

State of Arizona  
Senate  
Fifty-third Legislature  
Second Regular Session  
2018

**CHAPTER 157**  
**SENATE BILL 1008**

AN ACT

AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; RELATING TO SCHOOL  
FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 15-901. Definitions

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

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10 students who are formally withdrawn from schools and students who are  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

18 (a) "Fractional student" means:

19 (i) For common schools, a preschool child who is enrolled in a  
20 program for preschool children with disabilities of at least three hundred  
21 sixty minutes each week that meets at least two hundred sixteen hours over  
22 the minimum number of days or a kindergarten student who is at least five  
23 years of age before January 1 of the school year and enrolled in a school  
24 kindergarten program that meets at least three hundred fifty-six hours for  
25 a one hundred eighty-day school year, or the instructional hours  
26 prescribed in this section. ~~lunch periods and recess periods may not be  
27 included as part of the instructional hours unless the child's  
28 individualized education program requires instruction during those periods  
29 and the specific reasons for such instruction are fully documented.~~ In  
30 computing the average daily membership, preschool children with  
31 disabilities and kindergarten students shall be counted as one-half of a  
32 full-time student. For common schools, a part-time student is a student  
33 enrolled for less than the total time for a full-time student as defined  
34 in this section. A part-time common school student shall be counted as  
35 one-fourth, one-half or three-fourths of a full-time student if the  
36 student is enrolled in an instructional program that is at least  
37 one-fourth, one-half or three-fourths of the time a full-time student is  
38 enrolled as defined in subdivision (b) of this paragraph. **THE HOURS IN  
39 WHICH A STUDENT IS SCHEDULED TO ATTEND A COMMON SCHOOL DURING THE REGULAR  
40 SCHOOL DAY SHALL BE INCLUDED IN THE CALCULATION OF THE AVERAGE DAILY  
41 MEMBERSHIP FOR THAT STUDENT.**

42 (ii) For high schools, a part-time student who is enrolled in less  
43 than four subjects that count toward graduation as defined by the state  
44 board of education, each of which, if taught each school day for the  
45 minimum number of days required in a school year, would meet a minimum of

1 one hundred twenty-three hours a year, or the equivalent, in a recognized  
2 high school. The average daily membership of a part-time high school  
3 student shall be 0.75 if the student is enrolled in an instructional  
4 program of three subjects that meet at least five hundred forty hours for  
5 a one hundred eighty-day school year, or the instructional hours  
6 prescribed in this section. The average daily membership of a part-time  
7 high school student shall be 0.5 if the student is enrolled in an  
8 instructional program of two subjects that meet at least three hundred  
9 sixty hours for a one hundred eighty-day school year, or the instructional  
10 hours prescribed in this section. The average daily membership of a  
11 part-time high school student shall be 0.25 if the student is enrolled in  
12 an instructional program of one subject that meets at least one hundred  
13 eighty hours for a one hundred eighty-day school year, or the  
14 instructional hours prescribed in this section. The hours in which a  
15 student is scheduled to attend a high school during the regular school day  
16 shall be included in the calculation of the average daily membership for  
17 that student.

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

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

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

1 the equivalent, that meets for a total of at least seven hundred twenty  
2 hours for a one hundred eighty-day school year, or the instructional hours  
3 prescribed in this section in a recognized high school. A full-time  
4 student shall not be counted more than once for computation of average  
5 daily membership. The average daily membership of a full-time high school  
6 student shall be 1.0 if the student is enrolled in at least four subjects  
7 that meet at least seven hundred twenty hours for a one hundred eighty-day  
8 school year, or the equivalent instructional hours prescribed in this  
9 section. The hours in which a student is scheduled to attend a high  
10 school during the regular school day shall be included in the calculation  
11 of the average daily membership for that student.

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

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

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

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

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

43 (c) "Regular school day" means the regularly scheduled class  
44 periods intended for instructional purposes. Instructional purposes may  
45 include core subjects, elective subjects, lunch, study halls, music

1 instruction, and other classes that advance the academic instruction of  
2 pupils, except that instructional purposes shall not include athletic  
3 practices or extracurricular clubs and activities.

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

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

9 (a) Grades one through eight.

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

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

13 5. "Daily attendance" means:

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

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

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

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

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

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

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

41 (ii) If attendance for all pupils in the school is based on half  
42 days, the attendance of at least three-quarters of the instructional time  
43 scheduled for the day shall be counted as a full day's attendance and  
44 attendance at a minimum of one-half but less than three-quarters of the

1 instructional time scheduled for the day equals one-half day of  
2 attendance.

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

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

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

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

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

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

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

36 (b) The total number of miles driven daily on routes approved by  
37 the superintendent of public instruction for which a private party, a  
38 political subdivision or a common or a contract carrier is reimbursed for  
39 bringing an eligible student from the place of the student's residence to  
40 a school transportation pickup point or to the school of attendance and  
41 from the school transportation scheduled return point or from the school  
42 of attendance to the student's residence. Daily route mileage includes  
43 the total number of miles necessary to drive to transport eligible  
44 students from and to their residence as provided in this paragraph.

1           7. "District support level" means the base support level plus the  
2 transportation support level.

3           8. "Eligible students" means:

4           (a) Students who are transported by or for a school district and  
5 who qualify as full-time students or fractional students, except students  
6 for whom transportation is paid by another school district or a county  
7 school superintendent, and:

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

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

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

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

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

38           9. "Enrolled" or "enrollment" means that a pupil is currently  
39 registered in the school district.

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

43           11. "High school district" means a political subdivision of this  
44 state offering instruction to students for grades nine through twelve or  
45 that portion of the budget of a common school district that is allocated

1 to teaching high school subjects with permission of the state board of  
2 education.

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

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

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

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

13 16. "Total students transported" means all eligible students  
14 transported from their place of residence to a school transportation  
15 pickup point or to the school of attendance and from the school of  
16 attendance or from the school transportation scheduled return point to  
17 their place of residence.

18 17. "Unified school district" means a political subdivision of this  
19 state offering instruction to students in programs for preschool children  
20 with disabilities and kindergarten programs and grades one through twelve.

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

22 1. "Base" means the revenue level per student count specified by  
23 the legislature.

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

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

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

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

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

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

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

43 (g) For fiscal year 2016-2017, three thousand six hundred  
44 thirty-five dollars sixty-four cents.



1 (h) For fiscal year 2017-2018, three thousand six hundred  
2 eighty-three dollars twenty-seven cents.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

36 20. "MOID" means programs for pupils with moderate intellectual  
37 disability.

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

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

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

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

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

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

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

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

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

15           27. "Small school district" means a school district that meets all  
16 of the following:

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

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

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

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

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

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

APPROVED BY THE GOVERNOR APRIL 10, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 10, 2018.