

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

SENATE BILL 1538

AN ACT

AMENDING SECTIONS 5-568, 15-101, 15-183, 15-184, 15-185, 15-187 AND 15-217, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-249.06; AMENDING SECTIONS 15-393, 15-393.01, 15-447.01 AND 15-824, ARIZONA REVISED STATUTES; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 15, SECTION 4; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, FIRST SPECIAL SESSION, CHAPTER 1, SECTION 1; AMENDING SECTIONS 15-902.03, 15-910, 15-943, 15-943.02 AND 15-945, ARIZONA REVISED STATUTES; REPEALING SECTION 15-948, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-951, 15-961, 15-973, 15-991, 15-1371, 15-1372, 15-2011, 15-2032 AND 15-2041, ARIZONA REVISED STATUTES; AMENDING LAWS 2014, CHAPTER 16, SECTION 5; REPEALING LAWS 2014, CHAPTER 16, SECTION 6, AS AMENDED BY LAWS 2014, CHAPTER 214, SECTION 5; AMENDING LAWS 2014, CHAPTER 17, SECTION 10; AMENDING LAWS 2014, CHAPTER 17, SECTION 19; APPROPRIATING MONIES; RELATING TO KINDERGARTEN THROUGH GRADE TWELVE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-568, Arizona Revised Statutes, is amended to
3 read:

4 5-568. Disposition of unclaimed prize money

5 Unclaimed prize money for the prize on a winning ticket or share shall
6 be retained for the person entitled to the prize for one hundred eighty days
7 after the drawing in which the prize was won in the case of a drawing prize
8 and for one hundred eighty days after the announced end of the game in
9 question in the case of a prize determined in any manner other than by means
10 of a drawing. If a claim is not made for the money within the applicable
11 period, the money shall be transferred in the following amounts:

12 1. Fifty-five percent of the prize money shall be held in the state
13 lottery prize fund for use as additional prizes in future games, except that
14 if the amount of monies transferred by the commission pursuant to section
15 5-554, subsection H, paragraph 1 is less than nine hundred thousand dollars
16 each fiscal year, the difference shall be transferred to the internet crimes
17 against children enforcement fund established by section 41-199 and if the
18 AMOUNT OF monies transferred by the commission pursuant to section 5-554,
19 subsection H, paragraph 2 is less than one hundred thousand dollars each
20 fiscal year, the difference shall be transferred to the victims' rights
21 enforcement fund established by section 41-1727.

22 2. Thirty percent shall be transferred quarterly to the court
23 appointed special advocate fund established by section 8-524.

24 3. Fifteen percent shall be transferred monthly to the tribal college
25 dual enrollment program fund established by section 15-244.01. The amount
26 transferred may not exceed ~~one~~ TWO hundred ~~sixty~~ FIFTY thousand dollars in
27 any fiscal year.

28 Sec. 2. Section 15-101, Arizona Revised Statutes, is amended to read:

29 15-101. Definitions

30 In this title, unless the context otherwise requires:

31 1. "Accommodation school" means either:

32 (a) A school that is operated through the county board of supervisors
33 and the county school superintendent and that the county school
34 superintendent administers to serve a military reservation or territory that
35 is not included within the boundaries of a school district.

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

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

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

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

5 4. "Charter school" means a public school established by contract with
6 ~~a district governing board,~~ the state board of education, the state board for
7 charter schools, a university under the jurisdiction of the Arizona board of
8 regents, a community college district with enrollment of more than fifteen
9 thousand full-time equivalent students or a group of community college
10 districts with a combined enrollment of more than fifteen thousand full-time
11 equivalent students pursuant to article 8 of this chapter to provide learning
12 that will improve pupil achievement.

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

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

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

21 8. "Competency" means a demonstrated ability in a skill at a specified
22 performance level.

23 9. "Course" means organized subject matter in which instruction is
24 offered within a given period of time and for which credit toward promotion,
25 graduation or certification is usually given. A course consists of knowledge
26 selected from a subject for instructional purposes in the schools.

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

29 11. "Dual enrollment course" means a ~~college-level~~ COLLEGE-LEVEL course
30 that is conducted on the campus of a high school or on the campus of a joint
31 technical education district, that is applicable to an established community
32 college academic degree or certificate program and that is transferable to a
33 university under the jurisdiction of the Arizona board of regents. A dual
34 enrollment course that is applicable to a community college occupational
35 degree or certificate program may be transferable to a university under the
36 jurisdiction of the Arizona board of regents.

37 12. "Elementary grades" means kindergarten programs and grades one
38 through eight.

39 13. "Fiscal year" means the year beginning July 1 and ending June 30.

40 14. "Governing board" means a body organized for the government and
41 management of the schools within a school district or a county school
42 superintendent in the conduct of an accommodation school.

43 15. "Lease" means an agreement for conveyance and possession of real or
44 personal property.

1 16. "Limited property value" means the value determined pursuant to
2 title 42, chapter 13, article 7. Limited property value shall be used as the
3 basis for assessing, fixing, determining and levying primary property taxes.

4 17. "Parent" means the natural or adoptive parent of a child or a
5 person who has custody of a child.

6 18. "Person who has custody" means a parent or legal guardian of a
7 child, a person to whom custody of the child has been given by order of a
8 court or a person who stands in loco parentis to the child.

9 19. "Primary property taxes" means all ad valorem taxes except for
10 secondary property taxes.

11 20. "Private school" means a nonpublic institution where instruction is
12 imparted.

13 21. "School" or "public school" means any public institution
14 established for the purposes of offering instruction to pupils in programs
15 for preschool children with disabilities, kindergarten programs or any
16 combination of elementary grades or secondary grades one through twelve.

17 22. "School district" means a political subdivision of this state with
18 geographic boundaries organized for the purpose of the administration,
19 support and maintenance of the public schools or an accommodation school.

20 23. "Secondary grades" means grades nine through twelve.

21 24. "Secondary property taxes" means ad valorem taxes used to pay the
22 principal of and the interest and redemption charges on any bonded
23 indebtedness or other lawful long-term obligation issued or incurred for a
24 specific purpose by a school district or a community college district and
25 amounts levied pursuant to an election to exceed a budget, expenditure or tax
26 limitation.

27 25. "Subject" means a division or field of organized knowledge, such as
28 English or mathematics, or a selection from an organized body of knowledge
29 for a course or teaching unit, such as the English novel or elementary
30 algebra.

31 Sec. 3. Section 15-183, Arizona Revised Statutes, is amended to read:

32 15-183. Charter schools; application; requirements; immunity;
33 exemptions; renewal of application; reprisal; fee;
34 funds; annual reports

35 A. An applicant seeking to establish a charter school shall submit a
36 written application to a proposed sponsor as prescribed in subsection C of
37 this section. The application, application process and application time
38 frames shall be posted on the sponsor's website and shall include the
39 following, as specified in the application adopted by the sponsor:

- 40 1. A detailed educational plan.
- 41 2. A detailed business plan.
- 42 3. A detailed operational plan.
- 43 4. Any other materials required by the sponsor.

1 B. The sponsor of a charter school may contract with a public body,
2 private person or private organization for the purpose of establishing a
3 charter school pursuant to this article.

4 C. The sponsor of a charter school may be either ~~a school district~~
5 ~~governing board~~, the state board of education, the state board for charter
6 schools, a university under the jurisdiction of the Arizona board of regents,
7 a community college district with enrollment of more than fifteen thousand
8 full-time equivalent students or a group of community college districts with
9 a combined enrollment of more than fifteen thousand full-time equivalent
10 students, subject to the following requirements:

11 ~~1. For charter schools that submit an application for sponsorship to a~~
12 ~~school district governing board:~~

13 ~~(a) An applicant for a charter school may submit its application to a~~
14 ~~school district governing board, which shall either accept or reject~~
15 ~~sponsorship of the charter school within ninety days. An applicant may~~
16 ~~submit a revised application for reconsideration by the governing board. If~~
17 ~~the governing board rejects the application, the governing board shall notify~~
18 ~~the applicant in writing of the reasons for the rejection. The applicant may~~
19 ~~request, and the governing board may provide, technical assistance to improve~~
20 ~~the application.~~

21 ~~(b) In the first year that a school district is determined to be out~~
22 ~~of compliance with the uniform system of financial records, within fifteen~~
23 ~~days of the determination of noncompliance, the school district shall notify~~
24 ~~by certified mail each charter school sponsored by the school district that~~
25 ~~the school district is out of compliance with the uniform system of financial~~
26 ~~records. The notification shall include a statement that if the school~~
27 ~~district is determined to be out of compliance for a second consecutive year,~~
28 ~~the charter school will be required to transfer sponsorship to another entity~~
29 ~~pursuant to subdivision (c) of this paragraph.~~

30 ~~(c) In the second consecutive year that a school district is~~
31 ~~determined to be out of compliance with the uniform system of financial~~
32 ~~records, within fifteen days of the determination of noncompliance, the~~
33 ~~school district shall notify by certified mail each charter school sponsored~~
34 ~~by the school district that the school district is out of compliance with the~~
35 ~~uniform system of financial records. A charter school that receives a~~
36 ~~notification of school district noncompliance pursuant to this subdivision~~
37 ~~shall file a written sponsorship transfer application within forty-five days~~
38 ~~with the state board of education, the state board for charter schools or the~~
39 ~~school district governing board if the charter school is located within the~~
40 ~~geographic boundaries of that school district. A charter school that~~
41 ~~receives a notification of school district noncompliance may request an~~
42 ~~extension of time to file a sponsorship transfer application, and the state~~
43 ~~board of education, the state board for charter schools or a school district~~
44 ~~governing board may grant an extension of not more than an additional thirty~~
45 ~~days if good cause exists for the extension. The state board of education~~

1 ~~and the state board for charter schools shall approve a sponsorship transfer~~
2 ~~application pursuant to this paragraph.~~

3 ~~(d) A school district governing board shall not grant a charter to a~~
4 ~~charter school that is located outside the geographic boundaries of that~~
5 ~~school district.~~

6 ~~(e) A school district that has been determined to be out of compliance~~
7 ~~with the uniform system of financial records during either of the previous~~
8 ~~two fiscal years shall not sponsor a new or transferring charter school.~~

9 ~~(f) Notwithstanding any other law, a school district governing board~~
10 ~~shall not grant a charter to a new charter school that begins initial~~
11 ~~operations after June 30, 2013 or convert an existing district public school~~
12 ~~to a charter school that begins initial operations after June 30, 2013.~~

13 1. AN APPLICANT MAY NOT SUBMIT AN APPLICATION FOR SPONSORSHIP TO ANY
14 PERSON OR ENTITY OTHER THAN THOSE PRESCRIBED IN THIS SUBSECTION.

15 2. The applicant may submit the application to the state board of
16 education or the state board for charter schools. Notwithstanding any other
17 law, neither the state board for charter schools nor the state board of
18 education shall grant a charter to a school district governing board for a
19 new charter school that begins initial operations after June 30, 2013 or for
20 the conversion of an existing district public school to a charter school that
21 begins initial operations after June 30, 2013. The state board of education
22 or the state board for charter schools may approve the application if the
23 application meets the requirements of this article and may approve the
24 charter if the proposed sponsor determines, within its sole discretion, that
25 the applicant is sufficiently qualified to operate a charter school and that
26 the applicant is applying to operate as a separate charter holder by
27 considering factors such as whether:

28 (a) The schools have separate governing bodies, governing body
29 membership, staff, facilities and student population.

30 (b) Daily operations are carried out by different administrators.

31 (c) The applicant intends to have an affiliation agreement for the
32 purpose of providing enrollment preferences.

33 (d) The applicant's charter management organization has multiple
34 charter holders serving varied grade configurations on one physical site or
35 nearby sites serving one community.

36 (e) It is reconstituting an existing school site population at the
37 same or new site.

38 (f) It is reconstituting an existing grade configuration from a prior
39 charter holder with at least one grade remaining on the original site with
40 the other grade or grades moving to a new site. The state board of education
41 or the state board for charter schools may approve any charter schools
42 transferring charters. ~~The state board of education and the state board for~~
43 ~~charter schools shall approve any charter schools transferring charters from~~
44 ~~a school district that is determined to be out of compliance with the uniform~~
45 ~~system of financial records pursuant to this section, but may require the~~

~~1 charter school to sign a new charter that is equivalent to the charter~~
~~2 awarded by the former sponsor.~~ If the state board of education or the state
3 board for charter schools rejects the preliminary application, the state
4 board of education or the state board for charter schools shall notify the
5 applicant in writing of the reasons for the rejection and of suggestions for
6 improving the application. An applicant may submit a revised application for
7 reconsideration by the state board of education or the state board for
8 charter schools. The applicant may request, and the state board of education
9 or the state board for charter schools may provide, technical assistance to
10 improve the application.

11 3. The applicant may submit the application to a university under the
12 jurisdiction of the Arizona board of regents, a community college district or
13 a group of community college districts. A university, a community college
14 district or a group of community college districts shall not grant a charter
15 to a school district governing board for a new charter school that begins
16 initial operations after June 30, 2013 or for the conversion of an existing
17 district public school to a charter school that begins initial operations
18 after June 30, 2013. A university, a community college district or a group
19 of community college districts may approve the application if it meets the
20 requirements of this article and if the proposed sponsor determines, in its
21 sole discretion, that the applicant is sufficiently qualified to operate a
22 charter school.

23 4. Each applicant seeking to establish a charter school shall submit a
24 full set of fingerprints to the approving agency for the purpose of obtaining
25 a state and federal criminal records check pursuant to section 41-1750 and
26 Public Law 92-544. If an applicant will have direct contact with students,
27 the applicant shall possess a valid fingerprint clearance card that is issued
28 pursuant to title 41, chapter 12, article 3.1. The department of public
29 safety may exchange this fingerprint data with the federal bureau of
30 investigation. The criminal records check shall be completed before the
31 issuance of a charter.

32 5. All persons engaged in instructional work directly as a classroom,
33 laboratory or other teacher or indirectly as a supervisory teacher, speech
34 therapist or principal shall have a valid fingerprint clearance card that is
35 issued pursuant to title 41, chapter 12, article 3.1, unless the person is a
36 volunteer or guest speaker who is accompanied in the classroom by a person
37 with a valid fingerprint clearance card. A charter school shall not employ a
38 teacher whose certificate has been surrendered or revoked, unless the
39 teacher's certificate has been subsequently reinstated by the state board of
40 education. All other personnel shall be fingerprint checked pursuant to
41 section 15-512, or the charter school may require those personnel to obtain a
42 fingerprint clearance card issued pursuant to title 41, chapter 12,
43 article 3.1. Before employment, the charter school shall make documented,
44 good faith efforts to contact previous employers of a person to obtain
45 information and recommendations that may be relevant to a person's fitness

1 for employment as prescribed in section 15-512, subsection F. The charter
2 school shall notify the department of public safety if the charter school or
3 sponsor receives credible evidence that a person who possesses a valid
4 fingerprint clearance card is arrested for or is charged with an offense
5 listed in section 41-1758.03, subsection B. Charter schools may hire
6 personnel that have not yet received a fingerprint clearance card if proof is
7 provided of the submission of an application to the department of public
8 safety for a fingerprint clearance card and if the charter school that is
9 seeking to hire the applicant does all of the following:

10 (a) Documents in the applicant's file the necessity for hiring and
11 placement of the applicant before receiving a fingerprint clearance card.

12 (b) Ensures that the department of public safety completes a statewide
13 criminal records check on the applicant. A statewide criminal records check
14 shall be completed by the department of public safety every one hundred
15 twenty days until the date that the fingerprint check is completed or the
16 fingerprint clearance card is issued or denied.

17 (c) Obtains references from the applicant's current employer and the
18 two most recent previous employers except for applicants who have been
19 employed for at least five years by the applicant's most recent employer.

20 (d) Provides general supervision of the applicant until the date that
21 the fingerprint card is obtained.

22 (e) Completes a search of criminal records in all local jurisdictions
23 outside of this state in which the applicant has lived in the previous five
24 years.

25 (f) Verifies the fingerprint status of the applicant with the
26 department of public safety.

27 6. A charter school that complies with the fingerprinting requirements
28 of this section shall be deemed to have complied with section 15-512 and is
29 entitled to the same rights and protections provided to school districts by
30 section 15-512.

31 7. If a charter school operator is not already subject to a public
32 meeting or hearing by the municipality in which the charter school is
33 located, the operator of a charter school shall conduct a public meeting at
34 least thirty days before the charter school operator opens a site or sites
35 for the charter school. The charter school operator shall post notices of
36 the public meeting in at least three different locations that are within
37 three hundred feet of the proposed charter school site.

38 8. A person who is employed by a charter school or who is an applicant
39 for employment with a charter school, who is arrested for or charged with a
40 nonappealable offense listed in section 41-1758.03, subsection B and who does
41 not immediately report the arrest or charge to the person's supervisor or
42 potential employer is guilty of unprofessional conduct and the person shall
43 be immediately dismissed from employment with the charter school or
44 immediately excluded from potential employment with the charter school.

1 9. A person who is employed by a charter school and who is convicted
2 of any nonappealable offense listed in section 41-1758.03, subsection B or is
3 convicted of any nonappealable offense that amounts to unprofessional conduct
4 under section 15-550 shall immediately do all of the following:

5 (a) Surrender any certificates issued by the department of education.

6 (b) Notify the person's employer or potential employer of the
7 conviction.

8 (c) Notify the department of public safety of the conviction.

9 (d) Surrender the person's fingerprint clearance card.

10 D. An entity that is authorized to sponsor charter schools pursuant to
11 this article has no legal authority over or responsibility for a charter
12 school sponsored by a different entity. This subsection does not apply to
13 the state board of education's duty to exercise general supervision over the
14 public school system pursuant to section 15-203, subsection A, paragraph 1.

15 E. The charter of a charter school shall do all of the following:

16 1. Ensure compliance with federal, state and local rules, regulations
17 and statutes relating to health, safety, civil rights and insurance. The
18 department of education shall publish a list of relevant rules, regulations
19 and statutes to notify charter schools of their responsibilities under this
20 paragraph.

21 2. Ensure that it is nonsectarian in its programs, admission policies
22 and employment practices and all other operations.

23 3. Ensure that it provides a comprehensive program of instruction for
24 at least a kindergarten program or any grade between grades one and twelve,
25 except that a school may offer this curriculum with an emphasis on a specific
26 learning philosophy or style or certain subject areas such as mathematics,
27 science, fine arts, performance arts or foreign language.

28 4. Ensure that it designs a method to measure pupil progress toward
29 the pupil outcomes adopted by the state board of education pursuant to
30 section 15-741.01, including participation in the Arizona instrument to
31 measure standards test and the nationally standardized norm-referenced
32 achievement test as designated by the state board and the completion and
33 distribution of an annual report card as prescribed in chapter 7, article 3
34 of this title.

35 5. Ensure that, except as provided in this article and in its charter,
36 it is exempt from all statutes and rules relating to schools, governing
37 boards and school districts.

38 6. Ensure that, except as provided in this article, it is subject to
39 the same financial and electronic data submission requirements as a school
40 district, including the uniform system of financial records as prescribed in
41 chapter 2, article 4 of this title, procurement rules as prescribed in
42 section 15-213 and audit requirements. The auditor general shall conduct a
43 comprehensive review and revision of the uniform system of financial records
44 to ensure that the provisions of the uniform system of financial records that
45 relate to charter schools are in accordance with commonly accepted accounting

1 principles used by private business. A school's charter may include
2 exceptions to the requirements of this paragraph that are necessary as
3 determined by ~~the district governing board~~, the university, the community
4 college district, the group of community college districts, the state board
5 of education or the state board for charter schools. The department of
6 education or the office of the auditor general may conduct financial, program
7 or compliance audits.

8 7. Ensure compliance with all federal and state laws relating to the
9 education of children with disabilities in the same manner as a school
10 district.

11 8. Ensure that it provides for a governing body for the charter school
12 that is responsible for the policy decisions of the charter school.
13 Notwithstanding section 1-216, if there is a vacancy or vacancies on the
14 governing body, a majority of the remaining members of the governing body
15 constitute a quorum for the transaction of business, unless that quorum is
16 prohibited by the charter school's operating agreement.

17 9. Ensure that it provides a minimum of one hundred eighty
18 instructional days before June 30 of each fiscal year unless it is operating
19 on an alternative calendar approved by its sponsor. The superintendent of
20 public instruction shall adjust the apportionment schedule accordingly to
21 accommodate a charter school utilizing an alternative calendar.

22 F. A charter school shall keep on file the resumes of all current and
23 former employees who provide instruction to pupils at the charter school.
24 Resumes shall include an individual's educational and teaching background and
25 experience in a particular academic content subject area. A charter school
26 shall inform parents and guardians of the availability of the resume
27 information and shall make the resume information available for inspection on
28 request of parents and guardians of pupils enrolled at the charter school.
29 This subsection does not require any charter school to release personally
30 identifiable information in relation to any teacher or employee, including
31 the teacher's or employee's address, salary, social security number or
32 telephone number.

33 G. The charter of a charter school may be amended at the request of
34 the governing body of the charter school and on the approval of the sponsor.

