1 Strike everything after the enacting clause and insert:

   "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 USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04, 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:

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

2. (b) The governing body of the charter holder has identical membership to another charter holder in this state.

3. (c) The charter holder is a subsidiary of a corporation that has other subsidiaries that are charter holders in this state.

4. (d) 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 STATE 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 per student count in preschool programs for children with disabilities, kindergarten programs and grades one through eight and $2,211.97 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 STATE 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.

E. 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.

F. 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.

G. 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.

⊥ H. In addition to the withholding of state aid payments pursuant to subsection ⊥ G 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.

⊥ I. 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.

⊥ J. 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.

K. 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.

L. 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.

M. 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.

N. 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.

O. 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. Section 15-249.08, Arizona Revised Statutes, is amended to read:

15-249.08. Achievement-based funding; requirements; reports; definition

A. The results-based funding fund is established consisting of legislative appropriations. The department of education shall administer the fund. Monies in the fund are continuously appropriated.

B. The department of education shall distribute monies from the results-based funding fund to school districts and charter schools as follows:

1. Beginning in fiscal year 2017-2018:
   (a) Each school operated by a school district or charter holder shall receive $225 from the fund per student count if the school meets both of the following criteria:
      (i) At the time the test prescribed in item (ii) of this subdivision is administered, fewer than sixty percent of the pupils who are enrolled in the school meet the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) 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.
      (ii) In results achieved during the spring of 2016, the school performed in the top ten percent of all schools statewide as demonstrated by the average percentage of pupils who obtained a passing score on the mathematics portions of the statewide assessment and the percent of pupils who passed the language arts portions of the statewide assessment.
   (b) Each school operated by a school district or charter holder shall receive $400 from the fund per student count if the school meets both of the following criteria:
(i) At the time that the test prescribed in item (ii) of this subdivision is administered, sixty percent or more of the pupils who are enrolled in the school meet the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) 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.

(ii) In results achieved during the spring of 2016, the school performed in the top ten percent of schools pursuant to item (i) of this subdivision, as demonstrated by the average percentage of those pupils who obtained a passing score on the mathematics portions of the statewide assessment and the percent of pupils who passed the language arts portions of the statewide assessment.

(c) Each alternative high school that is subject to a specialized rating system and that in 2014 was assigned the equivalent of a letter grade designation of A pursuant to section 15-241 shall receive $400 from the fund per student count.

2. Beginning in fiscal year 2018-2019:

(a) Each school operated by a school district or charter holder shall receive $225 from the fund per student count if the school has a letter grade designation of A pursuant to section 15-241 from the prior fiscal year and fewer than sixty percent of the pupils who are enrolled in the school meet the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) 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 in which free and reduced-price lunch data is not available.
(b) Each school operated by a school district or charter holder shall receive $400 from the fund per student count if the school has a letter grade designation of A pursuant to section 15-241 from the prior fiscal year and sixty percent or more of the pupils who are enrolled in the school meet the eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) 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 in which free and reduced-price lunch data is not available.

C. Any monies received from the results-based AN ACHIEVEMENT-BASED funding fund WEIGHT by a school district or charter holder shall be separately accounted for in the school district's or charter holder's annual financial report and shall not supplant monies budgeted or received from any other source that are generally provided to that school.

D. The majority FIFTY-ONE PERCENT OR MORE of the monies received from the fund ACHIEVEMENT-BASED FUNDING WEIGHTS by a school district or charter holder shall be used at the school that earned the results for teacher salaries, to hire teachers, for school leader salaries, for classroom supplies and for other strategies to sustain outcomes for students at that school. A portion of the monies received from the fund ACHIEVEMENT-BASED FUNDING WEIGHTS may SHALL be used for expanding and replicating that school site as a quality school model. For the purposes of this subsection, "expanding and replicating" means:

1. Providing for costs associated with adding seats and serving more students at the awarded school site, including students on a waiting list.
2. Mentoring school leaders and teachers from other sites to replicate the model and instructional practices that show results in closing the achievement gap.
3. Physically expanding the results-based ACHIEVEMENT-BASED funding model or strategies at another location to improve academic outcomes at that location and to accelerate academic growth.

E. C. Schools that are not results-based ACHIEVEMENT-BASED funded and that receive funding or support as described in subsection E B, paragraphs 2 and 3 of this section are eligible to receive that funding or support for not more than three years.

E. D. On or before November 1 of each year, each school that received results-based ACHIEVEMENT-BASED funding in the prior fiscal year shall submit to the department of education a report that provides a brief description of how the dollars were allocated pursuant to subsections E A and E B of this section. Each school that is not results-based ACHIEVEMENT-BASED funded but that received funding pursuant to subsection E C of this section shall submit a report to the department that specifically indicates the number of years the school has received that funding. On or before December 1 of each year, the department of education shall compile the reports from each local education agency and provide that information to the joint legislative budget committee, the governor's office of strategic planning and budgeting and the chairpersons of the education committees of the house of representatives and the senate, or their successor committees.

E. For the purposes of this section, only students who are eligible to be included in a school’s student count shall be considered in determining that school’s percentages of free or reduced-price lunch students or other poverty indicators.

Sec. 3. Section 15-393, Arizona Revised Statutes, as amended by Laws 2021, chapter 252, section 1 and chapter 404, section 14, 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, the reimbursement of other entities for the facilities used by the district. This section does not restrict a school district from offering any career and technical education course that does not qualify for funding as a career technical education course or career technical education district program. Unless the governing boards of the school districts participating in the formation of the career technical education district vote to implement an alternative election system as provided in subsection B of this section, the career technical education board 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 overestimated its student count shall revise its budget before May 15. A career technical education district that underestimated its student count may revise its budget before May 15.

