



# ARIZONA HOUSE OF REPRESENTATIVES

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## **SB 1280: tax credit review; evaluation standard**

**S/E schools; transportation support; programs; appropriation**

**Sponsor: Senator Gray, LD 21**

**Caucus & COW**

### **Summary of the Strike-Everything Amendment to SB 1280**

#### **Overview**

Establishes several programs to improve the quality of student transportation to school. Appropriates \$10,000,000 from the state General Fund (GF) in fiscal year (FY) 2022 to the Arizona Department of Administration (ADOA) for school transportation programs.

#### **History**

Currently, school districts receive funding for transportation support through two different calculations. The Transportation Support Level (TSL) includes support levels for transportation: 1) to and from school; 2) for academic education, CTE, vocational education and athletic trips; and 3) for extended-year services for students with disabilities. The support level for each approved route mile is adjusted by the prescribed growth rate ([A.R.S. § 15-945](#)). The Transportation Revenue Control Limit (TRCL) is determined by adding the increase in TSL from the current year, to the budget year, to the current year's TRCL. However, if TRCL is more than 120% of TSL, then TRCL may not be increased ([A.R.S. § 15-946](#)).

School districts are required to establish policies implementing open enrollment that include admission criteria, application procedures and transportation provisions. A school district governing board may provide transportation limited to 20 miles each way to and from the school of attendance or a pickup point or for the total miles traveled each day to an adjacent district for eligible nonresident students who meet the economic eligibility requirements or nonresident students with disabilities whose individualized education program specifies that transportation is necessary for fulfillment of the program ([A.R.S. § 15-816.01](#)).

The Child Nutrition Act (CNA) is an expansion of the National School Lunch Program (NSLP) ([CNA Declaration of Purpose](#)). NSLP is a federally assisted meal program operating in United States schools ([NSLP fact sheet](#)). Children from families with incomes below 185% of the federal poverty level are eligible for free or reduced-price meals ([Child Nutrition Programs: Income Eligibility Guidelines 85 Fed. Reg. 16,050 \(March 20, 2020\)](#)).

#### **Provisions**

##### ***In Lieu of Transportation Grants (in lieu grants)***

1. Allows a school district to use a portion of its transportation funding to provide in lieu grants to parents of students that attend the school district — pursuant to a plan submitted to the Arizona Department of Education (ADE). (Sec. 1)
2. States that school districts may issue grants to support individual parents or neighborhood carpools to transport students to school. (Sec. 1)

3. Prohibits a school district's transportation funding allocation from being reduced due to awarding in lieu grants. (Sec. 1)
4. Allows a charter to use a portion of its charter additional assistance funding to provide in lieu grants to parents of students that attend the school district — pursuant to a plan submitted to ADE. (Sec. 1)
5. States that school districts may issue grants to support individual parents or neighborhood carpools to transport students to school. (Sec. 1)
6. Directs charter schools to report to ADE regarding the monies awarded to parents through in lieu grants. (Sec. 1)
7. Prohibits parents from receiving both in lieu grants and Transportation Program grants. (Sec. 1, 2)
8. Requires ADE to adopt policies to account for in lieu grant expenditures and to require proof of attendance for students whose transportation is supported through in lieu grants. (Sec. 1)

***Transportation Support for Public School Enrollment Grant Program (Transportation Program)***

9. Establishes the Transportation Program to provide grants to parents to assist in transporting students to their school of attendance. (Sec. 2)
10. Directs ADOA to award Transportation Program grants to parents:
  - a) Whose children attend a charter school or a school available to them under the open enrollment statute; and
  - b) Who require financial support to transport their child to school or live within 20 miles of the school district boundary but do not have a school Transportation Program available to pick up their children from their neighborhood. (Sec. 2)
11. Directs ADOA to: a) create policies for the Transportation Program; b) set income thresholds for prioritizing available funds for the grant; and c) require proof of the student's attendance as a condition of ongoing grant funding. (Sec. 2)
12. Allows ADOA to retain up to three percent of appropriated monies to administer the Transportation Program. (Sec. 2)
13. Limits the Transportation Program to parents whose school does not provide in lieu grants. (Sec. 2)
14. Terminates the program on July 1, 2031. (Sec. 2)