35 H. Charter schools may contract, sue and be sued.

36 I. The charter is effective for fifteen years from the first day of
37 the fiscal year as specified in the charter, subject to the following:

38 1. At least eighteen months before the expiration of the charter, the
39 sponsor shall notify the charter school that the charter school may apply for
40 renewal and shall make the renewal application available to the charter
41 school. A charter school that elects to apply for renewal shall file a
42 complete renewal application at least fifteen months before the expiration of
43 the charter. A sponsor shall give written notice of its intent not to renew
44 the charter school's request for renewal to the charter school at least
45 twelve months before the expiration of the charter. The sponsor shall make

1 data used in making renewal decisions available to the school and the public
2 and shall provide a public report summarizing the evidence basis for each
3 decision. The sponsor may deny the request for renewal if, in its judgment,
4 the charter holder has failed to do any of the following:

5 (a) Meet or make sufficient progress toward the academic performance
6 expectations set forth in the performance framework.

7 (b) Meet the operational performance expectations set forth in the
8 performance framework or any improvement plans.

9 (c) Complete the obligations of the contract.

10 (d) Comply with this article or any provision of law from which the
11 charter school is not exempt.

12 2. A charter operator may apply for early renewal. At least nine
13 months before the charter school's intended renewal consideration, the
14 operator of the charter school shall submit a letter of intent to the sponsor
15 to apply for early renewal. The sponsor shall review fiscal audits and
16 academic performance data for the charter school that are annually collected
17 by the sponsor, review the current contract between the sponsor and the
18 charter school and provide the qualifying charter school with a renewal
19 application. On submission of a complete application, the sponsor shall give
20 written notice of its consideration of the renewal application. The sponsor
21 may deny the request for early renewal if, in the sponsor's judgment, the
22 charter holder has failed to do any of the following:

23 (a) Meet or make sufficient progress toward the academic performance
24 expectations set forth in the performance framework.

25 (b) Meet the operational performance expectations set forth in the
26 performance framework or any improvement plans.

27 (c) Complete the obligations of the contract.

28 (d) Comply with this article or any provision of law from which the
29 charter school is not exempt.

30 3. A sponsor shall review a charter at five-year intervals using a
31 performance framework adopted by the sponsor and may revoke a charter at any
32 time if the charter school breaches one or more provisions of its charter or
33 if the sponsor determines that the charter holder has failed to do any of the
34 following:

35 (a) Meet or make sufficient progress toward the academic performance
36 expectations set forth in the performance framework.

37 (b) Meet the operational performance expectations set forth in the
38 performance framework or any improvement plans.

39 (c) Comply with this article or any provision of law from which the
40 charter school is not exempt.

41 4. In determining whether to renew or revoke a charter holder, the
42 sponsor must consider making sufficient progress toward the academic
43 performance expectations set forth in the sponsor's performance framework as
44 one of the most important factors.

1 5. At least sixty days before the effective date of the proposed
2 revocation, the sponsor shall give written notice to the operator of the
3 charter school of its intent to revoke the charter. Notice of the sponsor's
4 intent to revoke the charter shall be delivered personally to the operator of
5 the charter school or sent by certified mail, return receipt requested, to
6 the address of the charter school. The notice shall incorporate a statement
7 of reasons for the proposed revocation of the charter. The sponsor shall
8 allow the charter school at least sixty days to correct the problems
9 associated with the reasons for the proposed revocation of the charter. The
10 final determination of whether to revoke the charter shall be made at a
11 public hearing called for such purpose.

12 J. The charter may be renewed for successive periods of twenty years.

13 K. A charter school that is sponsored by the state board of education,
14 the state board for charter schools, a university, a community college
15 district or a group of community college districts may not be located on the
16 property of a school district unless the district governing board grants this
17 authority.

18 L. A governing board or a school district employee who has control
19 over personnel actions shall not take unlawful reprisal against another
20 employee of the school district because the employee is directly or
21 indirectly involved in an application to establish a charter school. A
22 governing board or a school district employee shall not take unlawful
23 reprisal against an educational program of the school or the school district
24 because an application to establish a charter school proposes the conversion
25 of all or a portion of the educational program to a charter school. For the
26 purposes of this subsection, "unlawful reprisal" means an action that is
27 taken by a governing board or a school district employee as a direct result
28 of a lawful application to establish a charter school and that is adverse to
29 another employee or an education program and:

30 1. With respect to a school district employee, results in one or more
31 of the following:

- 32 (a) Disciplinary or corrective action.
33 (b) Detail, transfer or reassignment.
34 (c) Suspension, demotion or dismissal.
35 (d) An unfavorable performance evaluation.
36 (e) A reduction in pay, benefits or awards.
37 (f) Elimination of the employee's position without a reduction in
38 force by reason of lack of monies or work.
39 (g) Other significant changes in duties or responsibilities that are
40 inconsistent with the employee's salary or employment classification.

41 2. With respect to an educational program, results in one or more of
42 the following:

- 43 (a) Suspension or termination of the program.
44 (b) Transfer or reassignment of the program to a less favorable
45 department.

1 (c) Relocation of the program to a less favorable site within the
2 school or school district.

3 (d) Significant reduction or termination of funding for the program.

4 M. Charter schools shall secure insurance for liability and property
5 loss. The governing body of a charter school that is sponsored by the state
6 board of education or the state board for charter schools may enter into an
7 intergovernmental agreement or otherwise contract to participate in an
8 insurance program offered by a risk retention pool established pursuant to
9 section 11-952.01 or 41-621.01 or the charter school may secure its own
10 insurance coverage. The pool may charge the requesting charter school
11 reasonable fees for any services it performs in connection with the insurance
12 program.

13 N. Charter schools do not have the authority to acquire property by
14 eminent domain.

15 O. A sponsor, including members, officers and employees of the
16 sponsor, is immune from personal liability for all acts done and actions
17 taken in good faith within the scope of its authority.

18 P. Charter school sponsors and this state are not liable for the debts
19 or financial obligations of a charter school or persons who operate charter
20 schools.

21 Q. The sponsor of a charter school shall establish procedures to
22 conduct administrative hearings on determination by the sponsor that grounds
23 exist to revoke a charter. Procedures for administrative hearings shall be
24 similar to procedures prescribed for adjudicative proceedings in title 41,
25 chapter 6, article 10. Except as provided in section 41-1092.08,
26 subsection H, final decisions of the state board of education and the state
27 board for charter schools from hearings conducted pursuant to this subsection
28 are subject to judicial review pursuant to title 12, chapter 7, article 6.

29 R. The sponsoring entity of a charter school shall have oversight and
30 administrative responsibility for the charter schools that it sponsors. In
31 implementing its oversight and administrative responsibilities, the sponsor
32 shall ground its actions in evidence of the charter holder's performance in
33 accordance with the performance framework adopted by the sponsor. The
34 performance framework shall be publicly available, shall be placed on the
35 sponsoring entity's website and shall include:

36 1. The academic performance expectations of the charter school and the
37 measurement of sufficient progress toward the academic performance
38 expectations.

39 2. The operational expectations of the charter school, including
40 adherence to all applicable laws and obligations of the charter contract.

41 3. Intervention and improvement policies.

42 S. Charter schools may pledge, assign or encumber their assets to be
43 used as collateral for loans or extensions of credit.

44 T. All property accumulated by a charter school shall remain the
45 property of the charter school.

U. Charter schools may not locate a school on property that is less than one-fourth mile from agricultural land regulated pursuant to section 3-365, except that the owner of the agricultural land may agree to comply with the buffer zone requirements of section 3-365. If the owner agrees in writing to comply with the buffer zone requirements and records the agreement in the office of the county recorder as a restrictive covenant running with the title to the land, the charter school may locate a school within the affected buffer zone. The agreement may include any stipulations regarding the charter school, including conditions for future expansion of the school and changes in the operational status of the school that will result in a breach of the agreement.

V. A transfer of a charter to another sponsor, a transfer of a charter school site to another sponsor or a transfer of a charter school site to a different charter shall be completed before the beginning of the fiscal year that the transfer is scheduled to become effective. An entity that sponsors charter schools may accept a transferring school after the beginning of the fiscal year if the transfer is approved by the superintendent of public instruction. The superintendent of public instruction shall have the discretion to consider each transfer during the fiscal year on a case by case basis. ~~If a charter school is sponsored by a school district that is determined to be out of compliance with this title, the uniform system of financial records or any other state or federal law, the charter school may transfer to another sponsoring entity at any time during the fiscal year.~~ A charter holder seeking to transfer sponsors shall comply with the current charter terms regarding assignment of the charter. A charter holder transferring sponsors shall notify the current sponsor that the transfer has been approved by the new sponsor.

W. Notwithstanding subsection V of this section, a charter holder on an improvement plan must notify parents or guardians of registered students of the intent to transfer the charter and the timing of the proposed transfer. On the approved transfer, the new sponsor shall enforce the improvement plan but may modify the plan based on performance.

X. Notwithstanding subsection Y of this section, the state board for charter schools shall charge a processing fee to any charter school that amends its contract to participate in Arizona online instruction pursuant to section 15-808. The charter Arizona online instruction processing fund is established consisting of fees collected and administered by the state board for charter schools. The state board for charter schools shall use monies in the fund only for the processing of contract amendments for charter schools participating in Arizona online instruction. Monies in the fund are continuously appropriated.

Y. The sponsoring entity may not charge any fees to a charter school that it sponsors unless the sponsor has provided services to the charter school and the fees represent the full value of those services provided by

1 the sponsor. On request, the value of the services provided by the sponsor
2 to the charter school shall be demonstrated to the department of education.

3 Z. Charter schools may enter into an intergovernmental agreement with
4 a presiding judge of the juvenile court to implement a law related education
5 program as defined in section 15-154. The presiding judge of the juvenile
6 court may assign juvenile probation officers to participate in a law related
7 education program in any charter school in the county. The cost of juvenile
8 probation officers who participate in the program implemented pursuant to
9 this subsection shall be funded by the charter school.

10 AA. The sponsor of a charter school shall modify previously approved
11 curriculum requirements for a charter school that wishes to participate in
12 the board examination system prescribed in chapter 7, article 6 of this
13 title.

14 BB. If a charter school decides not to participate in the board
15 examination system prescribed in chapter 7, article 6 of this title, pupils
16 enrolled at that charter school may earn a Grand Canyon diploma by obtaining
17 a passing score on the same board examinations.

18 CC. Notwithstanding subsection Y of this section, a sponsor of charter
19 schools may charge a new charter application processing fee to any applicant.
20 The application fee shall fully cover the cost of application review and any
21 needed technical assistance. Authorizers may approve policies that allow a
22 portion of the fee to be returned to the applicant whose charter is approved.

23 DD. A charter school may choose to provide a preschool program for
24 children with disabilities pursuant to section 15-771.

25 EE. Pursuant to the prescribed graduation requirements adopted by the
26 state board of education, the governing body of a charter school operating a
27 high school may approve a rigorous computer science course that would fulfill
28 a mathematics course required for graduation from high school. The governing
29 body may approve a rigorous computer science course only if the rigorous
30 computer science course includes significant mathematics content and the
31 governing body determines the high school where the rigorous computer science
32 course is offered has sufficient capacity, infrastructure and qualified
33 staff, including competent teachers of computer science.

34 FF. A charter school may permit the use of school property, including
35 school buildings, grounds, buses and equipment, by any person, group or
36 organization for any lawful purpose, including a recreational, educational,
37 political, economic, artistic, moral, scientific, social, religious or other
38 civic or governmental purpose. The charter school may charge a reasonable
39 fee for the use of the school property.

40 GG. A charter school and its employees, including the governing body,
41 or chief administrative officer, are immune from civil liability with respect
42 to all decisions made and actions taken to allow the use of school property,
43 unless the charter school or its employees are guilty of gross negligence or
44 intentional misconduct. This subsection does not limit any other immunity
45 provisions that are prescribed by law.

1 HH. Sponsors authorized pursuant to this section shall submit an
2 annual report to the auditor general on or before October 1 ~~of each year.~~
3 The report shall include:

4 1. The current number of charters authorized and the number of schools
5 operated by authorized charter holders.

6 2. The academic and operational performance of the sponsor's charter
7 portfolio as measured by the sponsor's adopted performance framework.

8 3. ~~FOR THE PRIOR YEAR,~~ the number of new charters approved, ~~and~~ the
9 number of charter schools closed and ~~THE~~ reason for the closure ~~in the prior~~
10 ~~year.~~

11 4. The sponsor's application, amendment, renewal and revocation
12 processes, charter contract template and current performance framework as
13 required by this section.

14 II. The auditor general shall prescribe the format for the annual
15 report required by subsection HH of this section and may require that the
16 annual report be submitted electronically. The auditor general shall review
17 the submitted annual reports to ensure that the reports include the required
18 items in subsection HH of this section and shall make the annual reports
19 available upon request. If the auditor general finds significant
20 noncompliance or ~~a sponsor's failure~~ IF A SPONSOR FAILS to submit the annual
21 report required by subsection HH of this section, on or before December 31 of
22 each year the auditor general shall report to the governor, the president of
23 the senate, the speaker of the house of representatives and the chairs of the
24 senate and house education committees or their successor committees, and the
25 legislature shall consider revoking the sponsor's authority to sponsor
26 charter schools.

27 Sec. 4. Section 15-184, Arizona Revised Statutes, is amended to read:

28 15-184. Charter schools; admissions requirements

29 A. A charter school shall enroll all eligible pupils who submit a
30 timely application, unless the number of applications exceeds the capacity of
31 a program, class, grade level or building.

32 B. A charter school shall give enrollment preference to pupils
33 returning to the charter school in the second or any subsequent year of its
34 operation and to siblings of pupils already enrolled in the charter school.

35 ~~C. A charter school that is sponsored by a school district governing~~
36 ~~board shall give enrollment preference to eligible pupils who reside within~~
37 ~~the boundaries of the school district where the charter school is physically~~
38 ~~located.~~

39 ~~D.~~ C. A charter school may give enrollment preference to and reserve
40 capacity for pupils who either:

41 1. Are children, grandchildren or legal wards of any of the following:

42 (a) Employees of the school.

43 (b) Employees of the charter holder.

44 (c) Members of the governing body of the school.

1 (d) Directors, officers, partners or board members of the charter
2 holder.

3 2. Attended another charter school or are the siblings of that pupil
4 if the charter school previously attended by the pupil has the identical
5 charter holder, board and governing board membership as the enrolling charter
6 school or is managed by the same educational management organization, charter
7 management organization or educational service provider as determined by the
8 charter authorizer.

9 ~~E.~~ D. If remaining capacity is insufficient to enroll all pupils who
10 submit a timely application, the charter school shall select pupils through
11 an equitable selection process such as a lottery except that preference shall
12 be given to siblings of a pupil selected through an equitable selection
13 process such as a lottery.

14 ~~F.~~ E. Except as provided in subsections A through ~~D~~ C of this
15 section, a charter school shall not limit admission based on ethnicity,
16 national origin, gender, income level, disabling condition, proficiency in
17 the English language or athletic ability.

18 ~~G.~~ F. A charter school may limit admission to pupils within a given
19 age group or grade level.

20 ~~H.~~ G. A charter school may provide instruction to pupils of a single
21 gender with the approval of the sponsor of the charter school. An existing
22 charter school may amend its charter to provide instruction to pupils of a
23 single gender, and if approved by the sponsor of the charter school, may
24 provide instruction to pupils of a single gender at the beginning of the next
25 school year.

26 ~~I.~~ H. A charter school shall admit pupils who reside in the
27 attendance area of a school or who reside in a school district that is under
28 a court order of desegregation or that is a party to an agreement with the
29 United States department of education office for civil rights directed toward
30 remediating alleged or proven racial discrimination unless notice is received
31 from the resident school that the admission would violate the court order or
32 agreement. If a charter school admits a pupil after notice is received that
33 the admission would constitute such a violation, the charter school is not
34 allowed to include in its student count the pupils wrongfully admitted.

35 ~~J.~~ I. A charter school may refuse to admit any pupil who has been
36 expelled from another educational institution or who is in the process of
37 being expelled from another educational institution.

38 Sec. 5. Section 15-185, Arizona Revised Statutes, is amended to read:

39 15-185. Charter schools; financing; civil penalty;
40 transportation; definition

41 ~~A. Financial provisions for a charter school that is sponsored by a~~
42 ~~school district governing board are as follows:~~

43 ~~1. The charter school shall be included in the district's budget and~~
44 ~~financial assistance calculations pursuant to paragraph 3 of this subsection~~
45 ~~and chapter 9 of this title, except for chapter 9, article 4 of this title.~~

~~The charter of the charter school shall include a description of the methods of funding the charter school by the school district. The school district shall send a copy of the charter and application, including a description of how the school district plans to fund the school, to the state board of education before the start of the first fiscal year of operation of the charter school. The charter or application shall include an estimate of the student count for the charter school for its first fiscal year of operation. This estimate shall be computed pursuant to the requirements of paragraph 3 of this subsection.~~

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

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

~~(a) Increase its student count as provided in subsection B, paragraph 2 of this section during the first year of the charter school's operation to include those charter school pupils who were not previously enrolled in the school district. A charter school sponsored by a school district governing board is eligible for the charter additional assistance prescribed in subsection B, paragraph 4 of this section. The district additional assistance allocation as provided in section 15-961 for the school district sponsoring the charter school shall be increased by the amount of the charter additional assistance. The school district shall include the full amount of the charter additional assistance in the funding provided to the charter school.~~

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

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

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

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

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

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

1. The charter school shall calculate a base support level as prescribed in section 15-943, except that:

(a) Section 15-941 does not apply to these charter schools.

(b) The small school weights prescribed in section 15-943, paragraph 1 apply if a charter holder, as defined in section 15-101, holds one charter for one or more school sites and the average daily membership for the school sites are combined for the calculation of the small school weight. The small school weight shall not be applied individually to a charter holder if one or more of the following conditions ~~exists~~ **EXIST** and the combined average daily membership derived from the following conditions is greater than six hundred:

(i) The organizational structure or management agreement of the charter holder requires the charter holder or charter school to contract with a specific management company.

(ii) The governing body of the charter holder has identical membership to another charter holder in this state.

(iii) The charter holder is a subsidiary of a corporation that has other subsidiaries that are charter holders in this state.

(iv) The charter holder holds more than one charter in this state.

(c) Notwithstanding subdivision (b) of this paragraph, for fiscal ~~year~~ **YEARS** 2015-2016 **AND 2016-2017** the department of education shall reduce by thirty-three percent the amount provided by the small school weight for charter schools prescribed in subdivision (b) of this paragraph.

~~(d) Notwithstanding subdivision (b) of this paragraph, for fiscal year 2016-2017 the department of education shall reduce by sixty-seven percent the amount provided by the small school weight for affiliated charter schools prescribed in subdivision (b) of this paragraph.~~

2. Notwithstanding paragraph 1 of this subsection, the student count shall be determined initially using an estimated student count based on actual registration of pupils before the beginning of the school year. Notwithstanding section 15-1042, subsection F, student level data submitted to the department may be used to determine estimated student counts. After the first forty days, one hundred days or two hundred days in session, as applicable, the charter school shall revise the student count to be equal to the actual average daily membership, as defined in section 15-901, of the charter school. Before the fortieth day, one hundredth day or two hundredth day in session, as applicable, the state board of education, the state board for charter schools, the sponsoring university, the sponsoring community college district or the sponsoring group of community college districts may require a charter school to report periodically regarding pupil enrollment and attendance, and the department of education may revise its computation of equalization assistance based on the report. A charter school shall revise its student count, base support level and charter additional assistance before May 15. A charter school that overestimated its student count shall revise its budget before May 15. A charter school that underestimated its student count may revise its budget before May 15.

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

4. Equalization assistance for the charter school shall be determined by adding the amount of the base support level and charter additional assistance. The amount of the charter additional assistance is one thousand seven hundred ~~thirty-four~~ FIFTY-TWO dollars ~~ninety-two~~ TEN cents per student count in preschool programs for children with disabilities, kindergarten programs and grades one through eight and two thousand ~~twenty-two~~ FORTY-TWO dollars ~~two~~ FOUR cents per student count in grades nine through twelve.

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

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

7. Not later than noon on the day preceding each apportionment date established by paragraph 5 of this subsection, the superintendent of public instruction shall furnish to the state treasurer an abstract of the apportionment and shall certify the apportionment to the department of administration, which shall draw its warrant in favor of the charter schools for the amount apportioned.

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

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

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

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

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

39 E. If a charter school was a district public school in the prior year
 40 ~~and is now being operated for or by the same school district~~ and sponsored by
 41 the state board of education, the state board for charter schools, a
 42 university, a community college district, ~~OR~~ a group of community college
 43 districts ~~or a school district governing board~~, the reduction in subsection D
 44 of this section applies. The reduction to the base support level of the
 45 charter school ~~or the sponsoring district of the charter school~~ shall equal

1 the sum of the base support level and the charter additional assistance
2 received in the current year for those pupils who were enrolled in the
3 traditional public school in the prior year and are now enrolled in the
4 charter school in the current year.

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

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

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

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

1 by requesting the department of education to reduce the amount of state aid
2 that the charter school would otherwise receive by an amount equal to the
3 civil penalty. The amount of state aid withheld shall revert to the state
4 general fund at the end of the fiscal year.

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

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

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

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

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

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

39 P. For the purposes of this section, ~~+~~

40 ~~+~~ "monies intended for the basic maintenance and operations of the
41 school" means monies intended to provide support for the educational program
42 of the school, except that it does not include supplemental assistance for a
43 specific purpose or title VIII of the elementary and secondary education act
44 of 1965 monies. The auditor general shall determine which federal or state
45 monies meet ~~the~~ THIS definition ~~in this paragraph~~.