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

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

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 expanded hours of service
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 CHAIRPERSON. The chairman CHAIRPERSON shall be selected annually on a rotation basis from among the participating school districts. The chairman CHAIRPERSON 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, or 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, or 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. **STUDENTS IN AN APPROVED CAREER TECHNICAL EDUCATION DISTRICT
CENTRALIZED CAMPUS PROGRAM MAY GENERATE AN AVERAGE DAILY MEMBERSHIP DURING
ANY DAY OF THE WEEK AND AT ANY TIME BETWEEN JULY 1 AND JUNE 30 OF EACH
FISCAL YEAR.** To qualify for funding pursuant to this subsection, a
centralized campus shall offer programs and courses to all eligible
students in each member district of the career technical education
district. **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 district leased campus centralized program may generate an average daily membership during any day of the week and at any time between July 1 and June 30 of each fiscal year.

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.

R. 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.

S. 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.

T. 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.

T. 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.

T. 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.

T. X. Notwithstanding subsection D, paragraphs 4 and 9 and subsections P, and 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 T. 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.
X. 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.

Y. Z. Notwithstanding subsection D, paragraphs 4 and 9 and
subsections P, Q, R 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 X Y of this section for that student's region for
the year in which the student began the program.

Z. 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. 4. **Repeal**

Section 15-393, Arizona Revised Statutes, as amended by Laws 2021, chapter 252, section 1 and chapter 416, section 2, is repealed.

Sec. 5. Section 15-393.01, Arizona Revised Statutes, is amended to read:

15-393.01. **Career technical education districts; annual report; performance and accountability**

A. The department of education shall include each career technical education district in the department's annual achievement profiles required by section 15-241, except that a career technical education district may not be assigned a letter grade pursuant to section 15-241. Subject to approval by the state board of education, the department shall develop specific criteria applicable to career technical education districts that may not be based solely on the criteria prescribed in the Carl D. Perkins vocational education act, as amended by the Carl D. Perkins vocational and applied technology education act amendments of 1990, as amended by the Carl D. Perkins vocational and technical education act of 1998. The department shall include all of the following performance indicators in the annual achievement profiles and provide a copy of the information to each career technical education district governing board:

1. The graduation rate of all students enrolled in a career and technical education program or course.

2. The completion rate for each program offered by the career technical education district.

3. Performance on assessments required pursuant to section 15-391, paragraph 4, subdivision (b).

4. Postgraduation employment rates, postsecondary enrollment rates and military service rates for students who complete a career and technical education program.

B. A career technical education district is subject to the performance audits pursuant to section 41-1279.03, subsection A, paragraph 9. The auditor general shall consider the differences and
applicable laws for a career technical education district when conducting a
performance audit for a career technical education district.

C. On or before December 31 of each year, the career and technical
education division of the department of education shall submit a career
technical education district annual report to the governor, the president
of the senate and the speaker of the house of representatives and shall
submit a copy of this report to the secretary of state. The career and
technical education division of the department of education shall submit a
copy of this report to the joint legislative budget committee for review.
The annual report shall include the following:

1. The average daily membership of each career technical education
district, including the average daily membership of each centralized
campus, satellite campus and leased centralized campus as defined in
section 15-393.

2. The actual student count of each career technical education
district, including the student count of each centralized campus, satellite
campus and leased centralized campus as defined in section 15-393.

3. The programs and corresponding courses offered by each career
technical education district, including the location of each program and
course.

4. For each career technical education district based on program or
course location:
   (a) The student enrollment of each program and corresponding course.
   (b) The percentage of students who enrolled in the second year of
each program and corresponding course relative to the number of students in
the same cohort who enrolled in the first year of each program and
corresponding course.
   (c) The percentage of students who completed each program relative
to the number of students in the same cohort who began the program.

5. The costs associated with each program offered by the career
technical education district.
6. A listing of any programs or courses that were discontinued by review of the career and technical education division pursuant to section 15-393, subsection W.

7. A listing of any programs or courses that were continued by review of the career and technical education division pursuant to section 15-393, subsection W.

8. A listing of any programs or courses that were added by the career and technical education division.

9. For applicable school districts, the required maintenance of effort and how monies were used to supplement and not supplant base year career and technical education courses, including expenditures related to personnel, equipment and facilities.

10. For students who meet the requirements to receive funding pursuant to section 15-393, subsection W–X, students enrolled in an internship course and students enrolled in the year immediately following graduation, a separate listing of the following information for each district:
   (a) Average daily membership.
   (b) The actual student count.
   (c) Enrollment by course or program and persistence at each grade level toward completion of the program.
   (d) The percentage of students who completed each program.
   (e) The number of certifications and licenses earned by students delineated by those who attended a satellite program and those who attended a centralized campus.

11. Any other data or information deemed necessary by the department of education.

D. The office of the auditor general, in consultation with the department of education, shall develop and establish uniform cost reporting guidelines, policies and procedures for career technical education district programs. Any guideline, policy or procedure shall allow for the effective comparison of cost between career technical education district programs.
Sec. 6. Title 15, chapter 4, Arizona Revised Statutes, is amended by adding article 6, to read:

ARTICLE 6. STATE STUDENT FUNDING FORMULA

15-495. School districts; state student funding formula; election; limit on property tax funding; reversion to standard school financing

A. NOTWITHSTANDING ANY OTHER LAW, A SCHOOL DISTRICT THAT PROVIDES INSTRUCTION TO PUPILS IN ANY COMBINATION OF KINDERGARTEN PROGRAMS AND GRADES ONE THROUGH TWELVE MAY CHOOSE TO USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04 TO DETERMINE ITS DISTRICT SUPPORT LEVEL IF EITHER OF THE FOLLOWING APPLIES:

1. THE SCHOOL DISTRICT DOES NOT HAVE AN OVERRIDE IN PLACE PURSUANT TO SECTION 15-481 OR 15-482 AND DOES NOT OWE ANY DEBT SERVICE PAYMENTS ON ANY CLASS A OR CLASS B BOND.

