House Engrossed

State of Arizona
House of Representatives
Fifty-fourth Legislature
Second Regular Session
2020

HOUSE BILL 2741

AN ACT

AMENDING SECTION 15-393, ARIZONA REVISED STATUTES; RELATING TO CAREER TECHNICAL EDUCATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 15-393, Arizona Revised Statutes, is amended to read:

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

A. The management and control of a career technical education district are vested in the career technical education district governing board, including the content and quality of the courses offered by the district, the quality of teachers who provide instruction on behalf of the district, the salaries of teachers who provide instruction on behalf of the district and the reimbursement of other entities for the facilities used by the district. This section does not restrict a school district from offering any career and technical education course that does not qualify for funding as a career technical education course or career technical education district program. Unless the governing boards of the school districts participating in the formation of the career technical education district vote to implement an alternative election system as provided in subsection B of this section, the career technical education board ~~shall consist~~ CONSISTS of five members elected from five single member districts formed within the career technical education district. The single member district election system shall be submitted as part of the plan for the career technical education district pursuant to section 15-392 and shall be established in the plan as follows:

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

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

3. A person who is a registered voter of this state and who is a resident of the single member district is eligible for election to the office of career technical education board member from the single member district. The terms of office of the members of the career technical education board shall be as prescribed in section 15-427, subsection B. An employee of a career technical education district or the spouse of an employee shall not hold membership on a governing board of a career technical education district by which the employee is employed. A member of one school district governing board or career technical education district governing board is ineligible to be a candidate for nomination or

election to or serve simultaneously as a member of any other governing board, except that a member of a governing board may be a candidate for nomination or election for any other governing board if the member is serving in the last year of a term of office. A member of a governing board shall resign the member's seat on the governing board before becoming a candidate for nomination or election to the governing board of any other school district or career technical education district, unless the member of the governing board is serving in the last year of a term of office. Members of a career technical education district governing board are subject to the conflict of interest requirements prescribed in section 38-503.

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

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

C. ~~The~~ Career technical education ~~district shall be~~ DISTRICTS ARE subject to the following provisions of this title:

1. Chapter 1, articles 1 through 6.
2. Sections 15-208, 15-210, 15-213 and 15-234.
3. Articles 2, 3 and 5 of this chapter.
4. Section 15-361.
5. Chapter 4, articles 1, 2 and 5.
6. Chapter 5, articles 1 and 3.
7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729 and 15-730.
8. Chapter 7, article 5.
9. Chapter 8, articles 1, 3 and 4.
10. Sections 15-828 and 15-829.
11. Chapter 9, article 1, article 6, except for section 15-995, and article 7.
12. Sections 15-941, 15-943.01, 15-952, 15-953 and 15-973.
13. Sections 15-1101 and 15-1104.
14. Chapter 10, articles 2, 3, 4 and 8.

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

1. A career technical education district may issue bonds for the purposes specified in section 15-1021 and in chapter 4, article 5 of this title to an amount in the aggregate, including the existing indebtedness, not exceeding one percent of the net assessed value of the full cash value

of the property within the career technical education district. For the purposes of this paragraph, "full cash value" and "net assessed value" have the same meanings prescribed in section 42-11001.

2. The number of governing board members for a career technical education district shall be as prescribed in subsection A of this section.

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

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

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

(c) For the first year of operation, the 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 career technical education district. A 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 before May 15. A career technical education district that overestimated its student count shall revise its budget before May 15. A career technical education district that underestimated its student count may revise its budget before May 15.

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

district that overestimated the student count for students attending the career technical education district may revise its budget before May 15.

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

(f) ~~Pupils in an approved career technical education district centralized program may generate an average daily membership of 1.0 during any day of the week and at any time between July 1 and June 30 of each fiscal year.~~ For the purposes of this paragraph, "school district of residence" means the school district that included the pupil in its average daily membership for the year before the first year of operation of the career technical education district and that would have included the pupil in its student count for the purposes of computing its base support level for the fiscal year of the first year of operation of the career technical education district if the pupil had not enrolled in the career technical education district.

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

(a) A student in a kindergarten program or in any of grades one through ~~nine~~ EIGHT who enrolls in courses offered by the career technical education district shall not be included in the career technical education district's student count or average daily membership.

(b) A student in a kindergarten program or in any of grades one through ~~nine~~ EIGHT who is enrolled in career and technical education courses shall not be funded in whole or in part with monies provided by a career technical education district, except that a pupil in grade eight ~~or nine~~ may be funded with monies generated by the ~~five cent~~ $.05 qualifying tax rate authorized in subsection F of this section.

(c) A student who has graduated from high school or received a general equivalency diploma or who is over twenty-one years of age shall not be included in the student count of the career technical education district for the purposes of chapter 9, articles 3, 4 and 5 of this title.

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

5. A career technical education district may operate for more than one hundred eighty days per year, with expanded hours of service.

