CHAPTER 317

HOUSE BILL 2866

AN ACT

AMENDING SECTION 15-185, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-217, 15-217.01, 15-217.02 AND 15-217.03; AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-249.17 AND 15-249.18; AMENDING SECTION 15-393, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2022, CHAPTER 136, SECTION 1; AMENDING SECTIONS 15-901, 15-910, 15-913.01, 15-943 AND 15-945, ARIZONA REVISED STATUTES; REPEALING SECTION 15-952, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-953, 15-961 AND 15-971, ARIZONA REVISED STATUTES; REPEALING SECTION 15-994, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-1371 AND 15-1372, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 19, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-2405; AMENDING SECTION 37-521, ARIZONA REVISED STATUTES; AMENDING SECTION 41-1276, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2022, CHAPTER 171, SECTION 1; AMENDING SECTIONS 41-5731 AND 42-17051, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO KINDERGARTEN THROUGH GRADE TWELVE.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 15-185, Arizona Revised Statutes, is amended to read:

15-185. **Charter schools; financing; civil penalties; transportation; definition**

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

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

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

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

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

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

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

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

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

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

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

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

4. Equalization assistance for the charter school shall be
determined by adding the amount of the base support level and charter
additional assistance. The amount of the charter additional assistance is
$1,897.90 $1,985.58 per student count in preschool programs for children
with disabilities, kindergarten programs and grades one through eight and
$2,211.97 $2,314.16 per student count in grades nine through twelve.

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

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

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

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

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

1. Equalization assistance shall not be less than zero.

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

E. If a charter school was a district public school in the prior
year and sponsored by the state board of education, the state board for
charter schools, a university, a community college district or a group of
community college districts, the reduction in subsection D of this section
applies. The reduction to the base support level of the charter school
shall equal the sum of the base support level and the charter additional
assistance received in the current year for those pupils who were enrolled
in the traditional public school in the prior year and are now enrolled in
the charter school in the current year.

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

G. At the request of a charter school, the county school
superintendent of the county where the charter school is located may
provide the same educational services to the charter school as prescribed
in section 15-308, subsection A. The county school superintendent may
charge a fee to recover costs for providing educational services to
charter schools.
H. If the sponsor of the charter school determines at a public meeting that the charter school is not in compliance with federal law, with the laws of this state or with its charter, the sponsor of a charter school may submit a request to the department of education to withhold up to ten percent of the monthly apportionment of state aid that would otherwise be due the charter school. The department shall adjust the charter school's apportionment accordingly. The sponsor shall provide written notice to the charter school at least seventy-two hours before the meeting and shall allow the charter school to respond to the allegations of noncompliance at the meeting before the sponsor makes a final determination to notify the department of education of noncompliance. The charter school shall submit a corrective action plan to the sponsor on a date specified by the sponsor at the meeting. The corrective action plan shall be designed to correct deficiencies at the charter school and to ensure that the charter school promptly returns to compliance. When the sponsor determines that the charter school is in compliance, the department shall restore the full amount of state aid payments to the charter school.

I. In addition to the withholding of state aid payments pursuant to subsection H of this section, the sponsor of a charter school may impose a civil penalty of $1,000 per occurrence if a charter school fails to comply with the fingerprinting requirements prescribed in section 15-183, subsection C or section 15-512. The sponsor of a charter school shall not impose a civil penalty if it is the first time the charter school is out of compliance with the fingerprinting requirements and if the charter school provides proof within forty-eight hours after written notification that an application for the appropriate fingerprint check has been received by the department of public safety. The sponsor of the charter school shall obtain proof that the charter school has been notified, and the notification shall identify the date of the deadline and shall be signed by both parties. The sponsor of a charter school shall automatically impose a civil penalty of $1,000 per occurrence if the sponsor determines that the charter school subsequently violates the fingerprinting requirements. Civil penalties pursuant to this subsection shall be assessed by requesting the department of education to reduce the amount of state aid that the charter school would otherwise receive by an amount equal to the civil penalty. The amount of state aid withheld shall revert to the state general fund at the end of the fiscal year.

J. A charter school may receive and spend monies distributed by the department of education pursuant to section 42-5029, subsection E, section 42-5029.02, subsection A and section 37-521, subsection B.

K. If a school district transports or contracts to transport pupils to the Arizona state schools for the deaf and the blind during any fiscal year, the school district may transport or contract with a charter school to transport sensory impaired pupils during that same fiscal year to a
charter school if requested by the parent of the pupil and if the distance
from the pupil's place of actual residence within the school district to
the charter school is less than the distance from the pupil's place of
actual residence within the school district to the campus of the Arizona
state schools for the deaf and the blind.
L. Notwithstanding any other law, a university under the
jurisdiction of the Arizona board of regents, a community college district
or a group of community college districts shall not include any student in
the student count of the university, community college district or group
of community college districts for state funding purposes if that student
is enrolled in and attending a charter school sponsored by the university,
community college district or group of community college districts.
M. The governing body of a charter school shall transmit a copy of
its proposed budget or the summary of the proposed budget and a notice of
the public hearing to the department of education for posting on the
department of education's website not later than ten days before the
hearing and meeting. If the charter school maintains a website, the
charter school governing body shall post on its website a copy of its
proposed budget or the summary of the proposed budget and a notice of the
public hearing.
N. The governing body of a charter school shall collaborate with
the private organization that is approved by the state board of education
pursuant to section 15-792.02 to provide approved board examination
systems for the charter school.
O. If allowed by federal law, a charter school may opt out of
federal grant opportunities if the charter holder or the appropriate
governing body of the charter school determines that the federal
requirements impose unduly burdensome reporting requirements.
P. For the purposes of this section, "monies intended for the basic
maintenance and operations of the school" means monies intended to provide
support for the educational program of the school, except that it does not
include supplemental assistance for a specific purpose or title VIII of
the elementary and secondary education act of 1965 monies. The auditor
general shall determine which federal or state monies meet this
definition.
Sec. 2. Title 15, chapter 2, article 1, Arizona Revised Statutes,
is amended by adding sections 15-217, 15-217.01, 15-217.02 and 15-217.03,
to read:
15-217. Performance measures; adult education and workforce
development programs
A. ON OR BEFORE JULY 1, 2024, THE STATE BOARD OF EDUCATION, IN
COOPERATION WITH THE DEPARTMENT OF EDUCATION, SHALL ADOPT PERFORMANCE
MEASURES TO EVALUATE THE PERFORMANCE OF ADULT EDUCATION AND WORKFORCE
DEVELOPMENT PROGRAMS ESTABLISHED UNDER SECTIONS 15-217.01, 15-217.02 AND
15-217.03. THE PERFORMANCE MEASURES SHALL INCLUDE:
1. MEASUREMENTS OF ADULT LEARNER PROGRESS TOWARD EARNING A HIGH SCHOOL DIPLOMA OR HIGH SCHOOL EQUIVALENCY DIPLOMA.

2. THE NUMBER OF HIGH SCHOOL DIPLOMAS OR HIGH SCHOOL EQUIVALENCY DIPLOMAS EARNED.

3. THE NUMBER OF INDUSTRY-RECOGNIZED CREDENTIALS EARNED.

4. THE NUMBER OF ADULT LEARNERS OR GRADUATES WHO HAVE MATRICULATED AT AN INSTITUTION OF HIGHER LEARNING OR POSTSECONDARY EDUCATIONAL INSTITUTION.

5. THE NUMBER OF ADULT LEARNERS OR GRADUATES WHO HAVE NEWLY ACQUIRED EMPLOYMENT, WHO ARE NOW EARNING HIGHER WAGES OR WHO HAVE OBTAINED A BETTER JOB OR A PROMOTION.

6. OTHER RELEVANT MEASURES AS ADOPTED BY THE STATE BOARD OF EDUCATION, IN COOPERATION WITH THE DEPARTMENT OF EDUCATION.

B. THE PERFORMANCE MEASURES ADOPTED BY THE STATE BOARD OF EDUCATION PURSUANT TO THIS SECTION SHALL BOTH:

1. ALLOW FOR A COMPARABLE EVALUATION ACROSS ADULT EDUCATION AND WORKFORCE DEVELOPMENT PROGRAMS.

2. TAKE INTO CONSIDERATION THE VARIETY OF LEARNING LEVELS OF ADULT LEARNERS ENTERING THE PROGRAMS.

A. THE STATE BOARD OF EDUCATION SHALL ESTABLISH A CONTINUING HIGH SCHOOL AND WORKFORCE TRAINING PROGRAM THAT PROVIDES ADULT LEARNERS WITH ALTERNATIVE STUDY SERVICES AND THAT LEADS TO THE ISSUANCE OF A HIGH SCHOOL DIPLOMA AND INDUSTRY-RECOGNIZED CREDENTIALS. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE PROGRAM. THE STATE BOARD OF EDUCATION SHALL AUTHORIZE ELIGIBLE SERVICE PROVIDERS TO PARTICIPATE IN THE CONTINUING HIGH SCHOOL AND WORKFORCE TRAINING PROGRAM AND TO ESTABLISH A PROGRAM SCHOOL IN PARTNERSHIP WITH A SCHOOL DISTRICT OR NONPROFIT CHARTER SCHOOL.

B. TO BE ELIGIBLE TO PARTICIPATE IN THE CONTINUING HIGH SCHOOL AND WORKFORCE TRAINING PROGRAM, A SERVICE PROVIDER MUST MEET BOTH OF THE FOLLOWING:

1. BE A NONPROFIT CORPORATION THAT IS QUALIFIED AS TAX-EXEMPT PURSUANT TO SECTION 501(c)(3) OF THE INTERNAL REVENUE CODE OR BE AN ADULT EDUCATION PROVIDER THAT IS APPROVED BY THE DIVISION OF ADULT EDUCATION WITHIN THE DEPARTMENT OF EDUCATION.

2. DEMONSTRATE AT LEAST A TEN-YEAR HISTORY OF PROVIDING WORKFORCE TRAINING AND CAREER SERVICES IN THIS STATE TO PERSONS WHO ARE AT LEAST EIGHTEEN YEARS OF AGE AND WHOSE EDUCATIONAL AND TRAINING OPPORTUNITIES HAVE BEEN LIMITED BY EDUCATIONAL DISADVANTAGES, DISABILITIES OR OTHER BARRIERS TO EDUCATION, SUCH AS LACK OF RELIABLE AND AFFORDABLE TRANSPORTATION, LACK OF CHILD CARE OR FOOD INSECURITY.
C. A HIGH SCHOOL DIPLOMA MAY BE ISSUED PURSUANT TO THIS SECTION ONLY TO AN ADULT LEARNER WHO MEETS ALL THE GRADUATION REQUIREMENTS OF SECTION 15-701.01 AND THE STATE BOARD OF EDUCATION.

D. A PROGRAM SCHOOL SHALL MEET ALL APPLICABLE LEGAL REQUIREMENTS PRESCRIBED IN THIS TITLE FOR A PUBLIC SCHOOL, INCLUDING REQUIREMENTS FOR STUDENT ASSESSMENTS AND SPECIAL EDUCATION SERVICES AND PROHIBITIONS AGAINST ADMISSION LIMITS BASED ON ETHNICITY, NATIONAL ORIGIN, GENDER, INCOME LEVEL, DISABLING CONDITION, ENGLISH LANGUAGE PROFICIENCY OR ATHLETIC ABILITY.

E. NOTWITHSTANDING ANY OTHER LAW, THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE MONIES TO AN APPROVED PROGRAM SCHOOL AS FOLLOWS:

1. THE PROGRAM SCHOOL SHALL RECEIVE $7,700 PER FULL-TIME STUDENT ENROLLED IN THE PROGRAM SCHOOL. PART-TIME STUDENTS SHALL BE FUNDED IN PROPORTION TO THE NUMBER OF ENROLLED COURSES OR HOURS OF INSTRUCTION.

2. THE PROGRAM SCHOOL IS ELIGIBLE TO RECEIVE FUNDING FOR ANY ADULT LEARNER REGARDLESS OF AGE.

3. THE PROGRAM SCHOOL IS NOT ELIGIBLE FOR ANY OTHER SCHOOL FINANCE FORMULA FUNDING FOR ADULT LEARNERS ENROLLED IN THE PROGRAM SCHOOL, INCLUDING ANY OF THE FOLLOWING:

(a) TRANSPORTATION FUNDING PURSUANT TO SECTION 15-945.

(b) ARIZONA ONLINE INSTRUCTION FUNDING PURSUANT TO SECTION 15-808.

(c) BASE SUPPORT LEVEL FUNDING PURSUANT TO SECTION 15-943.

(d) ADDITIONAL ASSISTANCE.

F. THE DEPARTMENT OF EDUCATION SHALL DEVELOP APPLICATION PROCEDURES FOR THE CONTINUING HIGH SCHOOL AND WORKFORCE TRAINING PROGRAM. THE SERVICE PROVIDER SHALL SUBMIT THE APPLICATION ON BEHALF OF THE PROGRAM SCHOOL. AN APPLICATION SUBMITTED PURSUANT TO THIS SECTION MUST INCLUDE ALL OF THE FOLLOWING:

1. A DESCRIPTION OF THE SERVICE PROVIDER'S PARTNERSHIP WITH A SCHOOL DISTRICT OR NONPROFIT CHARTER SCHOOL.

2. A DESCRIPTION OF THE PROGRAM SCHOOL'S ADMINISTRATIVE STRUCTURE, PROGRAM ACTIVITIES, PROGRAM STAFF, BUDGET AND SPECIFIC CURRICULUM THAT IS ALIGNED WITH THE STATE ACADEMIC STANDARDS.

3. THE PROGRAM SCHOOL'S ACADEMIC CALENDAR AND A SCHEDULE DESCRIBING THE PROGRAM SCHOOL'S LENGTH OF SCHOOL DAY, PROGRAM SEQUENCE, MULTIDISCIPLINARY COURSES, PACE AND INSTRUCTIONAL ACTIVITIES, OR ANY COMBINATION OF THESE ITEMS.

4. CONFIRMATION OF THE PROGRAM SCHOOL'S LOCATION AND A DESCRIPTION OF THE PROGRAM SCHOOL'S FACILITY, INCLUDING ALL OF THE FOLLOWING:

(a) ACCESSIBILITY.