2. THE SCHOOL DISTRICT DOES NOT HAVE AN OVERRIDE IN PLACE PURSUANT TO SECTION 15-481 OR 15-482 AND HAS NOT MORE THAN FOUR REMAINING FISCAL YEARS IN WHICH IT IS SCHEDULED TO MAKE PAYMENTS ON ANY CLASS A OR CLASS B BOND.

B. A SCHOOL DISTRICT THAT IS ELIGIBLE UNDER SUBSECTION A OF THIS SECTION MAY USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04 BY FOLLOWING THE PROCEDURE PRESCRIBED IN THIS SUBSECTION. AFTER A MAJORITY VOTE OF THE MEMBERS OF THE SCHOOL DISTRICT GOVERNING BOARD TO USE THE STATE STUDENT FUNDING FORMULA, THE SCHOOL DISTRICT GOVERNING BOARD SHALL CALL AN ELECTION TO DETERMINE THE QUESTION OF WHETHER THE SCHOOL DISTRICT SHALL USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04. THE QUESTION MUST BE SUBMITTED TO THE VOTE OF THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT AS PRESCRIBED IN SECTION 15-401 AND SUBJECT TO SECTION 15-402. THE QUESTION SUBMITTED TO THE QUALIFIED ELECTORS MUST DESCRIBE THE TAX RATE THAT IS ASSOCIATED WITH USING THE STATE STUDENT FUNDING FORMULA AND THE ESTIMATED COST OF THAT TAX RATE FOR THE OWNER OF A SINGLE-FAMILY HOME THAT IS VALUED AT $100,000. THE SCHOOL DISTRICT GOVERNING BOARD SHALL ORDER THE ELECTION TO BE HELD ON THE FIRST TUESDAY
AFTER THE FIRST MONDAY IN NOVEMBER AS PRESCRIBED IN SECTION 16-204.

SUBSECTION F. IF A MAJORITY OF THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT WHO VOTED ON THE QUESTION APPROVE THE USE OF THE STATE STUDENT FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04, THE SCHOOL DISTRICT SHALL BEGIN USING THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04 IN THE NEXT FISCAL YEAR FOLLOWING THE ELECTION HELD PURSUANT TO THIS SUBSECTION.

C. A SCHOOL DISTRICT THAT IS USING THE STATE STUDENT FUNDING FORMULA MAY NOT:

1. USE ANY OTHER SOURCE OF PROPERTY TAX-GENERATED FUNDING OTHER THAN THE STATE STUDENT FUNDING FORMULA, INCLUDING FUNDING GENERATED PURSUANT TO ANY OF THE FOLLOWING:
   (a) SECTION 15-481.
   (b) SECTION 15-482.
   (c) SECTION 15-910.
   (d) SECTION 15-946.
   (e) SECTION 15-949.
   (f) SECTION 15-954.
   (g) SECTION 15-995.
   (h) CHAPTER 9, ARTICLE 7 OF THIS TITLE.

2. APPLY FOR OR RECEIVE ANY FUNDING FROM THE DIVISION OF SCHOOL FACILITIES WITHIN THE DEPARTMENT OF ADMINISTRATION OR THE SCHOOL FACILITIES OVERSIGHT BOARD, EXCEPT THAT A SCHOOL DISTRICT MAY RECEIVE FUNDING FOR NEW SCHOOL FACILITIES PURSUANT TO SECTION 41-5741.

3. RECEIVE DISTRICT ADDITIONAL ASSISTANCE PURSUANT TO SECTION 15-961.

D. NOTWITHSTANDING ANY OTHER LAW, IF A COMMON SCHOOL DISTRICT THAT IS NOT WITHIN A HIGH SCHOOL DISTRICT USES THE STATE STUDENT FUNDING FORMULA:

1. THE COMMON SCHOOL DISTRICT THAT IS NOT WITHIN A HIGH SCHOOL DISTRICT IS NOT REQUIRED TO PAY TUITION FOR PUPILS ATTENDING HIGH SCHOOL IN A DIFFERENT SCHOOL DISTRICT.
2. THE SCHOOL MEMBERSHIP OF PUPILS ATTENDING HIGH SCHOOL IN A DIFFERENT SCHOOL DISTRICT IS DEEMED, FOR THE PURPOSE OF DETERMINING STUDENT COUNT AND FOR APPORTIONMENT OF STATE AID, TO BE ENROLLMENT IN THE SCHOOL DISTRICT OF THE PUPIL’S ATTENDANCE.

3. SECTION 15-951 DOES NOT APPLY TO THE COMMON SCHOOL DISTRICT THAT IS NOT WITHIN A HIGH SCHOOL DISTRICT.

E. IF THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT APPROVE THE USE OF THE STATE STUDENT FUNDING FORMULA AS PRESCRIBED IN SUBSECTION B OF THIS SECTION AND THE SCHOOL DISTRICT GOVERNING BOARD SUBSEQUENTLY DECIDES BY A MAJORITY VOTE OF ITS MEMBERS TO REVERT TO THE STANDARD SCHOOL FINANCE FORMULA, THE SCHOOL DISTRICT GOVERNING BOARD SHALL CALL AN ELECTION TO DETERMINE THE QUESTION OF WHETHER TO NO LONGER USE THE STATE STUDENT FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04 AND TO REVERT TO THE STANDARD SCHOOL FINANCE FORMULA. THE QUESTION MUST BE SUBMITTED TO THE VOTE OF THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT AS PRESCRIBED IN SECTION 15-401 AND SUBJECT TO SECTION 15-402. THE SCHOOL DISTRICT GOVERNING BOARD SHALL ORDER THE ELECTION TO BE HELD ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER AS PRESCRIBED IN SECTION 16-204, SUBSECTION F. IF A MAJORITY OF THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT WHO VOTED ON THE QUESTION VOTE TO NO LONGER USE THE STATE STUDENT FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04 AND TO REVERT TO THE STANDARD SCHOOL FINANCE FORMULA, THE SCHOOL DISTRICT MAY USE ALL OTHER AVAILABLE FUNDING AUTHORIZED BY LAW IN THE NEXT FISCAL YEAR FOLLOWING THE ELECTION HELD PURSUANT TO THIS SUBSECTION. A SCHOOL DISTRICT MAY NOT SUBMIT A QUESTION FOR AN OVERRIDE OR CLASS A OR CLASS B BOND ALONG WITH A QUESTION TO OPT OUT OF THE STATE STUDENT FUNDING FORMULA IN THE SAME ELECTION.

