded, but not group B children
38 with disabilities, and at least five, but under six, years of age by
39 September 1 attends at least three-quarters of the instructional time
40 scheduled for the day. If the total instruction time scheduled for the year
41 is at least three hundred fifty-six hours but is less than seven hundred
42 twelve hours, such attendance shall be counted as one-half day of attendance.
43 If the instructional time scheduled for the year is at least six hundred
44 ninety-two hours, "daily attendance" means days in which a pupil attends at
45 least one-half of the instructional time scheduled for the day. Such
46 attendance shall be counted as one-half day of attendance.

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

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

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

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

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

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

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

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

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

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

42 (g) For school districts that maintain school for an approved
43 year-round school year operation, attendance shall be based on a computation,
44 as prescribed by the superintendent of public instruction, of the one hundred
45 eighty days' equivalency or two hundred days' equivalency, as applicable, of

1 instructional time as approved by the superintendent of public instruction
2 during which each pupil is enrolled.

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

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

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

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

19 8. "Eligible students" means:

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

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

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

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

43 (c) Children with disabilities, as defined by section 15-761, who are
44 transported by or for the school district or who are admitted pursuant to
45 chapter 8, article 1.1 of this title and who qualify as full-time students or
46 fractional students regardless of location or residence within the school

1 district or children with disabilities whose transportation is required by
2 the pupil's individualized education program.

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

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

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

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

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

18 13. "Student count" means:

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

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

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

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

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

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

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

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

40 2. "Base level" means the following amounts plus the percentage
41 increases to the base level as provided in sections 15-902.04, ~~15-918.04,~~
42 ~~15-919.04~~ and 15-952, except that if a school district or charter school is
43 eligible for an increase in the base level as provided in two or more of
44 these sections, the base level amount shall be calculated by compounding
45 rather than adding the sum of one plus the percentage of the increase from
46 those different sections:

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

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

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

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

9 (e) For fiscal year 2014-2015, three thousand three hundred
10 seventy-three dollars eleven cents.

11 (f) For fiscal year 2015-2016, ~~three thousand four hundred twenty-six~~
12 ~~dollars seventy-four cents~~ THREE THOUSAND SIX HUNDRED DOLLARS ZERO CENTS.

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

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

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

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

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

32 8. "ED-P" means programs for children with emotional disabilities who
33 are enrolled in private special education programs as prescribed in section
34 15-765, subsection D, paragraph 1 or in an intensive school district program
35 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

44 21. "OI-R" means a resource program for pupils with orthopedic
45 impairments.

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

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

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

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

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

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

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

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

21 27. "Small school district" means a school district that meets all of
22 the following:

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

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

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

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

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

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

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

37 Sec. 2. Laws 2015, chapter 8, section 34 is amended to read:

38 Sec. 34. SUPERINTENDENT OF PUBLIC INSTRUCTION

		<u>2015-16</u>
	FTE positions	164.9
	Operating lump sum appropriation	\$ 8,802,100
	Fund sources:	
	State general fund	\$ 8,263,800
	Teacher certification fund	138,200
	Department of education empowerment scholarship account fund	400,100

1 The operating lump sum appropriation includes \$683,900 and 8.5 FTE
2 positions for average daily membership auditing and \$200,000 and 2 FTE
3 positions for information technology security services.

4 The appropriation from the department of education empowerment
5 scholarship account fund includes \$100,000 in funding for one-time
6 information technology changes.

7 Basic state aid \$2,441,592,500 \$2,690,421,900

8 Fund sources:

9 State general fund \$2,394,233,000 \$2,470,981,400

10 Permanent state school fund 47,359,500 219,440,500

11 The above appropriation provides basic state support to school
12 districts for maintenance and operations funding as provided by section
13 15-973, Arizona Revised Statutes, and includes an estimated ~~\$47,359,500~~
14 \$219,440,500 in expendable income derived from the permanent state school
15 fund and from state trust lands pursuant to section 37-521, subsection B,
16 Arizona Revised Statutes, for fiscal year 2015-2016.

17 Receipts derived from the permanent state school fund and any other
18 nonstate general fund revenue source that is dedicated to fund basic state
19 aid shall be expended, whenever possible, before expenditure of state general
20 fund monies.

21 Except as required by section 37-521, Arizona Revised Statutes, all
22 monies received during the fiscal year from national forests, interest
23 collected on deferred payments on the purchase of state lands, the income
24 from the investment of permanent funds as prescribed by the enabling act and
25 the Constitution of Arizona and all monies received by the superintendent of
26 public instruction from whatever source, except monies received pursuant to
27 sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the
28 state treasury are appropriated for apportionment to the various counties in
29 accordance with law. An expenditure may not be made except as specifically
30 authorized above.