(b) AVAILABLE CLASSROOM SPACE.

(c) CHILD CARE SPACE.

(d) HEALTH AND SAFETY REQUIREMENTS.
5. A DESCRIPTION OF SPECIFIC ACADEMIC, BEHAVIORAL AND EMOTIONAL
SUPPORT SERVICES THE SERVICE PROVIDER WILL OFFER TO ADULT LEARNERS WHO
ENROLL IN THE PROGRAM SCHOOL.

6. A DESCRIPTION OF THE ADULT LEARNER AND FAMILY SUPPORTS THAT THE
PROGRAM SCHOOL WILL PROVIDE AT NO COST TO ADULT LEARNERS, INCLUDING ALL OF
THE FOLLOWING:
   (a) ON-SITE CHILD CARE FOR DEPENDENTS OF ENROLLED ADULT LEARNERS
   WHILE THE ADULT LEARNER IS ON SITE.
   (b) LOCAL TRANSPORTATION ASSISTANCE FOR ADULT LEARNERS WITH A
   VERIFIABLE NEED.
   (c) CAREER AND HIGHER EDUCATION COUNSELING.
   (d) JOB PLACEMENT ASSISTANCE.

7. A DESCRIPTION OF THE AVAILABLE COUNSELING SERVICES THAT ASSIST
ADULT LEARNERS IN OVERCOMING BARRIERS TO EDUCATIONAL SUCCESS, INCLUDING
ANY OF THE FOLLOWING:
   (a) EDUCATIONAL DISADVANTAGES.
   (b) HOMELESSNESS.
   (c) CRIMINAL HISTORY.
   (d) DISABLING CONDITIONS.

8. A DESCRIPTION OF THE CAREER TECHNICAL EDUCATION INSTRUCTION THE
PROGRAM SCHOOL WILL PROVIDE. CAREER TECHNICAL EDUCATION INSTRUCTION AND
COURSES MUST LEAD TO INDUSTRY-RECOGNIZED CREDENTIALS OR RESULT IN AN ADULT
LEARNER EARNING COURSE CREDITS FROM A UNIVERSITY OR COMMUNITY COLLEGE. A
SERVICE PROVIDER MAY PARTNER WITH A COMMUNITY COLLEGE DISTRICT OR CAREER
TECHNICAL EDUCATION DISTRICT TO PROVIDE CAREER TECHNICAL EDUCATION
INSTRUCTION.

9. A DESCRIPTION OF SPECIFIC PROGRAM OUTCOMES, GOALS AND METRICS
THE PROGRAM SCHOOL WILL USE TO DETERMINE ADULT LEARNER SUCCESS.

10. THE PROJECTED NUMBER OF ADULT LEARNERS THE PROGRAM SCHOOL WILL
ENROLL.

G. THE STATE BOARD OF EDUCATION, IN CONSULTATION WITH THE
DEPARTMENT OF EDUCATION, SHALL EVALUATE APPLICATIONS SUBMITTED FOR THE
CONTINUING HIGH SCHOOL AND WORKFORCE TRAINING PROGRAM AND APPROVE PROGRAM
SCHOOLS THAT DEMONSTRATE, THROUGH EVIDENCE OR OTHER DOCUMENTATION, THE
ABILITY TO PROVIDE ADULT LEARNERS WITH THE INSTRUCTION AND SUPPORT THAT
LEAD TO A HIGH SCHOOL DIPLOMA AND ONE OR MORE INDUSTRY-RECOGNIZED
CREDENTIALS. THE FOLLOWING APPLY TO APPROVAL OF A PROGRAM SCHOOL'S
PARTICIPATION IN THE CONTINUING HIGH SCHOOL AND WORKFORCE TRAINING
PROGRAM:
   1. INITIAL APPROVAL SHALL BE FOR A PERIOD OF NOT MORE THAN TWO
   SCHOOL YEARS.
   2. RENEWAL OF APPROVAL SHALL BE FOR A PERIOD OF NOT MORE THAN FOUR
   SCHOOL YEARS AND IS CONTINGENT ON SPECIFIC PERFORMANCE EXPECTATIONS,
   INCLUDING STUDENT PROGRESSION, GRADUATION RATES AND EARNING OF
   INDUSTRY-RECOGNIZED CREDENTIALS.
3. If an approved service provider fails to meet any requirements of this section or any rules adopted by the State Board, the State Board shall immediately initiate a process to bring the program school into compliance or to revoke the program school's authorization to participate in the continuing high school and workforce training program.

H. An approved program school participating in the continuing high school and workforce training program shall annually report the following information to the Department of Education:

1. The number of adult learners enrolled in the program school.
2. The graduation rate of adult learners enrolled in the program school.
3. The average progress of adult learners toward meeting graduation requirements.
4. The number and type of industry-recognized credentials earned by adult learners enrolled in the program school.
5. The number of adult learners who have newly acquired proficiency in the English language.
6. A descriptive summary of the academic, behavioral and emotional support services the service provider offers to adult learners in the program school.
7. The information required by the performance measures adopted by the State Board of Education pursuant to section 15-217.

I. On or before October 30, 2025 and on or before October 30 of each year thereafter, each program school shall submit a report regarding the continuing high school and workforce training program to the Department of Education.

J. On or before December 15, 2025 and on or before December 15 of each year thereafter, the Department of Education shall submit an annual report evaluating the effectiveness of the continuing high school and workforce training program to the Governor, the President of the Senate, the Speaker of the House of Representatives and the State Board of Education. The Department shall provide a copy of the report to the Secretary of State.

K. The State Board of Education may approve program schools with a total projected full-time enrollment of:

1. In fiscal year 2022-2023, not more than six hundred.
2. In fiscal year 2023-2024, not more than one thousand.
3. In fiscal year 2024-2025 and each fiscal year thereafter, not more than one thousand four hundred.

L. If the total full-time enrollment requested by approved program schools is greater than the amounts prescribed in subsection K of this section, the State Board of Education may direct the Department of Education to prioritize funding distribution to program schools demonstrating the highest performance. New program schools shall be
PRIORITIZED BASED ON THE SERVICES AND SUPPORTS FOR ADULT LEARNERS AS OUTLINED IN THEIR APPLICATIONS.

M. A PROGRAM SCHOOL MAY NOT EITHER:
1. CONDUCT ADVERTISING OR MARKETING CAMPAIGNS DIRECTED AT STUDENTS WHO ARE CURRENTLY ENROLLED IN A SCHOOL DISTRICT OR CHARTER SCHOOL, OR UNDERTAKE ANY OTHER ACTIVITY THAT ENCOURAGES STUDENTS WHO ARE CURRENTLY ENROLLED IN A SCHOOL DISTRICT OR CHARTER SCHOOL TO STOP ATTENDING SCHOOL IN ORDER TO ENROLL IN A PROGRAM SCHOOL.
2. ENROLL A STUDENT WHO WAS ENROLLED IN A SCHOOL DISTRICT OR CHARTER SCHOOL WITHIN THE PRECEDING THIRTY DAYS.

N. THE STATE BOARD OF EDUCATION MAY ADOPT RULES TO CARRY OUT THE PURPOSES OF THIS SECTION.
O. THE DEPARTMENT OF EDUCATION SHALL PROVIDE ADEQUATE STAFF SUPPORT FOR THE STATE BOARD OF EDUCATION TO COMPLY WITH THIS SECTION.

15-217.02. Adult workforce diploma program; fund; program providers; requirements; annual reports; definitions

A. THE ADULT WORKFORCE DIPLOMA PROGRAM IS ESTABLISHED WITHIN THE STATE BOARD OF EDUCATION TO ASSIST A PERSON WHO IS AT LEAST TWENTY-ONE YEARS OF AGE IN EARNING A HIGH SCHOOL DIPLOMA AND DEVELOPING CRITICAL EMPLOYABILITY AND CAREER AND TECHNICAL SKILLS TO PREPARE THE PERSON FOR EMPLOYMENT. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE PROGRAM. THE PROGRAM MAY BE DELIVERED IN A CAMPUS-BASED, ONLINE OR BLENDED MODALITY.

B. THE ADULT WORKFORCE DIPLOMA PROGRAM FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS, GIFTS, GRANTS AND OTHER DONATIONS. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. THE DEPARTMENT OF EDUCATION SHALL USE MONIES IN THE FUND TO PAY APPROVED PROGRAM PROVIDERS AS PRESCRIBED IN SUBSECTION E OF THIS SECTION. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

C. ON OR BEFORE AUGUST 15 OF EACH YEAR, TO BE APPROVED TO PARTICIPATE IN THE PROGRAM, AN ELIGIBLE PROGRAM PROVIDER SHALL SUBMIT TO THE STATE BOARD OF EDUCATION ON A FORM THAT IS DEVELOPED BY THE BOARD INFORMATION SHOWING THAT THE ELIGIBLE PROGRAM PROVIDER MEETS ALL OF THE FOLLOWING REQUIREMENTS:
1. IS OPERATING A REGIONALLY ACCREDITED HIGH SCHOOL DIPLOMA-GRANTING ENTITY.
2. HAS THE ABILITY TO DEVELOP A LEARNING PLAN FOR EACH STUDENT THAT INTEGRATES GRADUATION REQUIREMENTS AND CAREER GOALS.
3. PROVIDES A COURSE CATALOG THAT INCLUDES ALL COURSES THAT ARE NECESSARY TO MEET GRADUATION REQUIREMENTS.
4. HAS THE ABILITY TO PROVIDE ALL OF THE FOLLOWING:
   (a) REMEDIATION OPPORTUNITIES IN LITERACY AND NUMERACY.
   (b) CAREER PATHWAYS COURSEWORK.
(c) PREPARATION FOR INDUSTRY-RECOGNIZED CREDENTIALS AND STACKABLE CREDENTIALS.

(d) CAREER PLACEMENT SERVICES.

(e) ACADEMIC SKILLS INTAKE ASSESSMENTS AND TRANSCRIPT EVALUATIONS.

D. ON OR BEFORE OCTOBER 15 OF EACH YEAR, THE STATE BOARD OF EDUCATION, IN CONSULTATION WITH THE DEPARTMENT OF EDUCATION, SHALL PLACE ALL QUALIFIED PROGRAM PROVIDERS THAT SUBMIT THE FORM PURSUANT TO SUBSECTION C OF THIS SECTION ON AN APPROVED PROGRAM PROVIDERS LIST. APPROVED PROGRAM PROVIDERS SHALL BEGIN ENROLLING STUDENTS ON OR BEFORE NOVEMBER 15 OF EACH YEAR. APPROVED PROGRAM PROVIDERS MAINTAIN APPROVAL STATUS UNLESS THE APPROVED PROGRAM PROVIDER IS REMOVED FROM THE APPROVED PROGRAM PROVIDERS LIST PURSUANT TO SUBSECTION J OF THIS SECTION.

E. THE DEPARTMENT OF EDUCATION SHALL PAY APPROVED PROGRAM PROVIDERS THE FOLLOWING AMOUNTS FOR EACH STUDENT WHO COMPLETES THE FOLLOWING MILESTONES:

1. $250 FOR EACH COMPLETED HALF UNIT OF HIGH SCHOOL CREDIT.
2. $250 FOR EACH COMPLETED EMPLOYABILITY SKILLS CERTIFICATION.
3. $250 FOR EACH EARNED INDUSTRY-RECOGNIZED CREDENTIAL OR STACKABLE CREDENTIAL THAT REQUIRES NOT MORE THAN FIFTY HOURS OF TRAINING.
4. $500 FOR EACH EARNED INDUSTRY-RECOGNIZED CREDENTIAL OR STACKABLE CREDENTIAL THAT REQUIRES AT LEAST FIFTY HOURS BUT NOT MORE THAN ONE HUNDRED HOURS OF TRAINING.
5. $750 FOR EACH EARNED INDUSTRY-RECOGNIZED CREDENTIAL OR STACKABLE CREDENTIAL THAT REQUIRES MORE THAN ONE HUNDRED HOURS OF TRAINING.
6. $1,000 FOR EACH EARNED HIGH SCHOOL DIPLOMA.

F. APPROVED PROGRAM PROVIDERS SHALL SUBMIT MONTHLY INVOICES TO THE DEPARTMENT OF EDUCATION NOT LATER THAN THE TENTH CALENDAR DAY OF EACH MONTH FOR MILESTONES MET IN THE PREVIOUS CALENDAR MONTH. THE DEPARTMENT OF EDUCATION SHALL PAY APPROVED PROGRAM PROVIDERS IN THE ORDER IN WHICH INVOICES ARE SUBMITTED UNTIL ALL AVAILABLE MONIES ARE EXHAUSTED. THE DEPARTMENT OF EDUCATION SHALL PROVIDE A WRITTEN UPDATE TO THE APPROVED PROGRAM PROVIDERS ON OR BEFORE THE LAST CALENDAR DAY OF EACH MONTH, INCLUDING THE AGGREGATE TOTAL DOLLARS THAT HAVE BEEN PAID TO APPROVED PROGRAM PROVIDERS TO DATE AND THE ESTIMATED NUMBER OF ENROLLMENTS STILL AVAILABLE FOR THE PROGRAM YEAR.

G. ON OR BEFORE OCTOBER 30 OF EACH YEAR, EACH APPROVED PROGRAM PROVIDER SHALL REPORT THE FOLLOWING TO THE DEPARTMENT OF EDUCATION:

1. THE TOTAL NUMBER OF STUDENTS WHO WERE FUNDED THROUGH THE PROGRAM.
2. THE TOTAL NUMBER OF EARNED CREDITS.
3. THE TOTAL NUMBER OF EARNED INDUSTRY-RECOGNIZED CREDENTIALS OR STACKABLE CREDENTIALS EARNED FOR EACH TIER OF FUNDING.
4. THE TOTAL NUMBER OF STUDENTS WHO GRADUATED THROUGH THE PROGRAM.
5. THE INFORMATION REQUIRED BY THE PERFORMANCE MEASURES ADOPTED BY THE STATE BOARD OF EDUCATION PURSUANT TO SECTION 15-217.