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

7 Sec. 6. Section 15-187, Arizona Revised Statutes, is amended to read:

8 15-187. Charter schools; teachers; employment benefits

9 A. A teacher who is employed by or teaching at a charter school and
10 who was previously employed as a teacher at a school district shall not lose
11 any right of certification, retirement or salary status or any other benefit
12 provided by law, by the rules of the governing board of the school district
13 or by the rules of the board of directors of the charter school due to
14 teaching at a charter school on the teacher's return to the school district.

15 B. A teacher who is employed by or teaching at a charter school and
16 who submits an employment application to the school district where the
17 teacher was employed immediately before employment by or at a charter school
18 shall be given employment preference by the school district if both of the
19 following conditions are met:

20 1. The teacher submits an employment application to the school
21 district no later than three years after ceasing employment with the school
22 district.

23 2. A suitable position is available at the school district.

24 C. A charter school that is sponsored by ~~a school district governing~~
25 ~~board,~~ a university, a community college district, a group of community
26 college districts, the state board of education or the state board for
27 charter schools is eligible to participate in the Arizona state retirement
28 system pursuant to title 38, chapter 5, article 2. The charter school is a
29 political subdivision of this state for purposes of title 38, chapter 5,
30 article 2.

31 D. Notwithstanding any other law, a charter school shall not adopt
32 policies that provide employment retention priority for teachers based on
33 tenure or seniority.

34 Sec. 7. Section 15-217, Arizona Revised Statutes, is amended to read:

35 15-217. K-6 technology-based language development and literacy
36 intervention pilot program; educational technology
37 provider; review; reports; fund

38 A. The state board of education shall develop a two-year pilot program
39 for K-6 technology-based language development and literacy intervention. The
40 state board shall develop application procedures and selection criteria for
41 school districts and charter schools that voluntarily decide to participate
42 in the pilot program.

43 B. The state board shall submit a request for proposals to educational
44 technology providers for the delivery of technology-based language
45 development and literacy intervention software to be made available to all

1 pupils in kindergarten programs and grades one through six who are enrolled
2 in schools that participate in the pilot program and who are identified as
3 English language learners.

4 C. The state board shall establish the format of the applications,
5 application procedures and selection criteria for educational technology
6 providers that wish to submit a proposal for the delivery of K-6
7 technology-based language development and literacy intervention software to
8 be used in the pilot program. The state board shall select and award a
9 contract to one educational technology provider to deliver K-6
10 technology-based language development and literacy intervention software
11 pursuant to this section. The state board shall distribute monies
12 appropriated for this purpose to the selected provider.

13 D. The K-6 technology-based language development and literacy
14 intervention software for English language learners must differentiate
15 instruction for each pupil and meet all of the following requirements:

16 1. Include instruction individualized to teach each pupil the
17 following five strands of literacy:

18 (a) Phonics.

19 (b) Phonemic awareness.

20 (c) Vocabulary.

21 (d) Comprehension.

22 (e) Fluency.

23 2. Have components that are created for and aligned to state academic
24 standards. The software must correlate to the Arizona English language
25 proficiency standards.

26 3. Contain internal assessments, checkpoints, tracking and reports for
27 teachers, administrators and parents.

28 4. Be used to address varied learner needs and to assist teachers in
29 tracking pupil growth toward important curricular goals. The software must
30 have tools and off-line resources that enable teachers to more effectively
31 meet the individual needs of each pupil.

32 5. Provide immediate feedback to pupils and provide automatic
33 remediation when needed. The software must provide scaffolding through
34 illustrations, front-loaded vocabulary, audio support, interactive glossary
35 words, instructional feedback, strategic questions and adaptive content that
36 provides extra practice as needed.

37 6. Include grade-appropriate digital books with literature text and
38 informational text. Pupils must be able to practice reading on the computer
39 by recording readings and comparing those readings to the reading model.

40 7. Provide implicit and explicit instruction. The software must teach
41 the core areas of listening and reading comprehension, including intertextual
42 comprehension.

43 8. Teach pupils academic vocabulary using real and virtual experience
44 and visuals to introduce vocabulary. The vocabulary must be related to core

1 content areas and provide additional language development activities for
2 those pupils requiring this assistance.

3 9. Teach basic interpersonal communicative skills and cognitive
4 academic language proficiency and assess a pupil's understanding of each.

5 E. The educational technology provider selected pursuant to subsection
6 C of this section must have experience with large statewide implementations
7 and the ability to support a statewide level of implementation. The provider
8 must submit evidence of pupil progress on an annual basis.

9 F. The joint legislative budget committee shall annually review the
10 results of the delivery of K-6 technology-based language development and
11 literacy intervention for English language learners through software provided
12 pursuant to this section.

13 G. On or before September 15, ~~2015~~ 2017, the state board of education
14 shall submit a progress report on the pilot program to the joint legislative
15 budget committee. On or before September 15, ~~2016~~ 2018, the state board
16 shall submit a report to the governor, the president of the senate and the
17 speaker of the house of representatives regarding the pilot program and
18 delivery of K-6 technology-based language development and literacy
19 intervention for English language learners through software provided pursuant
20 to this section. The report must include a recommendation of whether the
21 legislature should consider expanding the pilot program as a permanent
22 statewide program and information on the number of school districts, charter
23 schools and pupils who participated in the intervention. The state board
24 shall submit a copy of this report to the secretary of state.

25 H. The technology-based language development and literacy intervention
26 fund is established consisting of legislative appropriations and monies
27 transferred into the fund. The department of education shall administer the
28 fund. Monies in the fund are subject to legislative appropriation. Monies
29 in the fund must be used for the K-6 technology-based language development
30 and literacy intervention pilot program established pursuant to this section.
31 Monies in the fund are exempt from the provisions of section 35-190 relating
32 to lapsing of appropriations.

33 Sec. 8. Title 15, chapter 2, article 2, Arizona Revised Statutes, is
34 amended by adding section 15-249.06, to read:

35 15-249.06. College credit by examination incentive program:
36 incentive bonuses; report; program termination

37 A. THE COLLEGE CREDIT BY EXAMINATION INCENTIVE PROGRAM IS ESTABLISHED
38 WITHIN THE DEPARTMENT OF EDUCATION TO PROVIDE AN INCENTIVE BONUS TO TEACHERS,
39 SCHOOL DISTRICTS AND CHARTER SCHOOLS FOR STUDENTS WHO OBTAIN A PASSING SCORE
40 ON A QUALIFYING EXAMINATION FOR COLLEGE CREDIT WHILE IN HIGH SCHOOL.

41 B. THE ARIZONA BOARD OF REGENTS SHALL MAINTAIN A LIST OF QUALIFYING
42 EXAMINATIONS THAT A HIGH SCHOOL STUDENT MAY TAKE IN ORDER TO RECEIVE COLLEGE
43 CREDIT IN MATHEMATICS, ENGLISH LANGUAGE ARTS OR SCIENCE FROM ANY UNIVERSITY
44 UNDER THE JURISDICTION OF THE ARIZONA BOARD OF REGENTS AND THE PASSING SCORES
45 REQUIRED ON THOSE EXAMINATIONS IN ORDER TO RECEIVE COLLEGE CREDIT. ON OR

1 BEFORE SEPTEMBER 1 OF EACH YEAR, THE ARIZONA BOARD OF REGENTS SHALL PROVIDE
2 THE LIST OF QUALIFYING EXAMINATIONS AND PASSING SCORES TO THE DEPARTMENT OF
3 EDUCATION AND SHALL SUBMIT THIS LIST TO THE JOINT LEGISLATIVE BUDGET
4 COMMITTEE FOR REVIEW.

5 C. BEGINNING IN FISCAL YEAR 2017-2018, THE DEPARTMENT OF EDUCATION
6 SHALL PAY AN INCENTIVE BONUS TO SCHOOL DISTRICTS AND CHARTER SCHOOLS FOR EACH
7 STUDENT IN GRADES NINE THROUGH TWELVE WHO RECEIVES A PASSING SCORE DURING THE
8 PREVIOUS FISCAL YEAR ON A QUALIFYING EXAMINATION IDENTIFIED BY THE ARIZONA
9 BOARD OF REGENTS PURSUANT TO SUBSECTION B OF THIS SECTION. A STUDENT WHO
10 RECEIVES A PASSING SCORE ON A QUALIFYING EXAMINATION AND WHO IS ENROLLED IN A
11 SCHOOL WHERE FIFTY PERCENT OR MORE OF THE STUDENTS ARE ELIGIBLE FOR FREE OR
12 REDUCED PRICE LUNCHES SHALL GENERATE FOR THE SCHOOL DISTRICT OR CHARTER
13 SCHOOL A BONUS OF FOUR HUNDRED FIFTY DOLLARS PER PASSING SCORE ON A
14 QUALIFYING EXAMINATION. A STUDENT WHO RECEIVES A PASSING SCORE ON A
15 QUALIFYING EXAMINATION AND WHO IS ENROLLED IN A SCHOOL WHERE LESS THAN FIFTY
16 PERCENT OF THE STUDENTS ARE ELIGIBLE FOR FREE OR REDUCED PRICE LUNCHES SHALL
17 GENERATE FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL A BONUS OF THREE HUNDRED
18 DOLLARS PER PASSING SCORE ON A QUALIFYING EXAMINATION. IF THE STATEWIDE SUM
19 OF PER STUDENT BONUSES AWARDED PURSUANT TO THIS SUBSECTION EXCEEDS THE AMOUNT
20 OF AVAILABLE MONIES APPROPRIATED FOR INCENTIVE BONUSES, THE BONUS MONIES
21 SHALL BE REDUCED PROPORTIONALLY TO COVER ALL ELIGIBLE BONUS AWARDS.

22 D. A SCHOOL DISTRICT OR CHARTER SCHOOL THAT RECEIVES AN INCENTIVE
23 BONUS PURSUANT TO THIS SECTION SHALL DISTRIBUTE AT LEAST FIFTY PERCENT OF THE
24 BONUS MONIES TO THE ASSOCIATED CLASSROOM TEACHER FOR EACH STUDENT WHO PASSES
25 A QUALIFYING EXAMINATION. BONUS MONIES AWARDED TO A TEACHER PURSUANT TO THIS
26 SUBSECTION SHALL BE IN ADDITION TO ANY REGULAR WAGE, COMPENSATION OR OTHER
27 BONUS THE TEACHER RECEIVES OR IS SCHEDULED TO RECEIVE. THE REMAINDER OF ANY
28 BONUS MONIES RECEIVED BY A SCHOOL DISTRICT OR CHARTER SCHOOL SHALL BE USED
29 FOR TEACHER PROFESSIONAL DEVELOPMENT OR STUDENT INSTRUCTIONAL SUPPORT OR
30 MATERIALS. ANY BONUS MONIES RECEIVED BY A SCHOOL DISTRICT OR CHARTER SCHOOL
31 PURSUANT TO THIS SUBSECTION SHALL BE SEPARATELY ACCOUNTED FOR IN THE SCHOOL
32 DISTRICT'S OR CHARTER SCHOOL'S ANNUAL FINANCIAL REPORT.

33 E. INCENTIVE BONUSES DISTRIBUTED TO AND ANY BONUS MONIES RECEIVED BY A
34 SCHOOL DISTRICT OR CHARTER SCHOOL PURSUANT TO THIS SECTION ARE NOT SUBJECT TO
35 COLLECTIVE BARGAINING.

36 F. ON OR BEFORE DECEMBER 15, 2018 AND ON OR BEFORE DECEMBER 15 OF EACH
37 YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL SUBMIT TO THE PRESIDENT OF
38 THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE GOVERNOR AND THE
39 SECRETARY OF STATE A REPORT ON ALL OF THE FOLLOWING:

- 40 1. THE NUMBER OF STUDENTS WHO TOOK A QUALIFYING EXAMINATION AT EACH
41 SCHOOL.
- 42 2. THE NUMBER OF STUDENTS WHO RECEIVED A PASSING SCORE ON A QUALIFYING
43 EXAMINATION AND THE NUMBER OF INCENTIVE BONUS AWARDS DISTRIBUTED.
- 44 3. THE NUMBER AND TYPES OF QUALIFYING EXAMINATIONS TAKEN BY STUDENTS.

1 G. INCENTIVE BONUSES DISTRIBUTED TO AND ANY BONUS MONIES RECEIVED BY A
2 TEACHER ARE NOT COMPENSATION AS DEFINED IN SECTION 38-711.

3 H. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2026
4 PURSUANT TO SECTION 41-3102.

5 Sec. 9. Section 15-393, Arizona Revised Statutes, is amended to read:

6 15-393. Joint technical education district governing board:
7 report; definitions

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

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

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

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

1 nomination or election to the governing board of any other school district or
2 joint technical education district, unless the member of the governing board
3 is serving in the last year of a term of office.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For the purposes of this paragraph, "district of residence" means the district that included the pupil in its average daily membership for the year before the first year of operation of the joint district and that would have 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) Beginning July 1, 2016, a student who has graduated from high
17 school or received a general equivalency diploma or who is over twenty-one
18 years of age shall not be included in the student count of the joint district
19 for the purposes of chapter 9, articles 3, 4 and 5 of this title. ~~A student
20 who has yet to graduate or receive a general equivalency diploma and was
21 lawfully enrolled in a joint technical education district program on January
22 1, 2016 may continue to participate in the program after the effective date
23 of this amendment to this section.~~

24 (d) A student who is enrolled in any internship course as part of a
25 joint technical education district program shall not be included in the
26 student count of the joint district for that internship course for the
27 purposes of chapter 9, articles 3, 4 and 5 of this title.

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

30 6. A joint district may use the carryforward provisions of section
31 15-943.01.

32 7. A school district that is part of a joint district shall use any
33 monies received pursuant to this article to supplement and not supplant base
34 year career and technical education courses, and directly related equipment
35 and facilities, except that a school district that is part of a joint
36 technical education district and that has used monies received pursuant to
37 this article to supplant career and technical education courses that were
38 offered before the first year that the school district participated in the
39 joint district or the first year that the school district used monies
40 received pursuant to this article or that used the monies for purposes other
41 than for career and technical education courses shall use one hundred percent
42 of the monies received pursuant to this article to supplement and not
43 supplant base year career and technical education courses.

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

4 9. A joint technical education district or a school district that is
5 part of a joint district or a charter school shall only include pupils in
6 grades ten through twelve in the calculation of student count or average
7 daily membership if the pupils are enrolled in courses that are approved
8 jointly by the governing board of the joint technical education district and
9 each participating school district or charter school for satellite courses
10 taught within the participating school district or charter school, or
11 approved solely by the joint technical education district for centrally
12 located courses. Student count and average daily membership from courses
13 that are not part of an approved program for career and technical education
14 shall not be included in student count and average daily membership of a
15 joint technical education district.

16 E. The joint board shall appoint a superintendent as the executive
17 officer of the joint district.

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

25 G. The schools in the joint district are available to all persons who
26 reside in the joint district and to pupils whose district of residence within
27 this state is paying tuition on behalf of the pupils to a district of
28 attendance that is a member of the joint technical education district,
29 subject to the rules for admission prescribed by the joint board.

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

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

37 J. One member of the joint board shall be selected chairman. The
38 chairman shall be selected annually on a rotation basis from among the
39 participating school districts. The chairman of the joint board shall be a
40 voting member.

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

44 L. Beginning July 1, 2016, any agreement between the governing board
45 of a joint technical education district and another joint technical education

1 district, a school district, a charter school or a community college district
2 shall be in the form of an intergovernmental agreement or other written
3 contract. The auditor general shall modify the uniform system of financial
4 records and budget forms in accordance with this subsection. The
5 intergovernmental agreement or other written contract shall completely and
6 accurately specify each of the following:

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

9 2. The accountability provisions of the intergovernmental agreement or
10 other written contract.

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

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

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

19 6. The transportation services that will be provided under the
20 intergovernmental agreement or other written contract and the manner in which
21 transportation costs will be paid.

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

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

28 9. That the payment for services shall not exceed the cost of the
29 services provided.

30 10. That the joint technical education district will provide the
31 following minimum services for all member districts:

32 (a) Professional development of career and technical teachers in the
33 joint district who are teaching programs or courses at a satellite campus.

34 (b) Ongoing evaluation and support of satellite campus programs and
35 courses to ensure quality and compliance.

36 11. An itemized listing of other goods and services that are provided
37 to the member district and that are paid for by the retention of satellite
38 campus student funding.

39 M. A member school district or charter school may not submit requests
40 for the approval or addition of satellite campus joint district programs or
41 courses directly to the career and technical education division of the
42 department of education, but shall submit all appropriate application
43 documentation and materials for programs or courses to the joint district.
44 On approval from the joint board, a joint district shall only submit requests
45 for the approval or addition of satellite campus joint district programs or

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

8 N. 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 P
11 or Q 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, P or Q of this section, as applicable.

14 O. 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 the school
17 district or charter school and joint technical education district shall not
18 exceed 1.25. The school district or charter school and the joint district
19 shall determine the apportionment of the average daily membership for that
20 pupil between the school district or charter school and the joint district.
21 A pupil who attends a course or program at a satellite campus and who is not
22 enrolled in the school district or charter school where the satellite campus
23 is located may generate the average daily membership pursuant to this
24 subsection if the pupil is enrolled in a school district that is a member
25 district in the same joint technical education district.

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

40 Q. The average daily membership for a pupil in grade ten, eleven or
41 twelve who is enrolled in a course that meets for at least one hundred fifty
42 minutes per class period at a leased centralized campus shall not exceed
43 0.75. The sum of the average daily membership, as provided in section
44 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the
45 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.

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

23 S. Notwithstanding any other law, the student count for a joint
24 technical education district shall be equivalent to the joint technical
25 education district's average daily membership.

26 T. A school district or charter school may not prohibit or discourage
27 students who are enrolled in that school district or charter school from
28 attending courses offered by a joint technical education district, including
29 requiring students to generate a full 1.0 average daily membership or
30 ~~enrolling~~ TO ENROLL in more courses than are needed ~~for a particular student~~
31 to graduate before enrolling IN and attending programs or courses offered by
32 a joint district.

33 U. The governing board of the joint technical education district may
34 contract with any charter school that is located within the boundaries of the
35 joint technical education district to allow that charter school to offer
36 career and technical education courses or programs as a satellite campus.

37 V. Beginning in 2020 and every five years thereafter, the career and
38 technical education division of the department of education shall review
39 joint technical education district programs and joint technical education
40 courses to ensure compliance, quality and eligibility. Any program or course
41 deemed to not meet the requirements set forth by law shall not be funded for
42 the preceding school year and shall be removed from the approved program and
43 course list. The career and technical education division may establish a
44 staggered schedule for reviewing each joint technical education district.

W. For the purposes of this section:

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

2. "Centralized campus" means a facility that is owned and operated by a joint technical education district for the purpose of offering joint technical education district programs or joint technical education courses.

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

4. "Leased centralized campus" means a facility that is leased and operated by a joint technical education district for the purpose of offering joint technical education district programs or joint technical education courses.

5. "Satellite campus" means a facility that is owned or operated by a school district or charter school for the purpose of offering joint technical education district programs or joint technical education courses.

Sec. 10. Section 15-393.01, Arizona Revised Statutes, is amended to read:

15-393.01. Joint technical education districts; annual report; performance and accountability

A. The department of education shall include each joint technical education district in the department's annual achievement profiles required by section 15-241. Subject to approval by the state board of education, the department of education shall develop specific criteria applicable to joint districts and include joint districts in the letter grade classification system prescribed in section 15-241. The department shall include all of the following performance indicators in the annual achievement profiles and letter grade classification:

1. The graduation rate of all students enrolled in a career and technical education program or course.

2. The completion rate for each program offered by the joint district.

3. Performance on assessments required pursuant to section 15-391, paragraph 5, subdivision (b).

4. Postgraduation employment rates for students who complete a career and technical education program.

B. A joint district is subject to the performance audits pursuant to section 41-1279.03, subsection A, paragraph 9. The auditor general shall consider the differences and applicable laws for a joint district when conducting a performance audit for a joint district.

C. On or before December 31 of each year, the career and technical education division of the department of education shall submit a joint technical education district annual report to the governor, the president of the senate and the speaker of the house of representatives and shall submit a copy of this report to the secretary of state. The career and technical education division of the department of education shall submit a copy of this

1 report to the joint legislative budget committee for review. The annual
2 report shall include the following:

3 1. The average daily membership of each joint district, including the
4 average daily membership of each centralized campus, satellite campus and
5 leased centralized campus as defined in section 15-393.

6 2. The actual student count of each joint district, including the
7 student count of each centralized campus, satellite campus and leased
8 centralized campus as defined in section 15-393.

9 3. The programs and corresponding courses offered by each joint
10 district, including the location of each program and course.

11 4. ~~The student enrollment of each program and corresponding course~~ For
12 each joint district based on program or course location: ~~—~~

13 (a) THE STUDENT ENROLLMENT OF EACH PROGRAM AND CORRESPONDING COURSE.

14 (b) THE PERCENTAGE OF STUDENTS WHO ENROLLED IN THE SECOND YEAR OF EACH
15 PROGRAM AND CORRESPONDING COURSE RELATIVE TO THE NUMBER OF STUDENTS IN THE
16 SAME COHORT WHO ENROLLED IN THE FIRST YEAR OF EACH PROGRAM AND CORRESPONDING
17 COURSE.

