

State of Arizona  
House of Representatives  
Fifty-third Legislature  
Second Regular Session  
2018

# **HOUSE BILL 2526**

## **AN ACT**

AMENDING SECTIONS 15-101, 15-185.01, 15-255, 15-391, 15-392, 15-393, 15-393.01, 15-394, 15-395, 15-395.01, 15-396, 15-491, 15-782.01, 15-782.02, 15-790, 15-792.03, 15-795.01, 15-808, 15-901.06, 15-943.02, 15-947.01, 15-962.01, 15-971, 15-1021, 15-1041, 15-1042, 15-1043, 15-1444, 15-2041, 16-322, 32-4201, 32-4228, 35-701 AND 43-1089.01, ARIZONA REVISED STATUTES; RELATING TO TECHNICAL EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 15-101, Arizona Revised Statutes, is amended to  
3 read:

4 **15-101. Definitions**

5 In this title, unless the context otherwise requires:

6 1. "Accommodation school" means either:

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

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

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

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

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

25 4. "Charter school" means a public school established by contract  
26 with the state board of education, the state board for charter schools, a  
27 university under the jurisdiction of the Arizona board of regents, a  
28 community college district or a group of community college districts  
29 pursuant to article 8 of this chapter to provide learning that will  
30 improve pupil achievement.

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

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

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

39 8. "Competency" means a demonstrated ability in a skill at a  
40 specified performance level.

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

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

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

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

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

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

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

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

24       17. "Nontest" means not relating to knowledge or skills in reading,  
25 writing, mathematics, social studies, science or any other course.

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

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

31       20. "Primary property taxes" means all ad valorem taxes except for  
32 secondary property taxes.

33       21. "Private school" means a nonpublic institution where  
34 instruction is imparted.

35       22. "School" or "public school" means any public institution  
36 established for the purposes of offering instruction to pupils in programs  
37 for preschool children with disabilities, kindergarten programs or any  
38 combination of elementary grades or secondary grades one through twelve.

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

43       24. "Secondary grades" means grades nine through twelve.

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

7        26. "Subject" means a division or field of organized knowledge,  
8 such as English or mathematics, or a selection from an organized body of  
9 knowledge for a course or teaching unit, such as the English novel or  
10 elementary algebra.

11      Sec. 2. Section 15-185.01, Arizona Revised Statutes, is amended to  
12 read:

13      15-185.01. Charter school pupils attending career technical  
14 education districts; average daily membership  
15 calculation

16        Notwithstanding section 15-185, subsection C, if a pupil is enrolled  
17 in both a charter school and a ~~Joint~~ CAREER technical education district  
18 and resides within the boundaries of a school district participating in  
19 the ~~Joint~~ CAREER technical education district, the average daily  
20 membership for that pupil shall be calculated in the same manner  
21 prescribed for a pupil who is enrolled in both the member school district  
22 and a ~~Joint technological~~ CAREER TECHNICAL education district pursuant to  
23 section 15-393.

24      Sec. 3. Section 15-255, Arizona Revised Statutes, is amended to  
25 read:

26      15-255. Annual report; contents; definition

27        A. The superintendent of public instruction shall make a report to  
28 the governor and the legislature on or before January 15 each year. The  
29 report shall be in printed form.

30        B. The report shall contain:

31        1. A full statement of the condition and amount of all funds and  
32 property apportioned for the purpose of education.

33        2. The total current expenditures per pupil and separate per pupil  
34 amounts for classroom supplies, classroom instruction excluding classroom  
35 supplies, district and school administration, support services-students,  
36 and all other support services and operations. These per pupil amounts  
37 shall be calculated for the state by type of district or school. The  
38 method of calculating these per pupil amounts shall be as prescribed in  
39 the uniform system of financial records.

40        3. The number and grades of schools in each county.

41        4. The number of children attending schools.

42        5. The average number of children who have attended the schools  
43 during each of the two years previous to July 1 of the year in which the  
44 report is made.

1       6. The number of children attending private schools.  
2       7. The amount of school monies derived from county taxes.  
3       8. The amount of school monies derived other than by county taxes.  
4       9. The amount of federal monies that was received during the  
5 previous year and that was specified for Indian education aid and  
6 emergency operational aid.

7       10. The amounts expended for salaries of teachers and  
8 superintendents and for building of schools.

9       11. A statement of plans for the management of schools.

10      12. Such other information relating to the educational interests of  
11 this state as the superintendent deems expedient.

12      C. In addition to the printed report required by subsections A and  
13 B of this section, the superintendent of public instruction shall make  
14 available in electronic form a supplemental report that provides detail  
15 regarding current expenditures by function code for each individual school  
16 district. For the purposes of this subsection, "function code" means the  
17 function codes defined in the uniform system of financial records provided  
18 for in section 15-272.

19      D. For the purposes of this section, "type of district or school"  
20 means accommodation school, unified school district, common school  
21 district not within the boundaries of a high school district, common  
22 school district within the boundaries of a high school district, high  
23 school district, ~~Joint~~ CAREER technical education district and charter  
24 school.

25      Sec. 4. Heading change

26      The article heading of title 15, chapter 3, article 6, Arizona  
27 Revised Statutes, is changed from "JOINT TECHNICAL EDUCATION DISTRICTS" to  
28 "CAREER TECHNICAL EDUCATION DISTRICTS".

29      Sec. 5. Section 15-391, Arizona Revised Statutes, is amended to  
30 read:

31      15-391. Definitions

32      In this article, unless the context otherwise requires:

33      1. "~~Joint~~ CAREER TECHNICAL EDUCATION board" means a ~~Joint~~ CAREER  
34 technical education district governing board.

35      2. "~~Joint~~ district" means a ~~Joint~~ technical education district.

36      3. 2. "~~Joint~~ CAREER technical education course" means a course  
37 that is offered by a ~~Joint~~ CAREER technical education district as part of  
38 a ~~Joint~~ CAREER technical education district program, that is approved by  
39 the career and technical education division of the department of education  
40 and that meets each of the following requirements:

41       (a) Is taught by an instructor who is certified to teach career and  
42 technical education by the state board of education or by a postsecondary  
43 educational institution.

44       (b) Is part of a program that requires students to obtain a passing  
45 score of at least sixty percent on an assessment that demonstrates the

1 level of skills, knowledge and competencies necessary to be successful in  
2 the designated vocation or industry for that program of study.

3 (c) Is part of an approved ~~Joint~~ CAREER technical education  
4 district program.

5 (d) Is not a course or any variation of a course, including honors,  
6 that is required under the minimum course of study pursuant to section  
7 15-701.01 in order to graduate from high school, except that credit may be  
8 awarded for any career and technical education course.

9 (e) Requires a majority of instructional time to be conducted in a  
10 laboratory environment, field-based environment or work-based learning  
11 environment, except for community college courses.

12 (f) Has demonstrated a need for extra funding in order to provide  
13 the ~~Joint~~ CAREER technical education course.

14 (g) Requires specialized equipment and specialized materials in  
15 order to provide instruction to students that exceeds the cost of a  
16 standard educational course.

17 ~~4.~~ 3. "~~Joint~~ CAREER technical education district" means a district  
18 that is formed pursuant to this article and that offers ~~Joint~~ CAREER  
19 technical education courses.

20 ~~5.~~ 4. "~~Joint~~ CAREER technical education district program" means a  
21 sequence of courses that is offered by a ~~Joint~~ CAREER technical education  
22 district and that meets all of the following requirements:

23 (a) Is taught by an instructor who is certified to teach career and  
24 technical education by the state board of education or by a postsecondary  
25 educational institution.

26 (b) Requires an assessment that demonstrates the level of skills,  
27 knowledge and competencies necessary to be successful in the designated  
28 vocation or industry or an assessment necessary for certification, if  
29 appropriate, or for career readiness and entry-level employment, in and  
30 acceptance by that vocation or industry. Any assessment adopted pursuant  
31 to this subdivision shall require a passing score of at least sixty  
32 percent.

33 (c) Requires specialized equipment and specialized materials in  
34 order to provide instruction to students that exceeds the cost of a  
35 standard educational course.

36 (d) Requires a majority of instructional time to be conducted in a  
37 laboratory environment, field-based environment or work-based learning  
38 environment, and requires career and technical student organization  
39 participation, except for community college courses.

40 (e) Demonstrates alignment through a curriculum, instructional  
41 model and course sequence to meet the standards of a career and technical  
42 education preparatory program as determined by the career and technical  
43 education division of the department of education.

1       (f) Has a defined pathway to career and postsecondary education in  
2 a specific vocation or industry as determined by the career and technical  
3 education division of the department of education.

4       (g) Is approved by the career and technical education division of  
5 the department of education based only on the requirements prescribed in  
6 this paragraph after the submission of all required documentation.

7       (h) Is certified by the ~~Joint~~ CAREER technical education district  
8 governing board to have met all the requirements prescribed in this  
9 article.

10      (i) Is offered only to students in grades nine, ten, eleven and  
11 twelve.

12      (j) Fills a high-need vocational or industry need as determined by  
13 the career and technical education division of the department of  
14 education.

15      (k) Requires a single or stackable credential as described in  
16 subdivision (l) of this paragraph or a skill that will allow a student to  
17 obtain work as described in subdivision (l) of this paragraph on  
18 graduation before receiving an associate degree or baccalaureate degree.

19      (l) Leads to certification or licensure, if available, or to career  
20 readiness and entry-level employment where relevant certification or  
21 licensure does not exist in that industry, in the designated vocation or  
22 industry that has been verified and accepted by that vocation or industry  
23 and that qualifies the person for employment. If there is no  
24 certification or licensure that is accepted by the vocation or industry,  
25 or if business practicalities do not require certification or licensure,  
26 completion of the program must qualify the student for at least  
27 entry-level employment.

28      (m) Requires instruction and instructional materials in courses  
29 that are substantially different from and exceed the scope of standard  
30 instruction and that include vocational skills, competencies and knowledge  
31 to be successful in the designated ~~Joint~~ CAREER technical education  
32 district program vocation or industry.

33      (n) An industry or vocation has agreed to provide financial or  
34 technical support to the ~~Joint~~ CAREER technical education district for a  
35 specific ~~Joint~~ CAREER technical education district program. For the  
36 purposes of this subdivision, "financial support" includes in-kind  
37 contributions and donations.

38      (o) A ~~Joint~~ CAREER technical education district has demonstrated a  
39 need for extra funding in order to provide the ~~Joint~~ CAREER technical  
40 education district program.

41      6. 5. "State board" means the state board of education.

1 Sec. 6. Section 15-392, Arizona Revised Statutes, is amended to  
2 read:

3 **15-392. Formation of career technical education districts**

4 A. Notwithstanding any other provision of law, **SCHOOL** districts  
5 **THAT ARE** interested in forming a **joint** CAREER technical education district  
6 shall conduct a study to determine the need to establish a **joint** CAREER  
7 technical education district in an area consisting of two or more school  
8 districts. The **SCHOOL** districts shall also initiate a plan for the  
9 establishment and operation of the **joint** CAREER TECHNICAL EDUCATION  
10 district, which shall include a proposed budget based on a reasonable  
11 estimate of student enrollment in the new **joint** CAREER TECHNICAL EDUCATION  
12 district. Any school district may assist in the preparation and payment  
13 of costs of the study and plan. The **SCHOOL** districts shall file a copy of  
14 the plan with the governing board of each school district included in the  
15 plan for the **joint** CAREER TECHNICAL EDUCATION district. The **SCHOOL**  
16 districts shall submit the results of the study and the plan, along with  
17 evidence of approval by the governing board of each school district  
18 included in the selected plan for the **joint** CAREER TECHNICAL EDUCATION  
19 district, to the state board of education.

20 B. If the state board of education determines that the plan  
21 submitted for the proposed **joint** CAREER TECHNICAL EDUCATION district has  
22 met the requirements of this section, the question shall be submitted to  
23 the qualified electors of the **SCHOOL** district seeking to become a part of  
24 the **joint** CAREER TECHNICAL EDUCATION district at an election held on the  
25 first Tuesday after the first Monday in November. The question that is  
26 submitted to the qualified electors must describe the tax rate that is  
27 associated with joining the **joint** CAREER TECHNICAL EDUCATION district and  
28 the estimated cost of that tax rate for the owner of a single family home  
29 that is valued at one hundred thousand dollars. If the electors in a  
30 **SCHOOL** district approve, that **SCHOOL** district is authorized to participate  
31 in a **joint** CAREER technical education district. The **joint** CAREER  
32 TECHNICAL EDUCATION district shall become operational on July 1 following  
33 the election held pursuant to this subsection, except as provided in  
34 subsection D of this section.

35 C. The governing boards of the school districts participating in  
36 the **joint** CAREER TECHNICAL EDUCATION district may pay on a proportional  
37 basis the administrative, clerical and other expenses necessary for the  
38 establishment and operation of the **joint** CAREER TECHNICAL EDUCATION  
39 district until monies are otherwise provided.

40 D. A **joint** CAREER technical education district after receiving  
41 voter approval as provided in subsection B of this section shall be  
42 governed by a **joint** CAREER TECHNICAL EDUCATION board consisting of members  
43 elected pursuant to section 15-393, except that the initial composition of  
44 the **joint** CAREER TECHNICAL EDUCATION board shall consist of one person who  
45 is not currently a board member of any school district and who is

1 appointed by the governing board of each district participating in the  
2 ~~joint~~ CAREER technical education district. The terms of office of the  
3 ~~joint~~ CAREER TECHNICAL EDUCATION board members shall become effective on  
4 January 1 following the election held pursuant to subsection B of this  
5 section. ~~Upon~~ ON the effective date of the term of office for ~~joint~~  
6 CAREER TECHNICAL EDUCATION board members, the ~~joint~~ CAREER TECHNICAL  
7 EDUCATION board may begin necessary operations and activities related to  
8 making the district operational pursuant to subsection B of this section.  
9 If ~~less~~ FEWER than five SCHOOL districts are participating in the ~~joint~~  
10 CAREER TECHNICAL EDUCATION district, the initial composition of the ~~joint~~  
11 CAREER TECHNICAL EDUCATION board shall consist of two persons who are not  
12 currently board members of any school district and who are appointed by  
13 each participating SCHOOL district's governing board. The appointed  
14 members shall serve until January 1 following the next general election.  
15 At the general election held next following the formation of the ~~joint~~  
16 CAREER TECHNICAL EDUCATION district and thereafter, CAREER TECHNICAL  
17 EDUCATION board members shall be elected as prescribed in section 15-393.

18 Sec. 7. Section 15-393, Arizona Revised Statutes, is amended to  
19 read:

20 15-393. Career technical education district governing board;  
21 report; definitions

22 A. The management and control of ~~the~~~~joint~~ A CAREER TECHNICAL  
23 EDUCATION district are vested in the ~~joint~~ CAREER technical education  
24 district governing board, including the content and quality of the courses  
25 offered by the district, the quality of teachers who provide instruction  
26 on behalf of the district, the salaries of teachers who provide  
27 instruction on behalf of the district and the reimbursement of other  
28 entities for the facilities used by the district. This section does not  
29 restrict a school district ~~FROM~~ offering any career and technical  
30 education course that does not qualify for funding as a ~~joint~~~~district~~  
31 CAREER TECHNICAL EDUCATION course or CAREER TECHNICAL EDUCATION DISTRICT  
32 program. Unless the governing boards of the school districts  
33 participating in the formation of the ~~joint~~ CAREER TECHNICAL EDUCATION  
34 district vote to implement an alternative election system as provided in  
35 subsection B of this section, the ~~joint~~ CAREER TECHNICAL EDUCATION board  
36 shall consist of five members elected from five single member districts  
37 formed within the ~~joint~~ CAREER TECHNICAL EDUCATION district. The single  
38 member district election system shall be submitted as part of the plan for  
39 the ~~joint~~ CAREER TECHNICAL EDUCATION district pursuant to section 15-392  
40 and shall be established in the plan as follows:

41 1. The governing boards of the school districts participating in  
42 the formation of the ~~joint~~ CAREER TECHNICAL EDUCATION district shall  
43 define the boundaries of the single member districts so that the single  
44 member districts are as nearly equal in population as is practicable,  
45 except that if the ~~joint~~ CAREER TECHNICAL EDUCATION district lies in part

1 in each of two or more counties, at least one single member district may  
2 be entirely within each of the counties comprising the ~~Joint~~ CAREER  
3 TECHNICAL EDUCATION district if this district design is consistent with  
4 the obligation to equalize the population among single member districts.

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

8 3. A person who is a registered voter of this state and who is a  
9 resident of the single member district is eligible for election to the  
10 office of ~~Joint~~ CAREER TECHNICAL EDUCATION board member from the single  
11 member district. The terms of office of the members of the ~~Joint~~ CAREER  
12 TECHNICAL EDUCATION board shall be as prescribed in section 15-427,  
13 subsection B. An employee of a ~~Joint~~ CAREER technical education district  
14 or the spouse of an employee shall not hold membership on a governing  
15 board of a ~~Joint~~ CAREER technical education district by which the employee  
16 is employed. A member of one school district governing board or ~~Joint~~  
17 CAREER technical education district governing board is ineligible to be a  
18 candidate for nomination or election to or serve simultaneously as a  
19 member of any other governing board, except that a member of a governing  
20 board may be a candidate for nomination or election for any other  
21 governing board if the member is serving in the last year of a term of  
22 office. A member of a governing board shall resign the member's seat on  
23 the governing board before becoming a candidate for nomination or election  
24 to the governing board of any other school district or ~~Joint~~ CAREER  
25 technical education district, unless the member of the governing board is  
26 serving in the last year of a term of office. Members of a ~~Joint~~ CAREER  
27 technical education district governing board are subject to the conflict  
28 of interest requirements prescribed in section 38-503.

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

31 B. The governing boards of the school districts participating in  
32 the formation of the ~~Joint~~ CAREER TECHNICAL EDUCATION district may vote to  
33 implement any other alternative election system for the election of ~~Joint~~  
34 CAREER TECHNICAL EDUCATION district board members. If an alternative  
35 election system is selected, it shall be submitted as part of the plan for  
36 the ~~Joint~~ CAREER TECHNICAL EDUCATION district pursuant to section 15-392,  
37 and the implementation of the system shall be as approved by the United  
38 States justice department.

39 C. The ~~Joint~~ CAREER technical education district shall be subject  
40 to the following provisions of this title:

- 41 1. Chapter 1, articles 1 through 6.
- 42 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 43 3. Articles 2, 3 and 5 of this chapter.
- 44 4. Section 15-361.

1       5. Chapter 4, articles 1, 2 and 5.  
2       6. Chapter 5, articles 1 and 3.  
3       7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728,  
4       15-729 and 15-730.  
5       8. Chapter 7, article 5.  
6       9. Chapter 8, articles 1, 3 and 4.  
7       10. Sections 15-828 and 15-829.  
8       11. Chapter 9, article 1, article 6, except for section 15-995, and  
9       article 7.

10      12. Sections 15-941, 15-943.01, 15-952, 15-953 and 15-973.  
11      13. Sections 15-1101 and 15-1104.  
12      14. Chapter 10, articles 2, 3, 4 and 8.

13      D. Notwithstanding subsection C of this section, the following  
14      apply to a ~~Joint~~ CAREER technical education district:

15      1. A ~~Joint~~ CAREER TECHNICAL EDUCATION district may issue bonds for  
16      the purposes specified in section 15-1021 and in chapter 4, article 5 of  
17      this title to an amount in the aggregate, including the existing  
18      indebtedness, not exceeding one percent of the net assessed value of the  
19      full cash value of the property within the ~~Joint~~ CAREER technical  
20      education district. For the purposes of this paragraph, "full cash value"  
21      and "net assessed value" have the same meanings prescribed in section  
22      42-11001.