I. BEGINNING WITH THE END OF THE SECOND FISCAL YEAR OF THE PROGRAM, THE STATE BOARD OF EDUCATION, IN COOPERATION WITH THE DEPARTMENT OF EDUCATION, SHALL REVIEW DATA FROM EACH APPROVED PROGRAM PROVIDER TO ENSURE THAT EACH APPROVED PROGRAM PROVIDER IS ACHIEVING MINIMUM PROGRAM PERFORMANCE STANDARDS, INCLUDING:

1. A GRADUATION RATE OF AT LEAST FIFTY PERCENT.
2. AN AVERAGE COST PER GRADUATE OF $7,000 OR LESS.

J. THE STATE BOARD OF EDUCATION, MAY DEVELOP A PROCESS TO BRING AN APPROVED PROGRAM PROVIDER INTO COMPLIANCE. THE STATE BOARD OF EDUCATION SHALL REVOKE AN APPROVED PROGRAM PROVIDER'S AUTHORIZATION TO PARTICIPATE IN THE PROGRAM IF THE APPROVED PROGRAM PROVIDER DOES NOT COMPLY WITH THE REQUIREMENTS OF THIS SECTION WITHIN TWO YEARS.

K. THE DEPARTMENT OF EDUCATION SHALL PROVIDE ADEQUATE STAFF SUPPORT FOR THE STATE BOARD OF EDUCATION TO COMPLY WITH THIS SECTION.

L. FOR THE PURPOSES OF THIS SECTION:

1. "ACADEMIC SKILLS INTAKE ASSESSMENT" MEANS A CRITERION-REFERENCED ASSESSMENT OF NUMERACY AND LITERACY SKILLS WITH HIGH RELIABILITY AND VALIDITY THAT IS DETERMINED BY THIRD-PARTY RESEARCH AND THAT MAY BE ADMINISTERED IN PERSON OR ONLINE.
2. "ACCREDITED PROVIDER" MEANS AN ENTITY THAT IS CURRENTLY ACCREDITED BY ONE OF THE SEVEN REGIONAL ACCREDITATION ORGANIZATIONS OR ANY SUCCESSOR ENTITY.
3. "APPROVED PROGRAM PROVIDER" MEANS A PUBLIC, NONPROFIT OR OTHER ENTITY THAT MEETS THE REQUIREMENTS OF THIS SECTION AND THAT DOES NOT RECEIVE FEDERAL OR STATE FUNDING OR PRIVATE TUITION FOR A STUDENT WHO IS FUNDED THROUGH THE PROGRAM.
4. "AVERAGE COST PER GRADUATE" MEANS THE TOTAL PROGRAM FUNDING DISPENSED TO AN APPROVED PROGRAM PROVIDER DIVIDED BY THE TOTAL NUMBER OF GRADUATES FOR A COHORT CALCULATED TWELVE MONTHS AFTER THE CLOSE OF THE COHORT.
5. "CAREER PATHWAYS COURSEWORK" MEANS ONE OR MORE COURSES THAT ALIGN WITH THE SKILL NEEDS OF INDUSTRIES IN THE ECONOMY OF THIS STATE OR REGION AND THAT ASSIST STUDENTS TO ENTER OR ADVANCE WITHIN A SPECIFIC OCCUPATION OR OCCUPATIONAL CLUSTER.
6. "CAREER PLACEMENT SERVICES" MEANS SERVICES THAT ARE DESIGNED TO ASSIST STUDENTS IN OBTAINING EMPLOYMENT, INCLUDING CAREER INTEREST SELF-ASSESSMENTS, JOB SEARCH SKILLS, RÉSUMÉ DEVELOPMENT AND MOCK INTERVIEWS.
7. "COHORT" MEANS THE STUDENTS WHO ENTER THE PROGRAM BETWEEN JULY 1 AND JUNE 30 OF EACH PROGRAM YEAR.

8. "EMPLOYABILITY SKILLS CERTIFICATION" MEANS A CERTIFICATE EARNED BY DEMONSTRATING PROFESSIONAL NONTECHNICAL SKILLS THROUGH ASSESSMENT AND MUST INCLUDE THE PROGRAM STANDARDS OF THE UNITED STATES DEPARTMENT OF LABOR'S "SKILLS TO PAY THE BILLS: MASTERING SOFT SKILLS FOR WORKPLACE SUCCESS".

9. "GRADUATE" MEANS A STUDENT WHO HAS SUCCESSFULLY COMPLETED ALL STATE AND APPROVED PROGRAM PROVIDER REQUIREMENTS TO EARN A HIGH SCHOOL DIPLOMA.

10. "GRADUATION RATE" MEANS THE TOTAL NUMBER OF GRADUATES FROM A COHORT DIVIDED BY THE TOTAL NUMBER OF STUDENTS FROM THE SAME COHORT CALCULATED TWELVE MONTHS AFTER THE CLOSE OF THE COHORT.

11. "GRADUATION REQUIREMENTS" MEANS COURSE AND CREDIT REQUIREMENTS NEEDED TO EARN A HIGH SCHOOL DIPLOMA FROM AN APPROVED PROGRAM PROVIDER.

12. "HIGH SCHOOL DIPLOMA" MEANS A DIPLOMA THAT IS ISSUED BY AN ACCREDITED PROVIDER AND THAT IS RECOGNIZED AS A SECONDARY SCHOOL DIPLOMA BY THIS STATE.

13. "INDUSTRY-RECOGNIZED CREDENTIAL" MEANS AN EDUCATION-RELATED OR WORK-RELATED CREDENTIAL THAT VERIFIES AN INDIVIDUAL'S QUALIFICATION OR COMPETENCE AND THAT IS ISSUED BY A THIRD PARTY WITH THE RELEVANT AUTHORITY TO ISSUE THE CREDENTIAL.

14. "LEARNING PLAN" MEANS A DOCUMENTED PLAN THAT BOTH:
   (a) IS DESIGNED TO PREPARE A STUDENT TO SUCCEED IN THE PROGRAM AND THE STUDENT'S FUTURE ENDEAVORS.
   (b) IDENTIFIES THE COURSES AND CREDITS THAT ARE NEEDED FOR A STUDENT TO COMPLETE THE PROGRAM AND THAT ARE APPROVED PROGRAM PROVIDER GRADUATION REQUIREMENTS.

15. "MILESTONES" MEANS OBJECTIVE MEASURES OF PROGRESS FOR WHICH PAYMENT IS MADE TO AN APPROVED PROGRAM PROVIDER UNDER THIS SECTION, INCLUDING EARNED UNITS OF HIGH SCHOOL CREDIT, EARNED INDUSTRY-RECOGNIZED CREDENTIALS AND EARNED HIGH SCHOOL DIPLOMAS.

16. "PROGRAM" MEANS THE ADULT WORKFORCE DIPLOMA PROGRAM.

17. "STACKABLE CREDENTIAL" MEANS A THIRD-PARTY CREDENTIAL THAT IS PART OF A SEQUENCE OF CREDENTIALS THAT CAN BE ACCUMULATED OVER TIME TO BUILD UP AN INDIVIDUAL'S QUALIFICATIONS TO ADVANCE ALONG A CAREER PATHWAY.

18. "STUDENT" MEANS A PARTICIPANT IN THE PROGRAM WHO IS AT LEAST TWENTY-ONE YEARS OF AGE, WHO IS A RESIDENT OF THIS STATE AND WHO HAS NOT EARNED A HIGH SCHOOL DIPLOMA.

19. "TRANSCRIPT EVALUATION" MEANS A DOCUMENTED SUMMARY OF CREDITS THAT WERE EARNED IN PREVIOUS PUBLIC OR PRIVATE ACCREDITED HIGH SCHOOLS COMPARED WITH PROGRAM AND APPROVED PROGRAM PROVIDER GRADUATION REQUIREMENTS.

20. "UNIT OF HIGH SCHOOL CREDIT" MEANS A CREDIT THAT IS AWARDED BASED ON A STUDENT'S DEMONSTRATION THAT THE STUDENT HAS SUCCESSFULLY MET
THE CONTENT EXPECTATIONS FOR THE CREDIT AREA AS DEFINED BY SUBJECT AREA
STANDARDS, EXPECTATIONS OR GUIDELINES.

15-217.03. Community college adult education workforce
development program; fund; program schools;
annual reports

A. THE COMMUNITY COLLEGE ADULT EDUCATION WORKFORCE DEVELOPMENT
PROGRAM IS ESTABLISHED WITHIN THE STATE BOARD OF EDUCATION, TO BE
ADMINISTERED BY THE DEPARTMENT OF EDUCATION, TO PROVIDE ADULT LEARNERS
WITH INTEGRATED EDUCATION AND TRAINING PROGRAMS AND ADDITIONAL STUDY AND
SUPPORT SERVICES THAT LEAD TO THE ISSUANCE OF BOTH OF THE FOLLOWING:
1. A HIGH SCHOOL DIPLOMA OR HIGH SCHOOL EQUIVALENCY DIPLOMA.
2. AN INDUSTRY-RECOGNIZED CREDENTIAL OR COMMUNITY COLLEGE DEGREE.

B. TO BE ELIGIBLE TO PARTICIPATE IN THE PROGRAM, THE PROGRAM
APPLICANT MUST BE A COMMUNITY COLLEGE DISTRICT THAT IS ESTABLISHED
PURSUANT TO SECTION 15-1402, THAT PROVIDES HIGH SCHOOL DIPLOMAS OR HIGH
SCHOOL EQUIVALENCY DIPLOMAS AND THAT PROVIDES WORKFORCE TRAINING THAT
LEADS TO INDUSTRY-RECOGNIZED CREDENTIALS OR WORKFORCE OR DEGREE PROGRAMS,
INCLUDING WORKFORCE PROGRAMS ACCREDITED BY A REGIONAL ACCREDITING BODY
RECOGNIZED BY THE UNITED STATES DEPARTMENT OF EDUCATION. IF A PROGRAM
APPLICANT MEETS THE REQUIREMENTS OF THIS SUBSECTION, THE DEPARTMENT OF
EDUCATION SHALL DISTRIBUTE MONIES TO THE PROGRAM APPLICANT AS PRESCRIBED
IN SUBSECTION C OF THIS SECTION.

C. THE COMMUNITY COLLEGE ADULT EDUCATION WORKFORCE DEVELOPMENT
PROGRAM FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS AND
ANY OTHER MONIES. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND.
MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE
PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.
NOTWITHSTANDING ANY OTHER LAW, A PROGRAM SCHOOL SHALL BE FUNDED AS
FOLLOWS:
1. THE PROGRAM SCHOOL MAY RECEIVE UP TO $3,000 PER FULL-TIME
STUDENT IN THE PROGRAM EACH FISCAL YEAR. PART-TIME STUDENTS SHALL BE
FUNDED IN PROPORTION TO THE NUMBER OF ENROLLED COURSES OR HOURS OF
INSTRUCTION.
2. THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE FUND MONIES TO ALL
PROGRAM SCHOOLS THAT MEET THE CRITERIA PRESCRIBED IN SUBSECTION B OF THIS
SECTION IN A PROPORTIONAL MANNER BASED ON THE NUMBER OF ADULT LEARNERS
EACH PROGRAM SCHOOL SERVES.

D. A PROGRAM SCHOOL SHALL USE MONIES RECEIVED UNDER THIS SECTION TO
SUPPLEMENT AND NOT SUPPLANT CURRENT PROGRAM OFFERINGS. IN ADDITION TO ANY
MONIES RECEIVED FROM THE FUND, A PROGRAM SCHOOL MAY ACCEPT AND SPEND
FEDERAL MONIES AND PRIVATE GRANTS, GIFTS, CONTRIBUTIONS AND DEVISES TO
ASSIST THE PROGRAM SCHOOL IN CARRYING OUT THE PURPOSES OF THIS SECTION. A
PROGRAM SCHOOL SHALL USE MONIES RECEIVED UNDER SUBSECTION C OF THIS
SECTION FOR ADULT LEARNERS TO PARTICIPATE IN A HIGH SCHOOL DIPLOMA OR HIGH
SCHOOL EQUIVALENCY DIPLOMA PROGRAM THAT ALSO OFFERS AN INDUSTRY-RECOGNIZED
CREDENTIAL OR COMMUNITY COLLEGE DEGREE. A PORTION OF MONIES MAY BE USED FOR ADDITIONAL SUPPORT SERVICES TO ENSURE THE SUCCESS OF ADULT LEARNERS IN THE PROGRAM, INCLUDING THE FOLLOWING:

1. TRANSPORTATION ASSISTANCE FOR ADULT LEARNERS WITH A DEMONSTRATED NEED.

2. CHILD CARE SERVICES FOR DEPENDENTS OF ADULT LEARNERS WHILE THE ADULT LEARNER IS ON-SITE.

3. COLLEGE AND CAREER COUNSELING.

4. JOB PLACEMENT ASSISTANCE.

E. FOR EACH YEAR THAT MONIES ARE APPROPRIATED BY THE LEGISLATURE TO THE FUND ESTABLISHED BY SUBSECTION C OF THIS SECTION, ON OR BEFORE OCTOBER 30, EACH PARTICIPATING COMMUNITY COLLEGE SHALL SUBMIT A REPORT REGARDING THE COMMUNITY COLLEGE ADULT EDUCATION WORKFORCE DEVELOPMENT PROGRAM TO THE DEPARTMENT OF EDUCATION. THE DEPARTMENT OF EDUCATION SHALL COMPILE THE REPORTS RECEIVED FROM EACH PARTICIPATING COMMUNITY COLLEGE AND, ON OR BEFORE DECEMBER 15 OF EACH YEAR, SHALL PROVIDE AN ANNUAL REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE STATE BOARD OF EDUCATION AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF STATE. EACH REPORT SHALL INCLUDE, AT A MINIMUM, ALL OF THE FOLLOWING INFORMATION FOR EACH PARTICIPATING COMMUNITY COLLEGE FOR THE PRECEDING SCHOOL YEAR:

1. THE NUMBER OF ADULT LEARNERS ENROLLED IN THE PROGRAM.

2. THE COMPLETION RATE OF HIGH SCHOOL DIPLOMAS AND HIGH SCHOOL EQUIVALENCY DIPLOMAS EARNED BY ADULT LEARNERS ENROLLED IN THE PROGRAM.