18 (c) THE PERCENTAGE OF STUDENTS WHO COMPLETED EACH PROGRAM RELATIVE TO
19 THE NUMBER OF STUDENTS IN THE SAME COHORT WHO BEGAN THE PROGRAM.

20 5. The costs associated with each program offered by the joint
21 district.

22 6. A listing of any programs or courses that were discontinued by
23 review of the career and technical education division pursuant to section
24 15-393, subsection V.

25 7. A listing of any programs or courses that were continued by review
26 of the career and technical education division pursuant to section 15-393,
27 subsection V.

28 8. A listing of any programs or courses that were added by the career
29 and technical education division.

30 9. Any other data or information deemed necessary by the department of
31 education.

32 D. The office of the auditor general, in consultation with the
33 department of education, shall develop and establish uniform cost reporting
34 guidelines, policies and procedures for joint technical education district
35 programs. Any guideline, policy or procedure shall allow for the effective
36 comparison of cost between joint technical education district programs.

37 Sec. 11. Section 15-447.01, Arizona Revised Statutes, is amended to
38 read:

39 15-447.01. Common school districts; offer of instruction in
40 grade nine

41 A. Before a common school district offers instruction in grade nine
42 pursuant to section 15-901, subsection A, paragraph ~~4~~ 3, subdivision (b),
43 the common school district governing board shall:

44 1. Conduct a preliminary vote at a public meeting to consider the
45 question of offering instruction in grade nine.

1 2. Send a letter expressing the common school district's interest in
2 offering instruction in grade nine to the union high school district or the
3 unified school district where a majority of the common school pupils would
4 otherwise enroll in grade nine.

5 3. Hold a public hearing on the issue at least ninety days after the
6 letter of interest is sent as prescribed in paragraph 2 of this subsection.

7 4. Conduct a final vote on the issue of offering instruction in grade
8 nine. The final vote prescribed in this paragraph shall occur no later than
9 January 15 of the school year that precedes the school year in which
10 instruction in grade nine will first be offered and at least thirty days
11 after the public hearing prescribed in paragraph 3 of this subsection.

12 B. Notwithstanding any other law, a common school district that offers
13 instruction in grade nine pursuant to section 15-901, subsection A, paragraph
14 ~~4- 3~~, subdivision (b) may:

15 1. Conduct an election to exceed the revenue control limit as provided
16 in sections 15-481 and 15-482 and use the weighted student count of pupils in
17 grade nine as part of the calculation for the increase in the revenue control
18 limit.

19 ~~2. Use the weighted student count of pupils in grade nine to determine~~
20 ~~equalization assistance for career ladder and optional performance incentive~~
21 ~~programs pursuant to sections 15-918.05 and 15-919.05, as applicable, if the~~
22 ~~common school district currently participates in the career ladder program or~~
23 ~~the optional performance incentive program, or both.~~

24 ~~3-~~ 2. Use the count of pupils in grade nine to determine equalization
25 assistance pursuant to section 15-971.

26 ~~C. Notwithstanding any other law, a common school district that offers~~
27 ~~instruction in grade nine pursuant to section 15-901, subsection A, paragraph~~
28 ~~4, subdivision (b) shall not increase the revenue control limit and district~~
29 ~~support level for the school district for the current year due to growth in~~
30 ~~the grade nine pupil population pursuant to section 15-948.~~

31 ~~D-~~ C. A common school district may not offer instruction in grade
32 nine in a school facility where instruction is provided to pupils in
33 kindergarten programs and grades one through six, or any combination of
34 kindergarten instruction or grades one through six.

35 Sec. 12. Section 15-824, Arizona Revised Statutes, is amended to read:

36 15-824. Admission of pupils of other school districts; homeless
37 children; tuition charges; definitions

38 A. The governing board of a school district shall admit pupils from
39 another school district or area as follows:

40 1. ~~Upon~~ ON the presentation of a certificate of educational
41 convenience issued by the county school superintendent pursuant to section
42 15-825.

43 2. For three hundred fifty or fewer pupils, to a high school without
44 the presentation of such A certificate, if the pupil is a resident of a
45 common school district within this state that is not within a high school

1 district and that does not offer instruction in the pupil's grade. The three
2 hundred fifty or fewer pupil limitation prescribed in this paragraph does not
3 apply to a small isolated school district as defined in section 15-901.
4 Tuition shall be charged as prescribed in subsection E of this section for
5 each pupil admitted pursuant to this paragraph, each pupil from a school
6 district that provides only financing for pupils who are instructed by
7 another school district and each pupil from a unified district that does not
8 offer instruction in the pupil's grade. The school membership of such pupils
9 is deemed, for the purpose of determining student count and for apportionment
10 of state aid, to be enrollment in the school district of the pupil's
11 residence.

12 B. The residence of the person having legal custody of the pupil is
13 considered the residence of the pupil, except as provided in subsection C of
14 this section and in section 15-825, subsection B.

15 C. The current residence of a homeless pupil who does not reside with
16 the person having legal custody of the pupil is considered to be the
17 residence of the homeless pupil if the person having legal custody of the
18 pupil is a resident of the United States. For the purposes of this
19 subsection, "homeless pupil" means a pupil who has a primary residence that
20 is:

21 1. A supervised publicly or privately operated shelter designed to
22 provide temporary living accommodations.

23 2. An institution that provides a temporary residence for individuals
24 intended to be institutionalized.

25 3. A public or private place not designed for, or ordinarily used as,
26 a regular sleeping accommodation for human beings.

27 D. The school enrollment of a pupil who is a resident of this state or
28 who is admitted to a school district under section 15-823, subsection B, C or
29 E is deemed, for the purpose of determining student count and for
30 apportionment of state aid, to be enrollment in the school district of actual
31 attendance, except as provided in section 15-825, subsection A, paragraph 1
32 and subsection A, paragraph 2 of this section and except for pupils for whom
33 the superintendent of public instruction is charged tuition pursuant to
34 section 15-825, subsections B and D and section 15-976 or for whom another
35 school district is charged tuition as provided in subsections E and G of this
36 section.

37 E. If tuition is required to be charged for pupils attending school in
38 a school district other than that of their residence, the tuition shall be
39 determined and paid in the following manner:

40 1. The number of high school pupils for which tuition may be charged
41 to a common school district that is not within a high school district is
42 equal to the average daily membership in the district of attendance from the
43 common school district for the prior fiscal year, except that for the first
44 year in which a common school district not within a high school district
45 stops teaching high school subjects, the district of attendance may charge

1 tuition for the number of pupils ~~which~~ THAT is equal to the average daily
 2 membership for high school pupils in the common school district for the prior
 3 fiscal year. This number may be adjusted if the common school district
 4 increases its revenue control limit and district support level ~~or recomputes~~
 5 ~~its revenue control limit as provided in section 15-948.~~

6 2. The tuition for pupils attending school in a school district other
 7 than that of their residence, except pupils provided for by section 15-825,
 8 subsections B and D and any pupils included in the definition of child with a
 9 disability in section 15-761, shall not exceed the cost per student count of
 10 the school district attended, as determined for the current school year.
 11 Tuition for pupils included in the definition of child with a disability in
 12 section 15-761 shall not exceed the actual cost of the school attended for
 13 each pupil as determined for the current year. The school district of
 14 attendance shall not include in the cost per student count a charge for
 15 transportation if no transportation is provided, and the charge for
 16 transportation shall not exceed the actual costs of providing transportation
 17 for the pupils served, as prescribed in the uniform system of financial
 18 records. The school district of attendance shall provide the school district
 19 of residence with the final tuition charge for the current year and with an
 20 estimate of the budget year's tuition charge by May 1 of the current year.
 21 The school district of residence shall pay at least one-fourth of the total
 22 amount of the estimated tuition by September 30, December 31 and March 31,
 23 and it shall pay the remaining amount it owes after adjustments are made by
 24 June 30.

25 3. Notwithstanding paragraph 2 of this subsection and subsection G of
 26 this section, if two school districts enter into a voluntary agreement for
 27 the payment of tuition, the agreement shall specify the method for computing
 28 the tuition amount and the timing of the payments. The agreement shall not
 29 be longer than five consecutive years. If two school districts enter into an
 30 agreement and choose to renew the agreement, each renewal shall not be longer
 31 than five consecutive years. The agreement shall specify that a parent or
 32 legal guardian of a pupil affected by a tuition agreement entered pursuant to
 33 this section or section 15-816.01 may choose not to send the pupil or pupils
 34 to a school district or school that is a party to the agreement.

35 4. Tuition of pupils as provided in section 15-825, subsection D shall
 36 not exceed the excess costs for group B children with disabilities minus the
 37 amount generated by the equalization base as determined in section 15-971,
 38 subsection A for these pupils. A school district may submit to the
 39 superintendent of public instruction a record of actual excess costs to
 40 educate a group B child with a disability if the costs are higher than the
 41 calculated excess costs or if a pupil has been placed in a private school for
 42 special education services. The superintendent shall determine if the
 43 additional costs will be paid, and if the costs are paid, whether the
 44 additional costs will be paid by the state or the resident district.

1 5. The amount received representing contributions to capital outlay as
2 provided in subsection G, paragraph 1, subdivision (b) of this section shall
3 be applied to the capital outlay fund or the debt service fund of the school
4 district.

5 6. The amount received representing contributions to debt service as
6 provided in subsection G, paragraph 1, subdivisions (c) and (d) of this
7 section shall be applied to the debt service fund of the school district if
8 there is one. Otherwise ~~such~~ THE amount shall be credited to the capital
9 outlay fund of the school district.

10 F. A school district may submit to the superintendent of public
11 instruction a record of actual costs paid by the school district to educate a
12 pupil who qualifies for a certificate of educational convenience under
13 section 15-825, subsection B. If the actual costs for that pupil exceed the
14 costs per student count computed pursuant to subsection G of this section,
15 the superintendent of public instruction shall reimburse the school district
16 for these additional costs subject to legislative appropriation.

17 G. For the purposes of this section:

18 1. "Costs per student count" means the sum of the following for the
19 common or high school portion of the school district attended, whichever is
20 applicable to the pupil involved, as prescribed in the uniform system of
21 financial records:

22 (a) The actual school district expenditures for the regular education
23 program subsection of the maintenance and operation section of the budget
24 divided by the school district's student count for the common or high school
25 portion of the school district, whichever is applicable.

26 (b) The actual school district expenditures for the capital outlay
27 section of the budget as provided in sections 15-903 and 15-905 excluding
28 expenditures for transportation equipment and buildings if no transportation
29 is provided and expenditures for the acquisition of building sites, divided
30 by the school district's student count for the common or high school portion
31 of the school district, whichever is applicable.

32 (c) The actual school district expenditures for debt service divided
33 by the school district's student count for the common or high school portion
34 of the school district, whichever is applicable.

35 (d) The result obtained in subdivision (c) of this paragraph shall not
36 exceed:

37 (i) Seven hundred fifty dollars if the pupil's school district of
38 residence pays tuition for seven hundred fifty or fewer pupils to other
39 school districts or one hundred fifty dollars if the state pays tuition for
40 seven hundred fifty or fewer pupils to a school district pursuant to section
41 15-825, subsection D or section 15-976.

42 (ii) Eight hundred dollars if the pupil's school district of residence
43 pays tuition for one thousand or fewer, but more than seven hundred fifty,
44 pupils to other school districts or two hundred dollars if the state pays
45 tuition for one thousand or fewer, but more than seven hundred fifty, pupils

1 to a school district pursuant to section 15-825, subsection D or section
2 15-976.

3 (iii) The actual cost per student count if either the pupil's school
4 district of residence or the state pays tuition for more than one thousand
5 pupils to other school districts.

6 2. "Legal custody" means:

7 (a) Custody exercised by the natural or adoptive parents with whom a
8 pupil resides.

9 (b) Custody granted by order of a court of competent jurisdiction to a
10 person or persons with whom a pupil resides unless the primary purpose for
11 which custody was requested was to circumvent the payment of tuition as
12 provided in this section.

13 Sec. 13. Section 15-901, Arizona Revised Statutes, as amended by Laws
14 2015, chapter 15, section 4, is amended to read:

15 15-901. Definitions

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

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

28 (a) "Fractional student" means:

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

1 is at least one-fourth, one-half or three-fourths of the time a full-time
2 student is enrolled as defined in subdivision (b) of this paragraph.

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

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

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

40 (ii) For high schools, a student ~~WHO HAS~~ not graduated from the
41 highest grade taught in the school district and ~~WHO IS~~ enrolled in at least
42 an instructional program of four or more subjects that count toward
43 graduation as defined by the state board of education, each of which, if
44 taught each school day for the minimum number of days required in a school
45 year, would meet a minimum of one hundred twenty-three hours a year, or the

equivalent, that meets for a total of at least seven hundred twenty hours for a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in this section in a recognized high school. A full-time student shall not be counted more than once for computation of average daily membership. The average daily membership of a full-time high school student shall be 1.0 if the student is enrolled in at least four subjects that meet at least seven hundred twenty hours for a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the equivalent instructional hours prescribed in this section.

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

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

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

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

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

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

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

1 (a) Grades one through eight.

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

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

5 5. "Daily attendance" means:

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

7 (i) Of a kindergarten program or ungraded, but not group B children
8 with disabilities, ~~and~~ WHO IS at least five, but under six, years of age by
9 September 1 attends at least three-quarters of the instructional time
10 scheduled for the day. If the total instruction time scheduled for the year
11 is at least three hundred fifty-six hours but is less than seven hundred
12 twelve hours, such attendance shall be counted as one-half day of attendance.
13 If the instructional time scheduled for the year is at least six hundred
14 ninety-two hours, "daily attendance" means days in which a pupil attends at
15 least one-half of the instructional time scheduled for the day. Such
16 attendance shall be counted as one-half day of attendance.

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

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

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

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

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

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

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

43 (d) For high schools, the attendance of a pupil shall not be counted
44 as a full day unless the pupil is actually and physically in attendance and
45 enrolled in and carrying four subjects, each of which, if taught each school

1 day for the minimum number of days required in a school year, would meet a
2 minimum of one hundred twenty-three hours a year, or the equivalent, that
3 count toward graduation in a recognized high school except as provided in
4 section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil
5 carrying less than the load prescribed shall be prorated.

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

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

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

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

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

24 (b) The total number of miles driven daily on routes approved by the
25 superintendent of public instruction for which a private party, a political
26 subdivision or a common or a contract carrier is reimbursed for bringing an
27 eligible student from the place of ~~his~~ THE STUDENT'S residence to a school
28 transportation pickup point or to the school of attendance and from the
29 school transportation scheduled return point or from the school of attendance
30 to ~~his~~ THE STUDENT'S residence. Daily route mileage includes the total
31 number of miles necessary to drive to transport eligible students from and to
32 their residence as provided in this paragraph.

33 7. "District support level" means the base support level plus the
34 transportation support level.

35 8. "Eligible students" means:

36 (a) Students who are transported by or for a school district and who
37 qualify as full-time students or fractional students, except students for
38 whom transportation is paid by another school district or a county school
39 superintendent, and:

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

1 residence outside the school district boundaries is more than one mile from
2 the school facility of attendance.

3 (ii) For high school students, whose place of actual residence within
4 the school district is more than one and one-half miles from the school
5 facility of attendance or students who are admitted pursuant to section
6 15-816.01 and who meet the economic eligibility requirements established
7 under the national school lunch and child nutrition acts (42 United States
8 Code sections 1751 through 1785) for free or reduced price lunches and whose
9 actual place of residence outside the school district boundaries is more than
10 one and one-half miles from the school facility of attendance.

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

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

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

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

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

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

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

35 13. "Student count" means ~~—~~

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

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

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

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

1 16. "Total students transported" means all eligible students
2 transported from their place of residence to a school transportation pickup
3 point or to the school of attendance and from the school of attendance or
4 from the school transportation scheduled return point to their place of
5 residence.

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

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

10 1. "Base" means the revenue level per student count specified by the
11 legislature.

12 2. "Base level" means the following amounts plus the percentage
13 increases to the base level as provided in sections 15-902.04, ~~15-918.04,~~
14 ~~15-919.04~~ and 15-952, except that if a school district or charter school is
15 eligible for an increase in the base level as provided in two or more of
16 these sections, the base level amount shall be calculated by compounding
17 rather than adding the sum of one plus the percentage of the increase from
18 those different sections:

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

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

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

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

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

29 (f) For fiscal year 2015-2016, three thousand four hundred twenty-six
30 dollars seventy-four cents.

31 (g) FOR FISCAL YEAR 2016-2017, THREE THOUSAND FOUR HUNDRED SIXTY
32 DOLLARS SIXTY-SIX CENTS.

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

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

37 5. "Certified teacher" means a person who is certified as a teacher
38 pursuant to the rules adopted by the state board of education, who renders
39 direct and personal services to ~~school children~~ SCHOOLCHILDREN in the form of
40 instruction related to the school district's educational course of study and
41 who is paid from the maintenance and operation section of the budget.

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

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

7 8. "ED-P" means programs for children with emotional disabilities who
8 are enrolled in private special education programs as prescribed in section
9 15-765, subsection D, paragraph 1 or in an intensive school district program
10 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 27. "Small school district" means a school district that meets all of
43 the following:

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

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

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

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

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

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

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

13 Sec. 14. Section 15-901, Arizona Revised Statutes, as amended by Laws
14 2015, first special session, chapter 1, section 1, is amended to read:

15 15-901. Definitions

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

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

28 (a) "Fractional student" means:

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

1 is at least one-fourth, one-half or three-fourths of the time a full-time
2 student is enrolled as defined in subdivision (b) of this paragraph.

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

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

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

40 (ii) For high schools, a student ~~WHO HAS~~ not graduated from the
41 highest grade taught in the school district and ~~WHO IS~~ enrolled in at least
42 an instructional program of four or more subjects that count toward
43 graduation as defined by the state board of education, each of which, if
44 taught each school day for the minimum number of days required in a school
45 year, would meet a minimum of one hundred twenty-three hours a year, or the

equivalent, that meets for a total of at least seven hundred twenty hours for a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the instructional hours prescribed in this section in a recognized high school. A full-time student shall not be counted more than once for computation of average daily membership. The average daily membership of a full-time high school student shall be 1.0 if the student is enrolled in at least four subjects that meet at least seven hundred twenty hours for a one hundred ~~eighty-day~~ EIGHTY-DAY school year, or the equivalent instructional hours prescribed in this section.

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

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

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

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

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

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

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

1 (a) Grades one through eight.

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

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

5 5. "Daily attendance" means:

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

7 (i) Of a kindergarten program or ungraded, but not group B children
8 with disabilities, ~~and~~ WHO IS at least five, but under six, years of age by
9 September 1 attends at least three-quarters of the instructional time
10 scheduled for the day. If the total instruction time scheduled for the year
11 is at least three hundred fifty-six hours but is less than seven hundred
12 twelve hours, such attendance shall be counted as one-half day of attendance.
13 If the instructional time scheduled for the year is at least six hundred
14 ninety-two hours, "daily attendance" means days in which a pupil attends at
15 least one-half of the instructional time scheduled for the day. Such
16 attendance shall be counted as one-half day of attendance.

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

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

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

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

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

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

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

43 (d) For high schools, the attendance of a pupil shall not be counted
44 as a full day unless the pupil is actually and physically in attendance and
45 enrolled in and carrying four subjects, each of which, if taught each school

1 day for the minimum number of days required in a school year, would meet a
2 minimum of one hundred twenty-three hours a year, or the equivalent, that
3 count toward graduation in a recognized high school except as provided in
4 section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil
5 carrying less than the load prescribed shall be prorated.

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

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

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

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

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

24 (b) The total number of miles driven daily on routes approved by the
25 superintendent of public instruction for which a private party, a political
26 subdivision or a common or a contract carrier is reimbursed for bringing an
27 eligible student from the place of ~~his~~ THE STUDENT'S residence to a school
28 transportation pickup point or to the school of attendance and from the
29 school transportation scheduled return point or from the school of attendance
30 to ~~his~~ THE STUDENT'S residence. Daily route mileage includes the total
31 number of miles necessary to drive to transport eligible students from and to
32 their residence as provided in this paragraph.

33 7. "District support level" means the base support level plus the
34 transportation support level.

35 8. "Eligible students" means:

36 (a) Students who are transported by or for a school district and who
37 qualify as full-time students or fractional students, except students for
38 whom transportation is paid by another school district or a county school
39 superintendent, and:

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

1 residence outside the school district boundaries is more than one mile from
2 the school facility of attendance.

3 (ii) For high school students, whose place of actual residence within
4 the school district is more than one and one-half miles from the school
5 facility of attendance or students who are admitted pursuant to section
6 15-816.01 and who meet the economic eligibility requirements established
7 under the national school lunch and child nutrition acts (42 United States
8 Code sections 1751 through 1785) for free or reduced price lunches and whose
9 actual place of residence outside the school district boundaries is more than
10 one and one-half miles from the school facility of attendance.

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

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

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

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

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

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

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

35 13. "Student count" means ~~—~~

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

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

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

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

1 16. "Total students transported" means all eligible students
2 transported from their place of residence to a school transportation pickup
3 point or to the school of attendance and from the school of attendance or
4 from the school transportation scheduled return point to their place of
5 residence.

