

State of Arizona  
Senate  
Fifty-fourth Legislature  
Second Regular Session  
2020

# SENATE BILL 1060

AN ACT

AMENDING SECTIONS 15-774 AND 15-943, ARIZONA REVISED STATUTES;  
APPROPRIATING MONIES; RELATING TO SPECIAL EDUCATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-774, Arizona Revised Statutes, is amended to  
3 read:

4 15-774. Extraordinary special education needs fund; claim  
5 application; criteria; revisions; policies and  
6 procedures; annual report

7 A. The extraordinary special education needs fund is established  
8 consisting of legislative appropriations, gifts, grants and donations.  
9 Monies in the fund are ~~subject to legislative appropriation~~ CONTINUOUSLY  
10 APPROPRIATED and are exempt from the provisions of section 35-190 relating  
11 to lapsing of appropriations. The ~~state board~~ DEPARTMENT of education  
12 shall administer the fund. ~~THE DEPARTMENT MAY RETAIN UP TO TWO PERCENT OF~~  
13 ~~THE MONIES IN THE FUND FOR THE PURPOSES OF ADMINISTERING THE FUND.~~

14 B. THE DEPARTMENT OF EDUCATION SHALL AWARD MONIES FROM THE FUND TO  
15 SCHOOL DISTRICTS AND CHARTER SCHOOLS WITH ELIGIBLE CLAIMS. A SCHOOL  
16 DISTRICT OR CHARTER SCHOOL IS ELIGIBLE TO RECEIVE MONIES FROM THE FUND IF  
17 THE SCHOOL DISTRICT OR CHARTER SCHOOL DEMONSTRATES TO THE DEPARTMENT THAT  
18 A PUPIL RECEIVING SPECIAL EDUCATION SERVICES HAS INCURRED COSTS IN THE  
19 CURRENT YEAR OF AT LEAST THE STATEWIDE PER PUPIL FUNDING AVERAGE  
20 MULTIPLIED BY THREE.

21 ~~B.~~ C. A school district or charter school may apply to the ~~state~~  
22 ~~board~~ DEPARTMENT of education for an extraordinary special education needs  
23 ~~grant~~ CLAIM from the fund. The ~~state board~~ DEPARTMENT of education shall  
24 prescribe the format of the ~~applications.~~ ~~The applications~~ APPLICATION,  
25 WHICH shall ~~include~~ DO ALL OF the following:

26 1. ~~Demonstration of~~ DEMONSTRATE extraordinary needs, including  
27 ~~a description~~ DESCRIBING and ~~documentation of~~ DOCUMENTING pupil services  
28 required and ~~evidence~~ SHOWING that the district or charter school is not  
29 able to absorb the costs of these services.

30 ~~2. Evidence that monies from the fund will not supplant federal,~~  
31 ~~local or other state efforts.~~

32 2. DEMONSTRATE TOTAL COSTS INCURRED IN THE CURRENT YEAR BY THE  
33 PUPIL FOR WHOM THE SCHOOL DISTRICT OR CHARTER SCHOOL IS APPLYING. A  
34 SCHOOL DISTRICT OR CHARTER SCHOOL MAY SUBMIT A CLAIM FOR UP TO THE FULL  
35 FISCAL YEAR IF THE EXPENSE INCURRED AT THE TIME OF FILING WILL CONTINUE TO  
36 BE INCURRED IN SUBSEQUENT QUARTERS UNTIL THE END OF THE SAME FISCAL YEAR.  
37 TOTAL COSTS SUBMITTED SHALL BE ITEMIZED AND ATTRIBUTABLE TO THE PUPIL FOR  
38 WHOM THE CLAIM IS BEING SUBMITTED. A SCHOOL DISTRICT OR CHARTER SCHOOL  
39 MAY SUBMIT A CLAIM FOR EXPENSES INCURRED AS A RESULT OF AN INDEPENDENT  
40 EDUCATIONAL EVALUATION.

41 3. Evidence that before ~~making an application~~ APPLYING for monies  
42 from the fund the school district or charter school ~~has~~ made sufficient  
43 efforts to seek but has not received funding to cover the COSTS OF  
44 extraordinary ~~costs~~ NEEDS applied for pursuant to paragraph 1 of this  
45 subsection from all other sources, including federal and other state  
46 sources of funding.