3. THE AVERAGE PROGRESS OF ADULT LEARNERS TOWARD MEETING COMPLETION CRITERIA.

4. THE NUMBER AND TYPE OF INDUSTRY-RECOGNIZED CREDENTIALS, COMMUNITY COLLEGE DEGREE CREDITS AND COMMUNITY COLLEGE DEGREES EARNED BY ADULT LEARNERS ENROLLED IN THE PROGRAM.

5. A DESCRIPTIVE SUMMARY OF THE COMMUNITY COLLEGE ADULT EDUCATION WORKFORCE DEVELOPMENT PROGRAM OFFERED.

6. THE NUMBER OF ADULT LEARNERS WHO HAVE NEWLY ACQUIRED PROFICIENCY IN THE ENGLISH LANGUAGE.

7. THE INFORMATION REQUIRED BY THE PERFORMANCE MEASURES ADOPTED BY THE STATE BOARD OF EDUCATION PURSUANT TO SECTION 15-217.

F. THE STATE BOARD OF EDUCATION, IN COOPERATION WITH THE DEPARTMENT OF EDUCATION, MAY REQUEST INFORMATION FROM ANY PROGRAM APPLICANT OR PROGRAM SCHOOL FOR THE PURPOSES OF DETERMINING PROGRAM ELIGIBILITY AND FUNDING DISTRIBUTIONS UNDER THIS SECTION.

G. THE STATE BOARD OF EDUCATION, IN COOPERATION WITH THE DEPARTMENT OF EDUCATION, MAY DEVELOP A PROCESS TO BRING A PROGRAM SCHOOL INTO COMPLIANCE OR REVOKE THE PROGRAM SCHOOL'S AUTHORIZATION TO PARTICIPATE IN THE PROGRAM, AT THE DISCRETION OF THE STATE BOARD OF EDUCATION.

H. THE DEPARTMENT OF EDUCATION SHALL PROVIDE ADEQUATE STAFF SUPPORT FOR THE STATE BOARD OF EDUCATION TO COMPLY WITH THIS SECTION.
Sec. 3. Title 15, chapter 2, article 2, Arizona Revised Statutes, is amended by adding sections 15-249.17 and 15-249.18, to read:

15-249.17. Code_writers_initiative_program; grants; annual report

A. The Code Writers initiative program is established within the Department of Education to provide grants on a competitive basis pursuant to Title 41, Chapter 24, Article 1 for the purposes prescribed in this section. The Indian Education Advisory Council in the Department of Education shall evaluate grant applications and make award recommendations to the Department. The Department shall maximize available funding by awarding grants to participants that will leverage state monies by securing gifts, grants and donations from other sources.

B. Grantees in the Code Writers initiative program shall:

1. Introduce a computer code writing curriculum for students in grades nine through twelve.

2. Deliver a technology-focused education to Native American students that will prepare the students for the global economy. The instruction may be offered through after-school programming.

3. Instruct Native American students in computer code writing and work with industry partners to develop internships and programs that will be made available to students who complete the program curriculum.

4. Instruct teachers and administrators in a technology-focused curriculum.

5. Develop assessment metrics to measure progress to be used to determine the initiative's effectiveness.

6. Install audiovisual distance learning equipment at key delivery points to maximize the number of program participants.

7. Determine the impacts from the initiative's curriculum and teacher instruction on students' standardized test scores and graduation rates.

8. On or before September 1 of each year, submit an annual report to the President of the Senate, the Speaker of the House of Representatives, the Indian Education Advisory Council and the Department of Education containing detailed information relating to the requirements of this subsection for the most recent school year.

15-249.18. Invest_in_postsecondary_success_program; vendor; fund; rules

A. The Invest in Postsecondary Success program is established. The Department of Education shall administer the program.

B. The Invest in Postsecondary Success program shall contract with a vendor that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and that is selected through a request for proposals. The vendor shall provide student support to program participants under this section. The vendor selected pursuant to this subsection must meet all of the following requirements:
1. HAVE ADMINISTERED EACH OF THE FOLLOWING FOR AT LEAST FIVE PREVIOUS ACADEMIC YEARS:
   (a) COLLEGE MATCH SAVINGS ACCOUNTS IN WHICH A STUDENT’S CONTRIBUTIONS ARE MATCHED BY $8 FOR EACH DOLLAR THE STUDENT DEPOSITS PER ACADEMIC YEAR. THE COLLEGE MATCH SAVINGS ACCOUNTS DESCRIBED IN THIS SUBDIVISION MUST BE IN THE FORM OF A CUSTODIAL ACCOUNT OR 529 PLAN.
   (b) FINANCIAL CAPABILITY TRAINING THAT ADDRESSES BUDGETING, MANAGING STUDENT DEBT, SAVINGS, DEBIT MANAGEMENT, CREDIT CARD USE, RETIREMENT READINESS AND CREDIT REPORTS.
   (c) WORKFORCE READINESS TRAINING THAT ADDRESSES BUSINESSES MENTORING, JOB SHADOWING, INTERVIEWING AND RESUME SKILLS AND CAREER EXPLORATION.

2. HAVE SERVED AT LEAST TWO THOUSAND STUDENTS IN THE PAST TEN YEARS.

3. CURRENTLY SUPPORT MULTIPLE STUDENT PATHWAYS BY PARTNERING WITH INSTITUTIONS OF HIGHER EDUCATION, INCLUDING COMMUNITY COLLEGES, UNIVERSITIES AND CAREER AND TECHNICAL EDUCATION PROGRAMS.

C. TO PARTICIPATE IN THE PROGRAM, STUDENTS MAY APPLY TO THE DEPARTMENT OF EDUCATION IN A MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL ESTABLISH PROGRAM ELIGIBILITY CRITERIA. EACH PROGRAM PARTICIPANT SHALL OPEN A COLLEGE MATCH SAVINGS ACCOUNT WITH THE VENDOR THAT IS SELECTED PURSUANT TO SUBSECTION B OF THIS SECTION.

D. THE VENDOR SELECTED PURSUANT TO SUBSECTION B OF THIS SECTION SHALL ADMINISTER COLLEGE MATCH SAVINGS ACCOUNTS FOR PROGRAM PARTICIPANTS AND PROVIDE PROGRAM PARTICIPANTS WITH FINANCIAL CAPABILITY TRAINING AND WORKFORCE READINESS TRAINING AS DESCRIBED IN SUBSECTION B, PARAGRAPH 1 OF THIS SECTION.

E. THE INVEST IN POSTSECONDARY SUCCESS PROGRAM FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE DEPARTMENT SHALL USE MONIES IN THE FUND FOR THE PURPOSES OF ADMINISTERING THE PROGRAM AND FOR DISTRIBUTING MONIES TO THE VENDOR SELECTED PURSUANT TO SUBSECTION B OF THIS SECTION. THE VENDOR SHALL USE ANY MONIES RECEIVED FROM THE FUND FOR THE PURPOSES OF THIS SECTION.

F. THE DEPARTMENT OF EDUCATION MAY ADOPT RULES FOR THE PURPOSES OF THIS SECTION.

Sec. 4. Section 15-393, Arizona Revised Statutes, as amended by Laws 2022, chapter 136, section 1, 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
district board 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 has
been a resident of the single member district for at least one year
immediately preceding the date of the election 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. Career technical education districts are subject to the following provisions of this title:

1. Chapter 1, articles 1 through 6.


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.


8. Chapter 7, article 5.

9. Chapter 8, articles 1, 3 and 4.


11. Chapter 9, article 1, article 6, except for section 15-995, and article 7.


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 underestimated its student count shall revise its budget before May 15. A district that underestimated the student count for students attending the career technical education district 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.
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 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 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 may be funded with monies generated by the $.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.

5. A career technical education district may operate for more than one hundred eighty days per year, or less, with the equivalent number of hours of instruction.

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 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 may be provided for not 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 $.05 per $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 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 to provide for 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 to approve or 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 to approve or 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, Q or R 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, Q or R 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 of up to 0.25 for one hundred fifty instructional hours of enrollment for instruction received during any hour of the day, during any day of the week and at any time between July 1 and June 30 of each fiscal year 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 by a community college
pursuant to subsection K of this section or at a centralized campus shall
not exceed 1.75. The average daily membership for a pupil who is enrolled
in a career technical education course or career technical education
program provided by a community college shall be 0.25 for the accumulation
of every three community college credits for which a student is enrolled
in career technical education courses. 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. 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. Students in an approved career technical education
program may generate an average daily membership of up to 1.75 for
instruction received during any hour of the day, during any day of the
week and at any time between July 1 and June 30 of each fiscal
year. Average daily membership shall not be calculated on the one
hundredth day of instruction for the purposes of this section. Average
daily membership shall be calculated by dividing the instructional hours
of enrollment by six hundred hours, except that:

1. At least one hundred fifty hours and less than three hundred
   hours equals 0.25 average daily membership.
2. At least three hundred hours and less than four hundred fifty
   hours equals 0.5 average daily membership.
3. At least four hundred fifty hours and less than six hundred
   hours equals 0.75 average daily membership.
4. At least six hundred hours equals 1.0 average daily membership.
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
program provided by a leased centralized campus may generate an average
daily membership for instruction received during any hour of the day,
during any day of the week and at any time between July 1 and June 30 of
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each fiscal year. Average daily membership shall be calculated by dividing the instructional hours of enrollment by six hundred hours, except that:

1. At least one hundred fifty hours and less than three hundred hours equals 0.25 average daily membership.
2. At least three hundred hours and less than four hundred fifty hours equals 0.5 average daily membership.
3. At least four hundred fifty hours and less than six hundred hours equals 0.75 average daily membership.
4. At least six hundred hours equals 1.0 average daily membership.

R. 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.

S. 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.

T. 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. Students in an approved career technical education program provided by a satellite campus, centralized campus or leased centralized campus may generate an average daily membership subject to the limits prescribed by subsections D, N, O, P, Q and R of this section, as applicable, for instruction received during any hour of the day, during any day of the week and at any time between July 1 and June 30 of each fiscal year. Average daily membership shall not be calculated on the one hundredth day of instruction for the purposes of this section. The department may not restrict the instructional time
by limiting the particular days of the week or time of the fiscal year for
instruction to occur.

U. 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.

V. 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.

W. 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.

X. Notwithstanding subsection D, paragraphs 4 and 9 and subsections
P, Q and R of this section, for a student in grade nine, funding shall be
provided pursuant to this section only if the student reaches the fortieth
day of grade eleven enrolled in an approved career technical education
program and meets the requirements prescribed in subsection Z of this
section. At that time funding shall be provided for that student for
grade nine and for any subsequent year in which the student is eligible
for funding pursuant to this section.

Y. 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 developing the
in-demand regional educational list. The office of economic opportunity
shall submit the in-demand regional education list to the Arizona career
and technical education quality commission for review and approval.

Z. Notwithstanding subsection D, paragraphs 4 and 9 and subsections
P, Q and R of this section, for a student in grade nine or in the school
year immediately following graduation, funding shall be provided pursuant
to this section only if the student is enrolled in a program that was
included on the in-demand regional education list compiled pursuant to
subsection Y of this section for that student's region for the year in which the student began the program.

AA. 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 to offer career technical education district programs or career technical education courses.

3. "Lease" means a written agreement in which the right to occupy or use 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 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 to offer career technical education district programs or career technical education courses.

Sec. 5. Section 15-901, Arizona Revised Statutes, is amended to read:

15-901. Definitions

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

1. "Average daily membership" means the total enrollment of fractional students and full-time students, minus withdrawals, of each school day through the first one hundred days or two hundred days in session, as applicable, for the current year. Withdrawals include students who are formally withdrawn from schools and students who are absent for ten consecutive school days, except for excused absences identified by the department of education. For the purposes of this section, school districts and charter schools shall report student absence data to the department of education at least once every sixty days in session. For computation purposes, the effective date of withdrawal shall be retroactive to the last day of actual attendance of the student or excused absence. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subsection in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

(a) "Fractional student" means:

(i) For common schools, a preschool child who is enrolled in a program for preschool children with disabilities of at least three hundred sixty minutes each week that meets at least two hundred sixteen hours over the minimum number of days or a kindergarten student who is at least five years of age before January 1 of the school year and enrolled in a school kindergarten program that meets at least three hundred fifty-six hours for a one hundred eighty-day school year, or the instructional hours
prescribed in this section. In computing the average daily membership, preschool children with disabilities and kindergarten students shall be counted as one-half of a full-time student. For common schools, a part-time student is a student enrolled for less than the total time for a full-time student as defined in this section. A part-time common school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of the time a full-time student is enrolled as defined in subdivision (b) of this paragraph. The hours in which a student is scheduled to attend a common school during the regular school day shall be included in the calculation of the average daily membership for that student.

(ii) For high schools, a part-time student who is enrolled in less than four subjects that count toward graduation as defined by the state board of education, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, in a recognized high school. The average daily membership of a part-time high school student shall be 0.75 if the student is enrolled in an instructional program of three subjects that meet at least five hundred forty hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section. The average daily membership of a part-time high school student shall be 0.5 if the student is enrolled in an instructional program of two subjects that meet at least three hundred sixty hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section. The average daily membership of a part-time high school student shall be 0.25 if the student is enrolled in an instructional program of one subject that meets at least one hundred eighty hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section. The hours in which a student is scheduled to attend a high school during the regular school day shall be included in the calculation of the average daily membership for that student.

(b) "Full-time student" means:

(i) For common schools, a student who is at least six years of age before January 1 of a school year, who has not graduated from the highest grade taught in the school district and who is regularly enrolled in a course of study required by the state board of education. First, second and third grade students or ungraded group B children with disabilities who are at least five, but under six, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least seven hundred twelve hours for a one hundred eighty-day school year, or the instructional hours prescribed in this section. Fourth, fifth, sixth, seventh and eighth grade students must be enrolled in an instructional program that meets for a total of at least eight hundred ninety hours for
a one hundred eighty-day school year, or the instructional hours
prescribed in this section, including the equivalent number of
instructional hours for schools that operate on a one hundred
forty-four-day school year. The hours in which a student is scheduled to
attend a common school during the regular school day shall be included in
the calculation of the average daily membership for that student.