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

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

11 1. "Base" means the revenue level per student count specified by the
12 legislature.

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

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

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

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

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

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

29 (f) For fiscal year 2015-2016, three thousand six hundred dollars zero
30 cents.

31 (g) ~~FOR FISCAL YEAR 2016-2017, THREE THOUSAND SIX HUNDRED THIRTY-FIVE~~
32 ~~DOLLARS SIXTY-FOUR CENTS.~~

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

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

37 5. "Certified teacher" means a person who is certified as a teacher
38 pursuant to the rules adopted by the state board of education, who renders
39 direct and personal services to ~~school-children~~ SCHOOLCHILDREN in the form of
40 instruction related to the school district's educational course of study and
41 who is paid from the maintenance and operation section of the budget.

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

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

7 8. "ED-P" means programs for children with emotional disabilities who
8 are enrolled in private special education programs as prescribed in section
9 15-765, subsection D, paragraph 1 or in an intensive school district program
10 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 27. "Small school district" means a school district that meets all of
43 the following:

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

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

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

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

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

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

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

13 Sec. 15. Section 15-902.03, Arizona Revised Statutes, is amended to
14 read:

15 15-902.03. Procedures for determining average daily membership

16 A. The department of education shall recompute and aggregate average
17 daily membership for the previous fiscal year no later than August 30. The
18 department shall inform school districts and charter schools of their final
19 average daily membership no later than September 15. No later than
20 November 1 of each year, state aid calculations for all school districts and
21 charter schools for the previous fiscal year must be finalized and the budget
22 limits for school districts must be adjusted. Any future adjustments in
23 student counts, if discovered by the school district or charter school, shall
24 be made pursuant to section 15-915.

25 B. Notwithstanding subsection A of this section, school districts may
26 continue to make budget adjustments pursuant to section 15-905, ~~AND make~~
27 ~~corrections pursuant to section 15-915 and use the adjustment for growth in~~
28 ~~student count pursuant to section 15-948.~~

29 Sec. 16. Section 15-910, Arizona Revised Statutes, is amended to read:

30 15-910. School district budgets; excess utility costs;
31 desegregation costs; tuition costs for bond issues;
32 costs for registering warrants; report

33 A. The governing board may budget for the district's excess utility
34 costs ~~which~~ **THAT** are specifically exempt from the district's revenue control
35 limit. If approved by the qualified electors voting at a statewide general
36 election, the exemption from the revenue control limit under this subsection
37 expires at the end of the 2008-2009 budget year. The uniform system of
38 financial records shall specify expenditure items allowable as excess utility
39 costs, which are limited to direct operational costs of heating, cooling,
40 water and electricity, telephone communications and sanitation fees. The
41 department of education and the auditor general shall include in the
42 maintenance and operation section of the budget format, as provided in
43 section 15-903, a separate line for utility expenditures and a special excess
44 utility cost category. The special excess utility cost category shall

1 contain budgeted expenditures for excess utility costs, determined as
2 follows:

3 1. Determine the lesser of the total budgeted or total actual utility
4 expenditures for fiscal year 1984-1985.

5 2. Multiply the amount in paragraph 1 of this subsection by the total
6 percentage increase or decrease in the revenue control limit and the capital
7 outlay revenue limit for the budget year over the revenue control limit and
8 the capital outlay revenue limit for fiscal year 1984-1985 excluding monies
9 available from ~~a career ladder program or~~ a teacher compensation program
10 provided for in section 15-952.

11 3. The sum of the amounts in paragraphs 1 and 2 of this subsection is
12 the amount budgeted in the utility expenditure line.

13 4. Additional expenditures for utilities are budgeted in the excess
14 utility cost category.

15 B. The governing board shall apply the same percentage increase or
16 decrease allowed in the revenue control limit and the capital outlay revenue
17 limit as provided in section 15-905, subsection E ~~or section 15-948~~ to the
18 utility expenditure line of the budget.

19 C. The governing board may expend from the excess utility cost
20 category only after it has expended for utility purposes the full amount
21 budgeted in the utility expenditure line of the budget.

22 D. The governing board, after notice is given and a public meeting is
23 held as provided in section 15-905, subsection D, may revise at any time
24 before May 15 the amount budgeted in the excess utility cost category for the
25 current year. Not later than May 18, the budget as revised shall be
26 submitted electronically to the superintendent of public instruction.

27 E. If the revised excess utility cost category results in an
28 expenditure of monies in excess of school district revenues for the current
29 year, the county school superintendent shall include within the revenue
30 estimate for the budget year monies necessary to meet the liabilities
31 incurred by the school district in the current year in excess of revenues
32 received for the current year.

33 F. If a school district receives a refund of utility expenditures or a
34 rebate on energy saving devices or services, the refund or rebate shall be
35 applied against utility expenditures for the current year as a reduction of
36 the expenditures, except that the reduction of expenditures shall not exceed
37 the amount of actual utility expenditures.

38 G. The governing board may budget for expenses of complying with or
39 continuing to implement activities ~~which~~ **THAT** were required or permitted by a
40 court order of desegregation or administrative agreement with the United
41 States department of education office for civil rights directed toward
42 remediating alleged or proven racial discrimination ~~which~~ **THAT** are
43 specifically exempt in whole or in part from the revenue control limit and
44 district additional assistance. This exemption applies only to expenses
45 incurred for activities ~~which~~ **THAT** are begun before the termination of the

1 court order or administrative agreement. If a district is levying a primary
 2 property tax on February 23, 2006 and using those monies to administer an
 3 English language learner program to remedy alleged or proven discrimination
 4 under title VI of the civil rights act of 1964 (42 United States Code section
 5 2000d), the district may spend those monies to remedy a violation of the
 6 equal ~~education~~ EDUCATIONAL OPPORTUNITIES act of 1974 (20 United States Code
 7 section 1703(f)). Nothing in this subsection allows a school district to
 8 levy a primary property tax for violations of the equal ~~education~~ EDUCATIONAL
 9 OPPORTUNITIES act of 1974 (20 United States Code section 1703(f)) in the
 10 absence of an alleged or proven discrimination under title VI of the civil
 11 rights act of 1964 (42 United States Code section 2000d).

12 H. If a governing board chooses to budget monies outside of the
 13 revenue control limit as provided in subsection G of this section, the
 14 governing board may do one of the following:

15 1. Use monies from the maintenance and operation fund equal to any
 16 excess desegregation or compliance expenses beyond the revenue control limit
 17 before June 30 of the current year.

18 2. Notify the county school superintendent to include the cost of the
 19 excess expenses in the county school superintendent's estimate of the
 20 additional amount needed for the school district from the primary property
 21 tax as provided in section 15-991.

22 3. Employ the provisions of both paragraphs 1 and 2 of this
 23 subsection, provided that the total amount transferred and included in the
 24 amount needed from property taxes does not exceed the total amount budgeted
 25 as prescribed in subsection J, paragraph 1 of this section.

26 I. If a governing board chooses to budget monies outside of district
 27 additional assistance as provided in subsection G of this section, the
 28 governing board may notify the county school superintendent to include the
 29 cost of the excess expenses in the county school superintendent's estimate of
 30 the additional amount needed for the school district from the primary
 31 property tax as provided in section 15-991.

32 J. A governing board using subsections G, H and I of this section:

33 1. Shall prepare and employ a separate maintenance and operation
 34 desegregation budget and capital outlay desegregation budget on a form
 35 prescribed by the superintendent of public instruction in conjunction with
 36 the auditor general. The budget format shall be designed to allow a school
 37 district to plan and provide in detail for expenditures to be incurred solely
 38 as a result of compliance with or continuing to implement activities ~~which~~
 39 THAT were required or permitted by a court order of desegregation or
 40 administrative agreement with the United States department of education
 41 office for civil rights directed toward remediating alleged or proven racial
 42 discrimination.

43 2. Shall prepare as a part of the annual financial report a detailed
 44 report of expenditures incurred solely as a result of compliance with or
 45 continuing to implement activities ~~which~~ THAT were required or permitted by a

1 court order of desegregation or administrative agreement with the United
2 States department of education office for civil rights directed toward
3 remediating alleged or proven racial discrimination, in a format prescribed
4 by the auditor general in conjunction with the Arizona department of
5 education as provided by section 15-904.

6 3. On or before July 15, ~~2006 and~~ each year ~~thereafter~~, shall collect
7 and report data regarding activities related to a court order of
8 desegregation or an administrative agreement with the United States
9 department of education office for civil rights directed toward remediating
10 alleged or proven racial discrimination in a format prescribed by the Arizona
11 department of education. The ARIZONA department OF EDUCATION shall compile
12 and submit copies of the reports to the governor, the president of the
13 senate, the speaker of the house of representatives and the chairpersons of
14 the education committees of the senate and the house of representatives AND
15 SHALL SUBMIT A COPY TO THE SECRETARY OF STATE. A school district that
16 becomes subject to a new court order of desegregation or a party to an
17 administrative agreement with the United States department of education
18 office for civil rights directed toward remediating alleged or proven racial
19 discrimination shall submit these reports on or before July 15 or within
20 ninety days of the date of the court order or administrative agreement,
21 whichever occurs first. The Arizona department of education, in consultation
22 with the auditor general, shall develop reporting requirements to ensure that
23 school districts submit at least the following information and documentation
24 to the Arizona department of education ~~beginning in fiscal year 2006-2007~~:

25 (a) A district-wide budget summary and a budget summary on a ~~school by~~
26 ~~school~~ SCHOOL-BY-SCHOOL basis for each school in the school district that
27 lists the sources and uses of monies that are designated for desegregation
28 purposes.

29 (b) A detailed list of desegregation activities on a district-wide
30 basis and on a ~~school by school~~ SCHOOL-BY-SCHOOL basis for each school in the
31 school district.

32 (c) The date that the school district was determined to be out of
33 compliance with title VI of the civil rights act of 1964 (42 United States
34 Code section 2000d) and the basis for that determination.

35 (d) The initial date that the school district began to levy property
36 taxes to provide funding for desegregation expenses and any dates that these
37 property tax levies were increased.

38 (e) If applicable, a current and accurate description of all magnet
39 type programs that are in operation pursuant to the court order during the
40 current school year on a district-wide basis and on a ~~school by school~~
41 SCHOOL-BY-SCHOOL basis. This information shall contain the eligibility and
42 attendance criteria of each magnet type program, the capacity of each magnet
43 type program, the ethnic composition goals of each magnet type program, the
44 actual attending ethnic composition of each magnet type program and the
45 specific activities offered in each magnet type program.

1 (f) The number of pupils who participate in desegregation activities
2 on a district-wide basis and on a ~~school-by-school~~ SCHOOL-BY-SCHOOL basis for
3 each school in the school district.

4 (g) A detailed summary of the academic achievement of pupils on a
5 district-wide basis and on a ~~school-by-school~~ SCHOOL-BY-SCHOOL basis for each
6 school in the school district.

7 (h) The number of employees, including teachers and administrative
8 personnel, on a district-wide basis and on a ~~school-by-school~~
9 SCHOOL-BY-SCHOOL basis for each school in the school district that is
10 necessary to conduct desegregation activities.

11 (i) The number of employees, including teachers and administrative
12 personnel, on a district-wide basis and on a ~~school-by-school~~
13 SCHOOL-BY-SCHOOL basis for each school in the school district and the number
14 of employees at school district administrative offices that are funded in
15 whole or in part with desegregation monies received pursuant to this section.

16 (j) The amount of monies that is not derived through a primary or
17 secondary property tax levy and that is budgeted and spent on desegregation
18 activities on a district-wide basis and on a ~~school-by-school~~
19 SCHOOL-BY-SCHOOL basis for each school in the school district.

20 (k) Verification that the desegregation funding will supplement and
21 not supplant funding for other academic and extracurricular activities.

22 (l) Verification that the desegregation funding is educationally
23 justifiable.

24 (m) Any documentation that supports the proposition that the requested
25 desegregation funding is intended to result in equal education opportunities
26 for all pupils in the school district.

27 (n) Verification that the desegregation funding will be used to
28 promote systemic and organizational changes within the school district.

29 (o) Verification that the desegregation funding will be used in
30 accordance with the academic standards adopted by the state board of
31 education pursuant to sections 15-701 and 15-701.01.

32 (p) Verification that the desegregation funding will be used to
33 accomplish specific actions to remediate proven discrimination pursuant to
34 title VI of the civil rights act of 1964 (42 United States Code section
35 2000d) as specified in the court order or administrative agreement.

36 (q) An evaluation by the school district of the effectiveness of the
37 school district's desegregation measures.

38 (r) An estimate of when the school district will be in compliance with
39 the court order or administrative agreement and a detailed account of the
40 steps that the school district will take to achieve compliance.

41 (s) Any other information that the ARIZONA department of education
42 deems necessary to carry out the purposes of this paragraph.

43 K. If a school district governing board budgets for expenses of
44 complying with a court order of desegregation or an administrative agreement
45 with the United States department of education office for civil rights

1 directed toward remediating alleged or proven racial discrimination, the
2 governing board shall ensure that the desegregation expenses will:

3 1. Be educationally justifiable.

4 2. Result in equal education opportunities for all pupils in the
5 school district.

6 3. Be used to promote systemic and organizational changes within the
7 school district.

8 4. Be used in accordance with the academic standards adopted by the
9 state board of education pursuant to sections 15-701 and 15-701.01.

10 5. Be used to accomplish specific actions to remediate proven
11 discrimination pursuant to title VI of the civil rights act of 1964 (42
12 United States Code section 2000d) as specified in the court order or
13 administrative agreement.

14 6. Be used in accordance with a plan submitted to the department of
15 education that includes an estimate of the amount of monies that will be
16 required to bring the school district into compliance with the court order or
17 administrative agreement and an estimate of when the school district will be
18 in compliance with the court order or administrative agreement.

19 7. ~~Beginning in fiscal year 2009-2010 and continuing~~ Each fiscal year
20 ~~thereafter~~, not exceed the amount budgeted by the school district for
21 desegregation expenses in fiscal year 2008-2009.

22 L. The governing board may budget for the bond issues portion of the
23 cost of tuition charged the district as provided in section 15-824 for the
24 pupils attending school in another school district, except that if the
25 district is a common school district not within a high school district, the
26 district may only include that part of tuition ~~which~~ THAT is excluded from
27 the revenue control limit and district support level as provided in section
28 15-951. The bond issues portion of the cost of tuition charged is
29 specifically exempt from the revenue control limit of the school district of
30 residence, and the primary property tax rate set to fund this amount shall
31 not be included in the computation of additional state aid for education as
32 provided in section 15-972, except as provided in section 15-972,
33 subsection E. The department of education and the auditor general shall
34 include in the maintenance and operation section of the budget format, as
35 provided in section 15-903, a separate category for the bond issues portion
36 of the cost of tuition.

37 M. The governing board may budget for interest expenses it incurred
38 for registering warrants drawn against a fund of the school district or net
39 interest expense on tax anticipation notes as prescribed in section
40 35-465.05, subsection C for the fiscal year preceding the current year if the
41 county treasurer pooled all school district monies for investment as provided
42 in section 15-996 for the fiscal year preceding the current year and, in
43 those school districts that receive state aid, the school districts applied
44 for an apportionment of state aid before the date set for the apportionment
45 as provided in section 15-973 for the fiscal year preceding the current year.

The governing board may budget an amount for interest expenses for registering warrants or issuing tax anticipation notes equal to or less than the amount of the warrant interest expense or net interest expense on tax anticipation notes as prescribed in section 35-465.05, subsection C for the fiscal year preceding the current year as provided in this subsection ~~which~~ **THAT** is specifically exempt from the revenue control limit. For the purposes of this subsection, "state aid" means state aid as determined in sections 15-971 and 15-972.

Sec. 17. Section 15-943, Arizona Revised Statutes, is amended to read:

15-943. Base support level

The base support level for each school district shall be computed as follows:

1. The following support level weights shall be used in paragraph 2, subdivision (a) of this section for the following school districts:

(a) For school districts whose student count in kindergarten programs and grades one through eight is classified in column 1 of this subdivision, the support level weight for kindergarten programs and grades one through eight is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated	Support Level Weight For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.559	1.399
100-499	$1.358 + [0.0005 \times (500 - \text{student count})]$	$1.278 + [0.0003 \times (500 - \text{student count})]$
500-599	$1.158 + [0.002 \times (600 - \text{student count})]$	$1.158 + [0.0012 \times (600 - \text{student count})]$

(b) For school districts whose student count in grades nine through twelve is classified in column 1 of this subdivision, the support level weight for grades nine through twelve is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated	Support Level Weight For Small
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.669	1.559
100-499	$1.468 + [0.0005 \times (500 - \text{student count})]$	$1.398 + [0.0004 \times (500 - \text{student count})]$
500-599	$1.268 + [0.002 \times (600 - \text{student count})]$	$1.268 + [0.0013 \times (600 - \text{student count})]$

2. Subject to paragraph 1 of this section, determine the weighted student count as follows:

(a)

<u>Grade</u>	<u>Base</u>		<u>Group A</u>		<u>Support Level Weight</u>		<u>Student Count</u>		<u>Weighted Student Count</u>
PSD	1.000	+	0.450	=	1.450	x	_____	=	_____
K-8	1.000	+	0.158	=	1.158	x	_____	=	_____
9-12	1.163	+	0.105	=	1.268	x	_____	=	_____
							Subtotal	A	_____

(b)

<u>Funding Category</u>	<u>Support Level Weight</u>		<u>Student Count</u>		<u>Weighted Student Count</u>
HI	4.771	x	_____	=	_____
K-3	0.060	x	_____	=	_____
K-3 reading	0.040	x	_____	=	_____
ELL	0.115	x	_____	=	_____
MD-R, A-R and SID-R	6.024	x	_____	=	_____
MD-SC, A-SC and SID-SC	5.833	x	_____	=	_____
MD-SSI	7.947	x	_____	=	_____
OI-R	3.158	x	_____	=	_____
OI-SC	6.773	x	_____	=	_____
P-SD	3.595	x	_____	=	_____
DD, ED, MIID, SLD, SLI and OHI	0.003	x	_____	=	_____
ED-P	4.822	x	_____	=	_____
MOID	4.421	x	_____	=	_____
VI	4.806	x	_____	=	_____
				Subtotal	B

(c) Total of subtotals A and B: _____

3. Multiply the total determined in paragraph 2 of this section by the base level.

4. Multiply the teacher experience index of the district or 1.00, whichever is greater, by the product obtained in paragraph 3 of this section.

5. FOR THE PURPOSES OF THIS SECTION, THE STUDENT COUNT IS THE AVERAGE DAILY MEMBERSHIP AS PRESCRIBED IN SECTION 15-901 FOR THE CURRENT YEAR, EXCEPT THAT FOR THE PURPOSES OF COMPUTING THE BASE SUPPORT LEVEL USED IN DETERMINING SCHOOL DISTRICT ROLLOVER ALLOCATIONS AND SCHOOL DISTRICT BUDGET OVERRIDE AMOUNTS, THE STUDENT COUNT IS THE AVERAGE DAILY MEMBERSHIP AS PRESCRIBED IN SECTION 15-901 FOR THE PRIOR YEAR.

Sec. 18. Section 15-943.02, Arizona Revised Statutes, is amended to read:

15-943.02. Base support level for joint technical education districts

A. The base support level for each joint technical education district shall be computed as follows:

Grade/ Category	Support Level Weight	Student Count	Weighted Student Count
9-12	1.339	X _____	= _____

B. Multiply the total determined in subsection A by the base level.

C. Multiply the teacher experience index of the district or 1.00, whichever is greater, by the product obtained in subsection B.

D. FOR THE PURPOSES OF THIS SECTION, THE STUDENT COUNT IS THE AVERAGE DAILY MEMBERSHIP AS PRESCRIBED IN SECTION 15-901 FOR THE CURRENT YEAR, EXCEPT THAT FOR THE PURPOSES OF COMPUTING THE BASE SUPPORT LEVEL USED IN DETERMINING SCHOOL DISTRICT ROLLOVER ALLOCATIONS, THE STUDENT COUNT IS THE AVERAGE DAILY MEMBERSHIP AS PRESCRIBED IN SECTION 15-901 FOR THE PRIOR YEAR.

Sec. 19. Section 15-945, Arizona Revised Statutes, is amended to read:

15-945. Transportation support level

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

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

2. Multiply the figure obtained in paragraph 1 of this subsection by one hundred eighty, or for a school district that elects to provide two hundred days of instruction pursuant to section 15-902.04, multiply the figure obtained in paragraph 1 of this subsection by two hundred.

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

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

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

<u>Column 1</u>	<u>Column 2</u>
Approved Daily Route	State Support Level per
Mileage per Eligible	Route Mile for
<u>Student Transported</u>	<u>Fiscal Year</u> 2015-2016 <u>2016-2017</u>
0.5 or less	2.53 2.56
More than 0.5 through 1.0	2.07 2.09
More than 1.0	2.53 2.56

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

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

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

2. Multiply the product obtained in subsection A, paragraph 5 of this section by the corresponding state support level for academic education, career and technical education, vocational education and athletic trips as provided in column 2, 3 or 4 of this paragraph, whichever is appropriate for the type of district.

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

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

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

1. Determine the sum of the following:

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

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

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

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

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

F. School districts must provide the odometer reading for each bus as of the end of the current year and the total bus mileage during the current year.