31 ~~Additional inflation 74,394,000~~

32 ~~The department of education shall allocate the \$74,394,000 amount~~
33 ~~appropriated through this line item to school districts and charter schools~~
34 ~~in fiscal year 2015-2016 in the same manner that it would allocate the monies~~
35 ~~if the monies were for an additional increase of \$54.31 in the base level~~
36 ~~defined for fiscal year 2015-2016 in section 15-901, subsection B, paragraph~~
37 ~~2, Arizona Revised Statutes, and increase budget limits accordingly. The~~
38 ~~department shall also increase the budget limits of a school district that is~~
39 ~~not eligible to receive basic state aid funding for fiscal year 2015-2016 by~~
40 ~~the amount that the district's budget limits would be increased under this~~
41 ~~line item if the school district was eligible to receive basic state aid~~
42 ~~funding for fiscal year 2015-2016. The additional inflation amount is not~~
43 ~~for an increase in the base level as defined in section 15-901, Arizona~~
44 ~~Revised Statutes.~~

45 K-3 reading 39,917,300

1 The appropriated amount is for funding costs of the K-3 reading weight
2 established in section 15-943, Arizona Revised Statutes.

3 ADDITIONAL FUNDING 50,000,000

4 THE DEPARTMENT OF EDUCATION SHALL ALLOCATE THE APPROPRIATED AMOUNT TO
5 SCHOOL DISTRICTS AND CHARTER SCHOOLS ON A PRO RATA BASIS USING THE WEIGHTED
6 STUDENT COUNT FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL FOR THE FISCAL YEAR
7 PURSUANT TO SECTION 15-943, PARAGRAPH 2, SUBDIVISION (a), ARIZONA REVISED
8 STATUTES, AND INCREASE THE BUDGET LIMITS PURSUANT TO SECTION 15-947, ARIZONA
9 REVISED STATUTES, ACCORDINGLY. FOR THE PURPOSES OF THIS PARAGRAPH, THE
10 WEIGHTED STUDENT COUNT FOR A SCHOOL DISTRICT THAT SERVES AS THE DISTRICT OF
11 ATTENDANCE FOR NONRESIDENT PUPILS SHALL BE INCREASED TO INCLUDE NONRESIDENT
12 PUPILS WHO ATTEND SCHOOL IN THE SCHOOL DISTRICT. A SCHOOL DISTRICT MAY
13 BUDGET THE ALLOCATION THAT THE SCHOOL DISTRICT RECEIVES PURSUANT TO THIS
14 PARAGRAPH IN EITHER THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND OR
15 UNRESTRICTED CAPITAL OUTLAY FUND.

16 Additional state aid -
17 homeowner's rebate 359,303,700
18 Additional state aid -
19 1 percent cap 7,380,300
20 Special education fund 32,242,100
21 Other state aid to districts 983,900
22 Accountability and achievement
23 testing \$ 16,423,600

24 Fund sources:

25 State general fund \$ 9,423,600
26 Proposition 301 fund 7,000,000

27 Before making any changes to the achievement testing program that will
28 increase program costs, the state board of education shall submit the
29 estimated fiscal impact of those changes to the joint legislative budget
30 committee for review.

31 Adult education 4,500,000
32 Alternative teacher development
33 program 500,000
34 Arizona structured English
35 immersion fund 4,960,400
36 English learner administration 6,516,800

37 The department of education shall use the appropriated amount to
38 provide English language acquisition services for the purposes of section
39 15-756.07, Arizona Revised Statutes, and for the costs of providing English
40 language proficiency assessments, scoring and ancillary materials as
41 prescribed by the department of education to school districts and charter
42 schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised
43 Statutes. The department of education may use a portion of the appropriated
44 amount to hire staff or contract with a third party to carry out the purposes
45 of section 15-756.07, Arizona Revised Statutes. Notwithstanding section
46 41-192, Arizona Revised Statutes, the superintendent of public instruction

1 also may use a portion of the appropriated amount to contract with one or
2 more private attorneys to provide legal services in connection with the case
3 of Flores v. State of Arizona, No. CIV 92-596-TUC-RCC.

4 JTED soft capital and equipment \$ 1,000,000

5 The department of education shall distribute the appropriated amount to
6 joint technical education districts with fewer than two thousand average
7 daily membership pupils for soft capital and equipment expenses. The
8 appropriated amount shall be allocated on a pro rata basis based on the
9 average daily membership of eligible joint technical education districts.

10 School safety program 3,646,500

11 State block grant for vocational
12 education 11,576,300

13 Teacher certification \$ 1,842,500

14 Fund sources:

15 Teacher certification fund \$ 1,842,500

16 Total appropriation - superintendent
17 of public instruction

18 ~~\$3,015,582,000~~ \$3,240,017,400

19 Fund sources:

20 State general fund ~~\$2,958,841,700~~ \$3,011,196,100

21 Proposition 301 fund 7,000,000

22 Permanent state school fund ~~47,359,500~~ 219,440,500

23 Teacher certification fund 1,980,700

24 Department of education empowerment
25 scholarship account fund 400,100

26 The department shall provide an updated report on its budget status
27 every three months for the first half of each fiscal year and every month
28 thereafter to the president of the senate, the speaker of the house of
29 representatives, the chairpersons of the senate and house of representatives
30 appropriations committees, the director of the joint legislative budget
31 committee and the director of the governor's office of strategic planning and
32 budgeting. Each report shall include, at a minimum, the department's current
33 funding surplus or shortfall projections for basic state aid and other major
34 formula-based programs and is due thirty days after the end of the applicable
35 reporting period.