***Transportation Modernization Solutions Advisory Committee (Advisory Committee)***

15. Instructs ADOA to create the Advisory Committee to assist in consulting for and developing the Transportation Modernization Grant Program (Modernization Program). (Sec. 3)
16. Outlines that the Advisory Committee may consist of not more than fifteen members, including any of the following:
  - a) The president of the state board of education or the president's designee;
  - b) The president of the state board for charter schools or the president's designee;
  - c) County school superintendents;
  - d) Community advocates;
  - e) Education and regional transportation policy experts;
  - f) Representatives from the technology or transportation innovation field; and
  - g) Parents of public school students in this state. (Sec. 3)
17. Authorizes the Advisory Committee, at the request of ADOA, to:

- a) Consider approaches to help students access free, safe and reliable transportation to school;
- b) Assist ADOA in developing grant applications and application procedures;
- c) Make recommendations and assist in selecting grant recipients and monitoring metrics and data outcomes; and
- d) Assist in developing the final Modernization Program report. (Sec. 3)

***Transportation Modernization Grant Program (Modernization Program)***

- 18. Establishes the Modernization Program to distribute Public School Transportation Modernization Grants (Modernization Grants) to school districts, charter schools, cities, towns or such other entities as ADOA deems eligible grant recipients. (Sec. 3)
- 19. Appropriates \$10,000,000 from the GF in FY 2022 to ADOA for the Modernization Program. (Sec. 3)
- 20. Directs ADOA to:
  - a) Develop modernization grant application and application procedures which require an applicant to explain how it would use grant monies to: improve access transportation for students attending a charter school or a school through open enrollment and support transportation innovations and efficiency solutions;
  - b) Consult with the Advisory Committee;
  - c) Make final grant determinations and awards;
  - d) Submit an interim report by December 15, 2021 and a final report by June 30, 2022 to the Governor, the President of the Senate, the Speaker of the House of Representatives and the Secretary of State. (Sec. 3)
- 21. Instructs the interim and final reports to describe:
  - a) The best practices used by grant recipients to transport students to schools outside of attendance boundaries;
  - b) A list of the grant recipients and the amounts and purposes of the grants;
  - c) The number of students impacted per grant recipient. (Sec. 3)
- 22. Allows ADOA to retain up to three percent of appropriated monies to administer the Modernization Program. (Sec. 3)
- 23. States that ADOA is to distribute the modernization grant monies based on: a) demand; b) the most innovative solutions; and c) the recommendations of the Advisory Committee. (Sec. 3)
- 24. Requires that at least 25% of Modernization Grants must be awarded to support rural and remote proposals — waives this requirement if an insufficient number of qualified rural and remote proposals is submitted. (Sec. 3)
- 25. Designates that at least \$5,000,000 is to be distributed in Modernization Grants to school districts and charter schools to support:
  - a) Transportation resource sharing with neighboring school districts or charter schools;
  - b) Developing or contracting with rideshare programs or engaging neighborhood carpool strategies;
  - c) Developing options for reducing costs and improving efficiencies, such as exploring the use of fleet vehicles or using technology to lead to more efficient routing;
  - d) Developing options to address personnel shortages or challenges; and
  - e) Funding in lieu grants given to parents. (Sec. 3)
- 26. Designates that at least \$2,000,000 is to be distributed in Modernization Grants to cities and towns to support:

- a) Building capacity to ensure that bus stops exist in front of multifamily housing, low-income housing and public schools with high demand for better transit options;
  - b) Partnering with both school district and charter schools to reevaluate bus routes to decrease ride time for students in the K-12th grades, with a priority on routes serving 6th-12th grades; and
  - c) Developing collaborations with public schools and community partners to identify solutions to ensure students' safe and effective passage to school. (Sec. 3)
27. Stipulates that schools that use modernization grant monies to fund in lieu grants must give priority to students who meet the economic eligibility requirements established under CNA and NSLP for free or reduced-price lunches and who are attending a charter school or a school through open enrollment. (Sec. 3)
28. Terminates the Modernization Program on January 1, 2023. (Sec. 3)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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