Sec. 20. Repeal

Section 15-948, Arizona Revised Statutes, is repealed.

Sec. 21. Section 15-951, Arizona Revised Statutes, is amended to read:

15-951. District additional assistance, district support level and student count for a common school district not within a high school district

A. Notwithstanding section 15-947, the revenue control limit for a common school district not within a high school district is the sum of the following:

1. The base revenue control limit computed as prescribed in section 15-944 but excluding pupils admitted to another school district as provided in section 15-824, subsection A, paragraph 2.

2. The tuition payable for high school pupils who attend school in another school district as provided in section 15-824, subsection A, paragraph 2, including any transportation charge, except as provided in subsection F of this section.

3. The transportation revenue control limit for all pupils who reside in the district except those high school pupils transported by another district.

B. Notwithstanding subsection A of this section, for the purposes of sections 15-481, 15-482 and 15-1102, the revenue control limit for a common school district not within a high school district is the sum of the following:

1. The base revenue control limit for pupils computed as prescribed in section 15-944 but excluding pupils admitted to another school district as provided in section 15-824, subsection A, paragraph 2.

2. The transportation revenue control limit for all pupils who reside in the district except those high school pupils transported by another district.

1 C. Notwithstanding section 15-961, district additional assistance for
2 a common school district not within a high school district is district
3 additional assistance as prescribed in section 15-961 but excluding pupils
4 who are admitted to another school district as provided in section 15-824,
5 subsection A, paragraph 2, except that if the school district transports high
6 school pupils, the district additional assistance amount prescribed in
7 section 15-961 shall be increased by an amount equal to fifty ~~per cent~~
8 PERCENT of the district additional assistance per pupil amount prescribed for
9 the school district pursuant to section 15-961 multiplied by the number of
10 high school pupils transported.

11 D. Notwithstanding section 15-947, the district support level for a
12 common school district not within a high school district is the sum of the
13 following:

14 1. The base support level computed as prescribed in section 15-943 but
15 excluding pupils who are admitted to another school district as provided in
16 section 15-824, subsection A, paragraph 2.

17 2. The tuition payable for high school pupils who are admitted to
18 another school district as provided in section 15-824, subsection A,
19 paragraph 2, including any transportation charge, except as provided in
20 subsection F of this section.

21 3. The transportation support level for all pupils who reside in the
22 school district except those high school pupils transported by another school
23 district.

24 E. For the purpose of determining eligibility to increase the revenue
25 control limit and district support level ~~or recompute the revenue control~~
26 ~~limit as provided in section 15-948~~, the student count for a common school
27 district not within a high school district is the student count for pupils in
28 kindergarten programs and grades one through twelve, including pupils
29 enrolled in another school district as provided in section 15-824, subsection
30 A, paragraph 2.

31 F. The tuition amount in subsections A and D of this section shall not
32 include amounts per student count for bond issues as prescribed by section
33 15-824, subsection G, paragraph 1, subdivision (c) in excess of the
34 following:

35 1. One hundred fifty dollars if the pupil's school district of
36 residence pays tuition for seven hundred fifty or fewer pupils to other
37 school districts.

38 2. Two hundred dollars if the pupil's school district of residence
39 pays tuition for one thousand or fewer, but more than seven hundred fifty
40 pupils to other school districts.

41 3. The actual cost per student count if the pupil's school district of
42 residence pays tuition for more than one thousand pupils to other school
43 districts.

1 Sec. 22. Section 15-961, Arizona Revised Statutes, is amended to read:
2 15-961. District additional assistance: growth rate

3 A. District additional assistance per student count is established as
4 follows:

5 1. For school districts with a student count of less than one hundred
6 for kindergarten programs and grades one through eight, five hundred
7 forty-four dollars fifty-eight cents. For school districts with a student
8 count of one hundred or more and less than six hundred for kindergarten
9 programs and grades one through eight, multiply three hundred eighty-nine
10 dollars twenty-five cents by the weight that corresponds to the student count
11 for kindergarten programs and grades one through eight for the school
12 district as provided in section 15-943, paragraph 1, subdivision (a),
13 column 3. For a school district with a student count of six hundred or more
14 in kindergarten programs and grades one through eight, the limit is four
15 hundred fifty dollars seventy-six cents.

16 2. For school districts with a student count of less than one hundred
17 for grades nine through twelve, six hundred one dollars twenty-four cents.
18 For school districts with a student count of one hundred or more and less
19 than six hundred for grades nine through twelve, multiply four hundred five
20 dollars fifty-nine cents by the weight that corresponds to the student count
21 for grades nine through twelve for the school district as provided in section
22 15-943, paragraph 1, subdivision (b), column 3. For a school district with a
23 student count of six hundred or more in grades nine through twelve, the limit
24 is four hundred ninety-two dollars ninety-four cents.

25 3. For programs for preschool children with disabilities, four hundred
26 fifty dollars seventy-six cents.

27 B. District additional assistance for a school district shall be
28 computed as follows:

29 1. Select the applicable district additional assistance per student
30 count for the school district.

31 2. Multiply the amount or amounts selected in paragraph 1 of this
32 subsection by the appropriate student count of the school district. ~~The~~
33 ~~student count of the school district shall not include any pupils in a~~
34 ~~charter school sponsored by the district pursuant to section 15-185,~~
35 ~~subsection A, paragraph 3.~~

36 3. If a school district's student count used for the budget year is
37 greater than one hundred five ~~per cent~~ PERCENT of the student count used for
38 the current year's budget, increase the adjusted district additional
39 assistance determined in paragraph 2 of this subsection by fifty ~~per cent~~
40 PERCENT of the actual percentage increase in the school district's student
41 count.

42 C. An amount for the purchase of required textbooks and related
43 printed subject matter materials shall be used to increase the district
44 additional assistance for a school district as determined in subsection B,
45 paragraph 2 or 3 of this section, whichever is applicable. This amount shall

1 equal the student count in grades nine through twelve multiplied by
2 sixty-nine dollars sixty-eight cents.

3 Sec. 23. Section 15-973, Arizona Revised Statutes, is amended to read:

4 15-973. Apportionment of funds: expenditure limitation

5 A. The state board of education shall apportion state aid from
6 appropriations made for ~~such~~ THAT purpose to the several counties on the
7 basis of state aid entitlement for the school districts in each county. ~~No~~
8 AN allowance shall NOT be made for nonresident alien children ~~nor~~ OR for
9 wards of the United States for whom tuition is paid, but attendance of a
10 student in a school of a county adjoining the county of ~~his~~ THE STUDENT'S
11 residence outside the state under a certificate of educational convenience as
12 provided by section 15-825 shall be deemed to be enrollment in the school of
13 the county or school district of ~~his~~ THE STUDENT'S residence.

14 B. Apportionments shall be made as follows:

15 1. By the close of business on the first day of business of August,
16 one-twelfth of the total amount to be apportioned during the fiscal year.

17 2. By the close of business on the first day of business of September,
18 one-twelfth of the total amount to be apportioned during the fiscal year.

19 3. By the close of business on the first day of business of October,
20 one-twelfth of the total amount to be apportioned during the fiscal year.

21 4. By the close of business on the first day of business of November,
22 one-twelfth of the total amount to be apportioned during the fiscal year.

23 5. By the close of business on the first day of business of
24 December, one-twelfth of the total amount to be apportioned during the fiscal
25 year.

26 6. By the close of business on the first day of business of January,
27 one-twelfth of the total amount to be apportioned during the fiscal year.

28 7. By the close of business on the first day of business of February,
29 one-twelfth of the total amount to be apportioned during the fiscal year.

30 8. By the close of business on the first day of business of March,
31 one-twelfth of the total amount to be apportioned during the fiscal year.

32 9. By the close of business on the first day of business of April,
33 one-twelfth of the total amount to be apportioned during the fiscal year.

34 10. By the close of business on the first day of business of May,
35 one-twelfth of the total amount to be apportioned during the fiscal year.

36 11. By the close of business on the first day of business of June,
37 one-twelfth of the total amount to be apportioned during the fiscal year.

38 12. By the close of business on the last day of business of
39 June, one-twelfth of the total amount to be apportioned during the fiscal
40 year.

41 The superintendent of public instruction shall furnish to the county
42 treasurer and the county school superintendent an abstract of the
43 apportionment and shall certify the apportionment to the department of
44 administration, which shall draw its warrant in favor of the county treasurer
45 of each county for the amount apportioned. ~~Upon~~ ON receipt of the warrant,

1 the county treasurer shall notify the county school superintendent of the
2 amount, together with any other monies standing to the credit of ~~such~~ THAT
3 school district, in the county school fund.

4 C. Notwithstanding subsection B of this section, if sufficient
5 appropriated ~~funds~~ MONIES are available and on a showing by a school district
6 that additional state monies are necessary for current expenses, an
7 apportionment or part of an apportionment of state aid may be paid to the
8 school district prior to the date set for ~~such~~ THAT apportionment by
9 subsection B of this section. ~~After the first forty days in session of the~~
10 ~~current year, a school district may request additional state monies to fund~~
11 ~~the increased state aid due to anticipated student growth through the first~~
12 ~~one hundred days or two hundred days in session, as applicable, of the~~
13 ~~current year as provided in section 15-948. In no event shall~~ A school
14 district ~~have received~~ MAY NOT RECEIVE more than three-fourths of its total
15 apportionment before May 1 of the fiscal year. Early payments pursuant to
16 this subsection must be approved by the state treasurer, the director of the
17 department of administration and the superintendent of public instruction.

18 D. The superintendent of public instruction shall not make application
19 to the federal government to utilize title VIII of the elementary and
20 secondary education act of 1965 monies in determining the apportionment
21 prescribed in this section.

22 E. If a school district ~~which~~ THAT is eligible to receive monies
23 pursuant to this article is unable to meet a scheduled payment on any
24 lawfully incurred long-term obligation for debt service as provided in
25 section 15-1022, the county treasurer shall use any amount distributed
26 pursuant to this section to make the payment. The county treasurer shall
27 keep a record of all the instances in which a payment is made pursuant to
28 this subsection. Any monies subsequently collected by the district to make
29 the scheduled payment shall be used to replace the amount diverted pursuant
30 to this subsection. When determining the total amount to be funded by a levy
31 of secondary taxes ~~upon~~ ON property within the school district for the
32 following fiscal year, the county board of supervisors shall add to the
33 amounts budgeted to be expended during the following fiscal year an amount
34 equal to the total of all payments pursuant to this subsection during the
35 current fiscal year ~~which~~ THAT were not repaid during the current year.

36 F. The total amount of state monies that may be spent in any fiscal
37 year by the state board of education for apportionment of state aid for
38 education shall not exceed the amount appropriated or authorized by section
39 35-173 for that purpose. This section ~~shall~~ DOES not ~~be construed to~~ impose
40 a duty on an officer, agent or employee of this state to discharge a
41 responsibility or ~~to~~ create any right in a person or group if the discharge
42 or right would require an expenditure of state monies in excess of the
43 expenditure authorized by legislative appropriation for that specific
44 purpose.

1 Sec. 24. Section 15-991, Arizona Revised Statutes, is amended to read:

2 15-991. Annual estimate by county school superintendent of
3 monies for ensuing year; review and approval by
4 property tax oversight commission

5 A. The county school superintendent shall recompute the equalization
6 assistance for education for each school district pursuant to section 15-971,
7 subsection A and compute the additional amount to be levied pursuant to
8 section 15-992, subsection B using the property values provided by the county
9 assessor under section 42-17052. The county school superintendent must
10 certify in writing to the property tax oversight commission on or before July
11 25 of each year the amount of equalization assistance for education and the
12 amount to be levied for each school district from the primary property tax
13 pursuant to section 15-992.

14 B. The county school superintendent must prepare and file with the
15 governing board of each school district in the county and the property tax
16 oversight commission on or before July 25 of each year a written estimate of
17 the amount of monies required by each school district for the ensuing school
18 year based on the proposed budget adopted by each school district governing
19 board. The estimate shall contain:

20 1. A statement of the student count of each school district.

21 2. The total amount to be received for the year by each school
22 district from the county school fund and the special county school reserve
23 fund.

24 3. The projected ending cash balance from the previous year adjusted
25 for encumbrances and payables for each school district as provided by the
26 school district and as certified by the president of the school district
27 governing board. A governing board may delegate to a superintendent, head
28 teacher or business manager the authority to certify the projected cash
29 balance.

30 4. The anticipated interest earnings for each school district.

31 5. Revenues equal to the amount included in the adopted budget for the
32 maintenance and operation section of the budget permitted by section 15-947,
33 subsection C, paragraph 2, subdivision (a), items (ii), (iii), (iv), (v) and
34 (vi) and subdivision (c). The county school superintendent shall subtract
35 from each school district's budgeted expenditures the total amount of
36 estimated revenues including the projected ending cash balance from the
37 previous year adjusted for encumbrances and payables in order to estimate the
38 additional amounts needed for each school district from the primary property
39 tax and the secondary property tax. The county school superintendent shall
40 certify ~~such~~ THOSE amounts to the board of supervisors and the property tax
41 oversight commission in writing at the time of filing the estimate. ~~When~~
42 ~~estimating the additional amount needed from the primary property tax for a~~
43 ~~school district that is not eligible for any equalization assistance as~~
44 ~~provided in section 15-971, the county school superintendent shall include~~
45 ~~the school district governing board's estimate of the increase in the revenue~~

~~control limit as prescribed by section 15-948 for the applicable year, except that the percentage increase in average daily membership used to compute the estimated increase in the revenue control limit may not exceed the average of the percentage increase in average daily membership in the three years before the year for which the estimate is made.~~

6. The calculation of the amount to be levied as prescribed by section 15-992 using the values provided by the county assessor under section 42-17052.

C. The property tax oversight commission must review the primary property tax calculations filed under subsection B, paragraph 6 of this section.

D. The county school superintendent must file in writing with the county board of supervisors and the property tax oversight commission on or before the third Monday in August of each year the amount that is required to be levied for each school district from both the primary property tax prescribed by section 15-992 and the secondary property tax.

E. On or before September 1, the governing board of a school district shall file with the county school superintendent an estimate of the amount of title VIII of the elementary and secondary education act of 1965 monies it is eligible to receive during the current year. On or before June 1, the governing board shall file with the county school superintendent and the superintendent of public instruction a statement of the actual amount of title VIII of the elementary and secondary education act of 1965 monies it received during the current year. This subsection does not apply to accommodation schools.

F. The department may collect any other similar or related information from school districts that the department may determine is necessary to carry out the purposes of this section.

Sec. 25. Section 15-1371, Arizona Revised Statutes, is amended to read:

15-1371. Equalization assistance for state educational system for committed youth; state education fund for committed youth

A. The superintendent of the state educational system for committed youth shall calculate a base support level as prescribed in section 15-943 and district additional assistance as prescribed in section 15-961 for the educational system established pursuant to section 41-2831, except that:

1. Notwithstanding section 15-901:

(a) The student count shall be determined using the following definitions:

(i) "Daily attendance" means days in which a pupil attends an educational program for a minimum of two hundred forty minutes, not including meal and recess periods. Attendance for one hundred twenty or more minutes but fewer than two hundred forty minutes shall be counted as one-half day's attendance.

1 (ii) "Fractional student" means a pupil WHO IS enrolled in an
2 educational program of one hundred twenty or more minutes but fewer than two
3 hundred forty minutes a day, not including meal and recess periods. A
4 fractional student shall be counted as one-half of a full-time student.

5 (iii) "Full-time student" means a pupil WHO IS enrolled in an
6 educational program for a minimum of two hundred forty minutes a day, not
7 including meal and recess periods.

8 (b) "Pupils with serious emotional disabilities enrolled in a school
9 district program as provided in section 15-765" includes pupils with serious
10 emotional disabilities enrolled in the department of juvenile corrections
11 school system.

12 2. All pupils shall be counted as if they were enrolled in grades nine
13 through twelve.

14 3. The teacher experience index is 1.00.

15 4. The base support level shall be calculated using the base level
16 multiplied by 1.0, except that the state educational system for committed
17 youth is also eligible ~~beginning with fiscal year 1992-1993~~ for additional
18 teacher compensation monies as specified in section 15-952.

19 5. Section 15-943, paragraph 1 does not apply.

20 B. The superintendent may use ~~sections~~ SECTION 15-855 ~~and 15-948~~ in
21 making the calculations prescribed in subsection A of this section, ~~except~~
22 ~~that for the 1992-1993 fiscal year rapid decline shall not be used.~~ The
23 superintendent of the system and the department of education shall prescribe
24 procedures for determining average daily membership.

25 C. Equalization assistance for the state educational system for
26 committed youth for the budget year is determined by adding the amount of the
27 base support level and district additional assistance for the budget year
28 calculated as prescribed in subsection A of this section.

29 D. The state educational system for committed youth shall not receive
30 twenty-five ~~per cent~~ PERCENT of the equalization assistance unless it is
31 accredited by the north central association of colleges and secondary
32 schools.

33 E. The state education fund for committed youth is established. Fund
34 monies shall be used for the purposes of the state educational system for
35 committed youth, and notwithstanding section 35-173, monies appropriated to
36 the fund shall not be transferred to or used for any program THAT IS not
37 within the state educational system for committed youth. State equalization
38 assistance for the state educational system for committed youth as determined
39 in subsection A of this section, other state and federal monies received from
40 the department of education for the state educational system for committed
41 youth and monies appropriated for the state educational system for committed
42 youth, except monies appropriated pursuant to subsection F of this section,
43 shall be deposited in the fund. The state treasurer shall maintain separate
44 accounts for fund monies if the separate accounts are required by statute or
45 federal law.

1 F. The department of juvenile corrections may seek appropriations for
2 capital needs for land, buildings and improvements, including repairs and
3 maintenance, **THAT ARE** required to maintain the state educational system for
4 committed youth.

5 G. The state board of education shall apportion state aid and deposit
6 it, pursuant to sections 35-146 and 35-147, in the state education fund for
7 committed youth in an amount as determined by subsection A of this section.
8 The apportionments shall be as follows:

9 1. On July 1, one-third of the total amount to be apportioned during
10 the fiscal year.

11 2. On October 15, one-twelfth of the total amount to be apportioned
12 during the fiscal year.

13 3. On December 15, one-twelfth of the total amount to be apportioned
14 during the fiscal year.

15 4. On January 15, one-twelfth of the total amount to be apportioned
16 during the fiscal year.

17 5. On February 15, one-twelfth of the total amount to be apportioned
18 during the fiscal year.

19 6. On March 15, one-twelfth of the total amount to be apportioned
20 during the fiscal year.

21 7. On April 15, one-twelfth of the total amount to be apportioned
22 during the fiscal year.

23 8. On May 15, one-twelfth of the total amount to be apportioned during
24 the fiscal year.

25 9. On June 15, one-twelfth of the total amount to be apportioned
26 during the fiscal year.

27 H. In conjunction with the department of administration, the
28 superintendent of the state educational system for committed youth shall
29 establish procedures to account for the receipt and expenditure of state
30 education fund for committed youth monies by modifying the current accounting
31 system used for state agencies as necessary.

32 Sec. 26. Section 15-1372, Arizona Revised Statutes, is amended to
33 read:

34 **15-1372. Equalization assistance for state educational system**
35 **for persons in the state department of corrections:**
36 **fund**

37 A. The state department of corrections shall provide educational
38 services for pupils who are under the age of eighteen years and pupils with
39 disabilities who are age twenty-one or younger who are committed to the state
40 department of corrections. The department of education shall provide
41 technical assistance to the state department of corrections on request and
42 shall assist the state department of corrections in establishing program and
43 personnel standards.

1 B. The state education fund for correctional education is established.
2 Subject to legislative appropriation, fund monies shall be used for the
3 purposes of providing education to pupils as specified in subsection A of
4 this section. Notwithstanding section 35-173, monies appropriated to the
5 fund shall not be transferred to or used for any program **THAT IS** not directly
6 related to the educational services required by this section. State
7 equalization assistance, other state and federal monies received from the
8 department of education for which the pupils in correctional education
9 programs qualify and monies appropriated for correctional education except
10 monies appropriated pursuant to subsection C of this section shall be
11 deposited in the fund. The state treasurer shall maintain separate accounts
12 for fund monies if the separate accounts are required by statute or federal
13 law.

14 C. The state department of corrections may seek appropriations for
15 capital needs for land, buildings and improvements, including repairs and
16 maintenance, **THAT ARE** required to maintain the educational services required
17 by this section.

18 D. The state board of education shall apportion state aid and deposit
19 it, pursuant to sections 35-146 and 35-147, in the state education fund for
20 correctional education in an amount as determined by subsection E of this
21 section. The apportionments are as follows:

22 1. On July 1, one-third of the total amount to be apportioned during
23 the fiscal year.

24 2. On October 15, one-twelfth of the total amount to be apportioned
25 during the fiscal year.

26 3. On December 15, one-twelfth of the total amount to be apportioned
27 during the fiscal year.

28 4. On January 15, one-twelfth of the total amount to be apportioned
29 during the fiscal year.

30 5. On February 15, one-twelfth of the total amount to be apportioned
31 during the fiscal year.

32 6. On March 15, one-twelfth of the total amount to be apportioned
33 during the fiscal year.

34 7. On April 15, one-twelfth of the total amount to be apportioned
35 during the fiscal year.

36 8. On May 15, one-twelfth of the total amount to be apportioned during
37 the fiscal year.