(ii) For high schools, a student who has not graduated from the
highest grade taught in the school district and who is enrolled in at
least an instructional program of four or more subjects that count toward
graduation as defined by the state board of education, each of which, if
taught each school day for the minimum number of days required in a school
year, would meet a minimum of one hundred twenty-three hours a year, or
the equivalent, that meets for a total of at least seven hundred twenty
hours for a one hundred eighty-day school year, or the instructional hours
prescribed in this section in a recognized high school. A full-time
student shall not be counted more than once for computation of average
daily membership. The average daily membership of a full-time high school
student shall be 1.0 if the student is enrolled in at least four subjects
that meet at least seven hundred twenty hours for a one hundred eighty-day
school year, or the equivalent instructional hours prescribed in this
section. The hours in which a student is scheduled to attend a high
school during the regular school day shall be included in the calculation
of the average daily membership for that student.

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

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

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

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

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

(c) "Regular school day" means the regularly scheduled class
periods intended for instructional purposes. Instructional purposes may
include core subjects, elective subjects, lunch, study halls, music
instruction and other classes that advance the academic instruction of
pupils. Instructional purposes do not include athletic practices or
extracurricular clubs and activities.

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

3. "Common school district" means a political subdivision of this
state offering instruction to students in programs for preschool children
with disabilities and kindergarten programs and either:
   (a) Grades one through eight.
   (b) Grades one through nine pursuant to section 15-447.01.

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

5. "Daily attendance" means:
   (a) For common schools, days in which a pupil:
      (i) Of a kindergarten program or ungraded, but not group B children
          with disabilities, who is at least five, but under six, years of age by
          September 1 attends at least three-quarters of the instructional time
          scheduled for the day. If the total instruction time scheduled for the
          year is at least three hundred fifty-six hours but is less than seven
          hundred twelve hours, such attendance shall be counted as one-half day of
          attendance. If the instructional time scheduled for the year is at least
          six hundred ninety-two hours, "daily attendance" means days in which a
          pupil attends at least one-half of the instructional time scheduled for
          the day. Such attendance shall be counted as one-half day of attendance.
          A school district or charter school may satisfy any of the time and hours
          requirements prescribed in this item in any manner prescribed in the
          school district's or charter school's instructional time model adopted
          under section 15-901.08.
      (ii) Of the first, second or third grades attends more than
          three-quarters of the instructional time scheduled for the day. A school
district or charter school may satisfy any of the time and hours
          requirements prescribed in this item in any manner prescribed in the
school district's or charter school's instructional time model adopted under section 15-901.08.

(iii) Of the fourth, fifth or sixth grades attends more than three-quarters of the instructional time scheduled for the day, except as provided in section 15-797. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

(iv) Of the seventh or eighth grades attends more than three-quarters of the instructional time scheduled for the day, except as provided in section 15-797. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

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

(i) If attendance for all pupils in the school is based on quarter days, the attendance of a pupil shall be counted as one-fourth of a day's attendance for each one-fourth of full-time instructional time attended. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

(ii) If attendance for all pupils in the school is based on half days, the attendance of at least three-quarters of the instructional time scheduled for the day shall be counted as a full day's attendance and attendance at a minimum of one-half but less than three-quarters of the instructional time scheduled for the day equals one-half day of attendance. A school district or charter school may satisfy any of the time and hours requirements prescribed in this item in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

(c) For common schools, the attendance of a preschool child with disabilities shall be counted as one-fourth day's attendance for each thirty-six minutes of attendance, except as provided in paragraph 1, subdivision (a), item (i) of this subsection for children with disabilities up to a maximum of three hundred sixty minutes each week. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.
(d) For high schools, the attendance of a pupil shall not be counted as a full day unless the pupil is actually and physically in attendance and enrolled in and carrying four subjects, each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, that count toward graduation in a recognized high school except as provided in section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil carrying less than the load prescribed shall be prorated. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

(e) For high schools, the attendance of a pupil may be counted as one-fourth of a day's attendance for each sixty minutes of instructional time in a subject that counts toward graduation, except that attendance for a pupil shall not exceed the pupil's full or fractional membership. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

(f) For homebound or hospitalized, a full day of attendance may be counted for each day during a week in which the student receives at least four hours of instruction. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

(g) For school districts that maintain school for an approved year-round school year operation, attendance shall be based on a computation, as prescribed by the superintendent of public instruction, of the one hundred eighty days' equivalency or two hundred days' equivalency, as applicable, of instructional time as approved by the superintendent of public instruction during which each pupil is enrolled. A school district or charter school may satisfy any of the time and hours requirements prescribed in this subdivision in any manner prescribed in the school district's or charter school's instructional time model adopted under section 15-901.08.

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

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

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

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

8. "Eligible students" means:
   (a) Students who are transported by or for a school district and who qualify as full-time students or fractional students, except students for whom transportation is paid by another school district or a county school superintendent, and:
      (i) For common school students, whose place of actual residence within the school district is more than one mile from the school facility of attendance or students who are admitted pursuant to section 15-816.01 and who meet the economic eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches and whose actual place of residence outside the school district boundaries is more than one mile from the school facility of attendance.
      (ii) For high school students, whose place of actual residence within the school district is more than one and one-half miles from the school facility of attendance or students who are admitted pursuant to section 15-816.01 and who meet the economic eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches and whose actual place of residence outside the school district boundaries is more than one and one-half miles from the school facility of attendance.
   (b) Kindergarten students, for purposes of computing the number of eligible students under subdivision (a), item (i) of this paragraph, shall be counted as full-time students, notwithstanding any other provision of law.
   (c) Children with disabilities, as defined by section 15-761, who are transported by or for the school district or who are admitted pursuant to chapter 8, article 1.1 of this title and who qualify as full-time students or fractional students regardless of location or residence within the school district or children with disabilities whose transportation is required by the pupil's individualized education program.
   (d) Students whose residence is outside the school district and who are transported within the school district on the same basis as students who reside in the school district.

9. "Enrolled" or "enrollment" means that a pupil is currently registered in the school district.
10. "GDP price deflator" means the average of the four implicit price deflators for the gross domestic product reported by the United States department of commerce for the four quarters of the calendar year.

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

12. "Instructional hours" or "instructional time" means hours or time spent pursuant to an instructional time model adopted under section 15-901.08.

13. "Revenue control limit" means the base revenue control limit plus the transportation revenue control limit.

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

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

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

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

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

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

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

2. "Base level" means the following amounts plus the percentage increase to the base level as provided in sections 15-902.04 and 15-952, except that if a school district or charter school is eligible for an increase in the base level as provided in two or more of these sections, the base level amount shall be calculated by compounding rather than adding the sum of one plus the percentage of the increase from those different sections:
   
   - (a) For fiscal year 2019-2020, $4,150.43.
   - (b) For fiscal year 2020-2021, $4,305.73.
   - (c) For fiscal year 2021-2022, $4,390.65.
   - (d) For fiscal year 2022-2023, $4,775.27.

3. "Revenue control limit" means the base revenue control limit computed as provided in section 15-944.
4. "Base support level" means the base support level as provided in section 15-943.

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

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

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

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

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

10. "FRPL" means students who meet the eligibility requirements established under the National School Lunch and Child Nutrition Acts (42 United States Code Sections 1751 through 1793) for free or reduced-price lunches, or an equivalent measure recognized for participating in the federal free and reduced-price lunch program and other school programs dependent on a poverty measure, including the community eligibility provision for which free and reduced-price lunch data is not available.

11. "Full-time equivalent certified teacher" or "FTE certified teacher" means for a certified teacher the following:
   (a) If employed full time as defined in section 15-501, 1.00.
   (b) If employed less than full time, multiply 1.00 by the percentage of a full school day, or its equivalent, or a full class load, or its equivalent, for which the teacher is employed as determined by the governing board.

12. "G" means educational programs for gifted pupils who score at or above the ninety-seventh percentile, based on national norms, on a test adopted by the state board of education.

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

14. "Group B" means educational improvements for pupils in kindergarten programs and grades one through three, educational programs for autism, a hearing impairment, a moderate intellectual disability, multiple disabilities, multiple disabilities with severe sensory impairment, orthopedic impairments, preschool severe delay, a severe intellectual disability and emotional disabilities for school age pupils enrolled in private special education programs or in school district programs for children with severe disabilities or visual impairment, English learners enrolled in a program to promote English language proficiency pursuant to section 15-752 and students who meet the eligibility requirements established under the National School Lunch and Child Nutrition Acts (42 United States Code Sections 1751 through 1793) for free or reduced-price lunches, or an equivalent measure recognized for participating in the Federal free and reduced-price lunch program and other school programs dependent on a poverty measure, including the community eligibility provision for which free and reduced-price lunch data is not available.

15. "HI" means programs for pupils with hearing impairment.

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

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

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

21. "MD-SSI" means a program for pupils with multiple disabilities with severe sensory impairment.
22. "MOID" means programs for pupils with moderate intellectual disability.
23. "OI-R" means a resource program for pupils with orthopedic impairments.
26. "P-SD" means programs for children who meet the definition of preschool severe delay as provided in section 15-771.
27. "Qualifying tax rate" means the qualifying tax rate specified in section 15-971 applied to the assessed valuation used for primary property taxes.
28. "Small isolated school district" means a school district that meets all of the following:
   (a) Has a student count of fewer than six hundred in kindergarten programs and grades one through eight or grades nine through twelve.
   (b) Contains no school that is fewer than thirty miles by the most reasonable route from another school, or, if road conditions and terrain make the driving slow or hazardous, fifteen miles from another school that teaches one or more of the same grades and is operated by another school district in this state.
   (c) Is designated as a small isolated school district by the superintendent of public instruction.
29. "Small school district" means a school district that meets all of the following:
   (a) Has a student count of fewer than six hundred in kindergarten programs and grades one through eight or grades nine through twelve.
   (b) Contains at least one school that is fewer than thirty miles by the most reasonable route from another school that teaches one or more of the same grades and is operated by another school district in this state.
   (c) Is designated as a small school district by the superintendent of public instruction.
30. "Transportation revenue control limit" means the transportation revenue control limit computed as prescribed in section 15-946.
31. "Transportation support level" means the support level for pupil transportation operating expenses as provided in section 15-945.
32. "VI" means programs for pupils with visual impairments.
Sec. 6. Section 15-910, Arizona Revised Statutes, is amended to read:

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

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

1. Determine the lesser of the total budgeted or total actual utility expenditures for fiscal year 1984-1985.
2. Multiply the amount in paragraph 1 of this subsection by the total percentage increase or decrease in the revenue control limit and the capital outlay revenue limit for the budget year over the revenue control limit and the capital outlay revenue limit for fiscal year 1984-1985 excluding monies available from a teacher compensation program provided for in section 15-952.
3. The sum of the amounts in paragraphs 1 and 2 of this subsection is the amount budgeted in the utility expenditure line.
4. Additional expenditures for utilities are budgeted in the excess utility cost category.

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

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

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

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

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

G. The governing board may budget for expenses of complying with or
continuing to implement activities that were required or permitted by a
court order of desegregation or administrative agreement with the United
States department of education office for civil rights directed toward
remediating alleged or proven racial discrimination that are specifically
exempt in whole or in part from the revenue control limit and district
additional assistance. This exemption applies only to expenses incurred
for activities that are begun before the termination of the court order or
administrative agreement. If a district is levying a property tax on
February 23, 2006 and using those monies to administer an English language
learner program to remedy alleged or proven discrimination under title VI
of the civil rights act of 1964 (42 United States Code section 2000d), the
district may spend those monies to remedy a violation of the equal
educational opportunities act of 1974 (20 United States Code section
1703(f)). Nothing in this subsection allows a school district to levy a
property tax for violations of the equal educational opportunities act of
1974 (20 United States Code section 1703(f)) in the absence of an alleged
or proven discrimination under title VI of the civil rights act of 1964
(42 United States Code section 2000d).

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

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

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

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

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

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

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

2. Shall prepare as a part of the annual financial report a detailed report of expenditures incurred solely as a result of compliance with or continuing to implement activities that were required or permitted by a court order of desegregation or administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination, in a format prescribed by the auditor general in conjunction with the Arizona department of education as provided by section 15-904.

3. On or before July 15 each year, shall collect and report data regarding activities related to a court order of desegregation or an administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination in a format prescribed by the Arizona department of education. The Arizona department of education shall compile and submit copies of the reports to the governor, the president of the senate, the speaker of the house of representatives and the chairpersons of the education committees of the senate and the house of representatives and shall submit a copy to the secretary of state. A school district that becomes subject to a new court order of desegregation or a party to an administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination shall submit these reports on or before July 15 or within ninety days of the date of the court order or administrative agreement, whichever occurs first. The Arizona department of education, in consultation with the auditor general, shall develop reporting requirements to ensure that school districts submit at least the following information and documentation to the Arizona department of education:

(a) A district-wide budget summary and a budget summary on a school-by-school basis for each school in the school district that lists the sources and uses of monies that are designated for desegregation purposes.
(b) A detailed list of desegregation activities on a district-wide basis and on a school-by-school basis for each school in the school district.

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

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

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

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

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

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

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

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

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

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

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

(n) Verification that the desegregation funding will be used to promote systemic and organizational changes within the school district.
(o) Verification that the desegregation funding will be used in accordance with the academic standards adopted by the state board of education pursuant to sections 15-701 and 15-701.01.

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

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

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

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

K. If a school district governing board budgets for expenses of complying with a court order of desegregation or an administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination, the governing board shall ensure that the desegregation expenses will:

1. Be educationally justifiable.

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

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

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

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

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

7. Each fiscal year, not exceed the amount budgeted by the school district for desegregation expenses in fiscal year 2008-2009.

L. Beginning in fiscal year 2018-2019, subsections G through K of this section apply only if the governing board uses revenues from secondary property taxes rather than primary property taxes to fund expenses of complying with or continuing to implement activities that were required or allowed by a court order of desegregation or administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination.
that are specifically exempt in whole or in part from the revenue control
limit and district additional assistance. Secondary property taxes levied
pursuant to this subsection do not require voter approval, but shall be
separately delineated on a property owner's property tax statement.