23      2. The number of governing board members for a ~~Joint~~ CAREER  
24      TECHNICAL EDUCATION district shall be as prescribed in subsection A of  
25      this section.

26      3. The student count for the first year of operation of a ~~Joint~~  
27      CAREER technical education district as provided in this article shall be  
28      determined as follows:

29      (a) Determine the estimated student count for ~~Joint~~ CAREER  
30      TECHNICAL EDUCATION district classes that will operate in the first year  
31      of operation. This estimate shall be based on actual registration of  
32      pupils as of March 30 scheduled to attend classes that will be operated by  
33      the ~~Joint~~ CAREER TECHNICAL EDUCATION district. The student count for the  
34      SCHOOL district of residence of the pupils registered at the ~~Joint~~ CAREER  
35      TECHNICAL EDUCATION district shall be adjusted. The adjustment shall  
36      cause the SCHOOL district of residence to reduce the student count for the  
37      pupil to reflect the courses to be taken at the ~~Joint~~ CAREER TECHNICAL  
38      EDUCATION district. The SCHOOL district of residence shall review and  
39      approve the adjustment of its own student count as provided in this  
40      subdivision before the pupils from the school district can be added to the  
41      student count of the ~~Joint~~ CAREER TECHNICAL EDUCATION district.

42      (b) The student count for the new ~~Joint~~ CAREER TECHNICAL EDUCATION  
43      district shall be the student count as determined in subdivision (a) of  
44      this paragraph.

(c) For the first year of operation, the ~~joint~~ CAREER TECHNICAL EDUCATION 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~~ CAREER TECHNICAL EDUCATION district. A ~~joint~~ CAREER TECHNICAL EDUCATION 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~~ BEFORE May 15. A ~~joint~~ CAREER TECHNICAL EDUCATION district that overestimated its student count shall revise its budget ~~prior to~~ BEFORE May 15. A ~~joint~~ CAREER TECHNICAL EDUCATION district that underestimated its student count may revise its budget ~~prior to~~ BEFORE May 15.

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

27 (f) Pupils in an approved ~~joint~~ CAREER technical education district  
28 centralized program may generate an average daily membership of 1.0 during  
29 any day of the week and at any time between July 1 and June 30 of each  
30 fiscal year. For the purposes of this paragraph, "SCHOOL district of  
31 residence" means the SCHOOL district that included the pupil in its  
32 average daily membership for the year before the first year of operation  
33 of the ~~joint~~ CAREER TECHNICAL EDUCATION district and that would have  
34 included the pupil in its student count for the purposes of computing its  
35 base support level for the fiscal year of the first year of operation of  
36 the ~~joint~~ CAREER TECHNICAL EDUCATION district if the pupil had not  
37 enrolled in the ~~joint~~ CAREER TECHNICAL EDUCATION district.

38           4. A student includes any person enrolled in the ~~Joint~~ CAREER  
39 TECHNICAL EDUCATION district without regard to the person's age or high  
40 school graduation status, except that:

41 (a) A student in a kindergarten program or in ANY OF grades one  
42 through nine who enrolls in courses offered by the joint CAREER technical  
43 education district shall not be included in the joint CAREER TECHNICAL  
44 EDUCATION district's student count or average daily membership.

1       (b) A student in a kindergarten program or in ANY OF grades one  
2 through nine who is enrolled in career and technical education courses  
3 shall not be funded in whole or in part with monies provided by a ~~Joint~~  
4 CAREER technical education district, except that a pupil in grade eight or  
5 nine may be funded with monies generated by the five cent qualifying tax  
6 rate authorized in subsection F of this section.

7       (c) ~~Beginning July 1, 2016,~~ A student who has graduated from high  
8 school or received a general equivalency diploma or who is over twenty-one  
9 years of age shall not be included in the student count of the ~~Joint~~  
10 CAREER TECHNICAL EDUCATION district for the purposes of chapter 9,  
11 articles 3, 4 and 5 of this title.

12       (d) A student who is enrolled in any internship course as part of a  
13 ~~Joint~~ CAREER technical education district program shall not be included in  
14 the student count of the ~~Joint~~ CAREER TECHNICAL EDUCATION district for  
15 that internship course for the purposes of chapter 9, articles 3, 4 and 5  
16 of this title.

17       5. A ~~Joint~~ CAREER TECHNICAL EDUCATION district may operate for more  
18 than one hundred eighty days per year, with expanded hours of service.

19       6. A ~~Joint~~ CAREER TECHNICAL EDUCATION district may use the  
20 carryforward provisions of section 15-943.01.

21       7. A school district that is part of a ~~Joint~~ CAREER TECHNICAL  
22 EDUCATION district shall use any monies received pursuant to this article  
23 to supplement and not supplant base year career and technical education  
24 courses, and directly related equipment and facilities, except that a  
25 school district that is part of a ~~Joint~~ CAREER technical education  
26 district and that has used monies received pursuant to this article to  
27 supplant career and technical education courses that were offered before  
28 the first year that the school district participated in the ~~Joint~~ CAREER  
29 TECHNICAL EDUCATION district or the first year that the school district  
30 used monies received pursuant to this article or that used the monies for  
31 purposes other than for career and technical education courses shall use  
32 one hundred percent of the monies received pursuant to this article to  
33 supplement and not supplant base year career and technical education  
34 courses. Each applicable school district shall provide a report to the  
35 ~~Joint~~ CAREER TECHNICAL EDUCATION board and the department of education  
36 outlining the required maintenance of effort and how monies were used to  
37 supplement and not supplant base year career and technical education  
38 courses and directly related equipment and facilities.

39       8. A ~~Joint~~ CAREER technical education district shall use any monies  
40 received pursuant to this article to enhance and not supplant career and  
41 technical education courses and directly related equipment and facilities.

42       9. A ~~Joint~~ CAREER technical education district or a school district  
43 that is part of a ~~Joint~~ CAREER TECHNICAL EDUCATION district or a charter  
44 school shall only include pupils in grades ten through twelve in the  
45 calculation of student count or average daily membership if the pupils are

1 enrolled in courses that are approved jointly by the governing board of  
2 the ~~Joint~~ CAREER technical education district and each participating  
3 school district or charter school for satellite courses taught within the  
4 participating school district or charter school, or approved solely by the  
5 ~~Joint~~ CAREER technical education district for centrally located courses.  
6 Student count and average daily membership from courses that are not part  
7 of an approved program for career and technical education shall not be  
8 included in student count and average daily membership of a ~~Joint~~ CAREER  
9 technical education district.

10 E. The ~~Joint~~ CAREER TECHNICAL EDUCATION board shall appoint a  
11 superintendent as the executive officer of the ~~Joint~~ CAREER TECHNICAL  
12 EDUCATION district.

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

21 G. The schools in the ~~Joint~~ CAREER TECHNICAL EDUCATION district are  
22 available to all persons who reside in the ~~Joint~~ CAREER TECHNICAL  
23 EDUCATION district and to pupils whose SCHOOL district of residence within  
24 this state is paying tuition on behalf of the pupils to a district of  
25 attendance that is a member of the ~~Joint~~ CAREER technical education  
26 district, subject to the rules for admission prescribed by the ~~Joint~~  
27 CAREER TECHNICAL EDUCATION board.

28 H. The ~~Joint~~ CAREER TECHNICAL EDUCATION board may collect tuition  
29 for adult students and the attendance of pupils who are residents of  
30 school districts that are not participating in the ~~Joint~~ CAREER TECHNICAL  
31 EDUCATION district pursuant to arrangements made between the governing  
32 board of the SCHOOL district and the ~~Joint~~ CAREER TECHNICAL EDUCATION  
33 board.

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

38 J. One member of the ~~Joint~~ CAREER TECHNICAL EDUCATION board shall  
39 be selected chairman. The chairman shall be selected annually on a  
40 rotation basis from among the participating school districts. The  
41 chairman of the ~~Joint~~ CAREER TECHNICAL EDUCATION board shall be a voting  
42 member.

43 K. A ~~Joint~~ CAREER TECHNICAL EDUCATION board and a community college  
44 district may enter into agreements for the provision of administrative,  
45 operational and educational services and facilities.

1       L. ~~Beginning July 1, 2016,~~ Any agreement between the governing  
2 board of a ~~joint~~ CAREER technical education district and another ~~joint~~  
3 CAREER technical education district, a school district, a charter school  
4 or a community college district shall be in the form of an  
5 intergovernmental agreement or other written contract. The auditor  
6 general shall modify the uniform system of financial records and budget  
7 forms in accordance with this subsection. The intergovernmental agreement  
8 or other written contract shall completely and accurately specify each of  
9 the following:

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

12      2. The accountability provisions of the intergovernmental agreement  
13 or other written contract.

14      3. The responsibilities of each ~~joint~~ CAREER technical education  
15 district, each school district, each charter school and each community  
16 college district that is a party to the intergovernmental agreement or  
17 other written contract.

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

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

23      6. The transportation services that will be provided under the  
24 intergovernmental agreement or other written contract and the manner in  
25 which transportation costs will be paid.

26      7. The amount that the ~~joint~~ CAREER technical education district  
27 will contribute to a course and the amount of support required by the  
28 school district or the community college.

29      8. That the services provided by the ~~joint~~ CAREER technical  
30 education district, the school district, the charter school or the  
31 community college district be proportionally calculated in the cost of  
32 delivering the service.

33      9. That the payment for services shall not exceed the cost of the  
34 services provided.

35      10. That the ~~joint~~ CAREER technical education district will provide  
36 the following minimum services for all member districts:

37       (a) Professional development of career and technical teachers in  
38 the ~~joint~~ CAREER TECHNICAL EDUCATION district who are teaching programs or  
39 courses at a satellite campus.

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

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

1       M. A member school district or charter school may not submit  
2 requests for the approval or addition of satellite campus ~~Joint~~ CAREER  
3 TECHNICAL EDUCATION district programs or courses directly to the career  
4 and technical education division of the department of education, but shall  
5 submit all appropriate application documentation and materials for  
6 programs or courses to the ~~Joint~~ CAREER TECHNICAL EDUCATION district. On  
7 approval from the ~~Joint~~ CAREER TECHNICAL EDUCATION board, a ~~Joint~~ CAREER  
8 TECHNICAL EDUCATION district shall only submit requests for the approval  
9 or addition of satellite campus ~~Joint~~ CAREER TECHNICAL EDUCATION district  
10 programs or courses directly to the career and technical education  
11 division of the department of education, which shall determine whether the  
12 criteria prescribed in section 15-391, paragraphs ~~3-2~~ and ~~5-4~~ have been  
13 met. If the career and technical education division of the department of  
14 education determines that a course does not meet the criteria for approval  
15 as a ~~Joint~~ CAREER technical education course, the governing board of the  
16 ~~Joint~~ CAREER technical education district may appeal this decision to the  
17 state board of education acting as the state board of vocational  
18 education.

19       N. Notwithstanding any other law, the average daily membership for  
20 a pupil who is enrolled in a ~~Joint~~ CAREER technical education course  
21 ~~defined in section 15-391~~ and who does not meet the criteria specified in  
22 subsection P or Q of this section shall be 0.25 for each course, except  
23 the sum of the average daily membership shall not exceed the limits  
24 prescribed by subsection D, P or Q of this section, as applicable.

25       O. If a career and technical education course or program is  
26 provided on a satellite campus, the sum of the average daily membership,  
27 as provided in section 15-901, subsection A, paragraph 1, for that pupil  
28 in the school district or charter school and ~~Joint~~ CAREER technical  
29 education district shall not exceed 1.25. The school district or charter  
30 school and the ~~Joint~~ CAREER TECHNICAL EDUCATION district shall determine  
31 the apportionment of the average daily membership for that pupil between  
32 the school district or charter school and the ~~Joint~~ CAREER TECHNICAL  
33 EDUCATION district. A pupil who attends a course or program at a  
34 satellite campus and who is not enrolled in the school district or charter  
35 school where the satellite campus is located may generate the average  
36 daily membership pursuant to this subsection if the pupil is enrolled in a  
37 school district that is a member district in the same ~~Joint~~ CAREER  
38 technical education district.

39       P. The sum of the average daily membership of a pupil who is  
40 enrolled in both the school district and ~~Joint~~ CAREER technical education  
41 ~~district~~ course or CAREER TECHNICAL EDUCATION program provided at a  
42 community college pursuant to subsection K of this section or at a  
43 centralized campus shall not exceed 1.75. The member school district and  
44 the ~~Joint~~ CAREER TECHNICAL EDUCATION district shall determine the  
45 apportionment of the average daily membership and student enrollment for

1 that pupil between the member school district and the ~~Joint~~ CAREER  
2 TECHNICAL EDUCATION district, except that the amount apportioned shall not  
3 exceed 1.0 for either entity. Notwithstanding any other law, the average  
4 daily membership for a pupil in grade ten, eleven or twelve who is  
5 enrolled in a course that meets for at least one hundred fifty minutes per  
6 class period at a centralized campus shall be 0.75. To qualify for  
7 funding pursuant to this subsection, a centralized campus shall offer  
8 programs and courses to all eligible students in each member district of  
9 the ~~Joint~~ CAREER technical education district.

10 Q. The average daily membership for a pupil in grade ten, eleven or  
11 twelve who is enrolled in a course that meets for at least one hundred  
12 fifty minutes per class period at a leased centralized campus shall not  
13 exceed 0.75. The sum of the average daily membership, as provided in  
14 section 15-901, subsection A, paragraph 1, of a pupil who is enrolled in  
15 both the school district and in ~~Joint~~ CAREER technical education ~~district~~  
16 courses provided at a leased centralized campus shall not exceed 1.75 if  
17 all of the following conditions are met:

18 1. The course qualifies as a ~~Joint~~ CAREER technical education  
19 course ~~as defined in section 15-391~~.

20 2. The course is offered to all eligible students in each member  
21 district of the ~~Joint~~ CAREER technical education district and enrolls  
22 students from multiple high schools.

23 3. The ~~Joint~~ CAREER technical education district program in which  
24 the course is included addresses a specific industry need and has been  
25 developed in cooperation with that industry, or the leased facility is a  
26 state or federal asset that would otherwise be unused or underutilized.

27 4. The lease is established at fair market value if the lease is  
28 executed for a facility located on the site of a member district and was  
29 approved by the joint committee on capital review, except that a lease  
30 that was executed or renewed before December 31, 2012 is not subject to  
31 approval by the joint committee on capital review.

32 R. A student who is enrolled in an accommodation school ~~as defined~~  
33 ~~in section 15-101~~ may be treated as a student of the school district in  
34 which the student physically resides for the purposes of enrollment in a  
35 ~~Joint~~ CAREER technical education district and shall be included in the  
36 calculation of average daily membership for either the ~~Joint~~ CAREER  
37 technical education district or the accommodation school, or both.

38 S. Notwithstanding any other law, the student count for a ~~Joint~~  
39 CAREER technical education district shall be equivalent to the ~~Joint~~  
40 CAREER technical education district's average daily membership.

41 T. A school district or charter school may not prohibit or  
42 discourage students who are enrolled in that school district or charter  
43 school from attending courses offered by a ~~Joint~~ CAREER technical  
44 education district, including requiring students to generate a full 1.0  
45 average daily membership or to enroll in more courses than are needed to

1 graduate before enrolling in and attending programs or courses offered by  
2 a ~~Joint~~ CAREER TECHNICAL EDUCATION district.

3 U. The governing board of the ~~Joint~~ CAREER technical education  
4 district may contract with any charter school that is located within the  
5 boundaries of the ~~Joint~~ CAREER technical education district to allow that  
6 charter school to offer career and technical education courses or programs  
7 as a satellite campus.

8 V. Beginning in 2020 and every five years thereafter, the career  
9 and technical education division of the department of education shall  
10 review ~~Joint~~ CAREER technical education district programs and ~~Joint~~ CAREER  
11 technical education courses to ensure compliance, quality and eligibility.  
12 Any program or course deemed to not meet the requirements set forth by law  
13 shall not be funded for the current school year and shall be removed from  
14 the approved program and course list for the purposes of funding. The  
15 career and technical education division may establish a staggered schedule  
16 for reviewing each ~~Joint~~ CAREER technical education district.

17 W. For the purposes of this section:

18 1. "Base year" means the complete school year in which voters of a  
19 school district elected to join a ~~Joint~~ CAREER technical education  
20 district.

21 2. "Centralized campus" means a facility that is owned and operated  
22 by a ~~Joint~~ CAREER technical education district for the purpose of offering  
23 ~~Joint~~ CAREER technical education district programs or ~~Joint~~ CAREER  
24 technical education courses.

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

28 4. "Leased centralized campus" means a facility that is leased and  
29 operated by a ~~Joint~~ CAREER technical education district for the purpose of  
30 offering ~~Joint~~ CAREER technical education district programs or ~~Joint~~ CAREER  
31 technical education courses.

32 5. "Satellite campus" means a facility that is owned or operated by  
33 a school district or charter school for the purpose of offering ~~Joint~~  
34 CAREER technical education district programs or ~~Joint~~ CAREER technical  
35 education courses.

36 Sec. 8. Section 15-393.01, Arizona Revised Statutes, is amended to  
37 read:

38 15-393.01. Career technical education districts: annual  
39 report; performance and accountability

40 A. The department of education shall include each ~~Joint~~ CAREER  
41 technical education district in the department's annual achievement  
42 profiles required by section 15-241. Subject to approval by the state  
43 board of education, the department of education shall develop specific  
44 criteria applicable to ~~Joint~~ CAREER TECHNICAL EDUCATION districts that may  
45 not be based solely on the criteria prescribed in the Carl D. Perkins

1 vocational education act, as amended by the Carl D. Perkins vocational and  
2 applied technology education act amendments of 1990, as amended by the  
3 Carl D. Perkins vocational and technical education act of 1998, and shall  
4 include **joint CAREER TECHNICAL EDUCATION** districts in the letter grade  
5 classification system prescribed in section 15-241. The department shall  
6 include all of the following performance indicators in the annual  
7 achievement profiles and letter grade classification and provide a copy of  
8 the information to each **joint CAREER** technical education district  
9 governing board:

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

12 2. The completion rate for each program offered by the **joint CAREER**  
13 **TECHNICAL EDUCATION** district.

14 3. Performance on assessments required pursuant to section 15-391,  
15 paragraph ~~5~~ 4, subdivision (b).

16 4. Postgraduation employment rates, postsecondary enrollment rates  
17 and military service rates for students who complete a career and  
18 technical education program.

19 B. A **joint CAREER TECHNICAL EDUCATION** district is subject to the  
20 performance audits pursuant to section 41-1279.03, subsection A,  
21 paragraph 9. The auditor general shall consider the differences and  
22 applicable laws for a **joint CAREER TECHNICAL EDUCATION** district when  
23 conducting a performance audit for a **joint CAREER TECHNICAL EDUCATION**  
24 district.

25 C. On or before December 31 of each year, the career and technical  
26 education division of the department of education shall submit a **joint**  
27 **CAREER** technical education district annual report to the governor, the  
28 president of the senate and the speaker of the house of representatives  
29 and shall submit a copy of this report to the secretary of state. The  
30 career and technical education division of the department of education  
31 shall submit a copy of this report to the joint legislative budget  
32 committee for review. The annual report shall include the following:

33 1. The average daily membership of each **joint CAREER TECHNICAL**  
34 **EDUCATION** district, including the average daily membership of each  
35 centralized campus, satellite campus and leased centralized campus as  
36 defined in section 15-393.

37 2. The actual student count of each **joint CAREER TECHNICAL**  
38 **EDUCATION** district, including the student count of each centralized  
39 campus, satellite campus and leased centralized campus as defined in  
40 section 15-393.

41 3. The programs and corresponding courses offered by each **joint**  
42 **CAREER TECHNICAL EDUCATION** district, including the location of each  
43 program and course.

1       4. For each ~~Joint~~ CAREER TECHNICAL EDUCATION district based on  
2 program or course location:

3           (a) The student enrollment of each program and corresponding  
4 course.