38 9. On June 15, one-twelfth of the total amount to be apportioned
39 during the fiscal year.

40 E. The director of the state department of corrections shall calculate
41 a base support level as prescribed in section 15-943 and district additional
42 assistance as prescribed in section 15-961 for the educational services
43 required by this section, except that:

44 1. Notwithstanding section 15-901, the student count shall be
45 determined using the following definitions:

1 (a) "Daily attendance" means days in which a pupil attends an
2 educational program for a minimum of one hundred eighty minutes, not
3 including meal and recess periods. Attendance for ninety or more minutes but
4 fewer than one hundred eighty minutes shall be counted as one-half day's
5 attendance.

6 (b) "Fractional student" means a pupil WHO IS enrolled in an
7 educational program of ninety or more minutes but fewer than one hundred
8 eighty minutes per day, not including meal and recess periods. A fractional
9 student shall be counted as one-half of a full-time student.

10 (c) "Full-time student" means a pupil WHO IS enrolled in an
11 educational program for a minimum of one hundred eighty minutes per day, not
12 including meal and recess periods.

13 (d) "Pupil with a disability" has the same meaning as child with a
14 disability prescribed in section 15-761.

15 2. All pupils shall be counted as if they were enrolled in grades nine
16 through twelve.

17 3. The teacher experience index is 1.00.

18 4. The calculation for additional teacher compensation monies as
19 prescribed in section 15-952 is available.

20 5. Section 15-943, paragraph 1 does not apply.

21 6. The base support level and capital outlay amounts calculated
22 pursuant to this section shall be multiplied by 0.67.

23 7. The school year shall consist of a period of not less than two
24 hundred eight days.

25 F. The director of the state department of corrections may use
26 ~~sections~~ SECTION 15-855 and ~~15-948~~ in making the calculations prescribed in
27 subsection E of this section. The director of the state department of
28 corrections and the department of education shall prescribe procedures for
29 calculating average daily membership.

30 G. Equalization assistance for correctional education programs
31 provided for those pupils specified in subsection A of this section is
32 determined by adding the amount of the base support level and district
33 additional assistance for the budget year calculated as prescribed in
34 subsection E of this section.

35 H. The director of the state department of corrections shall keep
36 records and provide information as the department of education requires to
37 determine the appropriate amount of equalization assistance. Equalization
38 assistance shall be used to provide educational services in this section.

39 I. The department of education and the state department of corrections
40 shall enter into an intergovernmental agreement that establishes the
41 necessary accountability between the two departments regarding the
42 administrative and funding requirements contained in subsections A and B of
43 this section. The agreement shall:

44 1. Provide for appropriate education to all committed youths as
45 required by state and federal law.

1 2. Provide financial information to meet requirements for equalization
2 assistance.

3 3. Provide for appropriate pupil intake and assessment procedures.

4 4. Require pupil performance assessment and the reporting of results.

5 Sec. 27. Section 15-2011, Arizona Revised Statutes, is amended to
6 read:

7 15-2011. Minimum school facility adequacy requirements:
8 definition

9 A. The school facilities board, as determined and prescribed in this
10 chapter, shall provide funding to school districts for new construction as
11 the number of pupils in the district fills the existing school facilities and
12 requires more pupil space.

13 B. School buildings in a school district are adequate if all of the
14 following requirements are met:

15 1. The buildings contain sufficient and appropriate space and
16 equipment that comply with the minimum school facility adequacy guidelines
17 established pursuant to subsection F of this section. The state shall not
18 fund facilities for elective courses that require the school district
19 facilities to exceed minimum school facility adequacy requirements. The
20 school facilities board shall determine whether a school building meets the
21 requirements of this paragraph by analyzing the total square footage that is
22 available for each pupil in conjunction with the need for specialized spaces
23 and equipment.

24 2. The buildings are in compliance with federal, state and local
25 building and fire codes and laws that are applicable to the particular
26 building, except that a school with an aggregate area of less than five
27 thousand square feet is subject to permitting and inspection by a local fire
28 marshal and is only subject to regulation or inspection by the state fire
29 marshal if the county, city or town in which the school is located does not
30 employ a local fire marshal. An existing school building is not required to
31 comply with current requirements for new buildings unless this compliance is
32 specifically mandated by law or by the building or fire code of the
33 jurisdiction where the building is located.

34 3. The building systems, including roofs, plumbing, telephone systems,
35 electrical systems, heating systems and cooling systems, are in working order
36 and are capable of being properly maintained.

37 4. The buildings are structurally sound.

38 C. The standards that shall be used by the school facilities board to
39 determine whether a school building meets the minimum adequate gross square
40 footage requirements are as follows:

41 1. For a school district that provides instruction to pupils in
42 programs for preschool children with disabilities, kindergarten programs and
43 grades one through six, eighty square feet per pupil in programs for
44 preschool children with disabilities, kindergarten programs and grades one
45 through six.

1 2. For a school district that provides instruction to up to eight
2 hundred pupils in grades seven and eight, eighty-four square feet per pupil
3 in grades seven and eight.

4 3. For a school district that provides instruction to more than eight
5 hundred pupils in grades seven and eight, eighty square feet per pupil in
6 grades seven and eight or sixty-seven thousand two hundred square feet,
7 whichever is more.

8 4. For a school district that provides instruction to up to four
9 hundred pupils in grades nine through twelve, one hundred twenty-five square
10 feet per pupil in grades nine through twelve.

11 5. For a school district that provides instruction to more than four
12 hundred and up to one thousand pupils in grades nine through twelve, one
13 hundred twenty square feet per pupil in grades nine through twelve or fifty
14 thousand square feet, whichever is more.

15 6. For a school district that provides instruction to more than one
16 thousand and up to one thousand eight hundred pupils in grades nine through
17 twelve, one hundred twelve square feet per pupil in grades nine through
18 twelve or one hundred twenty thousand square feet, whichever is more.

19 7. For a school district that provides instruction to more than one
20 thousand eight hundred pupils in grades nine through twelve, ninety-four
21 square feet per pupil in grades nine through twelve or two hundred one
22 thousand six hundred square feet, whichever is more.

23 D. The school facilities board may modify the square footage
24 requirements prescribed in subsection C of this section or modify the amount
25 of monies awarded to cure the square footage deficiency pursuant to this
26 section for particular school districts based on extraordinary circumstances
27 for any of the following considerations:

28 1. The number of pupils served by the school district.

29 2. Geographic factors.

30 3. Grade configurations other than those prescribed in subsection C of
31 this section.

32 E. In measuring the square footage per pupil requirements of
33 subsection C of this section, the school facilities board shall:

34 1. Use the most recent one hundredth day average daily membership.

35 2. For each school, use the lesser of either:

36 (a) Total gross square footage.

37 (b) Student capacity multiplied by the appropriate square footage per
38 pupil prescribed by subsection C of this section.

39 3. Consider the total space available in all schools in use in the
40 school district, except that the school facilities board shall allow an
41 exclusion of the square footage for certain schools and the pupils within the
42 schools' boundaries if the school district demonstrates to the board's
43 satisfaction unusual or excessive busing of pupils or unusual attendance
44 boundary changes between schools.

1 4. Compute the gross square footage of all buildings by measuring from
2 exterior wall to exterior wall. Square footage used solely for district
3 administration, storage of vehicles and other nonacademic purposes shall be
4 excluded from the net square footage.

5 5. Include all portable and modular buildings.

6 6. Include in the net square footage new construction funded wholly or
7 partially by the school facilities board based on the square footage funded
8 by the school facilities board. If the new construction is to exceed the
9 square footage funded by the school facilities board, the excess square
10 footage shall not be included in the net square footage if any of the
11 following applies:

12 (a) The excess square footage was constructed before July 1, 2002 or
13 funded by a class B bond, impact aid revenue bond or capital outlay override
14 approved by the voters after August 1, 1998 and before June 30, 2002 or
15 funded from unrestricted capital outlay expended before June 30, 2002.

16 (b) The excess square footage of new school facilities does not exceed
17 twenty-five percent of the minimum square footage requirements pursuant to
18 subsection C of this section.

19 (c) The excess square footage of expansions to school facilities does
20 not exceed twenty-five percent of the minimum square footage requirements
21 pursuant to subsection C of this section.

22 7. Exclude square footage built under a developer agreement according
23 to section 15-342, paragraph 33 until the school facilities board provides
24 funding for the square footage under section 15-2041, subsection 0.

25 8. Include square footage that a school district has leased to another
26 entity, ~~including square footage leased to a charter school that is sponsored~~
27 ~~by a school district pursuant to section 15-183.~~

28 F. The school facilities board shall adopt rules establishing minimum
29 school facility adequacy guidelines. The guidelines shall provide the
30 minimum quality and quantity of school buildings and facilities and equipment
31 necessary and appropriate to enable pupils to achieve the academic standards
32 pursuant to section 15-203, subsection A, paragraphs 12 and 13 and sections
33 15-701 and 15-701.01. At a minimum, the school facilities board shall
34 address all of the following in developing these guidelines:

- 35 1. School sites.
- 36 2. Classrooms.
- 37 3. Libraries and media centers, or both.
- 38 4. Cafeterias.
- 39 5. Auditoriums, multipurpose rooms or other multiuse space.
- 40 6. Technology.
- 41 7. Transportation.
- 42 8. Facilities for science, arts and physical education.
- 43 9. Other facilities and equipment that are necessary and appropriate
44 to achieve the academic standards prescribed pursuant to section 15-203,
45 subsection A, paragraphs 12 and 13 and sections 15-701 and 15-701.01.

1 10. Appropriate combinations of facilities or uses listed in this
2 section.

3 G. The board shall consider the facilities and equipment of the
4 schools with the highest academic productivity scores, as prescribed in
5 section 15-2002, subsection A, paragraph 9, subdivision (d), and the highest
6 parent quality ratings in the establishment of the guidelines.

7 H. The school facilities board may consider appropriate combinations
8 of facilities or uses in making assessments of and curing existing
9 deficiencies pursuant to section 15-2002, subsection A, paragraph 1 and in
10 certifying plans for new school facilities pursuant to section 15-2002,
11 subsection A, paragraph 5.

12 I. For the purposes of this section, "student capacity" means the
13 capacity adjusted to include any additions to or deletions of space,
14 including modular or portable buildings at the school. The school facilities
15 board shall determine the student capacity for each school in conjunction
16 with each school district, recognizing each school's allocation of space as
17 of July 1, 1998, to achieve the academic standards prescribed pursuant to
18 section 15-203, subsection A, paragraphs 12 and 13 and sections 15-701 and
19 15-701.01.

20 Sec. 28. Section 15-2032, Arizona Revised Statutes, is amended to
21 read:

22 15-2032. School facilities board building renewal grant fund;
23 definitions

24 A. The building renewal grant fund is established consisting of monies
25 appropriated to the fund by the legislature. The school facilities board
26 shall administer the fund and distribute monies to school districts for the
27 purpose of maintaining the adequacy of existing school facilities. Monies in
28 the fund are exempt from the provisions of section 35-190 relating to lapsing
29 of appropriations.

30 B. The school facilities board shall distribute monies from the fund
31 based on grant requests from school districts to fund primary building
32 renewal projects. Project requests shall be prioritized by the school
33 facilities board, with priority given to school districts that have provided
34 routine preventative maintenance on the facility, and to school districts
35 that can provide a match of monies provided by the fund. The school
36 facilities board shall approve only projects that will be completed within
37 twelve months, unless similar projects on average take longer to complete.

38 C. School districts that receive monies from the fund shall use these
39 monies on projects for buildings or any part of a building in the school
40 facilities board's database for any of the following:

- 41 1. Major renovations and repairs to a building.
- 42 2. Upgrading systems and areas that will maintain or extend the useful
43 life of the building.
- 44 3. Infrastructure costs.

1 D. Monies received from the fund shall not be used for any of the
2 following purposes:

- 3 1. New construction.
- 4 2. Remodeling interior space for aesthetic or preferential reasons.
- 5 3. Exterior beautification.
- 6 4. Demolition.
- 7 5. Routine preventative maintenance.
- 8 6. Any project in a building, or part of a building, that is being
9 leased to another entity, ~~including a charter school that is sponsored by a~~
10 ~~school district pursuant to section 15-183.~~

11 E. Accommodation schools are not eligible for monies from the building
12 renewal grant fund.

13 F. If the school facilities board or a court of competent jurisdiction
14 determines that a school district received monies from the building renewal
15 grant fund that must be reimbursed to the school facilities board due to
16 legal action associated with improper construction by a hired contractor, the
17 school district shall reimburse the school facilities board an agreed-on
18 amount for deposit into the building renewal grant fund.

19 G. For the purposes of this section:

20 1. "Primary building renewal projects" means projects that are
21 necessary for buildings owned by school districts that are required to meet
22 the minimum adequacy standards for student capacity and that fall below the
23 minimum school facility adequacy guidelines, as adopted by the school
24 facilities board pursuant to section 15-2011, for school districts that have
25 provided routine preventative maintenance to the school facility.

26 2. "Routine preventative maintenance" means services that are
27 performed on a regular schedule at intervals ranging from four times a year
28 to once every three years, or on the schedule of services recommended by the
29 manufacturer of the specific building system or equipment, AND that are
30 intended to extend the useful life of a building system and reduce the need
31 for major repairs.

32 3. "Student capacity" has the same meaning prescribed in section
33 15-2011.

34 Sec. 29. Section 15-2041, Arizona Revised Statutes, is amended to
35 read:

36 15-2041. New school facilities fund; capital plan; report

37 A. A new school facilities fund is established consisting of monies
38 appropriated by the legislature and monies credited to the fund pursuant to
39 section 37-221. The school facilities board shall administer the fund and
40 distribute monies, as a continuing appropriation, to school districts for the
41 purpose of constructing new school facilities and for contracted expenses
42 pursuant to section 15-2002, subsection B, paragraphs 2, 3 and 4. On June 30
43 of each fiscal year, any unobligated contract monies in the new school
44 facilities fund shall be transferred to the capital reserve fund established
45 by section 15-2003.

1 B. The school facilities board shall prescribe a uniform format for
2 use by the school district governing board in developing and annually
3 updating a capital plan that consists of each of the following:

4 1. Enrollment projections for the next five years for elementary
5 schools and eight years for middle and high schools, including a description
6 of the methods used to make the projections.

7 2. A description of new schools or additions to existing schools
8 needed to meet the building adequacy standards prescribed in section 15-2011.
9 The description shall include:

10 (a) The grade levels and the total number of pupils that the school or
11 addition is intended to serve.

12 (b) The year in which it is necessary for the school or addition to
13 begin operations.

14 (c) A timeline that shows the planning and construction process for
15 the school or addition.

16 3. Long-term projections of the need for land for new schools.

17 4. Any other necessary information required by the school facilities
18 board to evaluate a school district's capital plan.

19 5. If a school district pays tuition for all or a portion of the
20 school district's high school pupils to another school district, the capital
21 plan shall indicate the number of pupils for which the district pays tuition
22 to another district. If a school district accepts pupils from another school
23 district pursuant to section 15-824, subsection A, the school district shall
24 indicate the projections for this population separately. This paragraph does
25 not apply to a small isolated school district as defined in section 15-901.

26 C. If the capital plan indicates a need for a new school or an
27 addition to an existing school within the next four years or a need for land
28 within the next ten years, the school district shall submit its plan to the
29 school facilities board by September 1 and shall request monies from the new
30 school facilities fund for the new construction or land. The school
31 facilities board may require a school district to sell land that was
32 previously purchased entirely with monies provided by the school facilities
33 board if the school facilities board determines that the property is no
34 longer needed within the ~~ten-year~~ TEN-YEAR period specified in this
35 subsection for a new school or no longer needed within that ~~ten-year~~ TEN-YEAR
36 period for an addition to an existing school. Monies provided for land shall
37 be in addition to any monies provided pursuant to subsection D of this
38 section.

39 D. The school facilities board shall distribute monies from the new
40 school facilities fund as follows:

41 1. The school facilities board shall review and evaluate the
42 enrollment projections. On or before March 1, following the submission of
43 the enrollment projections, the school facilities board shall either approve
44 the projections as submitted or revise the projections. In approving or
45 revising the enrollment projections, the school facilities board shall use

1 the most recent average daily membership data available. On request from the
2 school facilities board, the department of education shall make available the
3 most recent average daily membership data for use in revising the enrollment
4 projections. In determining new construction requirements, the school
5 facilities board shall determine the net new growth of pupils that will
6 require additional square footage that exceeds the building adequacy
7 standards prescribed in section 15-2011. If the projected growth and the
8 existing number of pupils exceed three hundred fifty pupils who are served in
9 a school district other than the pupil's resident school district, the school
10 facilities board, the receiving school district and the resident school
11 district shall develop a capital facilities plan on how to best serve those
12 pupils. A small isolated school district as defined in section 15-901 is not
13 required to develop a capital facilities plan pursuant to this paragraph.

14 2. If the approved projections indicate that additional space would
15 not have been needed during the current school year in order to meet the
16 building adequacy standards prescribed in section 15-2011, the request shall
17 be held for consideration by the school facilities board for possible future
18 funding and the school district shall annually submit an updated plan until
19 the additional space is needed.

20 3. If the approved projections indicate that additional space would
21 have been needed during the current school year in order to meet the building
22 adequacy standards prescribed in section 15-2011, the school facilities board
23 shall provide an amount as follows:

24 (a) Determine the number of pupils requiring additional square footage
25 to meet building adequacy standards. This amount for elementary schools
26 shall not be less than the number of new pupils for whom space will be needed
27 in the next year and shall not exceed the number of new pupils for whom space
28 will be needed in the next five years. This amount for middle and high
29 schools shall not be less than the number of new pupils for whom space will
30 be needed in the next four years and shall not exceed the number of new
31 pupils for whom space will be needed in the next eight years.

32 (b) Multiply the number of pupils determined in subdivision (a) of
33 this paragraph by the square footage per pupil. The square footage per pupil
34 is ninety square feet per pupil for preschool children with disabilities,
35 kindergarten programs and grades one through six, one hundred square feet for
36 grades seven and eight, one hundred thirty-four square feet for a school
37 district that provides instruction in grades nine through twelve for fewer
38 than one thousand eight hundred pupils and one hundred twenty-five square
39 feet for a school district that provides instruction in grades nine through
40 twelve for at least one thousand eight hundred pupils. The total number of
41 pupils in grades nine through twelve in the district shall determine the
42 square footage factor to use for net new pupils. The school facilities board
43 may modify the square footage requirements prescribed in this subdivision for
44 particular schools based on any of the following factors:

1 (i) The number of pupils served or projected to be served by the
2 school district.

3 (ii) Geographic factors.

4 (iii) Grade configurations other than those prescribed in this
5 subdivision.

6 (iv) Compliance with minimum school facility adequacy requirements
7 established pursuant to section 15-2011.

8 (c) Multiply the product obtained in subdivision (b) of this paragraph
9 by the cost per square foot. The cost per square foot is ninety dollars for
10 preschool children with disabilities, kindergarten programs and grades one
11 through six, ninety-five dollars for grades seven and eight and one hundred
12 ten dollars for grades nine through twelve. The cost per square foot shall
13 be adjusted annually for construction market considerations based on an index
14 identified or developed by the joint legislative budget committee as
15 necessary but not less than once each year. The school facilities board
16 shall multiply the cost per square foot by 1.05 for any school district
17 located in a rural area. The school facilities board may only modify the
18 base cost per square foot prescribed in this subdivision for particular
19 schools based on geographic conditions or site conditions. For the purposes
20 of this subdivision, "rural area" means an area outside a ~~thirty-five mile~~
21 THIRTY-FIVE-MILE radius of a boundary of a municipality with a population of
22 more than fifty thousand persons.

23 (d) Once the school district governing board obtains approval from the
24 school facilities board for new facility construction ~~funds~~ MONIES,
25 additional portable or modular square footage created for the express purpose
26 of providing temporary space for pupils until the completion of the new
27 facility shall not be included by the school facilities board for the purpose
28 of new construction funding calculations. On completion of the new facility
29 construction project, if the portable or modular facilities continue in use,
30 the portable or modular facilities shall be included as prescribed by this
31 chapter, unless the school facilities board approves their continued use for
32 the purpose of providing temporary space for pupils until the completion of
33 the next new facility that has been approved for funding from the new school
34 facilities fund.

35 4. For projects approved after December 31, 2001, and notwithstanding
36 paragraph 3 of this subsection, a unified school district that does not have
37 a high school is not eligible to receive high school space as prescribed by
38 section 15-2011 and this section unless the unified district qualifies for
39 geographic factors prescribed by paragraph 3, subdivision (b), item (ii) of
40 this subsection.

41 5. If a joint technical education district leases a building from a
42 school district, that building shall be included in the school district's
43 square footage calculation for the purposes of new construction pursuant to
44 this section.

1 6. If a school district leases a building to another entity, ~~including~~
2 ~~a charter school that is sponsored by a school district pursuant to section~~
3 ~~15-183~~, that building shall be included in the school district's square
4 footage calculation for purposes of new construction pursuant to this
5 section.

6 7. A school district shall qualify for monies from the new school
7 facilities fund in a fiscal year only if the school facilities board has
8 approved or revised its enrollment projection under paragraph 3 of this
9 subsection on or before March 1 of the prior fiscal year.