F. FOR THE PURPOSES OF THIS SECTION, SCHOOL DISTRICT DOES NOT INCLUDE A CAREER TECHNICAL EDUCATION DISTRICT AS DEFINED IN SECTION 15-391.
Sec. 7. Section 15-808, Arizona Revised Statutes, is amended to read:

15-808. Arizona online instruction; reports; definitions

A. Arizona online instruction shall be instituted to meet the needs of pupils in the information age. The state board of education shall select district public schools and state-approved charter authorizers shall sponsor charter schools to be online course providers or online schools. The state board of education and state-approved charter authorizers shall develop standards for the approval of online course providers and online schools based on the following criteria:

1. The depth and breadth of curriculum choices.
2. The variety of educational methodologies employed by the school and the means of addressing the unique needs and learning styles of targeted pupil populations, including computer-assisted learning systems, virtual classrooms, virtual laboratories, electronic field trips, e-mail EMAIL, virtual tutoring, online help desk, group chat sessions and noncomputer-based activities performed under the direction of a certificated teacher.
3. The availability of an intranet or private network to safeguard pupils against predatory and pornographic elements of the internet.
4. The availability of filtered research access to the internet.
5. The availability of private individual e-mail EMAIL between pupils, teachers, administrators and parents in order to protect the confidentiality of pupil records and information.
6. The availability of faculty members who are experienced with computer networks, the internet and computer animation.
7. The extent to which the school intends to develop partnerships with universities, community colleges and private businesses.
8. The services offered to populations with developmental disabilities.
9. The grade levels that will be served.
B. Each new school that provides online instruction shall provide online instruction on a probationary status. After a new school that provides online instruction has clearly demonstrated the academic integrity of its instruction through the actual improvement of the academic performance of its students, the school may apply to be removed from probationary status. The state board of education or the state-approved charter authorizer that sponsored the charter school shall remove from Arizona online instruction any probationary school that fails to clearly demonstrate improvement in academic performance within three years measured against goals in the approved application and the state's accountability system. All pupils who participate in Arizona online instruction shall reside in this state. Pupils who participate in Arizona online instruction are subject to the testing requirements prescribed in chapter 7, article 3 of this title. On enrollment, the school shall notify the parents or guardians of the pupil of the state testing requirements. If a pupil fails to comply with the testing requirements and the school administers the tests pursuant to this subsection to less than ninety-five percent of the pupils in Arizona online instruction, the pupil shall not be allowed to participate in Arizona online instruction.

C. The state board of education and state-approved charter authorizers shall develop annual reporting mechanisms for schools that participate in Arizona online instruction.

D. The department of education shall compile the information submitted in the annual reports by schools participating in Arizona online instruction. The department of education shall submit the compiled report to the governor, the speaker of the house of representatives and the president of the senate by November 15 of each year.

E. Each school selected for Arizona online instruction shall ensure that a daily log is maintained for each pupil who participates in Arizona online instruction. The daily log shall describe the amount of time spent by each pupil participating in Arizona online instruction pursuant to this section on academic tasks. The daily log shall be used by the school
district or charter school to qualify the pupils who participate in Arizona online instruction in the school's average daily attendance calculations pursuant to subsection F of this section.

F. If a pupil is enrolled in a school district or charter school and also participates in Arizona online instruction, the sum of the average 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 or charter school and in Arizona online instruction shall not exceed 1.0. If the pupil is enrolled in a school district or a charter school and also participates in Arizona online instruction and 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 school district, unless the school district is a career technical education district subject to the apportionment requirements of section 15-393, or charter school and Arizona online instruction based on the percentage of total time that the pupil is enrolled or in attendance in the school district or charter school and Arizona online instruction. The uniform system of financial records shall include guidelines for the apportionment of the pupil enrollment and attendance as provided in this subsection. Pupils in Arizona online instruction do not incur absences for purposes of this subsection and may generate an average daily attendance of 1.0 for attendance hours 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. For kindergarten programs and grades one through eight, average daily membership shall be calculated by dividing the instructional hours as reported in the daily log required in subsection E of this section by the applicable hourly requirements prescribed in section 15-901. For grades nine through twelve, average daily membership shall be calculated by dividing the instructional hours as reported in the daily log required in subsection E of this section by nine hundred. The average daily membership of a pupil who participates in online instruction shall
not exceed 1.0. Average daily membership shall not be calculated on the
eighty-fifth day of instruction for the purposes of this section. Funding
shall be determined as follows:

1. A pupil who is enrolled full-time in Arizona online instruction
shall be funded for online instruction at ninety-five percent of the base
support level that would be calculated for that pupil if that pupil were
enrolled as a full-time student in a school district or charter school that
does not participate in Arizona online instruction. Charter STATE
additional assistance and district additional assistance shall be
calculated in the same manner they would be calculated if the student were
enrolled in a district or charter school that does not participate in
Arizona online instruction.