5           (b) The percentage of students who enrolled in the second year of  
6 each program and corresponding course relative to the number of students  
7 in the same cohort who enrolled in the first year of each program and  
8 corresponding course.

9           (c) The percentage of students who completed each program relative  
10 to the number of students in the same cohort who began the program.

11       5. The costs associated with each program offered by the ~~Joint~~  
12 CAREER TECHNICAL EDUCATION district.

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

16       7. A listing of any programs or courses that were continued by  
17 review of the career and technical education division pursuant to section  
18 15-393, subsection V.

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

21       9. For applicable school districts, the required maintenance of  
22 effort and how monies were used to supplement and not supplant base year  
23 career and technical education courses, including expenditures related to  
24 personnel, equipment and facilities.

25       10. Any other data or information deemed necessary by the  
26 department of education.

27       D. The office of the auditor general, in consultation with the  
28 department of education, shall develop and establish uniform cost  
29 reporting guidelines, policies and procedures for ~~Joint~~ CAREER technical  
30 education district programs. Any guideline, policy or procedure shall  
31 allow for the effective comparison of cost between ~~Joint~~ CAREER technical  
32 education district programs.

33       Sec. 9. Section 15-394, Arizona Revised Statutes, is amended to  
34 read:

35       15-394. *Preservation of years of employment*

36       The years of employment of a certificated teacher who has been  
37 employed by a school district for more than the major portion of three  
38 consecutive school years shall be preserved if ~~such~~ THAT teacher moves  
39 from a school district to a ~~Joint~~ CAREER technical education district or  
40 from a ~~Joint~~ CAREER technical education district to a school district if  
41 the SCHOOL DISTRICT governing board recognizes the previously established  
42 years of employment of the teacher, provided such districts are  
43 participating in the ~~Joint~~ CAREER technical education district.

1 Sec. 10. Section 15-395, Arizona Revised Statutes, is amended to  
2 read:

3 15-395. ~~Enlarging career technical education districts~~

4 A. To add school districts to a ~~joint~~ CAREER TECHNICAL EDUCATION  
5 district, the ~~joint~~ CAREER TECHNICAL EDUCATION board shall first publish a  
6 copy of a proposed resolution accepting the school district into the ~~joint~~  
7 CAREER TECHNICAL EDUCATION district in a newspaper of general circulation  
8 in the school district proposing to join the ~~joint~~ CAREER TECHNICAL  
9 EDUCATION district once a week for at least two weeks immediately before  
10 the date of the consideration of the adoption of the proposed resolution  
11 by the ~~joint~~ CAREER TECHNICAL EDUCATION board.

12 B. After adoption by the ~~joint~~ CAREER TECHNICAL EDUCATION board of  
13 the resolution accepting the school district into the ~~joint~~ CAREER  
14 TECHNICAL EDUCATION district, the question shall be submitted to the  
15 qualified electors of the SCHOOL district seeking to become a part of the  
16 ~~joint~~ CAREER TECHNICAL EDUCATION district at an election held on the first  
17 Tuesday after the first Monday in November. The question that is  
18 submitted to the qualified electors shall describe the tax rate that is  
19 associated with joining the ~~joint~~ CAREER TECHNICAL EDUCATION district and  
20 the estimated cost of that tax rate for the owner of a single family home  
21 that is valued at one hundred thousand dollars. Authorization is required  
22 through an intergovernmental agreement or other written contract between  
23 the ~~joint~~ CAREER TECHNICAL EDUCATION district and the SCHOOL district  
24 seeking to become part of the ~~joint~~ CAREER TECHNICAL EDUCATION district in  
25 order to enlarge the ~~joint~~ CAREER TECHNICAL EDUCATION district.

26 Sec. 11. Section 15-395.01, Arizona Revised Statutes, is amended to  
27 read:

28 15-395.01. ~~Reducing the size of career technical education~~  
29 districts

30 A. Except as provided in subsection B of this section, to withdraw  
31 a school district from a ~~joint~~ CAREER TECHNICAL EDUCATION district, the  
32 governing boards of a majority of the school districts participating in  
33 the ~~joint~~ CAREER TECHNICAL EDUCATION district shall approve by a majority  
34 vote the withdrawal of the SCHOOL district. If a majority of the SCHOOL  
35 DISTRICT governing boards approve the withdrawal, the ~~joint~~ CAREER  
36 TECHNICAL EDUCATION board shall consider the withdrawal, and to approve  
37 the withdrawal the proposed withdrawal must receive the affirmative vote  
38 of a majority of the members of the CAREER TECHNICAL EDUCATION board. If  
39 the ~~joint~~ CAREER TECHNICAL EDUCATION board approves, the question of the  
40 withdrawal from the ~~joint~~ CAREER TECHNICAL EDUCATION district shall be  
41 submitted to the qualified electors of the school district seeking to  
42 withdraw from the ~~joint~~ CAREER TECHNICAL EDUCATION district at the next  
43 general election.

44 B. Notwithstanding subsection A of this section, to withdraw  
45 ~~an elementary~~ A COMMON school district from a ~~joint~~ CAREER TECHNICAL

1 EDUCATION district, the governing board of the ~~elementary~~ COMMON school  
2 district that desires to withdraw from the ~~joint~~ CAREER TECHNICAL  
3 EDUCATION district shall approve by a majority vote the withdrawal of the  
4 COMMON SCHOOL district. The governing board of the ~~elementary~~ COMMON  
5 school district shall notify the governing board of the ~~joint~~ CAREER  
6 TECHNICAL EDUCATION district no later than ten days after the governing  
7 board of the ~~elementary~~ COMMON school district approves the withdrawal of  
8 the district. If the governing board of the ~~elementary~~ COMMON school  
9 district that desires to withdraw from the ~~joint~~ CAREER TECHNICAL  
10 EDUCATION district approves, the question of the withdrawal from the ~~joint~~  
11 CAREER TECHNICAL EDUCATION district shall be submitted to the qualified  
12 electors of the ~~elementary~~ COMMON SCHOOL district seeking to withdraw from  
13 the ~~joint~~ CAREER TECHNICAL EDUCATION district at the next general  
14 election. A common school district that is within the boundaries of a  
15 union high school district that is a member of the ~~joint~~ CAREER technical  
16 education district ~~shall~~ IS not be eligible to withdraw from the ~~joint~~  
17 CAREER TECHNICAL EDUCATION district pursuant to this subsection.

18 C. If the withdrawal of a school district is approved as prescribed  
19 in ~~subsections~~ SUBSECTION A or B of this section, the qualifying tax rate  
20 shall remain in effect for the remainder of the current tax year.

21 D. The school district withdrawn pursuant to this section ~~shall~~ IS  
22 not be entitled to ownership of any assets held by the ~~joint~~ CAREER  
23 TECHNICAL EDUCATION district.

24 E. If a ~~joint~~ CAREER TECHNICAL EDUCATION district from which a  
25 school district withdraws pursuant to this section has outstanding bonded  
26 indebtedness, the debt shall continue to be levied on taxable property for  
27 all bonds issued ~~prior to~~ BEFORE the withdrawal of the school district in  
28 the same manner as was levied and collected ~~prior to~~ BEFORE the withdrawal  
29 of the school district.

30 Sec. 12. Section 15-396, Arizona Revised Statutes, is amended to  
31 read:

32 15-396. *Dissolution of career technical education districts*

33 A. On approval of a majority of the full membership of the ~~joint~~  
34 CAREER TECHNICAL EDUCATION board or on the receipt by the ~~joint~~ CAREER  
35 TECHNICAL EDUCATION board of resolutions adopted by the governing boards  
36 of the school districts participating in the ~~joint~~ CAREER TECHNICAL  
37 EDUCATION district, the ~~joint~~ CAREER TECHNICAL EDUCATION board shall adopt  
38 and send to the state board a resolution requesting the dissolution of the  
39 ~~joint~~ CAREER TECHNICAL EDUCATION district. The resolution shall state the  
40 reasons for the proposed dissolution, set forth a plan for equitable  
41 adjustment, division and disposition of the assets and liabilities of the  
42 ~~joint~~ CAREER TECHNICAL EDUCATION district and provide that each  
43 participating school district will assume its share of the outstanding  
44 indebtedness of the ~~joint~~ CAREER TECHNICAL EDUCATION district.

1       B. On approval of the resolution by the state board, the ~~Joint~~  
2 CAREER TECHNICAL EDUCATION district is dissolved in accordance with the  
3 provisions of the resolution.

4       Sec. 13. Section 15-491, Arizona Revised Statutes, is amended to  
5 read:

6       15-491. Elections on school property; exceptions

7       A. The governing board of a school district may, and on petition of  
8 fifteen percent of the school electors as shown by the poll list at the  
9 last preceding annual school election shall, call an election for the  
10 following purposes:

11       1. To locate or change the location of school buildings.

12       2. To purchase or sell school sites or buildings or sell school  
13 sites pursuant to section 15-342 or to build school buildings, but the  
14 authorization by vote of the school district shall not necessarily specify  
15 the site to be purchased.

16       3. To decide whether the bonds of the school district shall be  
17 issued and sold for the purpose of raising money for purchasing or leasing  
18 school lots, for building or renovating school buildings, for supplying  
19 school buildings with furniture, equipment and technology, for improving  
20 school grounds, for purchasing pupil transportation vehicles or for  
21 liquidating any indebtedness already incurred for such purposes. Bonds  
22 issued for furniture, equipment and technology, other than fixtures, shall  
23 mature no later than the July 1 that follows the fifth year after the  
24 bonds were issued. A school district shall not issue class B bonds until  
25 the school district has obligated in contract the entire proceeds of any  
26 class A bonds issued by the school district. The total amount of class A  
27 and class B bonds issued by a school district shall not exceed the debt  
28 limitations prescribed in article IX, sections 8 and 8.1, Constitution of  
29 Arizona.

30       4. To lease for ten or more years, as lessor or as lessee, school  
31 buildings or grounds. Approval by a majority of the school district  
32 electors voting authorizes the governing board to negotiate for and enter  
33 into a lease. The ballot shall list the school buildings or grounds for  
34 which a lease is sought. If the governing board does not enter into a  
35 lease of ten or more years of the school buildings or grounds listed on  
36 the ballot within ten years of the date of the election and the board  
37 continues to seek such a lease, the governing board shall call a special  
38 election to reauthorize the board to negotiate for and to enter into a  
39 lease of ten or more years.

40       5. To change the list of capital projects or the purposes  
41 authorized by prior voter approval to issue bonds.

42       6. To extend from six to ten years the time period to issue class B  
43 bonds authorized in 2009 or earlier. Elections pursuant to this paragraph  
44 may not be held later than the sixth November after the election approving  
45 the issuance of the bonds.

1       B. No petition shall be required for the holding of the first  
2 election to be held in a joint common school district for any of the  
3 purposes specified in subsection A of this section. The notice of  
4 election required by section 15-492 shall be published in each of the  
5 counties that comprise the joint common school district. The  
6 certification of election results required by section 15-493 shall be made  
7 to the board of supervisors of the jurisdictional county.

8       C. When the election is called to determine whether or not bonds of  
9 the school district shall be issued and sold for the purposes enumerated  
10 in the call for the election, the question shall be submitted to the vote  
11 of the qualified electors of the school district as defined in section  
12 15-401 and subject to section 15-402.

13      D. The governing board shall order the election to be held in the  
14 manner prescribed in title 35, chapter 3, article 3. If a petition for an  
15 election has been filed with the governing board as provided in subsection  
16 A of this section, the board shall act on the petition within sixty days  
17 by ordering the election to be held as provided in this subsection. If a  
18 school district bond election is scheduled for the same date a school  
19 district will hold an override election, the governing body shall deliver  
20 a copy of the notice of election and ballot to the county school  
21 superintendent who shall include the notice of election and ballot with  
22 the information report and ballot prepared for the override election.  
23 Mailing of the information required for both the override and bond  
24 elections shall constitute compliance with the notice provisions of this  
25 section.

26      E. The elections to be held pursuant to this section shall only be  
27 held on dates prescribed by section 16-204, except that elections held  
28 pursuant to this section to decide whether class B bonds shall be issued,  
29 or any other obligation incurred that will require the assessment of  
30 secondary property taxes, shall only be held on the first Tuesday after  
31 the first Monday of November.

32      F. Subsection A, paragraph 2 of this section does not apply to the  
33 sale of school property if the market value of the school property is less  
34 than fifty thousand dollars.

35      G. Bond counsel fees, financial advisory fees, printing costs and  
36 paying agent and registrar fees for bonds issued pursuant to an election  
37 under this section shall be paid from either the amount authorized by the  
38 qualified electors of the school district or current operating funds.  
39 Bond election expenses shall be paid from current operating funds only.

40      H. For any election conducted to decide whether class B bonds will  
41 be issued pursuant to this section:

42       1. Except as provided in paragraph 2 of this subsection, the ballot  
43 shall include the following statement:

1           The capital improvements that are proposed to be funded  
2 through this bond issuance are to exceed the state standards  
3 and are in addition to monies provided by the state.

4           \_\_\_\_\_ school district is proposing to issue class B  
5 general obligation bonds totaling \$\_\_\_\_\_ to fund capital  
6 improvements over and above those funded by the state. Under  
7 the students first capital funding system, \_\_\_\_\_ school  
8 district is entitled to state monies for new construction and  
9 renovation of school buildings in accordance with state law.

10          2. For a school district that is a **joint CAREER** technical education  
11 district, the ballot shall include the following statement:

12           \_\_\_\_\_, a **joint CAREER** technical education  
13 district, is proposing to issue class B general obligation  
14 bonds totaling \$\_\_\_\_\_ to fund capital improvements at a  
15 campus owned or operated and maintained by the **joint CAREER**  
16 technical education district.

17          3. The ballot shall contain the words "bond approval, yes" and  
18 "bond approval, no", and the voter shall signify the voter's desired  
19 choice.

20          4. The ballot shall also contain the phrase "the issuance of these  
21 bonds will result in an annual levy of property taxes sufficient to pay  
22 the debt on the bonds".

23          5. At least eighty-five days before the election, the school  
24 district shall submit proposed ballot language to the director of the  
25 Arizona legislative council. The director of the Arizona legislative  
26 council shall review the proposed ballot language to determine whether the  
27 proposed ballot language complies with this section. If the director of  
28 the Arizona legislative council determines that the proposed ballot  
29 language does not comply with this section, the director, within ten  
30 calendar days of the receipt of the proposed ballot language, shall notify  
31 the school district of the director's objections and the school district  
32 shall resubmit revised ballot language to the director for approval.

33          6. No later than thirty-five days before a class B bond election  
34 conducted pursuant to this section, the school district shall mail a  
35 publicity pamphlet to each household that contains a qualified elector in  
36 the school district. The publicity pamphlet shall contain, at a minimum,  
37 the following information:

38           (a) An executive summary of the school district's most recent  
39 capital plan submitted to the school facilities board.

40           (b) A complete list of each proposed capital improvement that will  
41 be funded with the proceeds of the bonds and a description of the proposed  
42 cost of each improvement, including a separate aggregation of capital  
43 improvements for administrative purposes as defined by the school  
44 facilities board.

5 I. For any election conducted to decide whether impact aid revenue  
6 bonds shall be issued pursuant to this section:

1. The ballot shall include the following statement:

8                   The capital improvements that are proposed to be funded  
9                   through this bond issuance are to exceed the state standards  
10                  and are in addition to monies provided by the state.

17           2. The ballot shall contain the words "bond approval, yes" and  
18 "bond approval, no", and the voter shall signify the voter's desired  
19 choice.

20       3. At least eighty-five days before the election, the school  
21 district shall submit proposed ballot language to the director of the  
22 legislative council. The director of the legislative council shall review  
23 the proposed ballot language to determine whether the proposed ballot  
24 language complies with this section. If the director of the legislative  
25 council determines that the proposed ballot language does not comply with  
26 this section, the director, within ten calendar days of the receipt of the  
27 proposed ballot language, shall notify the school district of the  
28 director's objections and the school district shall resubmit revised  
29 ballot language to the director for approval.

30           4. No later than thirty-five days before an impact aid revenue bond  
31 election conducted pursuant to this section, the school district shall  
32 mail a publicity pamphlet to each household that contains a qualified  
33 elector in the school district. The publicity pamphlet shall contain, at  
34 a minimum, the following information:

(a) The date of the election.

(b) The voter's polling place and the times it is open.

37 (c) An executive summary of the school district's most recent  
38 capital plan submitted to the school facilities board.

39 (d) A complete list of each proposed capital improvement that will  
40 be funded with the proceeds of the bonds and a description of the proposed  
41 cost of each improvement, including a separate aggregation of capital  
42 improvements for administrative purposes as defined by the school  
43 facilities board.

1        (e) A statement that impact aid revenue bonds will be fully funded  
2 by aid that the school district receives from the federal government and  
3 do not require a levy of taxes in the district.

4 (f) A statement that if the bonds are approved, the first priority  
5 for the impact aid will be to pay the debt service for the bonds and that  
6 other uses of the monies are prohibited until the debt service obligation  
7 is met.

12           J. If the voters approve the issuance of school district class B  
13 bonds or impact aid revenue bonds, the school district shall not use the  
14 bond proceeds for any purposes other than the proposed capital  
15 improvements listed in the publicity pamphlet, except that up to ten  
16 percent of the bond proceeds may be used for general capital expenses,  
17 including cost overruns of proposed capital improvements. The proposed  
18 capital improvements may be changed by a subsequent election as provided  
19 by this section.

20                   K. Each school district that issues bonds under this section is  
21 required to hold a public meeting each year between September 1 and  
22 October 31, until the bond proceeds are spent, at which an update of the  
23 progress of capital improvements financed through bonding is discussed and  
24 at which the public is permitted an opportunity to comment. At a minimum,  
25 the update shall include a comparison of the current status and the  
26 original projections on the construction of capital improvements, the  
27 costs of capital improvements and the costs of capital improvements in  
28 progress or completed since the prior meeting and the future capital  
29 bonding plans of the school district. The school district shall include  
30 in the public meeting a discussion of the school district's use of state  
31 capital aid and voter-approved capital overrides in funding capital  
32 improvements, if any.

33           L. If an election is held to change the purpose or list of capital  
34 projects authorized by prior voter approval to issue bonds pursuant to  
35 subsection A, paragraph 5 of this section, the following requirements  
36 apply:

37           1. The election may be held only on the first Tuesday after the  
38 first Monday in November.

39           2. No later than thirty-five days before the election, the school  
40 district shall mail a publicity pamphlet to each household in the school  
41 district that contains a qualified elector. The publicity pamphlet shall  
42 contain, at a minimum, the following information:

43 (a) The date of the election.  
44 (b) The voter's polling place and the times it is open.  
45 (c) A statement as to why the election was called.

1 (d) A complete list of each proposed capital improvement that is in  
2 addition to the initial capital improvements presented in the publicity  
3 pamphlet when the bonds were approved and the proposed cost of each  
4 improvement, including a separate aggregation of capital improvements for  
5 administrative purposes as defined by the school facilities board.

12 (f) Arguments for and against the proposed change, if submitted, as  
13 provided by section 15-481, subsection B, paragraph 9. The ballot  
14 arguments for the proposed change shall be signed as the governing board  
15 of the school district without listing any member's individual name for  
16 the arguments for the proposed change.

17           3. The ballot shall contain the words "change capital improvements,  
18    yes" and "change capital improvements, no", and the voter shall signify  
19    the voter's desired choice.

20       4. If the election is to add a purpose that was not on the initial  
21 ballot, the ballot shall list the purpose that is proposed to be added.