~~C. Extraordinary special education needs grants shall be used in the current year. All unspent grant monies shall be returned to the department of education at the end of the fiscal year for deposit, pursuant to sections 35-146 and 35-147, in the extraordinary special education needs fund.~~

D. THE DEPARTMENT OF EDUCATION SHALL EVALUATE CLAIM REQUESTS ON A QUARTERLY BASIS. IF THERE ARE INSUFFICIENT MONIES IN THE FUND TO FUND ALL ELIGIBLE CLAIMS WITHIN A GIVEN QUARTER, THE DEPARTMENT SHALL PRIORITIZE FUNDING BASED ON THE DIFFERENCE IN THE CLAIM AMOUNT SUBMITTED BY A SCHOOL DISTRICT OR CHARTER SCHOOL AND THE TOTAL FUNDING THE SCHOOL DISTRICT OR CHARTER SCHOOL HAS RECEIVED FOR THAT STUDENT. IF A SCHOOL DISTRICT OR CHARTER SCHOOL SUBMITS A CLAIM WITH INSUFFICIENT INFORMATION, THE DEPARTMENT MAY NOTIFY THE SCHOOL DISTRICT OR CHARTER SCHOOL TO REVISE ITS CLAIM WITHIN TWO WEEKS.

E. IF A SCHOOL DISTRICT OR CHARTER SCHOOL INCURS AN ADDITIONAL EXPENSE FOR A STUDENT WHO RECEIVED FUNDING FOR A CLAIM FROM THE FUND IN THE SAME FISCAL YEAR, THE SCHOOL DISTRICT OR CHARTER SCHOOL MAY REVISE THE CLAIM AND MAY RECEIVE FUNDING AT THE END OF THE QUARTER IN WHICH THE CLAIM IS SUBMITTED, SUBJECT TO AVAILABLE MONIES IN THE FUND. THE DEPARTMENT SHALL PRIORITIZE REVISIONS IN THE SAME MANNER AS OTHER CLAIMS PURSUANT TO SUBSECTION D OF THIS SECTION.

F. THE DEPARTMENT OF EDUCATION SHALL ANNUALLY ADOPT POLICIES AND PROCEDURES FOR THE FUND AND POST THE POLICIES AND PROCEDURES ON THE DEPARTMENT'S WEBSITE. THE POLICIES AND PROCEDURES MUST INCLUDE THE AVERAGE STATEWIDE PER PUPIL FUNDING AMOUNT FOR THAT FISCAL YEAR THAT WILL BE USED IN THE CALCULATION PRESCRIBED IN SUBSECTION B OF THIS SECTION.

G. ON OR BEFORE DECEMBER 15 OF EACH YEAR, THE DEPARTMENT OF EDUCATION SHALL SUBMIT A REPORT THAT OUTLINES ALL OF THE FOLLOWING TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE JOINT LEGISLATIVE BUDGET COMMITTEE AND PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE:

1. THE NUMBER OF EXTRAORDINARY SPECIAL EDUCATION NEEDS CLAIMS THAT WERE FUNDED IN THE PREVIOUS YEAR.

2. HOW SCHOOL DISTRICTS AND CHARTER SCHOOLS USED CLAIM MONIES.

3. THE TOTAL NUMBER OF CLAIMS RECEIVED IN THE PREVIOUS YEAR.

Sec. 2. Section 15-943, Arizona Revised Statutes, is amended to read:

15-943. Base support level

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

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

(a) For school districts whose student count in kindergarten programs and grades one through eight is classified in column 1 of this subdivision, the support level weight for kindergarten programs and grades

1 one through eight is the corresponding support level weight prescribed in  
 2 column 2 or 3 of this subdivision, whichever is appropriate:

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

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

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

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

28 (a)

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

36 (b)

<u>Funding Category</u>	<u>Support Level Weight</u>	<u>Student Count</u>	<u>Weighted Student Count</u>
HI	4.771	x _____	= _____
K-3	0.060	x _____	= _____
K-3 reading	0.040	x _____	= _____
ELL	0.115	x _____	= _____
MD-R, A-R and SID-R	6.024	x _____	= _____
MD-SC, A-SC and			

1	SID-SC	<del>5.833</del>	x	_____	=	_____
2		6.024				
3	MD-SSI	7.947	x	_____	=	_____
4	OI-R	3.158	x	_____	=	_____
5	OI-SC	6.773	x	_____	=	_____
6	P-SD	3.595	x	_____	=	_____
7	DD, ED, MIID, SLD,					
8	SLI and OHI	<del>0.003</del>	x	_____	=	_____
9		0.114				
10	ED-P	4.822	x	_____	=	_____
11	MOID	4.421	x	_____	=	_____
12	VI	4.806	x	_____	=	_____
13				Subtotal	B	_____
14	(c) Total of subtotals A and B: _____					

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

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

20 5. For the purposes of this section, the student count is the  
 21 average daily membership as prescribed in section 15-901 for the current  
 22 year, except that for the purposes of computing the base support level  
 23 used in determining school district rollover allocations and school  
 24 district budget override amounts, the student count is the average daily  
 25 membership as prescribed in section 15-901 for the prior year.

26 Sec. 3. Appropriation; extraordinary special education needs  
 27 fund

28 The sum of \$5,000,000 is appropriated from the state general fund in  
 29 fiscal year 2020-2021 to the extraordinary special education needs fund  
 30 established by section 15-774, Arizona Revised Statutes, as amended by  
 31 this act.