2. A pupil who is enrolled part-time in Arizona online instruction
shall be funded for online instruction at eighty-five percent of the base
support level that would be calculated for that pupil if that pupil were
enrolled as a part-time student in a school district or charter school that
does not participate in Arizona online instruction. Charter STATE
additional assistance and district additional assistance shall be
calculated in the same manner they would be calculated if the student were
enrolled in a district or charter school that does not participate in
Arizona online instruction.

G. If the academic achievement of a pupil declines while the pupil
is participating in Arizona online instruction, the pupil's parents, the
pupil's teachers and the principal or head teacher of the school shall
confer to evaluate whether the pupil should be allowed to continue to
participate in Arizona online instruction.

H. To ensure the academic integrity of pupils who participate in
online instruction, Arizona online instruction shall include multiple
diverse assessment measures and the proctored administration of required
state standardized tests.

I. A school district or charter school may not charge a fee to a
pupil who takes an examination in a particular course to obtain academic
credit, pursuant to section 15-701.01, subsection I, from the school
district or charter school if the academic credit for a course was
previously earned in an Arizona online instruction course or at any public
school in this state. Any test administered pursuant to this subsection
shall be an assessment that is aligned to the course-relevant state
academic standards.

J. For the purposes of this section:

1. “Full-time student” means:

   (a) A student who is at least five years of age before September 1
   of a school year and who is enrolled in a school kindergarten program that
   meets at least three hundred forty-six hours during the school year.

   (b) A student who is at least six years of age before September 1 of
   a school year, who has not graduated from the highest grade taught in the
   school and who is regularly enrolled in a course of study required by the
   state board of education. For first, second and third grade students, the
   instructional program shall meet at least seven hundred twelve hours. For
   fourth, fifth and sixth grade students, the instructional program shall
   meet at least eight hundred ninety hours during the school year.

   (c) Seventh and eighth grade students or ungraded students who are
   at least twelve, but under fourteen, years of age on or before September 1
   and who are enrolled in an instructional program of courses that meets at
   least one thousand sixty-eight hours during the school year.

   (d) For high schools, a student who has not graduated from the
   highest grade taught in the school district, or an ungraded student who is
   at least fourteen years of age on or before September 1, and who is
   enrolled in at least four courses throughout the year that meet at least
   nine hundred hours during the school year. A full-time student shall not
   be counted more than once for computation of average daily membership.

2. “Online course provider” means a school other than an online
   school that is selected by the state board of education or a state-approved
   charter authorizer to participate in Arizona online instruction pursuant to
this section and that provides at least one online academic course that is
approved by the state board of education.

3. “Online school” means a school that provides at least four online
academic courses or one or more online courses for the equivalent of at
least five hours each day for one hundred eighty school days and that is a
charter school that is sponsored by a state-approved charter authorizer or
a district public school that is selected by the state board of education
to participate in Arizona online instruction.

4. “Part-time student” means:

   (a) Any student who is enrolled in a program that does not meet the
definition in paragraph 1 of this subsection shall be funded at eighty-five
percent of the base support level that would be calculated for that pupil
if that pupil were enrolled as a part-time student in a school district or
charter school that does not participate in Arizona online instruction.

   (b) A part-time student of seventy-five percent average daily
membership shall be enrolled in at least three subjects throughout the year
that offer for first, second and third grade students at least five hundred
thirty-four instructional hours in a school year and for fourth, fifth and
sixth grade students at least six hundred sixty-eight instructional hours
in a school year. A part-time student of fifty percent average daily
membership shall be enrolled in at least two subjects throughout the year
that offer for first, second and third grade students at least three
hundred fifty-six instructional hours in a school year and for fourth, fifth and
sixth grade students at least four hundred forty-five instructional hours
in a school year. A part-time student of twenty-five percent average daily
membership shall be enrolled in at least one subject throughout the year
that offers for first, second and third grade students at least one hundred seventy-eight instructional hours in a school year and
for fourth, fifth and sixth grade students at least two hundred
twenty-three instructional hours in a school year.

   (c) For seventh and eighth grade students, a part-time student of
seventy-five percent average daily membership shall be enrolled in at least
three subjects throughout the year that offer at least eight hundred one
instructional hours in a school year. A part-time student of fifty percent
average daily membership shall be enrolled in at least two subjects
throughout the year that offer at least five hundred thirty-four
instructional hours in a school year. A part-time student of twenty-five
percent average daily membership shall be enrolled in at least one subject
throughout the year that offers at least two hundred sixty-seven
instructional hours in a school year.

(d) For high school students, a part-time student of seventy-five
percent average daily membership shall be enrolled in at least three
subjects throughout the year that offer at least six hundred seventy-five
instructional hours in a school year. A part-time student of fifty percent
average daily membership shall be enrolled in at least two subjects
throughout the year that offer at least four hundred fifty instructional
hours in a school year. A part-time student of twenty-five percent average
daily membership shall be enrolled in at least one subject throughout the
year that offers at least two hundred twenty-five instructional hours in a
school year.

5. "State-approved charter authorizer" means any charter school
sponsor authorized pursuant to section 15-183.

Sec. 8. Heading change
A. The chapter heading of title 15, chapter 9, Arizona Revised
Statutes, is changed from "SCHOOL DISTRICT BUDGETING AND FINANCIAL
ASSISTANCE" to "PUBLIC SCHOOL BUDGETING AND FINANCIAL ASSISTANCE".
B. The article heading of title 15, chapter 9, article 1, Arizona
Revised Statutes, is changed from "GENERAL PROVISIONS FOR SCHOOL DISTRICT
BUDGETS" to "GENERAL PROVISIONS".

Sec. 9. 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:
   
   (a) FOR A DISTRICT THAT HAS NOT OPTED INTO THE STATE STUDENT FUNDING FORMULA PURSUANT TO SECTION 15-495, the base support level plus the transportation support level.
   