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

N. The governing board may budget for interest expenses it incurred
for registering warrants drawn against a fund of the school district or
net interest expense on tax anticipation notes as prescribed in section
35-465.05, subsection C for the fiscal year preceding the current year if
the county treasurer pooled all school district monies for investment as
provided in section 15-996 for the fiscal year preceding the current year
and, in those school districts that receive state aid, the school
districts applied for an apportionment of state aid before the date set
for the apportionment as provided in section 15-973 for the fiscal year
preceding the current year. The governing board may budget an amount for
interest expenses for registering warrants or issuing tax anticipation
notes equal to or less than the amount of the warrant interest expense or
net interest expense on tax anticipation notes as prescribed in section
35-465.05, subsection C for the fiscal year preceding the current year as
provided in this subsection that is specifically exempt from the revenue
control limit. For the purposes of this subsection, "state aid" means
state aid as determined in sections 15-971 and 15-972.

Sec. 7. Section 15-913.01, Arizona Revised Statutes, is amended to
read:

15-913.01. Education program: county jails
A. Each county that operates a county jail shall offer an education
program to serve all prisoners who are under eighteen years of age and
prisoners with disabilities who are age twenty-one YEARS OF AGE or
younger, WHO DO NOT HAVE A HIGH SCHOOL DIPLOMA OR A GENERAL EQUIVALENCY
DIPLOMA and who are confined in the county jail. The county school
superintendent and the sheriff in each county shall agree on the method of delivery of the education program.

B. The county school superintendent shall develop policies and procedures for the transfer of educational records of any prisoner confined in a county jail who has been transferred from a juvenile detention center or from any other public agency that has provided educational services to that prisoner.

C. A county may operate its county jail education program through an accommodation school that provides alternative education services pursuant to section 15-308, except that each pupil enrolled in the accommodation school county jail education program shall be funded at an amount equal to seventy-two percent of the amount for that pupil if that pupil were enrolled in another accommodation school program.

D. If a county chooses not to operate its county jail education program through an accommodation school, the county school superintendent may establish a county jail education fund to provide financial support to the program. The county jail education fund for each program shall consist of a base amount plus a variable amount. For fiscal year 1999-2000, the base amount is $14,400 and the variable amount shall be determined pursuant to subsection E of this section. The base amount and variable amount for each county or counties served shall be funded with state general fund monies, subject to appropriation. The county school superintendent must submit claims for payments to the state superintendent of public instruction. The county school superintendent shall deposit the payments into the RESPECTIVE county jail education fund.

E. The variable amount shall be determined as follows:

1. Determine the number of days in the prior fiscal year that each pupil who is a prisoner and who had been in the county jail for more than forty-eight hours received an instructional program of at least two hundred forty minutes. No school district may count a pupil as being in attendance in that school district on a day that the pupil is counted as a prisoner for the purposes of this paragraph.

2. Multiply the number of days determined under paragraph 1 of this subsection by the following amount:

   (a) For fiscal year 1999-2000, ten dollars eighty cents.

   (b) For fiscal year 2000-2001 and each year thereafter, the amount for the prior year adjusted by any growth rate prescribed by law, subject to legislative appropriation.

3. For each pupil who is a child with a disability as defined in section 15-761, who is a prisoner and who had been in the county jail for more than forty-eight hours:

   (a) Determine the amount prescribed in section 15-1204, subsection E, paragraph 1 or 2, multiply the amount by .72 and add seventy-two dollars for capital outlay costs.
(b) Divide the sum determined under subdivision (a) of this paragraph by one hundred seventy-five.

(c) Subtract the amount prescribed in paragraph 2 of this subsection from the quotient determined in subdivision (b) of this paragraph.

(d) Determine the number of days in the prior fiscal year that the pupil received an instructional program of at least two hundred forty minutes.

(e) Multiply the amount determined in subdivision (d) of this paragraph by the difference determined in subdivision (c) of this paragraph.

4. Add the amounts determined in paragraph 3 of this subsection for all pupils with disabilities who are prisoners.

5. Add the sum determined in paragraph 4 of this subsection to the product determined in paragraph 2 of this subsection. This sum is the variable amount.

F. If a county jail education program serves more than one county, the county school superintendents and the sheriffs of the counties being served shall agree on a county of jurisdiction. The county school superintendent shall deposit into the county jail education fund of the county of jurisdiction monies that are received from the superintendent of public instruction pursuant to this section for all counties served by the county of jurisdiction.

G. If a county operated a county jail education program through an accommodation school in the year before it begins to operate its county jail education program as provided in subsection D of this section, for the first year of operation as provided in subsection D of this section, the student count of the accommodation school shall be reduced by the average daily membership attributable to the accommodation school's county jail education program in its last fiscal year of operation.

Sec. 8. Section 15-943, Arizona Revised Statutes, is amended to read:

15-943. **Base support level**

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

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

   (a) For school districts whose student count in kindergarten programs and grades one through eight is classified in column 1 of this subdivision, the support level weight for kindergarten programs and grades one through eight is the corresponding support level weight prescribed in column 2 or 3 of this subdivision, whichever is appropriate:
<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student Count</td>
<td>School Districts</td>
<td>Support Level Weight</td>
</tr>
<tr>
<td>For Small Isolated School Districts</td>
<td>For Small School Districts</td>
<td></td>
</tr>
<tr>
<td>1-99</td>
<td>1.559</td>
<td>1.399</td>
</tr>
<tr>
<td>100-499</td>
<td>1.358 + [0.0005 x (500 - student count)]</td>
<td>1.278 + [0.0003 x (500 - student count)]</td>
</tr>
<tr>
<td>500-599</td>
<td>1.158 + [0.002 x (600 - student count)]</td>
<td>1.158 + [0.0012 x (600 - student count)]</td>
</tr>
</tbody>
</table>

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

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

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

(a)

<table>
<thead>
<tr>
<th>Grade Base</th>
<th>Group A</th>
<th>Support Level</th>
<th>Student Weight</th>
<th>Student Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSD</td>
<td>1.000 + 0.450</td>
<td>1.450</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>K-8</td>
<td>1.000 + 0.158</td>
<td>1.158</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>9-12</td>
<td>1.163 + 0.105</td>
<td>1.268</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>Subtotal A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b)

<table>
<thead>
<tr>
<th>Funding Category</th>
<th>Support Level</th>
<th>Student Weight</th>
<th>Student Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>HI</td>
<td>4.771</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>K-3</td>
<td>0.060</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>K-3 reading</td>
<td>0.040</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>ELL</td>
<td>0.115</td>
<td>x</td>
<td>=</td>
</tr>
<tr>
<td>MD-R, A-R and SID-R</td>
<td>6.024</td>
<td>x</td>
<td>=</td>
</tr>
</tbody>
</table>
Subtotal B

(c) Total of subtotals A and B:

Subtotal A

Subtotal B

Sec. 9. Section 15-945, Arizona Revised Statutes, is amended to read:

15-945. Transportation support level

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Daily Route</td>
<td>State Support Level per Route Mile for Fiscal Year</td>
<td>2021-2022 2022-2023</td>
<td></td>
</tr>
<tr>
<td>0.5 or less</td>
<td>2.77</td>
<td>2.83</td>
<td></td>
</tr>
<tr>
<td>More than 0.5 through 1.0</td>
<td>2.27</td>
<td>2.32</td>
<td></td>
</tr>
<tr>
<td>More than 1.0</td>
<td>2.77</td>
<td>2.83</td>
<td></td>
</tr>
</tbody>
</table>

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

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

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

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

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
<th>Column 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Daily Route</td>
<td>District Type</td>
<td>District Type</td>
<td>District Type</td>
</tr>
<tr>
<td>0.5 or less</td>
<td>0.15</td>
<td>0.10</td>
<td>0.25</td>
</tr>
<tr>
<td>More than 0.5 through 1.0</td>
<td>0.15</td>
<td>0.10</td>
<td>0.25</td>
</tr>
<tr>
<td>More than 1.0</td>
<td>0.18</td>
<td>0.12</td>
<td>0.30</td>
</tr>
</tbody>
</table>

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

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

1. Determine the sum of the following:

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

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

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

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

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

Sec. 10. Repeal
Section 15-952, Arizona Revised Statutes, is repealed.

Sec. 11. Section 15-953, Arizona Revised Statutes, is amended to read:

15-953. Increases in the base level
If a school district receives approval to calculate its budget using an increase in the base level as provided in section 15-918 or 15-952 or PURSUANT TO any other law for a given fiscal year, that increase in the base level applies only to the fiscal year for which approval was given. In order to calculate its budget using an increase in the base level for any subsequent fiscal year the school district must receive specific approval to do so as prescribed by law.

Sec. 12. Section 15-961, Arizona Revised Statutes, is amended to read:

15-961. District additional assistance; growth rate
A. District additional assistance per student count is established as follows:

1. For school districts with a student count of less than one hundred for kindergarten programs and grades one through eight, five hundred forty-four dollars fifty-eight cents $606.88. For school districts with a student count of one hundred or more and less than six...
hundred for kindergarten programs and grades one through eight, multiply three hundred eighty-nine dollars twenty-five cents $433.78 by the weight that corresponds to the student count for kindergarten programs and grades one through eight for the school district as provided in section 15-943, paragraph 1, subdivision (a), column 3. For a school district with a student count of six hundred or more in kindergarten programs and grades one through eight, the limit is four hundred fifty dollars seventy-six cents $502.33.

2. For school districts with a student count of less than one hundred for grades nine through twelve, six hundred one dollars twenty-four cents $670.02. For school districts with a student count of one hundred or more and less than six hundred for grades nine through twelve, multiply four hundred five dollars fifty-nine cents $451.99 by the weight that corresponds to the student count for grades nine through twelve for the school district as provided in section 15-943, paragraph 1, subdivision (b), column 3. For a school district with a student count of six hundred or more in grades nine through twelve, the limit is four hundred ninety-two dollars ninety-four cents $549.33.

3. For programs for preschool children with disabilities, four hundred fifty dollars seventy-six cents $502.33.

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

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

2. Multiply the amount or amounts selected in paragraph 1 of this subsection by the appropriate student count of the school district.

3. If a school district's student count used for the budget year is greater than one hundred five percent of the student count used for the current year's budget, increase the adjusted district additional assistance determined in paragraph 2 of this subsection by fifty percent of the actual percentage increase in the school district's student count.

C. An amount for the purchase of required textbooks and related printed subject matter materials shall be used to increase the district additional assistance for a school district as determined in subsection B, paragraph 2 or 3 of this section, whichever is applicable. This amount shall equal the student count in grades nine through twelve multiplied by sixty-nine dollars sixty-eight cents $77.65.

Sec. 13. Section 15-971, Arizona Revised Statutes, is amended to read:

15-971. Determination of equalization assistance payments from state funds for school districts

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

1. The lesser of a school district's revenue control limit or district support level as determined in section 15-947 or 15-951.
2. District additional assistance of a school district as determined in section 15-951 or 15-961.

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

1. The amount that would be produced by levying the applicable qualifying tax rate determined pursuant to section 41-1276 for a high school district or a common school district within a high school district that does not offer instruction in high school subjects as provided in section 15-447.

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

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

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

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

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

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

3. The amount that would be produced by levying a qualifying tax rate in a career technical education district, which shall be five-cents
$.05 per one hundred dollars $100 assessed valuation unless the legislature sets a lower rate by law.

C. County aid for equalization assistance for education shall be computed as follows:
1. Determine the total equalization assistance for all school districts in the county as provided in subsections A and B of this section.
2. Determine the total amount of state equalization assistance collected for all school districts in the county as provided in section 15-994.
3. Divide the amount determined in paragraph 2 of this subsection by the amount determined in paragraph 1 of this subsection.
4. Multiply the amount determined in subsections A and B of this section by the quotient determined in paragraph 3 of this subsection for each school district.
5. The amount determined in paragraph 4 of this subsection shall be the county aid for equalization assistance for education for a school district.

D. C. State aid for equalization assistance for education for a school district shall be computed as follows:
1. Determine the equalization assistance for education for a school district as provided in subsections A and B of this section.
2. For each county, determine the levy that would be produced by the state equalization assistance property tax rate prescribed in section 15-994, subsection A.
3. Prorate the amount determined in paragraph 2 of this subsection to each school district in the county as prescribed by subsection C of this section.
4. Subtract the amount determined in paragraph 3 of this subsection from the amount determined in paragraph 1 of this subsection.

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

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

G. F. The additional weight for state aid purposes given to special education as provided in section 15-943 shall be given to school districts only if special education programs comply with chapter 7, article 4 of this title and the conditions and standards prescribed by the superintendent of public instruction pursuant to rules of the state board of education for pupil identification and placement pursuant to sections 15-766 and 15-767.
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H. G. In addition to state general fund appropriations, all amounts received pursuant to section 37-521, subsection B, paragraph 3, section 42-5029, subsection E, paragraph 5 and SECTION 42-5029.02, subsection A, paragraph 5 and from any other source for the purposes of this section are appropriated for state aid to schools as provided in this section.

H. The total amount of state monies that may be spent in any fiscal year for state equalization assistance shall not exceed the amount appropriated or authorized by section 35-173 for that purpose. This section does not impose a duty on an officer, agent or employee of this state to discharge a responsibility or create any right in a person or group if the discharge or right would require an expenditure of state monies in excess of the expenditure authorized by legislative appropriation for that specific purpose.

Sec. 14. Repeal
Section 15-994, Arizona Revised Statutes, is repealed.
Sec. 15. Section 15-1371, Arizona Revised Statutes, is amended to read:

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

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

1. Notwithstanding section 15-901:
   (a) The student count shall be determined using the following definitions:
   (i) "Daily attendance" means days in which a pupil attends an educational program for a minimum of two hundred forty minutes, not including meal and recess periods. Attendance for one hundred twenty or more minutes but fewer than two hundred forty minutes shall be counted as one-half day's attendance.
   (ii) "Fractional student" means a pupil who is enrolled in an educational program of one hundred twenty or more minutes but fewer than two hundred forty minutes a day, not including meal and recess periods. A fractional student shall be counted as one-half of a full-time student.
   (iii) "Full-time student" means a pupil who is enrolled in an educational program for a minimum of two hundred forty minutes a day, not including meal and recess periods.
   (b) "Pupils with serious emotional disabilities enrolled in a school district program as provided in section 15-765" includes pupils with serious emotional disabilities enrolled in the department of juvenile corrections school system.
2. All pupils shall be counted as if they were enrolled in grades nine through twelve.