22 M. If an election is held to extend the time to issue bonds  
23 pursuant to subsection A, paragraph 6 of this section, the following  
24 requirements apply:

1. The election may be held only on the first Tuesday after the  
first Monday in November.

27           2. No later than thirty-five days before the election, the school  
28 district shall mail a publicity pamphlet to each household in the school  
29 district that contains a qualified elector. The publicity pamphlet shall  
30 contain, at a minimum, the following information:

31 (a) The date of the election.

32 (b) The voter's polling place and the times it is open.

33 (c) A statement as to why the election was called.

39       3. The ballot shall contain the words "extend time to issue bonds,  
40 yes" and "extend time to issue bonds, no", and the voter shall signify the  
41 voter's desired choice.

1        Sec. 14. Section 15-782.01, Arizona Revised Statutes, is amended to  
2 read:

3        **15-782.01. Instructors; specialized teaching certificate;**  
4                    **qualifications; rules; definition**

5        A. In addition to any other current certification issued, the state  
6 board of education shall issue a specialized standard teaching certificate  
7 in STEM or career and technical education to a person who provides  
8 instruction in a career and technical education course or program or  
9 STEM-related course that is offered by a school district or **Joint CAREER**  
10 technical education district if the person does all of the following:

11        1. Demonstrates expertise in the subject matter in which the person  
12 will provide instruction.

13        2. Demonstrates at least five years of work experience in the  
14 subject matter in which the person will provide instruction.

15        3. Complies with the fingerprinting and background check  
16 requirements prescribed in section 15-512.

17        B. The state board of education shall adopt rules to carry out the  
18 purposes of this section. A person who is issued a certificate pursuant  
19 to this section is not required to meet any requirement prescribed in  
20 section 15-532, 15-533 or 15-756.09 or as may be further prescribed by  
21 law.

22        C. For the purposes of this section, "STEM" means science,  
23 technology, engineering and mathematics.

24        Sec. 15. Section 15-782.02, Arizona Revised Statutes, is amended to  
25 read:

26        **15-782.02. Career and technical education and vocational**  
27                    **education programs; fingerprint clearance card;**  
28                    **expanded hours; tuition**

29        A. For the purposes of the **Joint CAREER** technical education  
30 district's participation in any student financial assistance program  
31 authorized by title IV of the higher education act of 1965, as amended (20  
32 United States Code section 1070 et seq.), **Joint CAREER** technical education  
33 districts may offer vocational education programs beyond secondary  
34 education to adult students who have either graduated from high school or  
35 obtained a general **education** **EQUIVALENCY** diploma with training to prepare  
36 the adults for gainful employment. These programs may not be offered for  
37 college-level credit unless authorized through a dual credit agreement  
38 with an accredited college. Secondary **EDUCATION** students may also be  
39 enrolled in **Joint CAREER** technical education district courses that are  
40 administered at a postsecondary level for college-level credit. Such  
41 courses may also qualify secondary **EDUCATION** students for high school  
42 credit.

43        B. Persons **WHO ARE** over twenty-two years of age shall not attend  
44 vocational programs in high school buildings during regular school hours,  
45 except that a person **WHO IS** over twenty-two years of age may attend

1 vocational programs other than massage therapy programs during regular  
2 school hours on a central campus that is owned and operated or leased and  
3 operated by a ~~Joint~~ CAREER technical education district pursuant to  
4 section 15-393, subsection D, paragraph 4 if the vocational program has  
5 additional student capacity after the enrollment of persons who are  
6 twenty-two years of age or younger. A person WHO IS over twenty-two years  
7 of age shall not be admitted to or attend a vocational program during  
8 regular school hours pursuant to this subsection unless the person has a  
9 valid fingerprint clearance card pursuant to title 41, chapter 12,  
10 article 3.1. The costs of the fingerprint clearance card shall be paid by  
11 the applicant. A ~~Joint~~ CAREER technical education district shall  
12 immediately notify in writing the parent or guardian of each pupil under  
13 eighteen years of age WHO IS in a vocational program during regular school  
14 hours when a person WHO IS over twenty-two years of age enrolls in the  
15 vocational program.

16 C. Any person may file a complaint with the state board of  
17 vocational education under rules adopted by the state board of education  
18 acting as the state board of vocational education regarding an alleged  
19 violation of federal or state law by a ~~Joint~~ CAREER technical education  
20 district, including any student financial assistance program authorized by  
21 title IV of the higher education act of 1965, as amended (20 United States  
22 Code section 1070 et seq.), governing adult students who enroll in a ~~Joint~~  
23 CAREER technical education district pursuant to subsection A of this  
24 section.

25 D. The department of education shall distribute twenty-six dollars  
26 for every day that a full-time student attends an extended year or summer  
27 school program in a ~~Joint~~ CAREER technical education district and thirteen  
28 dollars for every day that a part-time student attends an extended year or  
29 summer school program in a ~~Joint~~ CAREER technical education district,  
30 subject to appropriation, except that the department of education shall  
31 not distribute monies pursuant to this section for any student who has  
32 either graduated from high school or obtained a general ~~education~~  
33 ~~EQUIVALENCY~~ diploma or who has reached twenty-two years of age, whichever  
34 occurs first.

35 E. School districts with career and technical education and  
36 vocational education programs may operate those programs for more than one  
37 hundred seventy-five days per year, with expanded hours of service.

38 F. Career and technical education and vocational education programs  
39 run by school districts may charge tuition to offset expenses associated  
40 with serving adult students.

1 Sec. 16. Section 15-790, Arizona Revised Statutes, is amended to  
2 read:

3 15-790. Primary responsibility of school districts, career  
4 technical education districts, community college  
5 districts and universities

6 A. School district governing boards have the primary responsibility  
7 for providing career exploration and ~~entry level~~ ENTRY-LEVEL career and  
8 technical education and vocational education.

9 B. ~~JUNIOR~~ CAREER technical education districts have the primary  
10 responsibility for providing career and technical education preparation  
11 programs designed to prepare students for advanced career and technical  
12 education or entry into the workforce.

13 C. Community college district governing boards have the primary  
14 responsibility for providing postsecondary ~~technological~~ TECHNICAL  
15 education and advanced career and technical education and vocational  
16 education, including the retraining and upgrading of a student's  
17 occupational skills. Community college district governing boards in  
18 conjunction with the state board for private postsecondary education have  
19 the major responsibility for providing career and technical education and  
20 vocational education that focuses on the economic development of this  
21 state.

22 D. Universities have the primary responsibility for research  
23 related to career and technical education and vocational education.

24 Sec. 17. Section 15-792.03, Arizona Revised Statutes, is amended to  
25 read:

26 15-792.03. Grand Canyon diploma

27 A. The private organization selected pursuant to section 15-792.02  
28 shall develop the Grand Canyon diploma to be approved and adopted by the  
29 state board of education. School districts and charter schools in this  
30 state may choose to offer a Grand Canyon diploma ~~beginning in the~~  
31 ~~2012-2013 school year~~. A high school student who is enrolled in a school  
32 district or charter school that offers a Grand Canyon diploma may choose  
33 to pursue a Grand Canyon diploma.

34 B. Students are eligible for the Grand Canyon diploma and may be  
35 awarded the Grand Canyon diploma at the end of grade ten or during or at  
36 the end of grade eleven or twelve if the students meet the criteria.  
37 Students who elect to pursue a Grand Canyon diploma shall participate in a  
38 board examination system that consists of internationally benchmarked  
39 instructional programs of study chosen by an interstate compact on board  
40 examination systems.

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

43 1. Enroll the following semester in a community college under the  
44 jurisdiction of a community college district in this state. Community  
45 colleges under the jurisdiction of a community college district in this

1 state shall admit students who obtain a Grand Canyon diploma and who  
2 otherwise meet the qualifications for admission. The school district or  
3 charter school from which the student earned the Grand Canyon diploma  
4 shall include that student in the school district's or charter school's  
5 average daily membership and shall continue to receive per pupil funding  
6 for a student who earns a Grand Canyon diploma until that student would  
7 otherwise have graduated at the end of grade twelve, as long as that  
8 student is enrolled as a full-time student in a community college under  
9 the jurisdiction of a community college district in this state. The  
10 school district or charter school shall subtract twenty ~~per cent~~ PERCENT  
11 of its average daily membership amount and reimburse the community college  
12 if the student has earned a Grand Canyon diploma and is attending a  
13 community college as a full-time student. If the student attends  
14 community college on a community college campus, the school district or  
15 charter school shall reimburse the community college district for the  
16 amount of operating and capital outlay full-time student equivalency  
17 monies. For the purposes of this paragraph, the amount of operating  
18 full-time student equivalency monies shall be equivalent to the average  
19 appropriation per full-time student equivalent for all community college  
20 districts as calculated pursuant to section 15-1466, subsection C,  
21 paragraph 2. Fifty ~~per cent~~ PERCENT of the remaining balance of the per  
22 pupil funding shall be used for teacher and pupil incentives, including  
23 scholarship programs, to offset the costs of board examinations and to  
24 provide customized programs of assistance for students who do not pass the  
25 board examinations. The other fifty ~~per cent~~ PERCENT shall be used for  
26 maintenance and operations, including capital. Under this paragraph, a  
27 student who earns a Grand Canyon diploma is responsible for tuition. A  
28 student who earns a Grand Canyon diploma may enroll in community college  
29 courses offered on a community college campus or a high school campus, or  
30 both. Notwithstanding any other law, community college districts shall  
31 not classify a student who remains in high school pursuant to this  
32 paragraph as a full-time equivalent student. Students who take courses on  
33 high school campuses pursuant to this paragraph shall be eligible to  
34 participate in extracurricular activities, including interscholastic  
35 sports, through the end of grade twelve. The expenditure by community  
36 college districts of payments from the school district or charter school  
37 to the community colleges under this section shall not be included under  
38 the district expenditure limitation prescribed pursuant to article IX,  
39 section 21, Constitution of Arizona. If the instruction provided under  
40 this paragraph is offered on a community college campus, the funding and  
41 implementation mechanics between the school district or charter school and  
42 the community college shall be determined by agreement between the school  
43 district or charter school and the community college.

44 2. Remain in high school and enroll in additional advanced  
45 preparation board examination programs that are designed to prepare those

1 students for admission to selective postsecondary institutions that offer  
2 baccalaureate degree programs. These board examination programs shall be  
3 selected from a list approved by an interstate compact for board  
4 examination systems. The school district or charter school from which the  
5 student became eligible for the Grand Canyon diploma shall include that  
6 student in the school district's or charter school's average daily  
7 membership and shall continue to receive per pupil funding for a student  
8 who is eligible for a Grand Canyon diploma until that student would  
9 otherwise have graduated at the end of grade twelve, as long as that  
10 student is enrolled in approved advanced preparation board examination  
11 programs at that school district or charter school. Students who elect to  
12 remain in high school pursuant to this paragraph shall not be prevented  
13 from enrolling at a high school after the pupil becomes eligible for a  
14 Grand Canyon diploma and shall be eligible to participate in  
15 extracurricular activities, including interscholastic sports, through the  
16 end of grade twelve.

17 3. Enroll in a full-time career and technical education program  
18 offered on a high school campus or a ~~Joint~~ CAREER technical education  
19 district campus, or any combination of these campuses. Students who elect  
20 to remain in high school pursuant to this paragraph shall not be prevented  
21 from enrolling at a high school after the pupil becomes eligible for a  
22 Grand Canyon diploma and shall be eligible to participate in  
23 extracurricular activities, including interscholastic sports, through the  
24 end of grade twelve. The school district or charter school from which the  
25 student became eligible for the Grand Canyon diploma shall include that  
26 student in the school district's or charter school's average daily  
27 membership and shall continue to receive per pupil funding for a student  
28 who is eligible for a Grand Canyon diploma until that student would  
29 otherwise have graduated at the end of grade twelve, as long as that  
30 student is enrolled in an approved full-time career and technical  
31 education program. Notwithstanding any other law, if the instruction  
32 provided under this paragraph is provided by a ~~Joint~~ CAREER technical  
33 education district in a full-time career and technical education program  
34 that is designed to lead to a certificate that is awarded by an industry  
35 or recognized as meeting industry standards, the sum of the average daily  
36 membership for that pupil shall not exceed 1.25, and the average daily  
37 membership shall be apportioned at 1.0 for the ~~Joint~~ CAREER technical  
38 education district and 0.25 for the school district.

39 4. Remain in high school without completing the next level of board  
40 examination systems and participate in programs of study available to the  
41 students through the school district or charter school. The school  
42 district or charter school will continue to include the students in the  
43 school district's or charter school's count and shall continue to receive  
44 per pupil funding for the students until those students would have  
45 otherwise graduated at the end of grade twelve, as long as those students

1 are enrolled in approved programs of study at that school district or  
2 charter school. Students who elect to remain in high school pursuant to  
3 this paragraph shall be eligible to participate in extracurricular  
4 activities, including interscholastic sports.

5 5. If accepted for admission to a university under the jurisdiction  
6 of the Arizona board of regents, enroll in the university after completion  
7 of additional high school coursework designed to prepare students for  
8 admission to selective postsecondary institutions that offer baccalaureate  
9 degrees. The school district or charter school from which the student  
10 earned the Grand Canyon diploma shall include that student in the school  
11 district's or charter school's average daily membership and shall continue  
12 to receive per pupil funding for a student who earns a Grand Canyon  
13 diploma until that student would otherwise have graduated at the end of  
14 grade twelve for as long as that student is enrolled as a full-time  
15 student in the university. One-third of the school district's or charter  
16 school's average daily membership amount shall be retained by the school  
17 district or the operator of the charter school. One-third of the school  
18 district's or charter school's average daily membership amount shall be  
19 retained for use at the school site. One-third of the school district's  
20 or charter school's average daily membership amount shall be distributed  
21 as follows:

22 (a) One-half shall be deposited in a scholarship account  
23 established and managed by the school district from which the student  
24 graduated specifically for a student who qualifies for the Grand Canyon  
25 diploma and who attends a university under the jurisdiction of the Arizona  
board of regents as a full-time student.

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

27 D. Students who pursue but do not meet the eligibility requirements  
28 for a Grand Canyon diploma at the end of grade ten or eleven shall receive  
29 a customized program of assistance during the next school year that  
30 addresses areas in which the student demonstrated deficiencies in the  
31 approved board examinations. These students may retake the board  
32 examinations at the next available examination administration. Students  
33 may choose to return to a traditional academic program without completing  
34 the board examination system curriculum.

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

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

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

6       Sec. 18. Section 15-795.01, Arizona Revised Statutes, is amended to  
7 read:

8       15-795.01. Competency-based college-ready educational  
9                   pathways

10      In accordance with the rules adopted by the state board of education  
11 pursuant to section 15-203, subsection A, paragraph 39, students who are  
12 eligible for a high school diploma through the fulfillment of a defined  
13 competency-based college-ready educational pathway shall have multiple  
14 pathways available to them and may:

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

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

17 2. Remain in high school and participate in programs of study  
18 available to students through the school district or charter school. The  
19 school district or charter school shall continue to include that student  
20 in the school district's or charter school's student count and shall  
21 continue to receive per pupil funding for a student who is eligible for a  
22 high school diploma until that student would otherwise have graduated at  
23 the end of grade twelve, as long as that student is enrolled in approved  
24 advanced preparation programs of study at that school district or charter  
25 school. Students who elect to remain in high school pursuant to this  
26 paragraph shall not be prevented from enrolling at a high school after the  
27 student becomes eligible for a high school diploma and shall be eligible  
28 to participate in extracurricular activities, including interscholastic  
29 sports, through the end of grade twelve.

30 3. Enroll in a full-time career and technical education program  
31 offered on a high school campus or a ~~Joint~~ CAREER technical education  
32 district campus, or any combination of these campuses. A student who  
33 elects to remain in high school pursuant to this paragraph shall not be  
34 prevented from enrolling at a high school after the pupil becomes eligible  
35 for a high school diploma and shall be eligible to participate in  
36 extracurricular activities, including interscholastic sports, through the  
37 end of grade twelve. The school district or charter school from which the  
38 student became eligible for the high school diploma shall include that  
39 student in the school district's or charter school's student count and  
40 shall continue to receive per pupil funding for a student who is eligible  
41 for a high school diploma until that student would otherwise have  
42 graduated at the end of grade twelve, as long as that student is enrolled  
43 in an approved full-time career and technical education program.  
44 Notwithstanding any other law, if the instruction provided under this  
45 paragraph is provided by a ~~Joint~~ CAREER technical education district in a

1 full-time career and technical education program that is designed to lead  
2 to a certificate that is awarded by an industry or recognized as meeting  
3 industry standards, the sum of the average daily membership for that pupil  
4 shall not exceed 1.25, and the average daily membership shall be  
5 apportioned at 1.0 for the ~~Joint~~ CAREER technical education district and  
6 0.25 for the school district.

7 4. If accepted for admission to a university under the jurisdiction  
8 of the Arizona board of regents, enroll in the university after completion  
9 of additional high school coursework designed to prepare students for  
10 admission to selective postsecondary institutions that offer baccalaureate  
11 degrees. The school district or charter school from which the student  
12 earned the high school diploma shall include that student in the school  
13 district's or charter school's student count and shall continue to receive  
14 per pupil funding for a student who earns a high school diploma until that  
15 student would otherwise have graduated at the end of grade twelve for as  
16 long as that student is enrolled as a full-time student in the university.  
17 One-third of the school district's or charter school's average daily  
18 membership amount shall be retained by the school district or the operator  
19 of the charter school. One-third of the school district's or charter  
20 school's average daily membership amount shall be retained for use at the  
21 school site. One-third of the school district's or charter school's  
22 average daily membership amount shall be distributed as follows:

23 (a) Fifty ~~per cent~~ PERCENT of this amount shall be deposited in a  
24 scholarship account established and managed by the school district or  
25 charter school from which the student graduated specifically for a student  
26 who qualifies for a diploma and who attends a university under the  
27 jurisdiction of the Arizona board of regents as a full-time student.

28 (b) Fifty ~~per cent~~ PERCENT of this amount shall be retained by the  
29 university where the student is enrolled.

30 Sec. 19. Section 15-808, Arizona Revised Statutes, is amended to  
31 read:

32 **15-808. Arizona online instruction: reports: definitions**

33 A. Arizona online instruction shall be instituted to meet the needs  
34 of pupils in the information age. The state board of education shall  
35 select district public schools and state-approved charter authorizers  
36 shall sponsor charter schools to be online course providers or online  
37 schools. The state board of education and state-approved charter  
38 authorizers shall develop standards for the approval of online course  
39 providers and online schools based on the following criteria:

40 1. The depth and breadth of curriculum choices.  
41 2. The variety of educational methodologies employed by the school  
42 and the means of addressing the unique needs and learning styles of  
43 targeted pupil populations, including computer-assisted learning systems,  
44 virtual classrooms, virtual laboratories, electronic field trips,  
45 ~~electronic mail~~ E-MAIL, virtual tutoring, online help desk, group chat

1 sessions and noncomputer-based activities performed under the direction of  
2 a certificated teacher.

3       3. The availability of an intranet or private network to safeguard  
4 pupils against predatory and pornographic elements of the internet.

5       4. The availability of filtered research access to the internet.

6       5. The availability of private individual ~~electronic mail~~ E-MAIL  
7 between pupils, teachers, administrators and parents in order to protect  
8 the confidentiality of pupil records and information.

9       6. The availability of faculty members who are experienced with  
10 computer networks, the internet and computer animation.

11       7. The extent to which the school intends to develop partnerships  
12 with universities, community colleges and private businesses.

13       8. The services offered to populations with developmental  
14 disabilities.

15       9. The grade levels that will be served.