   (b) FOR A DISTRICT THAT HAS OPTED INTO THE STATE STUDENT FUNDING FORMULA PURSUANT TO SECTION 15-495, THE BASE 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:

(a) FOR A DISTRICT THAT HAS NOT OPTED INTO THE STATE STUDENT FUNDING FORMULA PURSUANT TO SECTION 15-495, the base revenue control limit plus the transportation revenue control limit.

(b) FOR A DISTRICT THAT HAS OPTED INTO THE STATE STUDENT FUNDING FORMULA PURSUANT TO SECTION 15-495, THE BASE 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. "AW-1" means a student attending a school that has a letter grade designation of a pursuant to section 15-241 from the prior fiscal year and fewer than fifty percent of the students who are enrolled in the school 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 in which free and reduced-price lunch data is not available. Only students who are eligible to be included in a school's student count shall be considered in determining that school's percentage of free or reduced-price lunch students or other poverty indicators.

2. "AW-2" means either of the following:

(a) A student attending a school that has a letter grade designation of a pursuant to section 15-241 from the prior fiscal year and at least fifty percent but less than eighty percent of the students who are enrolled in the school 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 IN WHICH FREE AND REDUCED-PRICE LUNCH DATA IS NOT AVAILABLE. ONLY STUDENTS WHO ARE ELIGIBLE TO BE INCLUDED IN A SCHOOL'S STUDENT COUNT SHALL BE CONSIDERED IN DETERMINING THAT SCHOOL'S PERCENTAGE OF FREE OR REDUCED-PRICE LUNCH STUDENTS OR OTHER POVERTY INDICATORS.

(b) A STUDENT ATTENDING A SCHOOL THAT HAS A LETTER GRADE DESIGNATION OF B PURSUANT TO SECTION 15-241 FROM THE PRIOR FISCAL YEAR AND AT LEAST SEVENTY PERCENT OF THE STUDENTS WHO ARE ENROLLED IN THE SCHOOL 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 IN WHICH FREE AND REDUCED-PRICE LUNCH DATA IS NOT AVAILABLE. ONLY STUDENTS WHO ARE ELIGIBLE TO BE INCLUDED IN A SCHOOL'S STUDENT COUNT SHALL BE CONSIDERED IN DETERMINING THAT SCHOOL'S PERCENTAGE OF FREE OR REDUCED-PRICE LUNCH STUDENTS OR OTHER POVERTY INDICATORS.

3. "AW-3" MEANS A STUDENT ATTENDING A SCHOOL THAT HAS A LETTER GRADE DESIGNATION OF A PURSUANT TO SECTION 15-241 FROM THE PRIOR FISCAL YEAR AND EIGHTY PERCENT OR MORE OF THE STUDENTS WHO ARE ENROLLED IN THE SCHOOL 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 IN WHICH FREE AND REDUCED-PRICE LUNCH DATA IS NOT AVAILABLE. ONLY STUDENTS WHO ARE ELIGIBLE TO BE INCLUDED IN A SCHOOL'S STUDENT COUNT SHALL BE CONSIDERED IN DETERMINING THAT SCHOOL'S PERCENTAGE OF FREE OR REDUCED-PRICE LUNCH STUDENTS OR OTHER POVERTY INDICATORS.
4. "Base" means the revenue level per student count specified by the legislature.

5. "Base level" means the following amounts plus the percentage increases to the base level as provided in sections SECTION 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.
(c) FOR FISCAL YEAR 2022-2023, $4,588.23.

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

7. "Base support level" means the base support level as provided in section 15-943.

8. "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.

9. "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).

10. "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 SLI under this paragraph is not eligible to receive funding pursuant to section 15-943, paragraph 2, subdivision (b).
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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. "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.

11. "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.

12. "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.

13. "Group B" means students who attend schools that meet certain achievement-based criteria as described in paragraphs 1, 2 and 3 of this subsection, 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 and English learners
enrolled in a program to promote English language proficiency pursuant to
section 15-752.

14. 17. “HI” means programs for pupils with hearing impairment.

15. 18. “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.

16. 19. “K-3” means kindergarten programs and grades one through
three.

17. 20. “K-3 reading” means reading programs for pupils in
kindergarten programs and grades one, two and three.

with multiple disabilities, autism and severe intellectual disability.

pupils with multiple disabilities, autism and severe intellectual
disability.
20. "MD-SSI" means a program for pupils with multiple
disabilities with severe sensory impairment.
21. "MOID" means programs for pupils with moderate intellectual
disability.
22. "OI-R" means a resource program for pupils with orthopedic
impairments.
23. "OI-SC" means a self-contained program for pupils with
orthopedic impairments.
24. "PSD" means preschool programs for children with
disabilities as provided in section 15-771.
25. "P-SD" means programs for children who meet the definition
of preschool severe delay as provided in section 15-771.
26. "Qualifying tax rate" means the qualifying tax rate
specified in section 15-971 applied to the assessed valuation used for
primary property taxes.
27. "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.
28. "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.

29. 32. "Transportation revenue control limit" means the transportation revenue control limit computed as prescribed in section 15-946.

30. 33. "Transportation support level" means the support level for pupil transportation operating expenses as provided in section 15-945.

31. 34. "VI" means programs for pupils with visual impairments.