3. The teacher experience index is 1.00.

4. The base support level shall be calculated using the base level multiplied by 1.0, except that the state educational system for committed youth is also eligible for additional teacher compensation monies as specified in section 15-952.

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

B. The superintendent may use section 15-855 in making the calculations prescribed in subsection A of this section. The superintendent of the system and the department of education shall prescribe procedures for determining average daily membership.

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

D. The state educational system for committed youth shall not receive twenty-five percent of the equalization assistance unless it is accredited by the north central association of colleges and secondary schools.

E. The state education fund for committed youth is established. Fund monies shall be used for the purposes of the state educational system for committed youth, and notwithstanding section 35-173, monies appropriated to the fund shall not be transferred to or used for any program that is not within the state educational system for committed youth. State equalization assistance for the state educational system for committed youth as determined in subsection A of this section, other state and federal monies received from the department of education for the state educational system for committed youth and monies appropriated pursuant to subsection F of this section, shall be deposited in the fund. The state treasurer shall maintain separate accounts for fund monies if the separate accounts are required by statute or federal law.

F. The department of juvenile corrections may seek appropriations for capital needs for land, buildings and improvements, including repairs and maintenance, that are required to maintain the state educational system for committed youth.

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

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

2. On October 15, one-twelfth of the total amount to be apportioned during the fiscal year.
3. On December 15, one-twelfth of the total amount to be apportioned during the fiscal year.
4. On January 15, one-twelfth of the total amount to be apportioned during the fiscal year.
5. On February 15, one-twelfth of the total amount to be apportioned during the fiscal year.
6. On March 15, one-twelfth of the total amount to be apportioned during the fiscal year.
7. On April 15, one-twelfth of the total amount to be apportioned during the fiscal year.
8. On May 15, one-twelfth of the total amount to be apportioned during the fiscal year.
9. On June 15, one-twelfth of the total amount to be apportioned during the fiscal year.

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

Sec. 16. Section 15-1372, Arizona Revised Statutes, is amended to read:

15-1372. Equalization assistance for state educational system for persons in the state department of corrections; fund

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

B. The state education fund for correctional education is established. Subject to legislative appropriation, fund monies shall be used for the purposes of providing education to pupils as specified in subsection A of this section. Notwithstanding section 35-173, monies appropriated to the fund shall not be transferred to or used for any program that is not directly related to the educational services required by this section. State equalization assistance, other state and federal monies received from the department of education for which the pupils in correctional education programs qualify and monies appropriated for correctional education except monies appropriated pursuant to subsection C of this section shall be deposited in the fund. The state treasurer shall maintain separate accounts for fund monies if the separate accounts are required by statute or federal law.
C. The state department of corrections may seek appropriations for capital needs for land, buildings and improvements, including repairs and maintenance, that are required to maintain the educational services required by this section.

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

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

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

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

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

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

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

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

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

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

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

1. Notwithstanding section 15-901, the student count shall be determined using the following definitions:

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

   (b) "Fractional student" means a pupil who is enrolled in an educational program of ninety or more minutes but fewer than one hundred eighty minutes per day, not including meal and recess periods. A fractional student shall be counted as one-half of a full-time student.

   (c) "Full-time student" means a pupil who is enrolled in an educational program for a minimum of one hundred eighty minutes per day, not including meal and recess periods.
(d) "Pupil with a disability" has the same meaning as child with a
disability prescribed in section 15-761.
2. All pupils shall be counted as if they were enrolled in grades
nine through twelve.
3. The teacher experience index is 1.00.
4. The calculation for additional teacher compensation monies as
prescribed in section 15-952 is available.
5. Section 15-943, paragraph 1 does not apply.
6. The base support level and capital outlay amounts calculated
pursuant to this section shall be multiplied by 0.67.
7. The school year shall consist of a period of not less than
two hundred eight days.
F. The director of the state department of corrections may use
section 15-855 in making the calculations prescribed in subsection E of
this section. The director of the state department of corrections and the
department of education shall prescribe procedures for calculating average
daily membership.
G. Equalization assistance for correctional education programs
provided for those pupils specified in subsection A of this section is
determined by adding the amount of the base support level and district
additional assistance for the budget year calculated as prescribed in
subsection E of this section.
H. The director of the state department of corrections shall keep
records and provide information as the department of education requires to
determine the appropriate amount of equalization assistance. Equalization
assistance shall be used to provide educational services in this section.
I. The department of education and the state department of
corrections shall enter into an intergovernmental agreement that
establishes the necessary accountability between the two departments
regarding the administrative and funding requirements contained in
 subsections A and B of this section. The agreement shall:
1. Provide for appropriate education to all committed youths as
required by state and federal law.
2. Provide financial information to meet requirements for
equalization assistance.
3. Provide for appropriate pupil intake and assessment procedures.
4. Require pupil performance assessment and the reporting of
results.
Sec. 17. Title 15, chapter 19, article 1, Arizona Revised Statutes,
is amended by adding section 15-2405, to read:
15-2405. Arizona empowerment scholarship accounts parent
oversight committee; membership; duties
A. THE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNTS PARENT OVERSIGHT
COMMITTEE IS ESTABLISHED CONSISTING OF SIX MEMBERS WHO ARE PARENTS OF
QUALIFIED STUDENTS WHO RECEIVE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT MONIES UNDER THIS CHAPTER. THE MEMBERS SHALL BE APPOINTED AS FOLLOWS:

1. ONE MEMBER WHO IS APPOINTED BY THE PRESIDENT OF THE SENATE.
2. ONE MEMBER WHO IS APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.
3. ONE MEMBER WHO IS APPOINTED BY THE MINORITY LEADER OF THE SENATE.
4. ONE MEMBER WHO IS APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES.
5. TWO MEMBERS WHO ARE APPOINTED BY THE GOVERNOR.

B. AT A MINIMUM, THE MEMBERS APPOINTED PURSUANT TO SUBSECTION A, PARAGRAPHS 1, 2, 3 AND 4 OF THIS SECTION SHALL BE PARENTS OF QUALIFIED STUDENTS WHO BOTH:

1. MEET ANY OF THE CRITERIA SPECIFIED IN SECTION 15-2401, PARAGRAPH 7, SUBDIVISION (a), ITEM (i), (ii) OR (iii) AS DETERMINED BY AN INDEPENDENT THIRD PARTY PURSUANT TO SECTION 15-2403, SUBSECTION I.
2. USE MONIES DEPOSITED IN THE QUALIFIED STUDENT'S ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT FOR EXPENSES AS PRESCRIBED IN SECTION 15-2402, SUBSECTION B, PARAGRAPH 4, SUBDIVISION (c).

C. THE MEMBERS OF THE COMMITTEE SHALL ANNUALLY ELECT A CHAIRPERSON FROM AMONG ITS MEMBERS.

D. THE COMMITTEE SHALL MEET AT LEAST ONCE EACH CALENDAR QUARTER. A MAJORITY OF THE MEMBERSHIP CONSTITUTES A QUORUM FOR THE TRANSACTION OF BUSINESS.


1. THE IMPLEMENTATION OF POLICIES AND PROCEDURES RELATING TO THE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT PROGRAM UNDER THIS CHAPTER AND THE PROGRAM'S EFFECTIVENESS.
2. THE CONCERNS OF PARENTS OF QUALIFIED STUDENTS WHO RECEIVE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT MONIES UNDER THIS CHAPTER.
3. THE WORK OF THE OMBUDSMAN-CITIZENS AIDE ON COMPLAINTS ASSOCIATED WITH ADMINISTERING THE ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNT PROGRAM.

F. A PARENT MAY NOT SERVE ON THE COMMITTEE IF ANY OF THE FOLLOWING APPLIES:

1. THE PARENT IS AN EMPLOYEE OR THE RELATIVE OF AN EMPLOYEE OF THE DEPARTMENT.
2. THE PARENT RECEIVES MONIES OR COMPENSATION FROM OR IS OTHERWISE ASSOCIATED IN ANY MANNER WITH A LOBBYIST ORGANIZATION, A SCHOOL CHOICE ADVOCACY GROUP OR A PRIVATE FINANCIAL MANAGEMENT FIRM THAT MANAGES ARIZONA EMPOWERMENT SCHOLARSHIP ACCOUNTS PURSUANT TO SECTION 15-2403, SUBSECTION A.
3. THE PARENT PROVIDES GOODS OR SERVICES TO QUALIFIED STUDENTS THAT ARE PURCHASED PURSUANT TO SECTION 15-2402, SUBSECTION B, PARAGRAPH 4.
Sec. 18. Section 37-521, Arizona Revised Statutes, is amended to read:

37-521. Permanent state school fund; composition; use
A. After any appropriation pursuant to section 37-527, the permanent state school fund shall consist of:
1. The proceeds of all lands granted to the THIS state by the United States for the support of common schools.
2. All property which accrues to the THIS state by escheat or forfeiture.
3. All property donated for the benefit of the common schools, unless the terms of the donation otherwise provide.
4. All unclaimed shares and dividends of any corporation incorporated under the laws of this state.
5. The proceeds of sale of timber, mineral, gravel or other natural products or property from school lands and state lands other than those granted for specific purposes.
6. The residue of the lands granted for payment of the bonds and accrued interest issued by Maricopa, Pima, Yavapai and Coconino counties, after the purpose of the grant has been satisfied, and the five percent of the proceeds of sales of public lands lying within this state sold by the United States subsequent to admission of this state into the union, as granted by the enabling act.
B. The fund shall be and remain a perpetual fund and distributions from the fund pursuant to article X, section 7, Constitution of Arizona, plus monies derived from the rental of the lands and property, interest and accrued rent for that year credited pursuant to section 37-295 and interest paid on installment sales, shall be used as follows:
1. If there are outstanding state school facilities revenue bonds pursuant to title 41, chapter 56, article 6, outstanding qualified zone academy bonds pursuant to title 41, chapter 56, article 7 or outstanding state school trust revenue bonds issued to correct existing deficiencies, the state treasurer and the state land department shall annually transfer to the state school facilities revenue bond debt service fund established in section 41-5754, the state school improvement revenue bond debt service fund established in section 41-5784 and the state school trust revenue bond debt service fund the amount that is necessary to pay that fiscal year's debt service on outstanding state school facilities revenue bonds, qualified zone academy bonds and state school trust revenue bonds, before transferring amounts for any other uses.
2. If there are no outstanding state school facilities revenue bonds pursuant to title 41, chapter 56, article 6 or if the amount of monies available under this subsection exceeds the amount required under paragraph 1 of this subsection, the monies are subject to legislative appropriation to the new school facilities fund established by section 41-5741.
3. If the amount of monies available under this subsection exceeds the amount required under paragraphs 1 and 2 of this subsection, the legislature may annually appropriate an amount to be used as provided in section 15-971, subsection H-G, except that the amount appropriated may not exceed the amount appropriated from the permanent state school fund and from the rent and interest paid on installment sales for this purpose in fiscal year 2000-2001.

4. Notwithstanding paragraphs 1, 2 and 3 of this subsection, from and after June 30, 2001, any expendable earnings under this subsection that exceed the fiscal year 2000-2001 expendable earnings shall be deposited in the classroom site fund established by section 15-977.

Sec. 19. Section 41-1276, Arizona Revised Statutes, as amended by Laws 2022, chapter 171, section 1, is amended to read:

41-1276. Truth in taxation levy for equalization assistance to school districts

A. On or before February 15 of each year, the joint legislative budget committee shall compute and transmit the truth in taxation rates for equalization assistance for school districts for the following fiscal year to:

1. The chairperson of the house of representatives ways and means committee and the senate finance committee, or their successor committees.

2. The chairperson of the appropriations committees of the senate and the house of representatives, or their successor committees.

B. The truth in taxation rates consist of the qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 1, AND a qualifying tax rate for a unified district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 2 AND a state equalization assistance property tax rate pursuant to section 15-994 that will offset the change in net assessed valuation of property that was subject to tax in the prior year.

C. The joint legislative budget committee shall compute the truth in taxation rates as follows:

1. Determine the statewide net assessed value for the preceding tax year as provided in section 42-17151, subsection A, paragraph 3.

2. Determine the statewide net assessed value for the current tax year, excluding the net assessed value of property that was not subject to tax in the preceding year.

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

4. Adjust the qualifying tax rates and the state equalization assistance property tax rate for the current fiscal year by the percentage...
determined in paragraph 3 of this subsection in order to offset the change in net assessed value.

D. Except as provided in subsections E and G of this section, the qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects— AND the qualifying tax rate for a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects and the state equalization assistance property tax rate for the following fiscal year shall be the rate determined by the joint legislative budget committee pursuant to subsection C of this section. The committee shall transmit the rates to the superintendent of public instruction and the county boards of supervisors by March 15 of each year.

E. If the legislature proposes either qualifying tax rates or a state equalization assistance property tax rate that exceeds EXCEED the truth in taxation rate:

1. The house of representatives ways and means committee and the senate finance committee, or their successor committees, shall hold a joint hearing on or before February 28 and publish a notice of a truth in taxation hearing subject to the following requirements:
   (a) The notice shall be published twice in a newspaper of general circulation in this state that is published at the state capital. The first publication shall be at least fourteen but not more than twenty days before the date of the hearing. The second publication shall be at least seven but not more than ten days before the date of the hearing.
   (b) The notice shall be published in a location other than the classified or legal advertising section of the newspaper.
   (c) The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.
   (d) The notice shall be in the following form, with the “truth in taxation hearing—notice of tax increase” headline in at least eighteen-point type:

   Truth in Taxation Hearing
   Notice of Tax Increase

   In compliance with section 41-1276, Arizona Revised Statutes, the state legislature is notifying property taxpayers in Arizona of the legislature's intention to raise the property tax levy over last year's level.