16       B. Each new school that provides online instruction shall provide  
17 online instruction on a probationary status. After a new school that  
18 provides online instruction has clearly demonstrated the academic  
19 integrity of its instruction through the actual improvement of the  
20 academic performance of its students, the school may apply to be removed  
21 from probationary status. The state board of education or the  
22 state-approved charter authorizer that sponsored the charter school shall  
23 remove from Arizona online instruction any probationary school that fails  
24 to clearly demonstrate improvement in academic performance within three  
25 years measured against goals in the approved application and the state's  
26 accountability system. All pupils who participate in Arizona online  
27 instruction shall reside in this state. Pupils who participate in Arizona  
28 online instruction are subject to the testing requirements prescribed in  
29 chapter 7, article 3 of this title. On enrollment, the school shall  
30 notify the parents or guardians of the pupil of the state testing  
31 requirements. If a pupil fails to comply with the testing requirements  
32 and the school administers the tests pursuant to this subsection to less  
33 than ninety-five percent of the pupils in Arizona online instruction, the  
34 pupil shall not be allowed to participate in Arizona online instruction.

35       C. The state board of education and state-approved charter  
36 authorizers shall develop annual reporting mechanisms for schools that  
37 participate in Arizona online instruction.

38       D. The department of education shall compile the information  
39 submitted in the annual reports by schools participating in Arizona online  
40 instruction. The department of education shall submit the compiled report  
41 to the governor, the speaker of the house of representatives and the  
42 president of the senate by November 15 of each year.

43       E. Each school selected for Arizona online instruction shall ensure  
44 that a daily log is maintained for each pupil who participates in Arizona  
45 online instruction. The daily log shall describe the amount of time spent

1 by each pupil participating in Arizona online instruction pursuant to this  
2 section on academic tasks. The daily log shall be used by the school  
3 district or charter school to qualify the pupils who participate in  
4 Arizona online instruction in the school's average daily attendance  
5 calculations pursuant to subsection F of this section.

6 F. If a pupil is enrolled in a school district or charter school  
7 and also participates in Arizona online instruction, the sum of the  
8 average daily membership, which includes enrollment as prescribed in  
9 section 15-901, subsection A, paragraph 1, subdivisions (a) and (b) and  
10 daily attendance as prescribed in section 15-901, subsection A, paragraph  
11 5, for that pupil in the school district or charter school and in Arizona  
12 online instruction shall not exceed 1.0. If the pupil is enrolled in a  
13 school district or a charter school and also participates in Arizona  
14 online instruction and the sum of the daily membership or daily attendance  
15 for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and  
16 shall be apportioned between the school district, unless the school  
17 district is a ~~Joint~~ CAREER technical education district subject to the  
18 apportionment requirements of section 15-393, or charter school and  
19 Arizona online instruction based on the percentage of total time that the  
20 pupil is enrolled or in attendance in the school district or charter  
21 school and Arizona online instruction. The uniform system of financial  
22 records shall include guidelines for the apportionment of the pupil  
23 enrollment and attendance as provided in this subsection. Pupils in  
24 Arizona online instruction do not incur absences for purposes of this  
25 subsection and may generate an average daily attendance of 1.0 for  
26 attendance hours during any hour of the day, during any day of the week  
27 and at any time between July 1 and June 30 of each fiscal year. For  
28 kindergarten programs and grades one through eight, average daily  
29 membership shall be calculated by dividing the instructional hours as  
30 reported in the daily log required in subsection E of this section by the  
31 applicable hourly requirements prescribed in section 15-901. For grades  
32 nine through twelve, average daily membership shall be calculated by  
33 dividing the instructional hours as reported in the daily log required in  
34 subsection E of this section by nine hundred. The average daily  
35 membership of a pupil who participates in online instruction shall not  
36 exceed 1.0. Average daily membership shall not be calculated on the one  
37 hundredth day of instruction for the purposes of this section. Funding  
38 shall be determined as follows:

39 1. A pupil who is enrolled full-time in Arizona online instruction  
40 shall be funded for online instruction at ninety-five percent of the base  
41 support level that would be calculated for that pupil if that pupil were  
42 enrolled as a full-time student in a school district or charter school  
43 that does not participate in Arizona online instruction. Charter  
44 additional assistance and district additional assistance shall be  
45 calculated in the same manner they would be calculated if the student were

1 enrolled in a district or charter school that does not participate in  
2 Arizona online instruction.

3 2. A pupil who is enrolled part-time in Arizona online instruction  
4 shall be funded for online instruction at eighty-five percent of the base  
5 support level that would be calculated for that pupil if that pupil were  
6 enrolled as a part-time student in a school district or charter school  
7 that does not participate in Arizona online instruction. Charter  
8 additional assistance and district additional assistance shall be  
9 calculated in the same manner they would be calculated if the student were  
10 enrolled in a district or charter school that does not participate in  
11 Arizona online instruction.

12 G. If the academic achievement of a pupil declines while the pupil  
13 is participating in Arizona online instruction, the pupil's parents, the  
14 pupil's teachers and the principal or head teacher of the school shall  
15 confer to evaluate whether the pupil should be allowed to continue to  
16 participate in Arizona online instruction.

17 H. To ensure the academic integrity of pupils who participate in  
18 online instruction, Arizona online instruction shall include multiple  
19 diverse assessment measures and the proctored administration of required  
20 state standardized tests.

21 I. A school district or charter school may not charge a fee to a  
22 pupil who takes an examination in a particular course to obtain academic  
23 credit, pursuant to section 15-701.01, subsection I, from the school  
24 district or charter school if the academic credit for a course was  
25 previously earned in an Arizona online instruction course or at any public  
26 school in this state. Any test administered pursuant to this subsection  
27 shall be an assessment that is aligned to the ~~course~~ ~~relevant~~  
28 COURSE-RELEVANT state academic standards.

29 J. For the purposes of this section:

30 1. "Full-time student" means:

31 (a) A student who is at least five years of age before September 1  
32 of a school year and who is enrolled in a school kindergarten program that  
33 meets at least three hundred forty-six hours during the school year.

34 (b) A student who is at least six years of age before September 1  
35 of a school year, who has not graduated from the highest grade taught in  
36 the school and who is regularly enrolled in a course of study required by  
37 the state board of education. For first, second and third grade students,  
38 the instructional program shall meet at least seven hundred twelve  
39 hours. For fourth, fifth and sixth grade students, the instructional  
40 program shall meet at least eight hundred ninety hours during the school  
41 year.

42 (c) Seventh and eighth grade students or ungraded students who are  
43 at least twelve, but under fourteen, years of age on or before September 1  
44 and who are enrolled in an instructional program of courses that meets at  
45 least one thousand sixty-eight hours during the school year.

1       (d) For high schools, a student **WHO HAS** not graduated from the  
2 highest grade taught in the school district, or an ungraded student **WHO IS**  
3 at least fourteen years of age on or before September 1, and who is  
4 enrolled in at least four courses throughout the year that meet at least  
5 nine hundred hours during the school year. A full-time student shall not  
6 be counted more than once for computation of average daily membership.

7       2. "Online course provider" means a school other than an online  
8 school that is selected by the state board of education or a  
9 state-approved charter authorizer to participate in Arizona online  
10 instruction pursuant to this section and that provides at least one online  
11 academic course that is approved by the state board of education.

12       3. "Online school" means a school that provides at least four  
13 online academic courses or one or more online courses for the equivalent  
14 of at least five hours each day for one hundred eighty school days and  
15 that is a charter school that is sponsored by a state-approved charter  
16 authorizer or a district public school that is selected by the state board  
17 of education to participate in Arizona online instruction.

18       4. "Part-time student" means:

19           (a) Any student who is enrolled in a program that does not meet the  
20 definition in paragraph 1 of this subsection shall be funded at  
21 eighty-five percent of the base support level that would be calculated for  
22 that pupil if that pupil were enrolled as a part-time student in a school  
23 district or charter school that does not participate in Arizona online  
24 instruction.

25           (b) A part-time student of seventy-five percent average daily  
26 membership shall be enrolled in at least three subjects throughout the  
27 year that offer for first, second and third grade students at least five  
28 hundred thirty-four instructional hours in a school year and for fourth,  
29 fifth and sixth grade students at least six hundred sixty-eight  
30 instructional hours in a school year. A part-time student of fifty  
31 percent average daily membership shall be enrolled in at least two  
32 subjects throughout the year that offer for first, second and third grade  
33 students at least three hundred fifty-six instructional hours in a school  
34 year and for fourth, fifth and sixth grade students at least four hundred  
35 forty-five instructional hours in a school year. A part-time student of  
36 twenty-five percent average daily membership shall be enrolled in at least  
37 one subject throughout the year that offers for first, second and third  
38 grade students at least one hundred seventy-eight instructional hours in a  
39 school year and for fourth, fifth and sixth grade students at least two  
40 hundred twenty-three instructional hours in a school year.

41           (c) For seventh and eighth grade students, a part-time student of  
42 seventy-five percent average daily membership shall be enrolled in at  
43 least three subjects throughout the year that offer at least eight hundred  
44 one instructional hours in a school year. A part-time student of fifty  
45 percent average daily membership shall be enrolled in at least two

1 subjects throughout the year that offer at least five hundred thirty-four  
2 instructional hours in a school year. A part-time student of twenty-five  
3 percent average daily membership shall be enrolled in at least one subject  
4 throughout the year that offers at least two hundred sixty-seven  
5 instructional hours in a school year.

6 (d) For high school students, a part-time student of seventy-five  
7 percent average daily membership shall be enrolled in at least three  
8 subjects throughout the year that offer at least six hundred seventy-five  
9 instructional hours in a school year. A part-time student of fifty  
10 percent average daily membership shall be enrolled in at least two  
11 subjects throughout the year that offer at least four hundred fifty  
12 instructional hours in a school year. A part-time student of twenty-five  
13 percent average daily membership shall be enrolled in at least one subject  
14 throughout the year that offers at least two hundred twenty-five  
15 instructional hours in a school year.

16 5. "State-approved charter authorizer" means any charter school  
17 sponsor authorized pursuant to section 15-183.

18 Sec. 20. Section 15-901.06, Arizona Revised Statutes, is amended to  
19 read:

20 15-901.06. Dropout recovery programs; written learning plan;  
21 requirements: definitions

22 A. Each school district and charter school that provides  
23 instruction to high school pupils may offer a dropout recovery program for  
24 eligible pupils.

25 B. The state board of education shall prescribe standards and  
26 achievement testing requirements for dropout recovery programs that  
27 attempt to ensure that the programs are compatible with public school  
28 education goals and requirements. The standards shall require dropout  
29 recovery programs to do all of the following:

30 1. Provide curricula aligned to the academic standards adopted by  
31 the state board of education. The curricula may be delivered online. A  
32 provider of Arizona online instruction pursuant to section 15-808 may not  
33 also operate a dropout recovery program pursuant to this section.

34 2. Provide standardized tests required by federal and state law.

35 3. Make available appropriate and sufficient supports for pupils,  
36 including tutoring, career counseling and college counseling.

37 4. Comply with federal and state laws governing pupils with  
38 disabilities.

39 5. Meet state requirements for high school graduation.

40 C. Each eligible pupil who is enrolled in a dropout recovery  
41 program shall have a written learning plan developed by the pupil's  
42 assigned mentor. The written learning plan shall include the following  
43 elements:

44 1. The start date and anticipated end date of the plan.

45 2. Courses to be completed by the pupil during the academic year.

1       3. Whether courses will be taken sequentially or concurrently.

2       4. State competency exams to be taken, as necessary.

3       5. Expectations for satisfactory monthly progress.

4       6. Expectations for contact with the pupil's assigned mentor.

5       D. The monthly participation in a dropout recovery program shall be  
6 recorded on or before the tenth school day of each month and shall be  
7 reported to the department of education at the same time as other data  
8 required pursuant to section 15-1042. Monthly participation calculations  
9 shall include:

10      1. Newly enrolled pupils who have a written learning plan on file  
11 on or before the first school day of the previous month.

12      2. Pupils who met the expectations for satisfactory monthly  
13 progress in the previous month.

14      3. Pupils who did not meet the expectations for satisfactory  
15 monthly progress in the previous month but did meet the expectations in  
16 the month before the previous month.

17      4. Pupils who met expectations for program reentry in the revised  
18 written learning plan in the previous month.

19       E. Because dropout recovery pupils are not expected to regularly  
20 attend classes at the district facilities, standard procedures for  
21 recording pupil attendance cannot be effectively applied to those  
22 students. For pupils participating in a dropout recovery program, an  
23 eligible pupil shall be counted as being in attendance in the school's  
24 average daily attendance calculations pursuant to subsection F of this  
25 section if the pupil meets one of the following conditions:

26      1. Is in the first month of enrollment in the program and completes  
27 the program orientation during that month.

28      2. Is enrolled in teacher-facilitated courses and meets the  
29 expectations for satisfactory monthly progress for the current or previous  
30 month. A pupil who does not meet expectations for monthly progress for  
31 two or more consecutive months shall not be reported as being in  
32 attendance until the pupil meets the expectations for program reentry.

33      3. Meets the expectations for program reentry in the revised  
34 written learning plan.

35       F. If a pupil is enrolled in a school district or charter school  
36 other than the school district or charter school that participates in the  
37 dropout recovery program and also participates in a dropout recovery  
38 program in the same fiscal year, the average daily membership as  
39 prescribed in section 15-901, subsection A, paragraph 1, subdivisions (a)  
40 and (b) for that pupil in the school district or charter school and in a  
41 dropout recovery program shall not exceed 1.0, except that if the pupil is  
42 enrolled in a dropout recovery program and a ~~Joint~~ CAREER technical  
43 education district, the average daily membership provisions of section  
44 15-393 apply. If the pupil is enrolled in both a school district or  
45 charter school and a dropout recovery program in the same fiscal year and

1 the sum of the average daily membership and average daily attendance for  
2 that pupil is greater than 1.0 or the amount prescribed in section 15-393  
3 if the pupil is enrolled in a ~~Joint~~ CAREER technical education district,  
4 the sum shall be reduced to 1.0 or to the amount specified in section  
5 15-393 if the pupil is enrolled in a ~~Joint~~ CAREER technical education  
6 district and shall be apportioned between the school district or charter  
7 school and the ~~Joint~~ CAREER technical education district, if applicable,  
8 and the dropout recovery program based on the proportionate shares of  
9 average daily membership in the school district or charter school and the  
10 average daily attendance in the dropout recovery program. The uniform  
11 system of financial records shall include guidelines for the apportionment  
12 of pupil enrollment and attendance as provided in this subsection. Pupils  
13 in a dropout recovery program do not incur absences for purposes of this  
14 subsection and may generate average daily attendance for attendance during  
15 any hour of the day, during any day of the week and at any time between  
16 July 1 and June 30 of each fiscal year. The average daily attendance of a  
17 pupil who participates in a dropout recovery program shall not exceed 1.0  
18 or the amount prescribed in section 15-393 if the pupil is enrolled in a  
19 ~~Joint~~ CAREER technical education district, and shall be calculated by  
20 fulfilling the requirements of subsection E of this section. Average  
21 daily membership shall not be calculated on the one hundredth day of  
22 instruction for the purposes of this section.

23 G. Notwithstanding section 15-901, subsection A, paragraph 1, the  
24 average daily membership for pupils enrolled in a dropout recovery program  
25 shall equal the average daily attendance of the pupils.

26 H. School districts and charter schools shall be responsible for  
27 tuition charges and fees related to pupil participation in a dropout  
28 recovery program, including course materials and access to technology for  
29 use with online courses.

30 I. School districts and charter schools may contract with an  
31 educational management organization to provide a dropout recovery program.  
32 If contracting with an educational management organization, the school  
33 district or charter school shall ensure that all of the following  
34 requirements are met:

35 1. The educational management organization is accredited by a  
36 regional accrediting body.

37 2. Teachers provided by the educational management organization  
38 hold a current teaching license from any state and a valid Arizona  
39 fingerprint clearance card pursuant to section 15-534, and teachers of  
40 core subjects are highly qualified in the subjects to which they are  
41 assigned.

42 J. Dropout recovery programs shall be classified as alternative  
43 schools and shall be subject to the accountability provisions of section  
44 15-241.

1       K. Entities that are contracted to provide dropout recovery  
2 programs may conduct outreach to encourage pupils who are not currently  
3 enrolled in a school district or charter school in this state to return to  
4 school. Entities that are contracted to provide dropout recovery programs  
5 shall not conduct advertising or marketing campaigns directed at pupils  
6 who are currently enrolled in a school district or charter school, or  
7 undertake any other activity that encourages pupils who are currently  
8 enrolled in a school district or charter school to stop attending school  
9 in order to qualify for a dropout recovery program.

10      L. For the purposes of this section:

11       1. "Eligible pupil" means a pupil who, if enrolled, would be  
12 eligible for placement in an alternative school but who is not currently  
13 enrolled in a school district or charter school and who has been withdrawn  
14 from a school district or charter school for at least thirty days, unless  
15 the district determines that the student is unable to participate in other  
16 district programs.

17       2. "Satisfactory monthly progress" means an amount of progress that  
18 is measurable on a monthly basis and that, if continued for twelve months,  
19 would result in the same amount of academic credit being awarded to the  
20 pupil as would be awarded to a pupil in a traditional education program  
21 who completes a full school year. Satisfactory monthly progress may  
22 include a lesser required amount of progress for the first two months that  
23 a pupil participates in the program.

24      Sec. 21. Section 15-943.02, Arizona Revised Statutes, is amended to  
25 read:

26       15-943.02. Base support level for career technical education  
27                   districts

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

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

30       B. Multiply the total determined in subsection A **OF THIS SECTION** by  
31 the base level.

32       C. Multiply the teacher experience index of the district or 1.00,  
33 whichever is greater, by the product obtained in subsection B **OF THIS**  
34 **SECTION**.

35       D. For the purposes of this section, the student count is the  
36 average daily membership as prescribed in section 15-901 for the current  
37 year, except that for the purposes of computing the base support level  
38 used in determining school district rollover allocations, the student  
39 count is the average daily membership as prescribed in section 15-901 for  
40 the prior year.

1 Sec. 22. Section 15-947.01, Arizona Revised Statutes, is amended to  
2 read:

3 **15-947.01. Revenue control limit; general budget limit; total**  
4 **capital budget limit for career technical**  
5 **education districts**

6 A. The revenue control limit for a ~~joint~~ CAREER technical education  
7 district is equal to the base support level determined in section  
8 15-943.02.

9 B. The general budget limit for each ~~joint~~ CAREER technical  
10 education district, for each fiscal year, is the sum of the following:

- 11 1. The revenue control limit for the budget year.
- 12 2. District additional assistance for the budget year.
- 13 3. Tuition revenues for attendance of nonresident pupils.
- 14 4. Title VIII of the elementary and secondary education act of 1965  
15 assistance determined for children with disabilities, children with  
16 specific learning disabilities and children residing on Indian lands as  
17 provided in section 15-905, subsections K and O.
- 18 5. Expenditures for excess utility costs as provided in section  
19 15-910.

20 C. The unrestricted capital budget limit for each ~~joint~~ CAREER  
21 technical education district for the budget year is as provided in section  
22 15-947, subsection D.

23 Sec. 23. Section 15-962.01, Arizona Revised Statutes, is amended to  
24 read:

25 **15-962.01. District additional assistance allocation for**  
26 **career technical education districts**

27 The district additional assistance for a ~~joint~~ CAREER technical  
28 education district shall be the amount for students in grades nine through  
29 twelve for districts with a student count of six hundred or more as  
30 prescribed in section 15-961.

31 Sec. 24. Section 15-971, Arizona Revised Statutes, is amended to  
32 read:

33 **15-971. Determination of equalization assistance payments**  
34 **from county and state funds for school districts**

35 A. Equalization assistance for education is computed by determining  
36 the total of the following:

37 1. The lesser of a school district's revenue control limit or  
38 district support level as determined in section 15-947 or 15-951.

39 2. District additional assistance of a school district as  
40 determined in section 15-951 or 15-961.