6. A career technical education district may use the carryforward provisions of section 15-943.01.

7. A school district that is part of a career technical education district shall use any monies received pursuant to this article to supplement and not supplant base year career and technical education courses, and directly related equipment and facilities, except that a

school district that is part of a career technical education district and that has used monies received pursuant to this article to supplant career and technical education courses that were offered before the first year that the school district participated in the career technical education district or the first year that the school district used monies received pursuant to this article or that used the monies for purposes other than for career and technical education courses shall use one hundred percent of the monies received pursuant to this article to supplement and not supplant base year career and technical education courses. Each applicable school district shall provide a report to the career technical education board and the department of education outlining the required maintenance of effort and how monies were used to supplement and not supplant base year career and technical education courses and directly related equipment and facilities.

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

9. A career technical education district or a school district that is part of a career technical education district or a charter school shall only include pupils in grades ~~ten~~ NINE through twelve AND PUPILS IN THE SCHOOL YEAR IMMEDIATELY FOLLOWING GRADUATION in the calculation of student count or average daily membership if the pupils are enrolled in courses that are approved jointly by the governing board of the career technical education district and each participating school district or charter school for satellite courses taught within the participating school district or charter school, or approved solely by the career technical education district for centrally located courses. FUNDING SHALL NOT BE PROVIDED FOR MORE THAN FOUR YEARS FOR THE SAME STUDENT. Student count and average daily membership from courses that are not part of an approved program for career and technical education shall not be included in student count and average daily membership of a career technical education district.

E. The career technical education board shall appoint a superintendent as the executive officer of the career technical education district.

F. Taxes may be levied for the support of the career technical education district as prescribed in chapter 9, article 6 of this title, except that a career technical education district shall not levy a property tax pursuant to law that exceeds ~~five cents~~ $.05 per ~~one hundred dollars~~ $100 assessed valuation except for bond monies pursuant to subsection D, paragraph 1 of this section. Except for the taxes levied pursuant to section 15-994, such taxes shall be obtained from a levy of taxes on the taxable property used for secondary tax purposes.

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

H. The career technical education board may collect tuition for adult students and the attendance of pupils who are residents of school districts that are not participating in the career technical education district pursuant to arrangements made between the governing board of the school district and the career technical education board.

I. The career technical education board may accept gifts, grants, federal monies, tuition and other allocations of monies to erect, repair and equip buildings and for the cost of ~~operation of~~ OPERATING the schools of the career technical education district.

J. One member of the career technical education board shall be selected chairman. The chairman shall be selected annually on a rotation basis from among the participating school districts. The chairman of the career technical education board shall be a voting member.

K. A career technical education board and a community college district may enter into agreements ~~for the provision of~~ TO PROVIDE administrative, operational and educational services and facilities.

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

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

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

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

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

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

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

7. The amount that the career technical education district will contribute to a course and the amount of support required by the school district, THE CHARTER SCHOOL or the community college.

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

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

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

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

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

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

M. A member school district or charter school may not submit requests ~~for the approval~~ TO APPROVE or ~~addition of~~ ADD satellite campus career technical education district programs or courses directly to the career and technical education division of the department of education, but shall submit all appropriate application documentation and materials for programs or courses to the career technical education district. On approval from the career technical education board, a career technical education district shall only submit requests ~~for the approval~~ TO APPROVE or ~~addition of~~ ADD satellite campus career technical education district programs or courses directly to the career and technical education division of the department of education, which shall determine whether the criteria prescribed in section 15-391, paragraphs 2 and 4 have been met. If the career and technical education division of the department of education determines that a course does not meet the criteria for approval as a career technical education course, the governing board of the career technical education district may appeal this decision to the state board of education acting as the state board of vocational education.

N. Notwithstanding any other law, the average daily membership for a pupil who is enrolled in a career technical education course and who does not meet the criteria specified in subsection P or Q of this section shall be 0.25 for each course, except the sum of the average daily membership shall not exceed the limits prescribed by subsection D, P or Q of this section, as applicable.

O. If a career and technical education course or program is provided on a satellite campus, the sum of the average daily membership, as provided in section 15-901, subsection A, paragraph 1, for that pupil in the school district or charter school and career technical education district shall not exceed 1.25. The school district or charter school and the career technical education district shall determine the apportionment of the average daily membership for that pupil between the school district or charter school and the career technical education district. A pupil who attends a course or program at a satellite campus and who is not enrolled in the school district or charter school where the satellite campus is located may generate the average daily membership pursuant to this subsection if the pupil is enrolled in a school district that is a member district in the same career technical education district.

P. The sum of the average daily membership of a pupil who is enrolled in both the school district and career technical education course or career technical education program provided ~~at~~ BY a community college pursuant to subsection K of this section or at a centralized campus shall not exceed 1.75. The member school district and the career technical education district shall determine the apportionment of the average daily membership and student enrollment for that pupil between the member school district and the career technical education district, except that the amount apportioned shall not exceed 1.0 for either entity. Notwithstanding any other law, the average daily membership for a pupil WHO IS in grade NINE, ten, eleven or twelve OR IN THE SCHOOL YEAR IMMEDIATELY FOLLOWING GRADUATION AND who is enrolled in a course that meets for at least one hundred fifty minutes per class period at a centralized campus shall be 0.75. STUDENTS IN AN APPROVED CAREER TECHNICAL EDUCATION DISTRICT CENTRALIZED CAMPUS PROGRAM MAY GENERATE AN AVERAGE DAILY MEMBERSHIP DURING ANY DAY OF THE WEEK AND AT ANY TIME BETWEEN JULY 1 AND JUNE 30 OF EACH FISCAL YEAR. To qualify for funding pursuant to this subsection, a centralized campus shall offer programs and courses to all eligible students in each member district of the career technical education district.