   The proposed tax increase will cause the taxes on a $100,000 home to be $(total proposed taxes including the tax increase). Without the proposed tax increase, the total taxes that would be owed on a $100,000 home would have been $______. 
All interested citizens are invited to attend a public hearing on the tax increase that is scheduled to be held (date and time) at (location).

(e) For the purposes of computing the tax increase on a $100,000 home as required by the notice, the joint meeting of the house of representatives ways and means committee and the senate finance committee, or their successor committees, shall consider the difference between the truth in taxation rate and the proposed increased rate.

2. The joint meeting of the house of representatives ways and means committee and the senate finance committee, or their successor committees, shall consider any motion to recommend the proposed tax rates to the full legislature by roll call vote.

F. In addition to publishing the truth in taxation notice under subsection E, paragraph 1 of this section, the joint meeting of the house of representatives ways and means committee and the senate finance committee, or their successor committees, shall issue a press release containing the truth in taxation notice.

G. Notwithstanding any other law, the legislature shall not adopt a state budget that provides for either qualifying tax rates pursuant to section 15-971 or a state equalization assistance property tax rate pursuant to section 15-994 that exceeds the truth in taxation rates computed pursuant to subsection A of this section unless the rates are adopted by a concurrent resolution approved by an affirmative roll call vote of two-thirds of the members of each house of the legislature before the legislature enacts the general appropriations bill. If the resolution is not approved by two-thirds of the members of each house of the legislature, the rates for the following fiscal year shall be the truth in taxation rates determined pursuant to subsection C of this section and shall be transmitted to the superintendent of public instruction and the county boards of supervisors.

H. Notwithstanding subsection C of this section and if approved by the qualified electors voting at a statewide general election, the legislature shall not set a qualifying tax rate that exceeds $2.1265 for a common or high school district or $4.253 for a unified school district. The legislature shall not set a county equalization assistance for education rate that exceeds $0.5123.

I. Pursuant to subsection C of this section, the qualifying tax rate in tax year 2021 for a high school district or a common school district within a high school district that does not offer instruction in high school subjects as provided in section 15-447 is $1.7694 and for a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects as provided in section 15-447 is $3.5388. The state equalization assistance property tax rate in tax year 2021 is $0.4263.
J. The state equalization assistance property tax rate:
1. In tax year 2022 is $0.4128.
2. In tax year 2023 is $0.4009.
3. In tax year 2024 is $0.3909.
4. In tax year 2025 is $0.3824.
5. In tax year 2026 is $0.3295.
6. In tax year 2027 is $0.2871.

Sec. 20. Section 41-5731, Arizona Revised Statutes, is amended to read:

41-5731. Building renewal grant fund; rules; annual report; definitions
A. The building renewal grant fund is established consisting of monies appropriated to the fund by the legislature. The division shall administer the fund and distribute monies to school districts for the purpose of maintaining the adequacy of existing school facilities. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.
B. The division shall distribute monies from the building renewal grant fund based on grant requests from school districts to fund primary building renewal projects. Project requests shall be prioritized by the division, with priority given to school districts that have provided routine preventive maintenance on the facility. A school district must submit a preventive maintenance plan to the division to be eligible to receive monies from the building renewal grant fund. The division shall approve only projects that will be completed within twelve months, unless similar projects on average take longer to complete. A grant issued under this section expires twelve months after the grant request is approved unless the division issues an extension, except that if the division approves a project and determines that similar projects on average take longer than twelve months to complete, the division shall extend the grant expiration date based on the average amount of time that similar projects take to complete. The division shall establish a process by which a school district may request an extension under this subsection. On expiration of a grant, a school district shall return any building renewal grant fund monies that the school district has not spent to the division for deposit in the building renewal grant fund. The division may spend monies from the fund for assessments to determine whether a grant from the fund is warranted under this section.
C. School districts that receive monies from the building renewal grant fund shall use these monies on projects for buildings or any part of a building in the division’s database for any of the following:
   1. Major renovations and repairs to a building that is used for student instruction or other academic purposes.
   2. Upgrading systems and areas that will maintain or extend the useful life of the building.
3. Infrastructure costs.

D. Monies received from the fund shall not be used for any of the following purposes:
1. New construction.
2. Remodeling interior space for aesthetic or preferential reasons.
3. Exterior beautification.
4. Demolition.
5. Routine preventive maintenance.
6. Any project in a building, or part of a building, that is being leased to another entity.

E. Accommodation schools are not eligible for monies from the building renewal grant fund.

F. If the division or a court of competent jurisdiction determines that a school district received monies from the building renewal grant fund that must be reimbursed to the division due to legal action associated with improper construction by a hired contractor, the school district shall reimburse the division an agreed-on amount for deposit into the building renewal grant fund.

G. The division shall categorize each project that is eligible for monies from the building renewal grant fund as either critical or noncritical. The division shall adopt policies and procedures to prioritize critical projects and to designate critical projects as projects that immediately impact student safety or building closures or that result in operational disruptions. Critical projects have priority over any previously approved noncritical projects.

H. If the division determines that sufficient monies are not available for a noncritical project that the division has approved, the division shall notify the school district that submitted the project request that monies will be distributed from the building renewal grant fund for the project only if the legislature appropriates sufficient monies. If sufficient monies are not available in the fiscal year in which the project is awarded for a noncritical project, the noncritical project does not receive priority in the next fiscal year.

I. Building renewal grants pursuant to this section shall be used only for projects that serve an academic purpose.

J. The division shall do both of the following:
1. Implement policies and procedures to require a school district to report the preventive maintenance activities completed during the previous twelve months for the facility for which the monies are being requested.
2. Submit a monthly report to the school facilities oversight board that details how monies from the building renewal grant fund have been distributed.
K. In addition to establishing a project eligibility assessment under section 41-5702, subsection A, paragraph 5, subdivision (b), the division shall adopt rules regarding both of the following:

1. The approval of building renewal grants pursuant to this section.
2. Time frames for the division regarding all of the following with respect to this section:
   (a) Approving or denying grant requests for critical projects.
   (b) Notifying an applicant if the applicant's application is incomplete.
   (c) Providing regular updates to applicants regarding completed applications.
   (d) Distributing monies from the building renewal grant fund.

L. The board shall review all policies and procedures that the division develops to administer this section.
M. The division may spend monies from the fund for assessments to determine if a grant from the fund is warranted under this section.

N. ON OR BEFORE JUNE 30 OF EACH YEAR, THE DIVISION SHALL SUBMIT A REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING ON ANY UNOBLIGATED MONIES IN THE BUILDING RENEWAL GRANT FUND.

N. O. For the purposes of this section:
1. "Primary building renewal projects" means projects that are necessary for buildings owned by school districts that are required to meet the minimum adequacy standards for student capacity and that fall below the minimum school facility adequacy guidelines, as adopted by the board pursuant to section 41-5711, for school districts that have provided routine preventive maintenance to the school facility.
2. "Routine preventive maintenance" means services that are performed on a regular schedule at intervals ranging from four times a year to once every three years, or on the schedule of services recommended by the manufacturer of the specific building system or equipment, and that are intended to extend the useful life of a building system and reduce the need for major repairs.
3. "Student capacity" has the same meaning prescribed in section 41-5711.

Sec. 21. Section 42-17051, Arizona Revised Statutes, is amended to read:

42-17051. Limit on county, municipal and community college primary property tax levy

A. In addition to any other limitation that may be imposed, a county, charter county, city, charter city, town or community college district shall not levy primary property taxes in any year in excess of an aggregate amount computed as follows:
1. Determine the maximum allowable primary property tax levy limit for the jurisdiction for the preceding tax year.

2. Multiply the amount determined in paragraph 1 OF THIS SUBSECTION by 1.02.

3. Determine the assessed value for the current tax year of all property in the political subdivision that was subject to tax in the preceding tax year.

4. Divide the dollar amount determined in paragraph 3 OF THIS SUBSECTION by one hundred and then divide the dollar amount determined in paragraph 2 OF THIS SUBSECTION by the resulting quotient. The result, rounded to four decimal places, is the maximum allowable tax rate for the political subdivision.

5. Determine the finally equalized valuation of all property, less exemptions, appearing on the tax roll for the current tax year including an estimate of the personal property tax roll determined pursuant to section 42-17053.

6. Divide the dollar amount determined in paragraph 5 OF THIS SUBSECTION by one hundred and then multiply the resulting quotient by the rate determined in paragraph 4 OF THIS SUBSECTION. The resulting product is the maximum allowable primary property tax levy limit for the current year for all political subdivisions.

7. The allowable levy of primary property taxes for the current fiscal year for all political subdivisions is the maximum allowable primary property tax levy limit less any amounts required to reduce the levy pursuant to subsections B and C of this section.

B. Any monies that a political subdivision received from primary property taxation in excess of the sum of the amount of taxes collectible pursuant to section 42-15054, 42-15053, SUBSECTION G, PARAGRAPH 2 and the allowable levy determined under subsection A of this section shall be maintained in a separate fund and used to reduce the primary property tax levy in the following year. Monies that are received and that are attributable to the payment of delinquent taxes that were properly assessed in prior years shall not be applied to reduce the levy in the following year.

C. If, pursuant to section 41-1279.07, the auditor general determines that in any fiscal year a county has exceeded its expenditure limitation, the allowable levy of primary property taxes of the county determined under subsection A of this section shall be reduced in the fiscal year following the auditor general's hearing by the amount of the expenditures that exceeded the county's expenditure limitation.

D. The limitations prescribed by this section do not apply to levies made pursuant to section 15-994 or article 5 of this chapter.

E. The levy limitation for a political subdivision is considered to be increased each year to the maximum permissible limit under subsection A
of this section regardless of whether the county, city, town or district actually levies taxes in any year up to the maximum permissible amount.

F. For purposes of determining a county's levy limit under this article, remote municipal property, as defined in section 42-15251, is considered to be taxable property in the county.

Sec. 22. Results-based funding; allocation formula; fiscal year 2022-2023

Notwithstanding section 15-249.08, subsection B, paragraph 2, Arizona Revised Statutes, for fiscal year 2022-2023, the department of education shall distribute monies from the results-based funding fund established by section 15-249.08, Arizona Revised Statutes, as follows:

1. Each school operated by a school district or charter holder shall receive $225 per student count from the fund if both of the following apply:
   (a) At the time the test prescribed in subdivision (b) of this paragraph was administered, fewer than sixty percent of the students who were enrolled in the school met the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches, or an equivalent measure recognized for participating in the federal free and reduced-price lunch program and other school programs dependent on a poverty measure, including the community eligibility provision for which free and reduced-price lunch data is not available.
   (b) In results achieved during the spring of 2021, the school performed in the top thirteen percent of all schools statewide as demonstrated by the average percentage of students who obtained a passing score on the mathematics portions of the statewide assessment and the average percentage of students who obtained a passing score on the language arts portions of the statewide assessment.

2. Each school operated by a school district or charter holder shall receive $400 per student count from the fund if both of the following apply:
   (a) At the time the test prescribed in subdivision (b) of this paragraph was administered, sixty percent or more of the students who were enrolled in the school met the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches, or an equivalent measure recognized for participating in the federal free and reduced-price lunch program and other school programs dependent on a poverty measure, including the community eligibility provision for which free and reduced-price lunch data is not available.
   (b) In results achieved during the spring of 2021, the school performed in the top thirteen percent of schools pursuant to subdivision (a) of this paragraph, as demonstrated by the average percentage of those students who obtained a passing score on the mathematics portions of the
statewide assessment and the average percentage of students who obtained a passing score on the language arts portions of the statewide assessment.

3. Each school operated by a school district or charter holder shall receive $225 per student count from the fund if both of the following apply:

(a) At the time the test prescribed in subdivision (b) of this paragraph was administered, sixty percent or more of the students who were enrolled in the school met the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1793) for free or reduced-price lunches, or an equivalent measure recognized for participating in the federal free and reduced-price lunch program and other school programs dependent on a poverty measure, including the community eligibility provision for which free and reduced-price lunch data is not available.

(b) In results achieved during the spring of 2021, the school performed in the top twenty-seven percent but not in the top thirteen percent of schools pursuant to subdivision (a) of this paragraph, as demonstrated by the average percentage of those students who obtained a passing score on the mathematics portions of the statewide assessment and the average percentage of students who obtained a passing score on the language arts portions of the statewide assessment.

4. Each alternative high school shall receive $400 per student count from the fund if in the results achieved during testing conducted in the spring of 2021 the school performed in the top twenty-seven percent of schools identified pursuant to paragraph 3, subdivision (a) of this section, as demonstrated by the average percentage of those students who obtained a passing score on the mathematics portions of the statewide assessment and the average percentage of students who obtained a passing score on the language arts portions of the statewide assessment. An alternative high school is eligible for funding under this paragraph only if it reports the average percentage of students who obtained a passing score on both the mathematics portions of the statewide assessment and the language arts portions of the statewide assessment during testing conducted in the spring of 2021.

Sec. 23. School district budgets; fiscal year 2022-2023; retroactivity

A. Notwithstanding any other law, to account for legislative changes relating to K-12 funding that were enacted by the legislature after June 20, 2022, for fiscal year 2022-2023:

1. A school district may adopt a budget that is higher than its proposed budget. The budget adoption hearing shall identify the differences between the proposed budget and the budget presented for adoption.

2. If a school district adopts a budget for fiscal year 2022-2023 that does not take into consideration legislative changes relating to K-12
funding that were enacted by the Legislature after June 20, 2022, the
district may revise its budget.
3. District budgets that are revised pursuant to paragraph 2 of
this subsection on or before August 1, 2022 and district budgets that are
adopted pursuant to paragraph 1 of this subsection shall be used for
setting the amount that is required to be levied for each school district
from both the primary property tax prescribed by section 15-992, Arizona
Revised Statutes, and the secondary property tax for fiscal year 2022-
2023.
B. This section applies retroactively to from and after June 19,
2022.
Sec. 24. Intent
The governor and the legislature intend that school districts
increase the total percentage of classroom spending over the previous
year's percentages in the combined categories of instruction, student
support and instructional support as prescribed by the auditor general.

APPROVED BY THE GOVERNOR JUNE 28, 2022.