41 B. From the total of the amounts determined in subsection A of this  
42 section subtract:

43 1. The amount that would be produced by levying the applicable  
44 qualifying tax rate determined pursuant to section 41-1276 for a high  
45 school district or a common school district within a high school district

1 that does not offer instruction in high school subjects as provided in  
2 section 15-447.

3       2. The amount that would be produced by levying the applicable  
4 qualifying tax rate determined pursuant to section 41-1276 for a unified  
5 school district, a common school district not within a high school  
6 district or a common school district within a high school district that  
7 offers instruction in high school subjects as provided in section 15-447.  
8 The qualifying tax rate shall be applied in the following manner:

9       (a) For the purposes of the amount determined in subsection A,  
10 paragraph 1 of this section:

11       (i) Determine separately the percentage that the weighted student  
12 count in preschool programs for children with disabilities, kindergarten  
13 programs and grades one through eight and the weighted student count in  
14 grades nine through twelve is to the weighted student count determined in  
15 subtotal A as provided in section 15-943, paragraph 2, subdivision (a).

16       (ii) Apply the percentages determined in item (i) of this  
17 subdivision to the amount determined in subsection A, paragraph 1 of this  
18 section.

19       (b) For the purposes of the amounts determined in subsection A,  
20 paragraph 2 of this section, determine separately the amount of the  
21 district additional assistance attributable to the student count in  
22 preschool programs for children with disabilities, kindergarten programs  
23 and grades one through eight and grades nine through twelve.

24       (c) From the amounts determined in subdivisions (a) and (b) of this  
25 paragraph, subtract the levy that would be produced by the current  
26 qualifying tax rate for a high school district or a common school district  
27 within a high school district that does not offer instruction in high  
28 school subjects as provided in section 15-447. If the qualifying tax rate  
29 generates a levy that is in excess of the total determined in subsection A  
30 of this section, the school district shall not be eligible for  
31 equalization assistance. For the purposes of this subsection, "assessed  
32 valuation" includes the values used to determine voluntary contributions  
33 collected pursuant to title 9, chapter 4, article 3 and title 48, chapter  
34 1, article 8 and the assessed value of all property subject to the  
35 government property lease excise tax pursuant to title 42, chapter 6,  
36 article 5.

37       3. The amount that would be produced by levying a qualifying tax  
38 rate in a ~~JOINT~~ CAREER technical education district, which shall be five  
39 cents per one hundred dollars assessed valuation unless the legislature  
40 sets a lower rate by law.

41       C. County aid for equalization assistance for education shall be  
42 computed as follows:

43       1. Determine the total equalization assistance for all school  
44 districts in the county as provided in subsections A and B of this  
45 section.

1       2. Determine the total amount of state equalization assistance  
2 collected for all school districts in the county as provided in section  
3 15-994.

4       3. Divide the amount determined in paragraph 2 of this subsection  
5 by the amount determined in paragraph 1 of this subsection.

6       4. Multiply the amount determined in subsections A and B of this  
7 section by the quotient determined in paragraph 3 of this subsection for  
8 each school district.

9       5. The amount determined in paragraph 4 of this subsection shall be  
10 the county aid for equalization assistance for education for a school  
11 district.

12       D. State aid for equalization assistance for education for a school  
13 district shall be computed as follows:

14       1. Determine the equalization assistance for education for a school  
15 district as provided in subsections A and B of this section.

16       2. For each county, determine the levy that would be produced by  
17 the state equalization assistance property tax rate prescribed in section  
18 15-994, subsection A.

19       3. Prorate the amount determined in paragraph 2 of this subsection  
20 to each school district in the county as prescribed by subsection C of  
21 this section.

22       4. Subtract the amount determined in paragraph 3 of this subsection  
23 from the amount determined in paragraph 1 of this subsection.

24       E. Equalization assistance for education shall be paid from  
25 appropriations for that purpose to the school districts as provided in  
26 section 15-973.

27       F. A school district shall report expenditures on approved career  
28 and technical education and vocational education programs in the annual  
29 financial report according to uniform guidelines prescribed by the uniform  
30 system of financial records and in order to facilitate compliance with  
31 sections 15-255 and 15-904.

32       G. The additional weight for state aid purposes given to special  
33 education as provided in section 15-943 shall be given to school districts  
34 only if special education programs comply with chapter 7, article 4 of  
35 this title and the conditions and standards prescribed by the  
36 superintendent of public instruction pursuant to rules of the state board  
37 of education for pupil identification and placement pursuant to sections  
38 15-766 and 15-767.

39       H. In addition to **STATE** general fund appropriations, all amounts  
40 received pursuant to section 37-521, subsection B, paragraph 3 and section  
41 42-5029, subsection E, paragraph 5 and from any other source for the  
42 purposes of this section are appropriated for state aid to schools as  
43 provided in this section.

44       I. The total amount of state monies that may be spent in any fiscal  
45 year for state equalization assistance shall not exceed the amount

1 appropriated or authorized by section 35-173 for that purpose. This  
2 section ~~shall~~ DOES not ~~be construed to~~ impose a duty on an officer, agent  
3 or employee of this state to discharge a responsibility or ~~to~~ create any  
4 right in a person or group if the discharge or right would require an  
5 expenditure of state monies in excess of the expenditure authorized by  
6 legislative appropriation for that specific purpose.

7 Sec. 25. Section 15-1021, Arizona Revised Statutes, is amended to  
8 read:

9 15-1021. Limitation on bonded indebtedness; limitation on  
10 authorization and issuance of bonds; definitions

11 A. Until December 31, 1999, a school district may issue class A  
12 bonds for the purposes specified in this section and chapter 4, article 5  
13 of this title to an amount in the aggregate, including the existing  
14 indebtedness, not exceeding fifteen percent of the taxable property used  
15 for secondary property tax purposes, as determined pursuant to title 42,  
16 chapter 15, article 1, within a school district as ascertained by the last  
17 property tax assessment previous to issuing the bonds.

18 B. From and after December 31, 1998, a school district may issue  
19 class B bonds for the purposes specified in this section and chapter 4,  
20 article 5 of this title to an amount in the aggregate, including the  
21 existing class B indebtedness, not exceeding ten percent of the net  
22 assessed value of the full cash value of the property in that school  
23 district, or one thousand five hundred dollars per student count pursuant  
24 to section 15-901, subsection A, paragraph 13, whichever amount is  
25 greater. A school district shall not issue class B bonds until the  
26 proceeds of any class A bonds issued by the school district have been  
27 obligated in contract. The total amount of class A and class B bonds  
28 issued by a school district shall not exceed the debt limitations  
29 prescribed in article IX, section 8, Constitution of Arizona.

30 C. Until December 31, 1999, a unified school district, as defined  
31 under article IX, section 8.1, Constitution of Arizona, may issue class A  
32 bonds for the purposes specified in this section and chapter 4, article 5  
33 of this title to an amount in the aggregate, including the existing  
34 indebtedness, not exceeding thirty percent of the taxable property used  
35 for secondary property tax purposes, as determined pursuant to title 42,  
36 chapter 15, article 1, within a unified school district as ascertained by  
37 the last property tax assessment previous to issuing the bonds.

38 D. From and after December 31, 1998, a unified school district, as  
39 defined under article IX, section 8.1, Constitution of Arizona, may issue  
40 class B bonds for the purposes specified in this section and chapter 4,  
41 article 5 of this title to an amount in the aggregate, including the  
42 existing class B indebtedness, not exceeding twenty percent of the net  
43 assessed value of the full cash value of the property in that school  
44 district, or one thousand five hundred dollars per student count pursuant  
45 to section 15-901, subsection A, paragraph 13, whichever amount is

1 greater. A unified school district shall not issue class B bonds until  
2 the proceeds of any class A bonds issued by the unified school district  
3 have been obligated in contract. The total amount of class A and class B  
4 bonds issued by a unified school district shall not exceed the debt  
5 limitations prescribed in article IX, section 8.1, Constitution of  
6 Arizona.

7 E. ~~No~~ Bonds authorized to be issued by an election held after  
8 July 1, 1980 and before November 24, 2009 may ~~NOT~~ be issued more than six  
9 years after the date of the election, except that the time period may be  
10 extended to ten years pursuant to an election conducted pursuant to  
11 section 15-491, subsection A, paragraph 6 and except that class A bonds  
12 shall not be issued after December 31, 1999. ~~No~~ Bonds authorized to be  
13 issued by an election held after November 24, 2009 may ~~NOT~~ be issued more  
14 than ten years after the date of the election.

15 F. Except as provided in section 15-491, subsection A, paragraph 3,  
16 bond proceeds shall not be expended for items whose useful life is less  
17 than the average life of the bonds issued, except that bond proceeds shall  
18 not be expended for items whose useful life is less than five years.

19 G. A ~~Joint~~ CAREER technical education district shall not spend  
20 class B bond proceeds to construct or renovate a facility located on the  
21 campus of a school in a school district that participates in the ~~Joint~~  
22 CAREER TECHNICAL EDUCATION district unless the facility is only used to  
23 provide career and technical education and is available to all pupils who  
24 live within the ~~Joint~~ CAREER technical education district. If the  
25 facility is not owned by the ~~Joint~~ CAREER technical education district, an  
26 intergovernmental agreement or a written contract shall be executed for  
27 ten years or the duration of the bonded indebtedness, whichever is  
28 greater. The intergovernmental agreement or written contract shall  
29 include provisions:

30 1. That preserve the usage of the facility renovated or  
31 constructed, or both, only for career and technology programs operated by  
32 the ~~Joint~~ CAREER technical education district.

33 2. That include the process to be used by the participating  
34 district to compensate the ~~Joint~~ CAREER technical education district in  
35 the event that the facility is no longer used only for career and  
36 technical education programs offered by the ~~Joint~~ CAREER technical  
37 education district during the life of the bond.

38 H. A school district shall not authorize, issue or sell bonds  
39 pursuant to this section if the school district has any existing  
40 indebtedness from impact aid revenue bonds pursuant to chapter 16, article  
41 8 of this title, except for bonds issued to refund any bonds issued by the  
42 governing board.

43 I. For the purposes of this section, "full cash value" and "net  
44 assessed value" have the same meanings prescribed in section 42-11001.

1 Sec. 26. Section 15-1041, Arizona Revised Statutes, is amended to  
2 read:

3 **15-1041. Student accountability information system**

4 The student accountability information system is established to  
5 enable school districts, ~~joint~~ CAREER technical education districts and  
6 charter schools to transmit student level data and school finance data  
7 electronically through the internet to the department of education for the  
8 purposes of complying with the statutory obligations of the department of  
9 education and the state board of education.

10 Sec. 27. Section 15-1042, Arizona Revised Statutes, is amended to  
11 read:

12 **15-1042. Student level data; timeline for submittal;**  
13 **confidentiality; definition**

14 A. The department of education shall notify school districts, ~~joint~~  
15 CAREER technical education districts and charter schools of electronic  
16 data submission procedures and shall distribute a list of the specific  
17 student level data elements, including the statutory or regulatory  
18 reference for each data element, that school districts, ~~joint~~ CAREER  
19 technical education districts and charter schools are required to submit.  
20 The department of education shall not make any changes to the student  
21 level data elements to be collected unless the student level data element  
22 has been reviewed and adopted by the data governance commission  
23 established by section 15-249.01.

24 B. Each school district, ~~joint~~ CAREER technical education district  
25 and charter school shall submit electronic data on a ~~school by school~~  
26 **SCHOOL-BY-SCHOOL** basis, including student level data, to the department of  
27 education in order for the school district, ~~joint~~ CAREER technical  
28 education district or charter school to receive monies for the cost of  
29 educating students pursuant to this title.

30 C. The department of education shall grant a school district, ~~joint~~  
31 CAREER technical education district or charter school an extension to the  
32 deadline for the submission of student level data or may provide for an  
33 alternative method for the submission of student level data if the school  
34 district, ~~joint~~ CAREER technical education district or charter school  
35 proves that good cause exists for the extension, and the school district,  
36 ~~joint~~ CAREER technical education district or charter school shall continue  
37 to receive monies for the cost of educating students pursuant to this  
38 title. The request for an extension of the deadline for the submission of  
39 student level data pursuant to this subsection shall include a  
40 justification for the extension and the status of current efforts ~~towards~~  
41 **TOWARD** complying with the submission of student level data.

42 D. A pupil or the parent or guardian of a pupil shall not be  
43 required to submit data that does not relate to the provision of  
44 educational services or assistance to the pupil.

1       E. Unless otherwise prescribed, school districts, ~~Joint~~ CAREER  
2 technical education districts and charter schools shall begin to report  
3 new data elements on July 1 of the year that follows the effective date of  
4 the law that requires the collection of the data.

5       F. Student level data items submitted to the department of  
6 education by school districts, ~~Joint~~ CAREER technical education districts  
7 and charter schools pursuant to this section shall not be used to adjust  
8 funding levels or calculate the average daily membership for the purpose  
9 of funding school districts at any time other than the fortieth, one  
10 hundredth and two hundredth days of the school year.

11      G. A school district, ~~Joint~~ CAREER technical education district or  
12 charter school is not required to submit student level data to the  
13 department of education more often than once every twenty school days.

14      H. Notwithstanding subsection J of this section, the student level  
15 data shall include reasons for the withdrawal if reasons are provided by  
16 the withdrawing pupil or the pupil's parent or guardian. For the purposes  
17 of this subsection, the department of education shall include in the  
18 specific student level data elements that school districts, ~~Joint~~ CAREER  
19 technical education districts and charter schools are required to submit  
20 data relating to students who withdraw from school because the student is  
21 pregnant or because the student is the biological parent of a child.

22      I. All student level data collected pursuant to this section is  
23 confidential and is not a public record. The data collected may be used  
24 for aggregate research and reporting and for providing access of student  
25 level data to school districts, ~~Joint~~ CAREER technical education  
26 districts, charter schools, community colleges and universities under the  
27 jurisdiction of the Arizona board of regents.

28      J. For the purposes of this section, "student level data" means all  
29 data elements that are compiled and submitted for each student in this  
30 state and that are necessary for the completion of the statutory  
31 requirements of the department of education and the state board of  
32 education relating to the calculation of funding for public education, the  
33 determination of student academic progress as measured by student testing  
34 programs in this state, state and federal reporting requirements and other  
35 duties prescribed to the department of education or the state board of  
36 education by law. Student level data does not include data elements  
37 related to student behavior, discipline, criminal history, medical  
38 history, religious affiliation, personal physical descriptors or family  
39 information not authorized by the parent or guardian of the pupil or  
40 otherwise required by law.

1 Sec. 28. Section 15-1043, Arizona Revised Statutes, is amended to  
2 read:

## 15-1043. Student level data; allowable disclosure; policies

A. Any disclosure of educational records compiled by the department of education pursuant to this article shall comply with the family educational rights and privacy act (20 United States Code section 1232g).

B. Student level data may not be updated unless the change is authorized by the school district, ~~Joint~~ CAREER technical education district or charter school.

C. The department of education shall adopt policies and procedures to allow access of student level data for currently enrolled students to school districts, ~~Joint~~ CAREER technical education districts and charter schools.

Sec. 29. Section 15-1444, Arizona Revised Statutes, is amended to read:

## 15-1444. General powers and duties of district governing boards

A. Except as otherwise provided, the district board shall:

1. Maintain each community college for a period of not less than eight months in each year and, if the funds of the district are sufficient, maintain each community college for a longer period.

2. Adopt policies in a public forum to offer programs that meet the educational needs of the population served by the community college.

3. Enforce the courses of study prescribed by the district board.

4. Visit each community college under its jurisdiction and examine carefully into its management, conditions and needs.

5. Exclude from each community college all books, publications or

papers of a sectarian, partisan or denominational character intended for use as textbooks.

6. Appoint and employ a chancellor or chancellors.

vice-chancellors, a president or presidents, ~~vice-presidents~~ **VICE PRESIDENTS**, deans, professors, instructors, lecturers, fellows and such other officers and employees it deems necessary. The district board may enter into employment contracts with chancellors, vice-chancellors and presidents for a duration of more than one year but not more than five years.

7. Determine the salaries of persons it appoints and employs.

8. Remove any officer or employee if in its judgment the interests of education in this state require the removal.

9. Award degrees, certificates and diplomas on the completion of courses and curricula as it deems appropriate.

10. Appoint or employ, if it deems necessary, police officers who shall have the authority and power of peace officers. The police officers who have received a certificate from the Arizona peace officer standards and training board are eligible for membership in and benefits under

1 either title 38, chapter 5, article 2 or the public safety personnel  
2 retirement system under title 38, chapter 5, article 4.

3       11. Determine the location within the district of a community  
4 college and purchase, receive, hold, make and take leases of, sell and  
5 convey real or personal property for the benefit of the community colleges  
6 under its jurisdiction.

7       12. Obtain insurance or be self-insured, or a combination of  
8 insurance and self-insurance, against loss, to the extent it is determined  
9 necessary on community college buildings of the district. The local  
10 district shall have an insurable interest in the buildings.

11       B. The district board may:

12       1. Administer trusts declared or created for the district and  
13 receive by gift or devise and hold in trust or otherwise property  
14 wheresoever located, and if not otherwise provided, dispose of the  
15 property for the benefit of the district.

16       2. Lease real property, as lessor or as lessee. If a district is  
17 the lessee, the lease may contain an option to purchase the property. The  
18 district board may adopt policies as are deemed necessary and may delegate  
19 in writing to the chancellor or president of the district, or their  
20 designees, all or any part of its authority to lease property under this  
21 paragraph. Any delegation by the district board pursuant to this  
22 paragraph may be rescinded in whole or in part at any time by the district  
23 board.

24       3. Sue and be sued.

25       4. Contract. The district board may adopt such policies as are  
26 deemed necessary and may delegate in writing to the chancellor or  
27 president of the district, or their designees, all or any part of its  
28 authority to contract under this paragraph. Any delegation of authority  
29 under this paragraph may be rescinded by the district board at any time in  
30 whole or in part.

31       5. Construct, remodel and repair buildings.

32       6. In conjunction with other districts, establish policies for  
33 procurement of goods and services.

34       7. Provide a plan or plans for employee benefits, which may include  
35 optional retirement programs pursuant to section 15-1451, subsection A,  
36 which allow for participation in a cafeteria plan that meets the  
37 requirements of the United States internal revenue code of 1986.

38       8. Accept grants or donations of monies from the United  
39 States, ~~from~~ OR any of its agencies, departments or officers, ~~from~~ this  
40 state, political subdivisions of this state, ~~from~~ tribal governments,  
41 school districts, special taxing districts, ~~or~~ ~~from~~ persons, corporations,  
42 foundations or associations. ~~THE~~ THE district board shall deposit the  
43 monies into a specific fund or account and ~~a district board~~ shall  
44 administer the monies in accordance with the purpose of the grant or  
45 donation with specific policies or restrictions as described or stipulated

1 in the grant or donation. In the case of personal property granted or  
2 donated to or for the benefit of a community college district, ~~or~~ THE  
3 district board shall immediately transfer possession and ownership of the  
4 property to the designated district. Monies received pursuant to this  
5 paragraph are not considered local revenues for the purposes of article  
6 IX, section 21, Constitution of Arizona.

7 9. Enter into intergovernmental agreements or contracts pursuant to  
8 section 11-952.01 for participation in programs offered by public agency  
9 pools or separately contract with a trustee or board of trustees that  
10 provides a common self-insurance program with pooled funds and risks  
11 pursuant to section 15-382, subsection B, paragraph 2. The district board  
12 is not required to engage in competitive procurement in order to make the  
13 decision to participate in these programs.

14 10. Name a building or a group of buildings that is located on a  
15 community college campus on behalf of a person or entity that has made a  
16 significant contribution of monies or other property to the community  
17 college or the community college district.