10 E. Monies for architectural and engineering fees, project management
11 services and preconstruction services shall be distributed on the completion
12 of the analysis by the school facilities board of the school district's
13 request. After receiving monies pursuant to this subsection, the school
14 district shall submit a design development plan for the school or addition to
15 the school facilities board before any monies for construction are
16 distributed. If the school district's request meets the building adequacy
17 standards, the school facilities board may review and comment on the
18 district's plan with respect to the efficiency and effectiveness of the plan
19 in meeting state square footage and facility standards before distributing
20 the remainder of the monies. If the school facilities board modifies the
21 cost per square foot as prescribed in subsection D, paragraph 3, subdivision
22 (c) of this section, the school facilities board may deduct the cost of
23 project management services and preconstruction services from the required
24 cost per square foot. The school facilities board may decline to fund the
25 project if the square footage is no longer required due to revised enrollment
26 projections.

27 F. The school facilities board shall distribute the monies needed for
28 land for new schools so that land may be purchased at a price that is less
29 than or equal to fair market value and in advance of the construction of the
30 new school. If necessary, the school facilities board may distribute monies
31 for land to be leased for new schools if the duration of the lease exceeds
32 the life expectancy of the school facility by at least fifty ~~per-cent~~
33 **PERCENT**. A school district shall not use land purchased or partially
34 purchased with monies provided by the school facilities board for a purpose
35 other than a site for a school facility without obtaining prior written
36 approval from the school facilities board. A school district shall not
37 lease, sell or take any action that would diminish the value of land
38 purchased or partially purchased with monies provided by the school
39 facilities board without obtaining prior written approval from the school
40 facilities board. The proceeds derived through the sale of any land
41 purchased or partially purchased, or the sale of buildings funded or
42 partially funded, with monies provided by the school facilities board shall
43 be returned to the state fund from which it was appropriated and to any other
44 participating entity on a proportional basis. Except as provided in section
45 15-342, paragraph 33, if a school district acquires real property by donation

at an appropriate school site approved by the school facilities board, the school facilities board shall distribute an amount equal to twenty ~~per cent~~ PERCENT of the fair market value of the donated real property that can be used for academic purposes. The school district shall place the monies in the unrestricted capital outlay fund and increase the unrestricted capital budget limit by the amount of monies placed in the fund. Monies distributed under this subsection shall be distributed from the new school facilities fund. A school district that receives monies from the new school facilities fund for a donation of land pursuant to section 15-342, paragraph 33 shall not receive monies from the school facilities board for the donation of real property pursuant to this subsection. A school district shall not pay a consultant a percentage of the value of any of the following:

1. Donations of real property, services or cash from any of the following:

(a) Entities that have offered to provide construction services to the school district.

(b) Entities that have been contracted to provide construction services to the school district.

(c) Entities that build residential units in that school district.

(d) Entities that develop land for residential use in that school district.

2. Monies received from the school facilities board on behalf of the school district.

3. Monies paid by the school facilities board on behalf of the school district.

G. In addition to distributions to school districts based on pupil growth projections, a school district may submit an application to the school facilities board for monies from the new school facilities fund if one or more school buildings have outlived their useful life. If the school facilities board determines that the school district needs to build a new school building for these reasons, the school facilities board shall remove the square footage computations that represent the building from the computation of the school district's total square footage for purposes of this section. If the square footage recomputation reflects that the school district no longer meets building adequacy standards, the school district qualifies for a distribution of monies from the new school construction formula in an amount determined pursuant to subsection D of this section. The school facilities board may only modify the base cost per square foot prescribed in this subsection under extraordinary circumstances for geographic factors or site conditions.

H. School districts that receive monies from the new school facilities fund shall establish a district new school facilities fund and shall use the monies in the district new school facilities fund only for the purposes prescribed in this section. By October 15 of each year, each school district shall report to the school facilities board the projects funded at each

1 school in the previous fiscal year with monies from the district new school
2 facilities fund and shall provide an accounting of the monies remaining in
3 the new school facilities fund at the end of the previous fiscal year.

4 I. If a school district has surplus monies received from the new
5 school facilities fund, the school district may use the surplus monies only
6 for capital purposes for the project for up to one year after completion of
7 the project. If the school district possesses surplus monies from the new
8 school construction project that have not been expended within one year of
9 the completion of the project, the school district shall return the surplus
10 monies to the school facilities board for deposit in the new school
11 facilities fund.

12 J. The board's consideration of any application filed after
13 December 31 of the year in which the property becomes territory in the
14 vicinity of a military airport or ancillary military facility as defined in
15 section 28-8461 for monies to fund the construction of new school facilities
16 proposed to be located in territory in the vicinity of a military airport or
17 ancillary military facility shall include, if after notice is transmitted to
18 the military airport pursuant to section 15-2002 and before the public
19 hearing the military airport provides comments and an analysis concerning
20 compatibility of the proposed school facilities with the high noise or
21 accident potential generated by military airport or ancillary military
22 facility operations that may have an adverse effect on public health and
23 safety, consideration and analysis of the comments and analysis provided by
24 the military airport before making a final determination.

25 K. If a school district uses its own project manager for new school
26 construction, the members of the school district governing board and the
27 project manager shall sign an affidavit stating that the members and the
28 project manager understand and will follow the minimum adequacy requirements
29 prescribed in section 15-2011.

30 L. The school facilities board shall establish a separate account in
31 the new school facilities fund designated as the litigation account to pay
32 attorney fees, expert witness fees and other costs associated with litigation
33 in which the school facilities board pursues the recovery of damages for
34 deficiencies correction that resulted from alleged construction defects or
35 design defects that the school facilities board believes caused or
36 contributed to a failure of the school building to conform to the building
37 adequacy requirements prescribed in section 15-2011. Attorney fees paid
38 pursuant to this subsection shall not exceed the market rate for similar
39 types of litigation. On or before December 1 of each year, the school
40 facilities board shall report to the joint committee on capital review the
41 costs associated with current and potential litigation that may be paid from
42 the litigation account.

43 M. Until the state board of education and the auditor general adopt
44 rules pursuant to section 15-213, subsection I, the school facilities board
45 may allow school districts to contract for construction services and

1 materials through the qualified select bidders list method of project
2 delivery for new school facilities pursuant to this section.

3 N. The school facilities board shall submit electronically a report on
4 project management services and preconstruction services to the governor, the
5 president of the senate and the speaker of the house of representatives by
6 December 31 of each year. The report shall compare projects that use project
7 management and preconstruction services with those that do not. The report
8 shall address cost, schedule and other measurable components of a
9 construction project. School districts, construction manager at risk firms
10 and project management firms that participate in a school facilities board
11 funded project shall provide the information required by the school
12 facilities board in relation to this report.

13 O. If a school district constructs new square footage according to
14 section 15-342, paragraph 33, the school facilities board shall review the
15 design plans and location of any new school facility submitted by school
16 districts and another party to determine whether the design plans comply with
17 the adequacy standards prescribed in section 15-2011 and the square footage
18 per pupil requirements pursuant to subsection D, paragraph 3, subdivision (b)
19 of this section. When the school district qualifies for a distribution of
20 monies from the new school facilities fund according to this section, the
21 school facilities board shall distribute monies to the school district from
22 the new school facilities fund for the square footage constructed under
23 section 15-342, paragraph 33 at the same cost per square foot established by
24 this section that was in effect at the time of the beginning of the
25 construction of the school facility. Before the school facilities board
26 distributes any monies pursuant to this subsection, the school district shall
27 demonstrate to the school facilities board that the facilities to be funded
28 pursuant to this section meet the minimum adequacy standards prescribed in
29 section 15-2011. The agreement entered into pursuant to section 15-342,
30 paragraph 33 shall set forth the procedures for the allocation of these funds
31 to the parties that participated in the agreement.

32 P. Accommodation schools are not eligible for monies from the new
33 school facilities fund.

34 Sec. 30. Laws 2014, chapter 16, section 5 is amended to read:

35 Sec. 5. School district charter schools; adjustments

36 A. Notwithstanding any other law, for fiscal year 2015-2016, the
37 department of education shall compute K-12 equalization formula funding for
38 students who in fiscal year 2014-2015 attended school district charter
39 schools that converted to charter school status or that began operating as
40 new schools under charter school status in fiscal year 2013-2014 as if those
41 students had attended school district non-charter schools in fiscal year
42 2014-2015 and shall adjust student counts and budget limits for fiscal year
43 2015-2016 accordingly, EXCEPT THAT ANY ADJUSTMENT IN STUDENT COUNTS THAT IS
44 MADE PURSUANT TO THIS SUBSECTION DOES NOT MAKE A SCHOOL DISTRICT ELIGIBLE FOR

1 DISTRICT ADDITIONAL ASSISTANCE GROWTH FUNDING PURSUANT TO SECTION 15-961,
2 SUBSECTION B, PARAGRAPH 3, ARIZONA REVISED STATUTES.

3 B. NOTWITHSTANDING ANY OTHER LAW, FOR FISCAL YEAR 2016-2017, THE
4 DEPARTMENT OF EDUCATION SHALL COMPUTE DISTRICT ADDITIONAL ASSISTANCE FUNDING
5 FOR STUDENTS WHO ATTENDED SCHOOL DISTRICT CHARTER SCHOOLS IN FISCAL YEAR
6 2015-2016 AS IF THOSE STUDENTS HAD ATTENDED SCHOOL DISTRICT NON-CHARTER
7 SCHOOLS IN FISCAL YEAR 2015-2016 AND SHALL ADJUST STUDENT COUNTS AND BUDGET
8 LIMITS PERTAINING TO DISTRICT ADDITIONAL ASSISTANCE FOR FISCAL YEAR 2016-2017
9 ACCORDINGLY, EXCEPT THAT ANY ADJUSTMENT IN STUDENT COUNTS THAT IS MADE
10 PURSUANT TO THIS SUBSECTION DOES NOT MAKE A SCHOOL DISTRICT ELIGIBLE FOR
11 DISTRICT ADDITIONAL ASSISTANCE GROWTH FUNDING PURSUANT TO SECTION 15-961,
12 SUBSECTION B, PARAGRAPH 3, ARIZONA REVISED STATUTES.

13 Sec. 31. Delayed repeal

14 Laws 2014, chapter 16, section 6, as amended by Laws 2014, chapter 214,
15 section 5, is repealed from and after June 30, 2016.

16 Sec. 32. Laws 2014, chapter 17, section 10 is amended to read:

17 Sec. 10. Delayed repeal

18 Section ~~15-216~~ 15-217, Arizona Revised Statutes, as ~~added~~ AMENDED by
19 this act, is repealed from and after December 31, ~~2017~~ 2019.

20 Sec. 33. Laws 2014, chapter 17, section 19 is amended to read:

21 Sec. 19. Appropriations; K-6 technology-based language
22 development and literacy intervention pilot program;
23 exemption from lapsing

24 The sum of \$300,000 is appropriated to the ~~state board of education~~
25 SUPERINTENDENT OF PUBLIC INSTRUCTION in fiscal ~~years~~ YEAR 2014-2015 and THE
26 SUM OF \$246,800 IS APPROPRIATED TO THE SUPERINTENDENT OF PUBLIC INSTRUCTION
27 IN FISCAL YEAR 2015-2016 from the technology-based language development and
28 literacy intervention fund established by section ~~15-216~~ 15-217, Arizona
29 Revised Statutes, as ~~added~~ AMENDED by this act, for the purpose of providing
30 payment to the educational technology provider selected by the state board
31 pursuant to section ~~15-216~~ 15-217, Arizona Revised Statutes, as ~~added~~ AMENDED
32 by this act. THE MONIES APPROPRIATED FOR FISCAL YEAR 2014-2015 ARE EXEMPT
33 FROM THE PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO
34 LAPSING OF APPROPRIATIONS, THROUGH FISCAL YEAR 2016-2017, AND THE MONIES
35 APPROPRIATED FOR FISCAL YEAR 2015-2016 ARE EXEMPT FROM THE PROVISIONS OF
36 SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO LAPSING OF
37 APPROPRIATIONS, THROUGH FISCAL YEAR 2017-2018.

38 Sec. 34. Pilot program on school emergency readiness; report;
39 delayed repeal

40 A. The \$3,646,500 state general fund appropriation to the department
41 of education for the school safety program for fiscal year 2016-2017 in the
42 general appropriation act includes \$100,000 for a pilot program on school
43 emergency readiness.

1 B. On or before September 30, 2016, school districts shall submit
2 applications to the department of education to participate in the pilot
3 program.

4 C. On or before November 30, 2016, the department of education shall
5 select three school districts to participate in the pilot program. The
6 selected school districts shall collectively consist of no more than
7 thirty-one individual school sites and shall include:

8 1. One school district that is located in a county with a population
9 of eight hundred thousand persons or more according to the 2010 United States
10 decennial census.

11 2. One school district that is located in a county with a population
12 of one hundred thousand persons or more but less than eight hundred thousand
13 persons according to the 2010 United States decennial census.

14 3. One school district that is located in a county with a population
15 of less than one hundred thousand persons according to the 2010 United States
16 decennial census.

17 D. School districts that are selected to participate in the pilot
18 program shall be provided and use a readiness and emergency management
19 program that incorporates the following:

20 1. Education-specific emergency management software. All plans and
21 critical emergency readiness information, including contacts, floor plans and
22 critical equipment photos and locations, shall be accessible online and
23 off-line via mobile device applications. The software used in the pilot
24 program shall comply with the national emergency information management
25 system adopted by the federal emergency management agency.

26 2. Training of teachers and administrators in the readiness and
27 emergency management program.

28 3. The development, implementation and maintenance of a comprehensive
29 crisis plan for participating school districts and their teachers and
30 administrators.

31 E. On or before November 1, 2017, the department of education shall
32 submit to the governor, the president of the senate and the speaker of the
33 house of representatives a report that summarizes the results of the pilot
34 program. The department of education shall provide a copy of the report to
35 the secretary of state.

36 F. This section is repealed from and after December 31, 2017.

37 Sec. 35. District additional assistance for school districts;
38 reduction for fiscal year 2016-2017; classroom
39 spending

40 A. For fiscal year 2016-2017, the department of education shall reduce
41 by \$352,442,700 the amount of basic state aid that otherwise would be
42 apportioned to school districts statewide for fiscal year 2016-2017 for
43 district additional assistance prescribed in section 15-961, Arizona Revised
44 Statutes, and shall reduce school district budget limits accordingly.

1 B. For fiscal year 2016-2017, the department of education shall reduce
2 district additional assistance for a school district that is not eligible to
3 receive basic state aid funding for fiscal year 2016-2017 by the amount that
4 its district additional assistance would be reduced pursuant to subsection A
5 of this section if the school district were eligible to receive basic state
6 aid funding for fiscal year 2016-2017 and shall reduce the school district's
7 budget limits accordingly.

8 C. It is the intent of the governor and the legislature that school
9 districts increase the total percentage of classroom spending over the
10 previous year's percentages in the combined categories of instruction,
11 student support and instructional support as defined by the auditor general.

12 Sec. 36. K-12 formula reductions; small districts; maximum

13 Notwithstanding any other law, the sum of district additional
14 assistance reductions in fiscal year 2016-2017 for school districts with a
15 student count of fewer than 1,100 pupils may not exceed \$5,000,000.

16 Sec. 37. Additional assistance funding for charter schools;
17 reduction for fiscal year 2016-2017

18 The department of education shall reduce by \$18,656,000 the amount of
19 charter additional assistance funding that otherwise would be apportioned to
20 charter schools statewide for fiscal year 2016-2017 pursuant to section
21 15-185, subsection B, paragraph 4, Arizona Revised Statutes, as amended by
22 this act. The funding reduction required under this section shall be made on
23 a proportional basis based on the charter additional assistance funding that
24 each charter school in this state would have received for fiscal year
25 2016-2017 without the prescribed reduction.

26 Sec. 38. Joint technical education district equalization
27 funding; fiscal year 2016-2017

28 Notwithstanding section 15-393, Arizona Revised Statutes, as amended by
29 this act, or any other law, the department of education shall fund state aid
30 for joint technical education districts with a student count of more than two
31 thousand students for fiscal year 2016-2017 at ninety-five and one-half
32 percent of the amount that otherwise would be provided by law and shall
33 reduce its budget limits accordingly. The state aid reduction required for a
34 joint technical education district under this section shall be computed as if
35 the base support level portion of the district's equalization formula funding
36 for fiscal year 2016-2017 were based on the district's prior year rather than
37 current year average daily membership.

38 Sec. 39. Joint technical education district programs; student
39 eligibility; fiscal years 2015-2016 and 2016-2017;
40 retroactivity

41 A. Notwithstanding section 15-393, subsection D, paragraph 4,
42 subdivision (c), Arizona Revised Statutes, as amended by this act, a student
43 who is not over twenty-one years of age, including a student who has
44 graduated from high school or who has received a general equivalency diploma,

1 and who was lawfully enrolled in a joint technical education district
2 program:

3 1. During fiscal year 2015-2016 may continue to participate in the
4 program and remain in the average daily membership of the joint technical
5 education district through the end of fiscal year 2015-2016.

6 2. On February 1, 2016 may continue to participate in the program and
7 remain in the average daily membership of the joint technical education
8 district until the student completes the joint technical education program or
9 through the end of fiscal year 2016-2017, whichever occurs first.

10 B. This section is effective retroactively to from and after
11 June 30, 2015.

12 Sec. 40. Code writers initiative pilot program; appropriation;
13 exemption; fiscal year 2016-2017; program
14 termination

15 A. Notwithstanding section 41-3506, Arizona Revised Statutes, the sum
16 of \$500,000 in one-time funding is appropriated from the state web portal
17 fund established by section 41-3506, Arizona Revised Statutes, in fiscal year
18 2016-2017 to the department of education to provide grants on a competitive
19 basis pursuant to title 41, chapter 24, article 1, Arizona Revised Statutes,
20 for participation in the code writers initiative pilot program. The American
21 Indian advisory council in the department of education shall evaluate grant
22 applications and shall make award recommendations to the department of
23 education. The department shall maximize available funding by awarding
24 grants to participants who will leverage state monies by securing gifts,
25 grants and donations from other sources.

26 B. Grantees in the code writers initiative pilot program shall:

27 1. Introduce computer code writing curriculum for students in grades
28 nine through twelve.

29 2. Deliver a technology-focused education to Native American students
30 that will prepare the students for the global economy.

31 3. Instruct Native American students in computer code writing and work
32 with industry partners to develop internships and programs that will be made
33 available to initiative graduates.

34 4. Instruct teachers and administrators in a technology-focused
35 curriculum.

36 5. Develop assessment metrics to measure progress to be used to
37 determine the initiative's effectiveness.

38 6. Install audio video distance learning equipment at key delivery
39 points to maximize the number of program participants.

40 7. Determine the impacts from the initiative's curriculum and teacher
41 instruction on students' standardized test scores and graduation rates.

42 8. Submit annual reports to the American Indian advisory council and
43 the department of education not later than September 1, 2017 and September 1,
44 2018, if applicable, containing detailed information relating to the
45 requirements of this subsection for the most recent school year.

1 C. The department of education shall summarize the reports submitted
2 pursuant to subsection B, paragraph 8 of this section and submit summaries on
3 or before December 1, 2017 and December 1, 2018 to the president of the
4 senate, the speaker of the house and the director of the joint legislative
5 budget committee. The department shall submit a copy of each summary to the
6 secretary of state.

7 D. The appropriation made in subsection A of this section is exempt
8 from the provisions of section 35-190, Arizona Revised Statutes, relating to
9 lapsing of appropriations.

10 E. The program established pursuant to this section ends on July 1,
11 2019 pursuant to section 41-3102.

12 Sec. 41. District-sponsored charter schools; intent

13 It is the intent of the legislature that school districts that operated
14 district-sponsored charter schools in fiscal year 2015-2016 receive
15 approximately the same amount of incremental monies in fiscal year 2016-2017
16 for former district-sponsored charter school pupils that those school
17 districts received in fiscal year 2015-2016 for district-sponsored charter
18 school pupils. For the purposes of this section, "incremental monies" means
19 the additional funding that a district-sponsored charter school receives per
20 pupil from the state equalization funding formula above what it receives per
21 pupil under that formula for each district noncharter school pupil.

22 Sec. 42. New school facilities funding; fiscal years 2016-2017
23 and 2017-2018

24 A. Notwithstanding any other law, if the school facilities board
25 approves a school district for new school facilities funding and the full
26 legislative appropriation for the project is not available to the school
27 district in the fiscal year following the approval by the school facilities
28 board, the school district may use any legally available monies to pay for
29 the project approved by the school facilities board and may reimburse the
30 fund from which the monies were used in subsequent years with the remaining
31 legislative appropriations when made available by this state.

32 B. Subsection A of this section applies only to monies appropriated to
33 the school facilities board for new school facilities during fiscal years
34 2016-2017 and 2017-2018.

35 Sec. 43. Retroactivity

36 A. Section 15-185, Arizona Revised Statutes, as amended by this act,
37 applies retroactively to from and after June 30, 2016.

38 B. The repeal by this act of Laws 2014, chapter 16, section 6, as
39 amended by Laws 2014, chapter 214, section 5, is effective retroactively to
40 from and after June 30, 2016.

41 C. Laws 2014, chapter 16, section 5, as amended by this act, applies
42 retroactively to from and after June 30, 2015.

1 Sec. 44. Conditional enactment

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