36 Within fifteen days after each apportionment of state aid that occurs
37 pursuant to section 15-973, subsection B, Arizona Revised Statutes, the
38 department shall post on its website the amount of state aid apportioned to
39 each recipient and the underlying data.

40 Sec. 3. Budget balance carryforward from fiscal year 2015-2016
41 into fiscal year 2016-2017

42 In addition to any budget balance carryforward authorized by section
43 15-943.01, Arizona Revised Statutes, a school district or other entity that
44 receives additional funding or budget capacity in fiscal year 2015-2016 as a
45 result of this act may carry forward any portion of that funding or budget

1 capacity into fiscal year 2016-2017. The amount budgeted as the budget
2 balance carryforward is specifically exempt from the revenue control limit.

3 Sec. 4. Employee compensation increases in fiscal years
4 2015-2016 and 2016-2017

5 A school district or other entity that receives additional funding or
6 budget capacity in fiscal years 2015-2016 and 2016-2017 as a result of this
7 act may use the additional monies for increased employee compensation in
8 fiscal years 2015-2016 and 2016-2017.

9 Sec. 5. School district budget deadlines for fiscal year
10 2015-2016

11 Notwithstanding section 15-905, Arizona Revised Statutes, for fiscal
12 year 2015-2016, any deadline that is currently specified by law as May 15 for
13 the adoption or adjustment of school district budgets shall be extended to
14 June 30.

15 Sec. 6. Appropriations; department of education; additional
16 funding for school districts and charter schools

17 A. The sum of \$50,000,000 is appropriated annually from the state
18 general fund to the department of education in fiscal years 2016-2017 through
19 2019-2020 for additional funding for school districts and charter schools. A
20 school district may budget the monies that it receives pursuant to this
21 subsection in either the school district's maintenance and operation fund or
22 unrestricted capital outlay fund.

23 B. The sum of \$75,000,000 is appropriated annually from the state
24 general fund to the department of education in fiscal years 2020-2021 through
25 2024-2025 for additional funding for school districts and charter schools. A
26 school district may budget the monies that it receives pursuant to this
27 subsection in either the school district's maintenance and operation fund or
28 unrestricted capital outlay fund.

29 C. The department of education shall allocate the appropriated amount
30 in subsections A and B of this section to school districts and charter
31 schools on a pro rata basis using the weighted student count for the school
32 district or charter school for the fiscal year pursuant to section 15-943,
33 paragraph 2, subdivision (a), Arizona Revised Statutes, and increase the
34 budget limits pursuant to section 15-947, Arizona Revised Statutes,
35 accordingly. For the purposes of this subsection, the weighted student count
36 for a school district that serves as the district of attendance for
37 nonresident pupils shall be increased to include nonresident pupils who
38 attend school in the school district.

39 Sec. 7. Intent

40 This act and the terms of House concurrent resolution 2001,
41 fifty-second legislature, first special session, are intended to fully
42 satisfy the requirements of section 15-901.01, Arizona Revised Statutes.

43 Sec. 8. Retroactivity

44 This act applies retroactively to from and after June 30, 2015.

45 Sec. 9. Legislative findings

46 The legislature finds that:

1 1. It is in the best interests of the State of Arizona to finally
2 resolve the litigation in Cave Creek Unified School District, et al. v. Jeff
3 DeWit, et al., Maricopa County Superior Court Case No. CV2010-017113, and all
4 appellate proceedings related thereto.

5 2. None of the parties to the litigation have acted in bad faith, nor
6 concede nor admit legal error, wrongdoing or illegal action in connection
7 with the litigation.

8 3. Including the final judgment in the litigation, this act and the
9 terms of House Concurrent Resolution 2001, fifty-second legislature, first
10 special session, fully and finally resolve, satisfy and conclude all claims,
11 causes of action, findings, rulings and judgments in the litigation.

12 Sec. 10. Conditional enactment

13 This act does not become effective unless the Constitution of Arizona
14 is amended as prescribed in House concurrent resolution 2001, fifty-second
15 legislature, first special session, by vote of the people at the special
16 election conducted on May 17, 2016.

PASSED BY THE HOUSE OCTOBER 29, 2015.

PASSED BY THE SENATE OCTOBER 30, 2015.

APPROVED BY THE GOVERNOR OCTOBER 30, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE OCTOBER 30, 2015.