18 11. Enter into research and development agreements, royalty  
19 agreements, development agreements, licensing agreements and  
20 profit-sharing agreements concerning the research, development,  
21 production, storing or marketing of new products developed or to be  
22 developed through community college district research. Monies received  
23 pursuant to this paragraph are not considered local revenues for the  
24 purposes of article IX, section 21, Constitution of Arizona.

25 12. Enter into an intergovernmental agreement pursuant to section  
26 15-1747 to participate in a reciprocity agreement subject to the terms of  
27 the reciprocity agreement.

28 13. Engage in entrepreneurial and commercial activities. Monies  
29 received pursuant to this paragraph ~~are~~ not considered local revenues for  
30 the purposes of article IX, section 21, Constitution of Arizona.

31 14. Collect auxiliary fees, including cafeteria fees, food service  
32 fees, bookstore fees and dormitory fees. Monies received pursuant to this  
33 paragraph are not considered local revenues for the purposes of article  
34 IX, section 21, Constitution of Arizona.

35 15. Provide goods and services pursuant to a contract with a  
36 political subdivision of this state or with a tribal government. Monies received  
37 pursuant to this paragraph are not considered local revenues for  
38 the purposes of article IX, section 21, Constitution of Arizona.

39 C. If a district acquires real or personal property, whether by  
40 purchase, exchange, condemnation, gift or otherwise, the district shall  
41 pay to the county treasurer any taxes on the property that were unpaid as  
42 of the date of acquisition, including penalties and interest. The lien  
43 for unpaid delinquent taxes, penalties and interest on property acquired  
44 by the district:

1       1. Is not abated, extinguished, discharged or merged in the title  
2 to the property.

3       2. Is enforceable in the same manner as other delinquent tax liens.

4       D. In a district whose boundaries encompass a vehicle emissions  
5 control area as defined in section 49-541, the district board shall  
6 require all out-of-county and out-of-state students to sign an affidavit  
7 at the time of course registration that the student's vehicle meets the  
8 requirements of section 49-542. The district board on property under its  
9 jurisdiction within a vehicle emissions control area shall prohibit the  
10 parking of those vehicles that fail to comply with section 49-542.

11       E. A community college district and a ~~Joint~~ CAREER technical  
12 education district governing board may enter into agreements for the  
13 provision of administrative, operational and educational services and  
14 facilities.

15       F. Each district may establish a program for the exchange of  
16 students between the community colleges under its jurisdiction and  
17 colleges and universities located in Sonora, Mexico. The program may  
18 provide for in-state tuition for Sonora students at the community colleges  
19 under the jurisdiction of the district in exchange for similar tuition  
20 provisions for Arizona students enrolled or seeking enrollment in Sonora  
21 colleges and universities. The community colleges may work in conjunction  
22 with the Arizona-Mexico commission in the governor's office to coordinate  
23 recruitment and admissions activities to provide for in-state tuition for  
24 up to fifty Sonora students at the community colleges under the  
25 jurisdiction of the district in exchange for similar tuition provisions  
26 for up to fifty total Arizona students enrolled or seeking enrollment in  
27 Sonora colleges and universities.

28       G. Each district shall facilitate transfer articulation  
29 coordination pursuant to section 15-1824.

30       Sec. 30. Section 15-2041, Arizona Revised Statutes, is amended to  
31 read:

32       15-2041. New school facilities fund: capital plan: report

33       A. The new school facilities fund is established consisting of  
34 monies appropriated by the legislature and monies credited to the fund  
35 pursuant to section 37-221. The school facilities board shall administer  
36 the fund and distribute monies, as a continuing appropriation, to school  
37 districts for the purpose of constructing new school facilities and for  
38 contracted expenses pursuant to section 15-2002, subsection B, paragraphs  
39 2, 3 and 4. On June 30 of each fiscal year, any unobligated contract  
40 monies in the new school facilities fund shall be transferred to the  
41 capital reserve fund established by section 15-2003.

42       B. The school facilities board shall prescribe a uniform format for  
43 use by the school district governing board in developing and annually  
44 updating a capital plan that consists of each of the following:

1       1. Enrollment projections for the next five years for elementary  
2 schools and eight years for middle and high schools, including a  
3 description of the methods used to make the projections.

4       2. A description of new schools or additions to existing schools  
5 needed to meet the building adequacy standards prescribed in section  
6 15-2011. The description shall include:

7           (a) The grade levels and the total number of pupils that the school  
8 or addition is intended to serve.

9           (b) The year in which it is necessary for the school or addition to  
10 begin operations.

11           (c) A timeline that shows the planning and construction process for  
12 the school or addition.

13       3. Long-term projections of the need for land for new schools.

14       4. Any other necessary information required by the school  
15 facilities board to evaluate a school district's capital plan.

16       5. If a school district pays tuition for all or a portion of the  
17 school district's high school pupils to another school district, the  
18 capital plan shall indicate the number of pupils for which the district  
19 pays tuition to another district. If a school district accepts pupils  
20 from another school district pursuant to section 15-824, subsection A, the  
21 school district shall indicate the projections for this population  
22 separately. This paragraph does not apply to a small isolated school  
23 district as defined in section 15-901.

24       C. If the capital plan indicates a need for a new school or an  
25 addition to an existing school within the next four years or a need for  
26 land within the next ten years, the school district shall submit its plan  
27 to the school facilities board by July 1 and shall request monies from the  
28 new school facilities fund for the new construction or land. The school  
29 facilities board may require a school district to sell land that was  
30 previously purchased entirely with monies provided by the school  
31 facilities board if the school facilities board determines that the  
32 property is no longer needed within the ten-year period specified in this  
33 subsection for a new school or no longer needed within that ten-year  
34 period for an addition to an existing school. Monies provided for land  
35 shall be in addition to any monies provided pursuant to subsection D of  
36 this section.

37       D. The school facilities board shall distribute monies from the new  
38 school facilities fund for additional square footage as follows:

39           1. The school facilities board shall review and evaluate the  
40 enrollment projections. On or before December 1 **OF EACH YEAR**, following  
41 the submission of the enrollment projections, the school facilities board  
42 shall either approve the projections as submitted or revise the  
43 projections. In approving or revising the enrollment projections, the  
44 school facilities board shall use the most recent fortieth day average  
45 daily membership data available during the current school year. On

1 request from the school facilities board, the department of education  
2 shall make available the most recent average daily membership data for use  
3 in revising the enrollment projections. In determining new construction  
4 requirements, the school facilities board shall determine the net new  
5 growth of pupils that will require additional square footage that exceeds  
6 the building adequacy standards prescribed in section 15-2011. If the  
7 projected growth and the existing number of pupils exceed three hundred  
8 fifty pupils who are served in a school district other than the pupil's  
9 resident school district, the school facilities board, the receiving  
10 school district and the resident school district shall develop a capital  
11 facilities plan on how to best serve those pupils. A small isolated  
12 school district as defined in section 15-901 is not required to develop a  
13 capital facilities plan pursuant to this paragraph.

14 2. If the most recent fortieth day average daily membership during  
15 the current school year indicates that additional space would not have  
16 been needed during the current school year in order to meet the building  
17 adequacy standards prescribed in section 15-2011, the request shall be  
18 held for consideration by the school facilities board for possible future  
19 funding and the school district shall annually submit an updated plan  
20 until the additional space is needed.

21 3. If the most recent fortieth day average daily membership during  
22 the current school year indicates that additional space would have been  
23 needed during the current school year in order to meet the building  
24 adequacy standards prescribed in section 15-2011, the school facilities  
25 board shall provide an amount as follows:

26 (a) Determine the number of pupils requiring additional square  
27 footage to meet building adequacy standards. This amount for elementary  
28 schools shall not be less than the number of new pupils for whom space  
29 will be needed in the next year and shall not exceed the number of new  
30 pupils for whom space will be needed in the next five years. This amount  
31 for middle and high schools shall not be less than the number of new  
32 pupils for whom space will be needed in the next four years and shall not  
33 exceed the number of new pupils for whom space will be needed in the next  
34 eight years.

35 (b) Multiply the number of pupils determined in subdivision (a) of  
36 this paragraph by the square footage per pupil. The square footage per  
37 pupil is ninety square feet per pupil for preschool children with  
38 disabilities, kindergarten programs and grades one through six, one  
39 hundred square feet for grades seven and eight, one hundred thirty-four  
40 square feet for a school district that provides instruction in grades nine  
41 through twelve for fewer than one thousand eight hundred pupils and one  
42 hundred twenty-five square feet for a school district that provides  
43 instruction in grades nine through twelve for at least one thousand eight  
44 hundred pupils. The total number of pupils in grades nine through twelve  
45 in the district shall determine the square footage factor to use for net

1 new pupils. The school facilities board may modify the square footage  
2 requirements prescribed in this subdivision for particular schools based  
3 on any of the following factors:

4 (i) The number of pupils served or projected to be served by the  
5 school district.

6 (ii) Geographic factors.

7 (iii) Grade configurations other than those prescribed in this  
8 subdivision.

9 (iv) Compliance with minimum school facility adequacy requirements  
10 established pursuant to section 15-2011.

11 (c) Multiply the product obtained in subdivision (b) of this  
12 paragraph by the cost per square foot. The cost per square foot is ninety  
13 dollars for preschool children with disabilities, kindergarten programs  
14 and grades one through six, ninety-five dollars for grades seven and eight  
15 and one hundred ten dollars for grades nine through twelve. The cost per  
16 square foot shall be adjusted annually for construction market  
17 considerations based on an index identified or developed by the joint  
18 legislative budget committee as necessary but not less than once each  
19 year. The school facilities board shall multiply the cost per square foot  
20 by 1.05 for any school district located in a rural area. The school  
21 facilities board may only modify the base cost per square foot prescribed  
22 in this subdivision for particular schools based on geographic conditions  
23 or site conditions. For the purposes of this subdivision, "rural area"  
24 means an area outside a thirty-five-mile radius of a boundary of a  
25 municipality with a population of more than fifty thousand persons.

26 (d) Once the school district governing board obtains approval from  
27 the school facilities board for new facility construction monies,  
28 additional portable or modular square footage created for the express  
29 purpose of providing temporary space for pupils until the completion of  
30 the new facility and any additional space funded by the school district  
31 shall not be included by the school facilities board for the purpose of  
32 new construction funding calculations. On completion of the new facility  
33 construction project, any additional space funded by the school district  
34 shall be included as prescribed by this chapter and, if the portable or  
35 modular facilities continue in use, the portable or modular facilities  
36 shall be included as prescribed by this chapter, unless the school  
37 facilities board approves their continued use for the purpose of providing  
38 temporary space for pupils until the completion of the next new facility  
39 that has been approved for funding from the new school facilities fund.

40 4. For projects approved after December 31, 2001, and  
41 notwithstanding paragraph 3 of this subsection, a unified school district  
42 that does not have a high school is not eligible to receive high school  
43 space as prescribed by section 15-2011 and this section unless the unified  
44 district qualifies for geographic factors prescribed by paragraph 3,  
45 subdivision (b), item (ii) of this subsection.

1       5. If a ~~joint~~ CAREER technical education district leases a building  
2 from a school district, that building shall be included in the school  
3 district's square footage calculation for the purposes of new construction  
4 pursuant to this section.

5       6. If a school district leases a building to another entity, that  
6 building shall be included in the school district's square footage  
7 calculation for purposes of new construction pursuant to this section.

8       7. A school district shall qualify for monies from the new school  
9 facilities fund for additional square footage in a fiscal year only if the  
10 school facilities board has approved or revised its enrollment projection  
11 under paragraph 3 of this subsection on or before March 1 of the prior  
12 fiscal year.

13      E. Monies for architectural and engineering fees, project  
14 management services and preconstruction services shall be distributed on  
15 the completion of the analysis by the school facilities board of the  
16 school district's request. After receiving monies pursuant to this  
17 subsection, the school district shall submit a design development plan for  
18 the school or addition to the school facilities board before any monies  
19 for construction are distributed. If the school district's request meets  
20 the building adequacy standards, the school facilities board may review  
21 and comment on the district's plan with respect to the efficiency and  
22 effectiveness of the plan in meeting state square footage and facility  
23 standards before distributing the remainder of the monies. If the school  
24 facilities board modifies the cost per square foot as prescribed in  
25 subsection D, paragraph 3, subdivision (c) of this section, the school  
26 facilities board may deduct the cost of project management services and  
27 preconstruction services from the required cost per square foot. The  
28 school facilities board may decline to fund the project if the square  
29 footage is no longer required due to revised enrollment projections.

30      F. The school facilities board shall distribute the monies needed  
31 for land for new schools so that land may be purchased at a price that is  
32 less than or equal to fair market value and in advance of the construction  
33 of the new school. If necessary, the school facilities board may  
34 distribute monies for land to be leased for new schools if the duration of  
35 the lease exceeds the life expectancy of the school facility by at least  
36 fifty percent. A school district shall not use land purchased or  
37 partially purchased with monies provided by the school facilities board  
38 for a purpose other than a site for a school facility without obtaining  
39 prior written approval from the school facilities board. A school  
40 district shall not lease, sell or take any action that would diminish the  
41 value of land purchased or partially purchased with monies provided by the  
42 school facilities board without obtaining prior written approval from the  
43 school facilities board. The proceeds derived through the sale of any  
44 land purchased or partially purchased, or the sale of buildings funded or  
45 partially funded, with monies provided by the school facilities board

1 shall be returned to the state fund from which it was appropriated and to  
2 any other participating entity on a proportional basis. Except as  
3 provided in section 15-342, paragraph 33, if a school district acquires  
4 real property by donation at an appropriate school site approved by the  
5 school facilities board, the school facilities board shall distribute an  
6 amount equal to twenty percent of the fair market value of the donated  
7 real property that can be used for academic purposes. The school district  
8 shall place the monies in the unrestricted capital outlay fund and  
9 increase the unrestricted capital budget limit by the amount of monies  
10 placed in the fund. Monies distributed under this subsection shall be  
11 distributed from the new school facilities fund. A school district that  
12 receives monies from the new school facilities fund for a donation of land  
13 pursuant to section 15-342, paragraph 33 shall not receive monies from the  
14 school facilities board for the donation of real property pursuant to this  
15 subsection. A school district shall not pay a consultant a percentage of  
16 the value of any of the following:

17 1. Donations of real property, services or cash from any of the  
18 following:

19 (a) Entities that have offered to provide construction services to  
20 the school district.

21 (b) Entities that have been contracted to provide construction  
22 services to the school district.

23 (c) Entities that build residential units in that school district.

24 (d) Entities that develop land for residential use in that school  
25 district.

26 2. Monies received from the school facilities board on behalf of  
27 the school district.

28 3. Monies paid by the school facilities board on behalf of the  
29 school district.

30 G. In addition to distributions to school districts based on pupil  
31 growth projections, a school district may submit an application to the  
32 school facilities board for monies from the new school facilities fund if  
33 one or more school buildings have outlived their useful life. If the  
34 school facilities board determines that the school district needs to build  
35 a new school building for these reasons, the school facilities board shall  
36 remove the square footage computations that represent the building from  
37 the computation of the school district's total square footage for purposes  
38 of this section. If the square footage recomputation reflects that the  
39 school district no longer meets building adequacy standards, the school  
40 district qualifies for a distribution of monies from the new school  
41 construction formula in an amount determined pursuant to subsection D of  
42 this section. The school facilities board may only modify the base cost  
43 per square foot prescribed in this subsection under extraordinary  
44 circumstances for geographic factors or site conditions.

1       H. School districts that receive monies from the new school  
2 facilities fund shall establish a district new school facilities fund and  
3 shall use the monies in the district new school facilities fund only for  
4 the purposes prescribed in this section. By October 15 of each year, each  
5 school district shall report to the school facilities board the projects  
6 funded at each school in the previous fiscal year with monies from the  
7 district new school facilities fund and shall provide an accounting of the  
8 monies remaining in the new school facilities fund at the end of the  
9 previous fiscal year.

10      I. If a school district has surplus monies received from the new  
11 school facilities fund, the school district may use the surplus monies  
12 only for capital purposes for the project for up to one year after  
13 completion of the project. If the school district possesses surplus  
14 monies from the new school construction project that have not been  
15 expended within one year of the completion of the project, the school  
16 district shall return the surplus monies to the school facilities board  
17 for deposit in the new school facilities fund.

18      J. The board's consideration of any application filed after  
19 December 31 of the year in which the property becomes territory in the  
20 vicinity of a military airport or ancillary military facility as defined  
21 in section 28-8461 for monies to fund the construction of new school  
22 facilities proposed to be located in territory in the vicinity of a  
23 military airport or ancillary military facility shall include, if after  
24 notice is transmitted to the military airport pursuant to section 15-2002  
25 and before the public hearing the military airport provides comments and  
26 an analysis concerning compatibility of the proposed school facilities  
27 with the high noise or accident potential generated by military airport or  
28 ancillary military facility operations that may have an adverse effect on  
29 public health and safety, consideration and [AN](#) analysis of the comments  
30 and [AN](#) analysis provided by the military airport before making a final  
31 determination.

32      K. If a school district uses its own project manager for new school  
33 construction, the members of the school district governing board and the  
34 project manager shall sign an affidavit stating that the members and the  
35 project manager understand and will follow the minimum adequacy  
36 requirements prescribed in section 15-2011.

37      L. The school facilities board shall establish a separate account  
38 in the new school facilities fund designated as the litigation account to  
39 pay attorney fees, expert witness fees and other costs associated with  
40 litigation in which the school facilities board pursues the recovery of  
41 damages for deficiencies correction that resulted from alleged  
42 construction defects or design defects that the school facilities board  
43 believes caused or contributed to a failure of the school building to  
44 conform to the building adequacy requirements prescribed in section  
45 15-2011. Attorney fees paid pursuant to this subsection shall not exceed

1 the market rate for similar types of litigation. On or before December 1  
2 of each year, the school facilities board shall report to the joint  
3 committee on capital review the costs associated with current and  
4 potential litigation that may be paid from the litigation account.

5 M. Until the state board of education and the auditor general adopt  
6 rules pursuant to section 15-213, subsection I, the school facilities  
7 board may allow school districts to contract for construction services and  
8 materials through the qualified select bidders list method of project  
9 delivery for new school facilities pursuant to this section.

10 N. The school facilities board shall submit electronically a report  
11 on project management services and preconstruction services to the  
12 governor, the president of the senate and the speaker of the house of  
13 representatives by December 31 of each year. The report shall compare  
14 projects that use project management and preconstruction services with  
15 those that do not. The report shall address cost, schedule and other  
16 measurable components of a construction project. School districts,  
17 construction manager at risk firms and project management firms that  
18 participate in a school facilities board funded project shall provide the  
19 information required by the school facilities board in relation to this  
20 report.

21 O. If a school district constructs new square footage according to  
22 section 15-342, paragraph 33, the school facilities board shall review the  
23 design plans and location of any new school facility submitted by school  
24 districts and another party to determine whether the design plans comply  
25 with the adequacy standards prescribed in section 15-2011 and the square  
26 footage per pupil requirements pursuant to subsection D, paragraph 3,  
27 subdivision (b) of this section. When the school district qualifies for a  
28 distribution of monies from the new school facilities fund according to  
29 this section, the school facilities board shall distribute monies to the  
30 school district from the new school facilities fund for the square footage  
31 constructed under section 15-342, paragraph 33 at the same cost per square  
32 foot established by this section that was in effect at the time of the  
33 beginning of the construction of the school facility. Before the school  
34 facilities board distributes any monies pursuant to this subsection, the  
35 school district shall demonstrate to the school facilities board that the  
36 facilities to be funded pursuant to this section meet the minimum adequacy  
37 standards prescribed in section 15-2011. The agreement entered into  
38 pursuant to section 15-342, paragraph 33 shall set forth the procedures  
39 for the allocation of these funds to the parties that participated in the  
40 agreement.