Q. The average daily membership for a pupil WHO IS in grade NINE, ten, eleven or twelve OR IN THE SCHOOL YEAR IMMEDIATELY FOLLOWING GRADUATION AND who is enrolled in a course that meets for at least one hundred fifty minutes per class period at a leased centralized campus shall not exceed 0.75. STUDENTS IN AN APPROVED CAREER TECHNICAL EDUCATION DISTRICT LEASED CAMPUS CENTRALIZED PROGRAM MAY GENERATE AN AVERAGE DAILY MEMBERSHIP DURING ANY DAY OF THE WEEK AND AT ANY TIME BETWEEN JULY 1 AND JUNE 30 OF EACH FISCAL YEAR. The sum of the average daily membership, as provided in section 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the school district and in career technical education courses provided at a leased centralized campus shall not exceed 1.75 if all of the following conditions are met:

1. The course qualifies as a career technical education course.

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

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

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

R. A student who is enrolled in an accommodation school may be treated as a student of the school district in which the student physically resides for the purposes of enrollment in a career technical education district and shall be included in the calculation of average daily membership for either the career technical education district or the accommodation school, or both.

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

T. A school district or charter school may not prohibit or discourage students who are enrolled in that school district or charter school from attending courses offered by a career technical education district, including requiring students to generate a full 1.0 average daily membership or to enroll in more courses than are needed to graduate before enrolling in and attending programs or courses offered by a career technical education district.

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

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

W. NOTWITHSTANDING SUBSECTION D, PARAGRAPHS 4 AND 9 AND SUBSECTIONS P AND Q OF THIS SECTION, FOR A PUPIL IN GRADE NINE, FUNDING SHALL BE PROVIDED PURSUANT TO THIS SECTION ONLY IF THE PUPIL REACHES THE FORTIETH DAY OF GRADE TEN ENROLLED IN AN APPROVED CAREER TECHNICAL EDUCATION PROGRAM AND MEETS THE REQUIREMENTS PRESCRIBED IN SUBSECTION Y OF THIS SECTION. AT THAT TIME FUNDING SHALL BE PROVIDED FOR THAT PUPIL FOR GRADE NINE AND FOR ANY SUBSEQUENT YEAR IN WHICH THE PUPIL IS ELIGIBLE FOR FUNDING PURSUANT TO THIS SECTION.

X. ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE OFFICE OF ECONOMIC OPPORTUNITY IN COLLABORATION WITH THE DEPARTMENT OF EDUCATION SHALL COMPILE AN IN-DEMAND REGIONAL EDUCATION LIST OF THE APPROVED CAREER TECHNICAL EDUCATION PROGRAMS THAT LEAD TO A CAREER PATH IN HIGH DEMAND WITH MEDIAN-TO-HIGH-WAGE JOBS IN THAT REGION. THE OFFICE OF ECONOMIC OPPORTUNITY SHALL INCORPORATE INDUSTRY FEEDBACK AS PART OF THE DEVELOPMENT OF THE IN-DEMAND REGIONAL EDUCATIONAL LIST. THE OFFICE OF ECONOMIC OPPORTUNITY SHALL SUBMIT THE IN-DEMAND REGIONAL EDUCATION LIST COMPILED PURSUANT TO THIS SUBSECTION TO THE ARIZONA CAREER AND TECHNICAL EDUCATION QUALITY COMMISSION FOR REVIEW AND APPROVAL.

Y. NOTWITHSTANDING SUBSECTION D, PARAGRAPHS 4 AND 9 AND SUBSECTIONS P AND Q OF THIS SECTION, FOR A PUPIL IN GRADE NINE OR IN THE SCHOOL YEAR IMMEDIATELY FOLLOWING GRADUATION, FUNDING SHALL BE PROVIDED PURSUANT TO THIS SECTION ONLY IF THE PUPIL IS ENROLLED IN A PROGRAM THAT WAS INCLUDED ON THE IN-DEMAND REGIONAL EDUCATION LIST COMPILED PURSUANT TO SUBSECTION X OF THIS SECTION FOR THAT PUPIL'S REGION FOR THE YEAR IN WHICH THE PUPIL BEGAN THE PROGRAM.

~~W.~~ Z. For the purposes of this section:

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

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

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

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

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

Sec. 2. Funding for students in the year immediately following graduation

Notwithstanding section 15-393, subsection Y, Arizona Revised Statutes, as added by this act, for fiscal years 2020-2021, 2021-2022, 2022-2023 and 2023-2024, a student participating in an approved career technical education program included on the in-demand regional education list compiled pursuant to section 15-393, subsection X, Arizona Revised Statutes, as added by this act, on the date the list is compiled qualifies for funding in the year immediately following graduation.