41 P. Accommodation schools are not eligible for monies from the new  
42 school facilities fund.

43 Q. If the school facilities board approves a school district for  
44 funding from the new school facilities fund and the full legislative  
45 appropriation is not available to the school district in the fiscal year

1 following the approval by the school facilities board, the school district  
2 may use any legally available monies to pay for the land or the new  
3 construction project approved by the school facilities board and may  
4 reimburse the fund from which the monies were used in subsequent years  
5 with legislative appropriations when those appropriations are made  
6 available by this state.

7 Sec. 31. Section 16-322, Arizona Revised Statutes, is amended to  
8 read:

9 **16-322. Number of signatures required on nomination petitions**

10 A. Nomination petitions shall be signed by a number of qualified  
11 signers equal to:

12 1. If for a candidate for the office of United States senator or  
13 for a state office, excepting members of the legislature and superior  
14 court judges, at least one-fourth of one percent but not more than ten  
15 percent of the total number of qualified signers in the state.

16 2. If for a candidate for the office of representative in Congress,  
17 at least one-half of one percent but not more than ten percent of the  
18 total number of qualified signers in the district from which ~~such~~ THE  
19 representative shall be elected except that if for a candidate for a  
20 special election to fill a vacancy in the office of representative in  
21 Congress, at least one-fourth of one percent but not more than ten percent  
22 of the total number of qualified signers in the district from which ~~such~~  
23 THE representative shall be elected.

24 3. If for a candidate for the office of member of the legislature,  
25 at least one-half of one percent but not more than three percent of the  
26 total number of qualified signers in the district from which the member of  
27 the legislature may be elected.

28 4. If for a candidate for a county office or superior court judge,  
29 at least one percent but not more than ten percent of the total number of  
30 qualified signers in the county or district, except that if for a  
31 candidate from a county with a population of two hundred thousand persons  
32 or more, at least one-fourth of one percent but not more than ten percent  
33 of the total number of qualified signers in the county or district.

34 5. If for a candidate for a community college district, at least  
35 one-quarter of one percent but not more than ten percent of the total  
36 voter registration in the precinct as established pursuant to section  
37 15-1441. Notwithstanding the total voter registration in the community  
38 college district, the maximum number of signatures required by this  
39 ~~subdivision~~ PARAGRAPH is one thousand.

40 6. If for a candidate for county precinct committeeman, at least  
41 two percent but not more than ten percent of the party voter registration  
42 in the precinct or ten signatures, whichever is less.

43 7. If for a candidate for justice of the peace or constable, at  
44 least one percent but not more than ten percent of the number of qualified  
45 signers in the precinct.

1       8. If for a candidate for mayor or other office nominated by a city  
2 at large, at least five percent and not more than ten percent of the  
3 designated party vote in the city, except that a city that chooses to hold  
4 nonpartisan elections may **PROVIDE** by ordinance **provide** that the minimum  
5 number of signatures required for the candidate be one thousand signatures  
6 or five percent of the vote in the city, whichever is less, but not more  
7 than ten percent of the vote in the city.

8       9. If for an office nominated by ward, precinct or other district  
9 of a city, at least five percent and not more than ten percent of the  
10 designated party vote in the ward, precinct or other district, except that  
11 a city that chooses to hold nonpartisan elections may provide by ordinance  
12 that the minimum number of signatures required for the candidate be two  
13 hundred fifty signatures or five percent of the vote in the district,  
14 whichever is less, but not more than ten percent of the vote in the  
15 district.

16      10. If for a candidate for an office nominated by a town at large,  
17 by a number of qualified electors who are qualified to vote for the  
18 candidate whose nomination petition they are signing equal to at least  
19 five percent and not more than ten percent of the vote in the town, except  
20 that a town that chooses to hold nonpartisan elections may provide by  
21 ordinance that the minimum number of signatures required for the candidate  
22 be one thousand signatures or five percent of the vote in the town,  
23 whichever is less, but not more than ten percent of the vote in the town.

24      11. If for a candidate for a governing board of a school district  
25 or a **joint** **CAREER** technical education district, at least one-half of one  
26 percent of the total voter registration in the school district or **joint**  
27 **CAREER** technical education district if the board members are elected at  
28 large or one percent of the total voter registration in the single member  
29 district if governing board members are elected from single member  
30 districts or one-half of one percent of the total voter registration in  
31 the single member district if **joint** **CAREER** technical education district  
32 board members are elected from single member districts. Notwithstanding  
33 the total voter registration in the school district, **joint** **CAREER**  
34 technical education district or single member district of the school  
35 district or **joint** **CAREER** technical education district, the maximum number  
36 of signatures required by this paragraph is four hundred.

37      12. If for a candidate for a governing body of a special district  
38 as described in title 48, at least one-half of one percent of the vote in  
39 the special district but not more than two hundred fifty and not fewer  
40 than five signatures.

41      B. The basis of percentage in each instance referred to in  
42 subsection A of this section, except in cities, towns and school  
43 districts, shall be the number of qualified signers as determined from the  
44 voter registration totals as reported pursuant to section 16-168,  
45 subsection G on March 1 of the year in which the general election is held.

1 In cities, the basis of percentage shall be the vote of the party for  
2 mayor at the last preceding election at which a mayor was elected. In  
3 towns, the basis of percentage shall be the highest vote cast for an  
4 elected official of the town at the last preceding election at which an  
5 official of the town was elected. In school districts or ~~Joint~~ CAREER  
6 technical education districts, the basis of percentage shall be the total  
7 number of active registered voters in the school district or ~~Joint~~ CAREER  
8 technical education district or single member district, whichever applies.  
9 The total number of active registered voters for school districts or ~~Joint~~  
10 CAREER technical education districts shall be calculated using the  
11 periodic reports prepared by the county recorder pursuant to section  
12 16-168, subsection G. The count that is reported on March 1 of the year  
13 in which the general election is held shall be the basis for the  
14 calculation of total voter registration for school districts or ~~Joint~~  
15 CAREER technical education districts.

16 C. In primary elections the signature requirement for party  
17 nominees, other than nominees of the parties entitled to continued  
18 representation pursuant to section 16-804, is at least one-tenth of one  
19 percent of the total vote for the winning candidate or candidates for  
20 governor or presidential electors at the last general election within the  
21 district. Signatures must be obtained from qualified electors who are  
22 qualified to vote for the candidate whose nomination petition they are  
23 signing.

24 D. If new boundaries for congressional districts, legislative  
25 districts, supervisorial districts, justice precincts or election  
26 precincts are established and effective subsequent to March 1 of the year  
27 of a general election and ~~prior to~~ BEFORE the date for filing of  
28 nomination petitions, the basis for determining the required number of  
29 nomination petition signatures is the number of qualified signers in the  
30 elective office, district or precinct on the day the new districts or  
31 precincts are effective.

32 Sec. 32. Section 32-4201, Arizona Revised Statutes, is amended to  
33 read:

34 **32-4201. Definitions**

35 In this chapter, unless the context otherwise requires:

36 1. "Board" means the board of massage therapy.  
37 2. "Board recognized school" means a school that is any of the  
38 following:

39 (a) Accredited to offer massage therapy education by an agency  
40 recognized by the secretary of the United States department of education.

41 (b) If located in this state, offered by a community college or  
42 approved by the state board for private postsecondary education.

43 (c) If located in another state or a Canadian province, approved by  
44 an agency similar to the state board for private postsecondary education.

1       (d) A ~~joint~~ CAREER technical education district program that is  
2 offered by a ~~joint~~ CAREER technical education district as defined ~~by~~ IN  
3 section 15-391.

4       3. "Bodywork therapy" means massage therapy.

5       4. "Massage therapist" means a person who is licensed under this  
6 chapter to engage in the practice of massage therapy.

7       5. "Massage therapy" means the following that are undertaken to  
8 increase wellness, relaxation, stress reduction, pain relief and postural  
9 improvement or provide general or specific therapeutic benefits:

10      (a) The manual application of compression, stretch, vibration or  
11 mobilization of the organs and tissues beneath the dermis, including the  
12 components of the musculoskeletal system, peripheral vessels of the  
13 circulatory system and fascia, when applied primarily to parts of the body  
14 other than the hands, feet and head.

15      (b) The manual application of compression, stretch, vibration or  
16 mobilization using the forearms, elbows, knees or feet or handheld  
17 mechanical or electrical devices.

18      (c) Any combination of range of motion, directed, assisted or  
19 passive movements of the joints.

20      (d) Hydrotherapy, including the therapeutic applications of water,  
21 heat, cold, wraps, essential oils, skin brushing, salt glows and similar  
22 applications of products to the skin.

23      6. "Practice of massage therapy" means the application of massage  
24 therapy to any person for a fee or other consideration. Practice of  
25 massage therapy does not include the diagnosis of illness or disease,  
26 medical procedures, naturopathic manipulative medicine, osteopathic  
27 manipulative medicine, chiropractic adjustive procedures, homeopathic  
28 neuromuscular integration, electrical stimulation, ultrasound,  
29 prescription of medicines or the use of modalities for which a license to  
30 practice medicine, chiropractic, nursing, occupational therapy, athletic  
31 training, physical therapy, acupuncture or podiatry is required by law.

32      Sec. 33. Section 32-4228, Arizona Revised Statutes, is amended to  
33 read:

34      32-4228. Massage therapy schools; recognition

35      A. The board shall recognize a school of massage therapy located in  
36 this state if it is approved by the state board for private postsecondary  
37 education, is accredited to offer massage therapy education by an agency  
38 recognized by the secretary of the United States department of education  
39 or is a ~~joint~~ CAREER technical education district program that is offered  
40 by a ~~joint~~ CAREER technical education district as defined ~~by~~ IN section  
41 15-391.

42      B. The board shall recognize a school of massage therapy located in  
43 another state or a Canadian province if it is accredited or approved by an  
44 agency similar to the state board for private postsecondary education or

1 it is accredited to offer massage therapy education by an agency  
2 recognized by the secretary of the United States department of education.

3 C. Each school of massage therapy that is located in this state and  
4 that receives approval from the state board for private postsecondary  
5 education shall report to the board of massage therapy:

6 1. The physical address of the school and each instructional  
7 facility maintained or operated by the school.

8 2. All faculty and instructional staff, and all additions to or  
9 deletions from the faculty and staff.

10 D. The board shall maintain a list of recognized schools.

11 Sec. 34. Section 35-701, Arizona Revised Statutes, is amended to  
12 read:

13 **35-701. Definitions**

14 In this chapter, unless the context otherwise requires:

15 1. "Corporation" means any corporation organized as an authority as  
16 provided in this chapter.

17 2. "Governing body" means:

18 (a) The board or body in which the general legislative powers of  
19 the municipality or the county are vested.

20 (b) The Arizona board of regents with respect to a corporation  
21 formed with the permission of the Arizona board of regents.

22 (c) The Arizona finance authority board of directors established by  
23 title 41, chapter 53, article 2.

24 3. "Income" means gross earnings from wages, salary, commissions,  
25 bonuses or tips from all jobs, net earnings from such person's or family's  
26 own nonfarm business, professional practice or partnership, and net  
27 earnings from such person's or family's own farm. Income includes income,  
28 other than earnings, that consists of amounts received from social  
29 security or railroad retirement, interest, dividends, veterans payments,  
30 pensions and other regular payments, public assistance or welfare  
31 payments, including aid for dependent children, old age assistance and aid  
32 to the blind or persons with total disability, but excluding separate  
33 payments for hospital or other medical care.

34 4. "Manufactured house" means a structure that is manufactured in a  
35 factory after June 15, 1976, that is delivered to a homesite in more than  
36 one section and that is placed on a permanent foundation. The dimensions  
37 of the completed house shall not be less than twenty feet by forty feet,  
38 the roof must be sloping, the siding and roofing must be the same as those  
39 found in site-built houses and the house must be eligible for ~~thirty year~~  
40 **THIRTY-YEAR** real estate mortgage financing.

41 5. "Municipality" or "county" means the Arizona finance authority,  
42 the Arizona board of regents or any incorporated city or town, including  
43 charter cities, or any county in this state in which a corporation may be  
44 organized and in which it is contemplated the corporation will function.

1       6. "Persons of low and moderate income" means, for the purposes of  
2 financing owner-occupied single family dwelling units in areas that the  
3 municipality has found, pursuant to section 36-1479, to be slum or  
4 blighted areas, as defined in section 36-1471, persons and families whose  
5 income does not exceed two and one-half times the median family income of  
6 this state. In all other areas it means persons and families whose income  
7 does not exceed one and one-half times the median family income of this  
8 state.

9       7. "Project" means any land, any building or any other improvement  
10 and all real and personal properties, including machinery and equipment  
11 whether or not now in existence or under construction and whether located  
12 within or without this state or the municipality or county approving the  
13 formation of the corporation, that are suitable for any of the following:

14       (a) With respect to a corporation formed with the permission of the  
15 Arizona finance authority, a municipality or a county other than the  
16 Arizona board of regents:

17           (i) Any enterprise for the manufacturing, processing or assembling  
18 of any agricultural or manufactured products.

19           (ii) Any commercial enterprise for the storing, warehousing,  
20 distributing or selling of products of agriculture, mining or industry, or  
21 of processes related thereto, including research and development.

22           (iii) A health care institution as defined in section 36-401.

23           (iv) Residential real property for dwelling units located within  
24 the municipality or county approving the formation of the corporation and,  
25 in the case of a county, whether or not also within a municipality that is  
26 within the county.

27           (v) Repairing or rehabilitating single family dwelling units or  
28 constructing or repairing residential fences and walls.

29           (vi) Convention or trade show facilities.

30           (vii) Airports, docks, wharves, mass commuting facilities, parking  
31 facilities or storage or training facilities directly related to any of  
32 the facilities as provided in this item.

33           (viii) Sewage or solid waste disposal facilities or facilities for  
34 the furnishing of electric energy, gas or water.

35           (ix) Industrial park facilities.

36           (x) Air or water pollution control facilities.

37           (xi) Any educational institution that is operated by a nonprofit  
38 educational organization that is exempt from taxation under section  
39 501(c)(3) of the United States internal revenue code and that is not  
40 otherwise funded by state monies, any educational institution or  
41 organization that is established under title 15, chapter 1, article 8 and  
42 that is owned by a nonprofit organization, any private nonsectarian school  
43 or any private nonsectarian organization established for the purpose of  
44 funding a ~~Joint~~ CAREER technical education ~~school~~ district.

45           (xii) Research and development facilities.

(xiii) Any commercial enterprises, including facilities for manufacturing, office, recreational, hotel, motel and service uses.

(xiv) A child welfare agency, as defined in section 8-501, owned and operated by a nonprofit organization.

(xv) A transportation facility constructed or operated pursuant to title 28, chapter 22.

(xvi) A museum operated by a nonprofit organization.

(xvii) Facilities owned or operated by a nonprofit organization described in section 501(c) of the United States internal revenue code of 1986.

(xviii) New or existing correctional facilities within this state.

(b) With respect to a corporation formed with the permission of the Arizona board of regents, any facility consisting of classrooms, lecture halls or conference centers or any facility for research and development or for manufacturing, processing, assembling, marketing, storing and transferring items developed through or connected with research and development or in which the results of such research and development are utilized, but only if the facility is located in an area designated as a research park by the Arizona board of regents.

8. "Property" means any land, improvements thereon, buildings and any improvements thereto, machinery and equipment of any and all kinds necessary to a project and any other personal properties deemed necessary in connection with a project.

9. "Research park" means an area of land that has been designated by the Arizona board of regents as a research park for a university and that, at the date of designation, is owned by this state or by the Arizona board of regents.

10. "Single family dwelling unit" includes any new, used or manufactured house that meets the insuring requirements of the federal housing administration, the United States department of veterans affairs or any other insuring entity of the United States government or any private mortgage insurance or surety company that is approved by the federal home loan mortgage corporation or the federal national mortgage association.

Sec. 35. Section 43-1089.01, Arizona Revised Statutes, is amended to read:

43-1089.01. Tax credit; public school fees and contributions; definitions

A. A credit is allowed against the taxes imposed by this title for the amount of any fees paid or cash contributions made by a taxpayer or on the taxpayer's behalf pursuant to section 43-401, subsection G during the taxable year to a public school located in this state for the following ~~activities or programs of the~~ public school PURPOSES:

1. Standardized testing for college credit or readiness offered by a widely recognized and accepted educational testing organization.

1       2. The career and technical education industry certification  
2 assessment.

3       3. Preparation courses and materials for standardized testing.

4       4. Cardiopulmonary resuscitation training pursuant to section  
5 15-718.01.

6       5. Extracurricular activities.

7       6. Character education programs.

8       B. The amount of the credit shall not exceed:

9       1. Two hundred dollars for a single individual or a head of  
10 household.

11       2. Four hundred dollars for a married couple filing a joint return.

12       C. A husband and wife who file separate returns for a taxable year  
13 in which they could have filed a joint return may each claim only one-half  
14 of the tax credit that would have been allowed for a joint return.

15       D. The credit allowed by this section is in lieu of any deduction  
16 pursuant to section 170 of the internal revenue code and taken for state  
17 tax purposes.

18       E. If the allowable tax credit exceeds the taxes otherwise due  
19 under this title on the claimant's income, or if there are no taxes due  
20 under this title, the taxpayer may carry the amount of the claim not used  
21 to offset the taxes under this title forward for not more than five  
22 consecutive taxable years' income tax liability.

23       F. The site council of the public school that receives  
24 contributions that are not designated for a specific purpose shall  
25 determine how the contributions are used at the school site. If a charter  
26 school does not have a site council, the principal, director or chief  
27 administrator of the charter school shall determine how the contributions  
28 that are not designated for a specific purpose are used at the school  
29 site. If at the end of a fiscal year a public school has unspent  
30 contributions that were previously designated for a specific purpose or  
31 program and that purpose or program has been discontinued or has not been  
32 used for two consecutive fiscal years, these contributions shall be  
33 considered undesignated in the following fiscal year for the purposes of  
34 this subsection.

35       G. A public school that receives fees or a cash contribution  
36 pursuant to subsection A of this section shall report to the department,  
37 in a form prescribed by the department, by February 28 of each year the  
38 following information:

39       1. The total number of fee and cash contribution payments received  
40 during the previous calendar year.

41       2. The total dollar amount of fees and contributions received  
42 during the previous calendar year.

43       3. The total dollar amount of fees and contributions spent by the  
44 school during the previous calendar year, categorized by specific

1    standardized testing, preparation courses and materials for standardized  
2    testing, extracurricular activity or character education program.

3       H. For the purposes of this section, a contribution for which a  
4    credit is claimed and that is made on or before the fifteenth day of the  
5    fourth month following the close of the taxable year may be applied to  
6    either the current or preceding taxable year and is considered to have  
7    been made on the last day of that taxable year.

8       I. For the purposes of this section:

9           1. "Career and technical education industry certification  
10    assessment" means an assessment for career and technical preparation  
11    programs for pupils.

12           2. "Character education programs" means a program described in  
13    section 15-719.

14           3. "Extracurricular activities" means school-sponsored activities  
15    that may require enrolled students to pay a fee in order to participate,  
16    including fees for:

17               (a) Band uniforms.

18               (b) Equipment or uniforms for varsity athletic activities.

19               (c) Scientific laboratory materials.

20               (d) In-state or out-of-state trips that are solely for competitive  
21    events. Extracurricular activities do not include any senior trips or  
22    events that are recreational, amusement or tourist activities.

23           4. "Public school" means a school that is part of a school  
24    district, a ~~Joint~~ CAREER technical education district or a charter school.

25           5. "Standardized testing for college credit or readiness" includes  
26    the SAT, PSAT, ACT, advanced placement and international baccalaureate  
27    diploma tests and other similar tests.

28           6. "Widely recognized and accepted educational testing  
29    organization" means the college board, the ACT, the international  
30    baccalaureate and other organizations that are widely recognized and  
31    accepted by colleges and universities in the United States and that offer  
32    college credit and readiness examinations.