Sec. 10. Title 15, chapter 9, article 1, Arizona Revised Statutes, is amended by adding section 15-901.04, to read:

15-901.04. State student funding formula

A. THE STATE STUDENT FUNDING FORMULA IS ESTABLISHED FOR CHARTER SCHOOLS AND FOR SCHOOL DISTRICTS THAT OPT TO USE THIS FUNDING FORMULA PURSUANT TO SECTION 15-495. EACH CHARTER SCHOOL AND EACH SCHOOL DISTRICT USING THE STATE STUDENT FUNDING FORMULA SHALL:

1. CALCULATE A BASE SUPPORT LEVEL AS PRESCRIBED IN SECTION 15-943.

2. ADD THE BASE SUPPORT LEVEL AMOUNT CALCULATED UNDER PARAGRAPH 1 OF THIS SUBSECTION AND STATE ADDITIONAL ASSISTANCE. THE AMOUNT OF STATE ADDITIONAL ASSISTANCE IS $1,935.86 PER STUDENT COUNT IN PRESCHOOL PROGRAMS FOR CHILDREN WITH DISABILITIES, KINDERGARTEN PROGRAMS AND GRADES ONE THROUGH EIGHT AND $2,256.21 PER STUDENT COUNT IN GRADES NINE THROUGH TWELVE.

B. FOR CHARTER SCHOOLS, THE AMOUNT CALCULATED UNDER SUBSECTION A OF THIS SECTION IS THE EQUALIZATION ASSISTANCE FOR THE CHARTER SCHOOL.
Sec. 11. 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

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

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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. 12. Section 15-924, Arizona Revised Statutes, is amended to
read:

15-924. In lieu of transportation grants

A. Notwithstanding any other law, beginning in the 2021-2022 school
year, a school district may use a portion of its transportation funding
allocated pursuant to SECTION 15-901.04 OR sections 15-945 and 15-946 to
provide in lieu of transportation grants to parents of students who attend
the school district pursuant to a plan submitted to the department of
education. School districts may issue grants to support individual parents
or neighborhood carpools in transporting students to school. A school
district's transportation funding allocation may not be reduced or
otherwise diminished due to the school district awarding grants pursuant to
this section.

B. Notwithstanding any other law, beginning in the 2021-2022 school
year, a charter school may use a portion of its charter STATE additional
assistance OR ITS TRANSPORTATION ASSISTANCE funding allocated pursuant to
section 15-185 15-901.04 to provide in lieu of transportation grants to
parents of students who attend the charter school pursuant to a plan
submitted to the department of education. Charter schools may issue grants
to support individual parents or neighborhood carpools in transporting
students to school. Participating charter schools shall report to the
department regarding the monies awarded to parents as required by the
department.
C. The department of education shall adopt policies and procedures to account for expenditures under this section and to require proof of attendance for students whose transportation is supported through grants under this section.

Sec. 13. Repeal
Section 15-941, Arizona Revised Statutes, is repealed.

Sec. 14. 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:

   | Column 1     | Column 2            | Column 3            |
   | Support Level Weight | Support Level Weight | Support Level Weight |
   | For Small Isolated  | School Districts    | For Small School Districts |
   | Student Count       |                     |                     |
   | 1-99                | 1.559               | 1.399               |
   | 100-499             | 1.358 + [0.0005 x (500 - student count)] | 1.278 + [0.0003 x (500 - student count)] |
   | 500-599             | 1.158 + [0.002 x (600 - student count)] | 1.158 + [0.0012 x (600 - student count)] |
   (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:
1. **Column 1** | **Column 2** | **Column 3**
---|---|---
2 | Support Level Weight | Support Level Weight
3 | For Small Isolated Student Count | For Small School Districts
4 | **Student Count** | **School Districts** | **School Districts**
5 | 1-99 | 1.669 | 1.559
6 | 100-499 | 1.468 + [0.0005 x (500 - student count)] | 1.398 + [0.0004 x (500 - student count)]
7 | 500-599 | 1.268 + [0.002 x (600 - student count)] | 1.268 + [0.0013 x (600 - student count)]

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

(a)

<table>
<thead>
<tr>
<th>Support Level</th>
<th>Student Grade Base</th>
<th>Group A Weight</th>
<th>Student Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 PSD</td>
<td>1.000</td>
<td>+ 0.450</td>
<td>= 1.450 x ______ = ______</td>
</tr>
<tr>
<td>17 K-8</td>
<td>1.000</td>
<td>+ 0.158</td>
<td>= 1.158 x ______ = ______</td>
</tr>
<tr>
<td>18 9-12</td>
<td>1.163</td>
<td>+ 0.105</td>
<td>= 1.268 x ______ = ______</td>
</tr>
<tr>
<td>19 Subtotal A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b)

<table>
<thead>
<tr>
<th>Support Level</th>
<th>Funding Category</th>
<th>Weight</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 HI</td>
<td></td>
<td>4.771 x ______ = ____________</td>
<td></td>
</tr>
<tr>
<td>25 K-3</td>
<td></td>
<td>0.060 x ______ = ____________</td>
<td></td>
</tr>
<tr>
<td>26 K-3 reading</td>
<td></td>
<td>0.040 x ______ = ____________</td>
<td></td>
</tr>
<tr>
<td>27 ELL</td>
<td></td>
<td>0.115 x ______ = ____________</td>
<td></td>
</tr>
<tr>
<td>28 MD-R, A-R and SID-R</td>
<td></td>
<td>6.024 x ______ = ____________</td>
<td></td>
</tr>
</tbody>
</table>
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1 MD-SC, A-SC and
2 SID-SC 5.988 x ______  =  __________
3
4 MD-SSI  7.947 x ______  =  __________
5 OI-R  3.158 x ______  =  __________
6 OI-SC  6.773 x ______  =  __________
7 P-SD  3.595 x ______  =  __________
8 DD, ED, MIID, SLD, SLI and OHI 0.093 x ______  =  __________
9
10
11 ED-P  4.822 x ______  =  __________
12 MOID  4.421 x ______  =  __________
13 VI  4.806 x ______  =  __________
14 G  0.007 x ___  =  
15 AW-1  0.049 x ______  =  __________
16 AW-2  0.091 x ______  =  __________
17 AW-3  0.111 x ______  =  __________
18 Subtotal B __________
19 (c) Total of subtotals A and B: __________
20
3. Multiply the total determined in paragraph 2 of this section by the base level.
4. Multiply the teacher experience index of the district or 1.00, whichever is greater, by the product obtained in paragraph 3 of this section.
5. For the purposes of this section, the student count is the average daily membership as prescribed in section 15-901 for the current year, except that for the purposes of computing the base support level used in determining school district rollover allocations and school district budget override amounts, the student count is the average daily membership as prescribed in section 15-901 for the prior year.
Sec. 15. Section 15-943.02, Arizona Revised Statutes, is amended to read:

15-943.02. **Base support level for career technical education districts**

A. The base support level for each career technical education district shall be computed as follows:

<table>
<thead>
<tr>
<th>Grade/Category</th>
<th>Support Level</th>
<th>Student Count</th>
<th>Weighted Student Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-12</td>
<td>1.339</td>
<td>X</td>
<td>________ X ________</td>
</tr>
</tbody>
</table>

B. Multiply the total determined in subsection A of this section by the base level.

C. Multiply the teacher experience index of the district or 1.00, whichever is greater, by the product obtained in subsection B of this section.

D. For the purposes of this section, the student count is the average daily membership as prescribed in section 15-901 for the current year, except that for the purposes of computing the base support level used in determining school district rollover allocations, the student count is the average daily membership as prescribed in section 15-901 for the prior year.

Sec. 16. 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 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>
</tr>
</thead>
<tbody>
<tr>
<td>Approved Daily Route Mileage per</td>
<td>State Support Level per Route Mile for Fiscal Year</td>
</tr>
<tr>
<td>Eligible Student Transported</td>
<td></td>
</tr>
<tr>
<td>0.5 or less</td>
<td>2.77 3.67</td>
</tr>
<tr>
<td>More than 0.5 through 1.0</td>
<td>2.27 3.01</td>
</tr>
<tr>
<td>More than 1.0</td>
<td>2.77 3.67</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.
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, EXCEPT THAT A SCHOOL DISTRICT IS NOT REQUIRED TO COMPLY WITH THIS SUBSECTION IF THE SCHOOL DISTRICT HAS ELECTED TO USE THE PER UNWEIGHTED PUPIL FUNDING AMOUNT AS PRESCRIBED IN SUBSECTION G OF THIS SECTION.

G. NOTWITHSTANDING SUBSECTION D OF THIS SECTION, A SCHOOL DISTRICT MAY ELECT TO USE A TRANSPORTATION SUPPORT LEVEL FUNDING AMOUNT OF $330 PER UNWEIGHTED PUPIL ENROLLED IN THE SCHOOL DISTRICT IN THE PRIOR YEAR INSTEAD OF THE AMOUNT CALCULATED PURSUANT TO SUBSECTIONS A, B AND C OF THIS SECTION. EACH YEAR, A SCHOOL DISTRICT MUST SUBMIT IN WRITING A DECLARATION FROM ITS SCHOOL DISTRICT GOVERNING BOARD WHETHER OR NOT THE SCHOOL DISTRICT GOVERNING BOARD DULY VOTED TO USE THE PER UNWEIGHTED PUPIL AMOUNT FOR THE FOLLOWING BUDGET YEAR. A SCHOOL DISTRICT THAT ELECTS TO USE THE UNWEIGHTED PER PUPIL AMOUNT PURSUANT TO THIS SUBSECTION IS NOT REQUIRED TO SUBMIT ROUTE MILEAGE OR VEHICLE MAINTENANCE REPORTS ASSOCIATED FOR THE CALCULATION OF SUBSECTIONS A, B AND C OF THIS SECTION.
Sec. 17. Section 15-946, Arizona Revised Statutes, is amended to read:

15-946. Transportation revenue control limit

A. The transportation revenue control limit for each school district for the fiscal years 1985-1986, 1986-1987 and 1987-1988 is computed as follows:


2. Determine the transportation revenue control limit for the school district for the fiscal year 1984-1985 as provided in this section before April 18, 1985.

3. If the school district's transportation revenue control limit for the fiscal year 1984-1985 as provided in paragraph 2 of this subsection is equal to or greater than the amount determined in paragraph 1 of this subsection, the transportation revenue control limit for the fiscal year 1985-1986 is the change in the transportation support level from the fiscal year 1984-1985 to the fiscal year 1985-1986 plus the transportation revenue control limit for the fiscal year 1984-1985 as provided in paragraph 2 of this subsection. For the fiscal years 1986-1987 and 1987-1988 the transportation revenue control limit is the transportation revenue control limit for the current year plus the change in the transportation support level for the current year to the budget year.

4. If the school district's transportation revenue control limit for the fiscal year 1984-1985 as provided in paragraph 2 of this subsection is less than the amount determined in paragraph 1 of this subsection, the transportation revenue control limit for the fiscal year 1985-1986 is the sum of the following:

   (a) The transportation revenue control limit for the school district for the fiscal year 1984-1985 as provided in paragraph 2 of this subsection.

   (b) The change in the transportation support level from the fiscal year 1984-1985 to the fiscal year 1985-1986.
(c) One-third of the amount obtained by subtracting the transportation revenue control limit for fiscal year 1984-1985 as provided in paragraph 2 of this subsection from the amount determined in paragraph 1 of this subsection.

5. If the transportation revenue control limit of the school district for the fiscal year 1984-1985 as provided in paragraph 2 of this subsection is less than the amount determined in paragraph 1 of this subsection, the transportation revenue control limit for the fiscal years 1986-1987 and 1987-1988 is the sum of the following:

(a) The transportation revenue control limit for the current year.

(b) The change in the transportation support level from the current year to the budget year.

(c) One-third of the amount obtained by subtracting the transportation revenue control limit for the fiscal year 1984-1985 as provided in paragraph 2 of this subsection from the amount determined in paragraph 1 of this subsection.

B. The transportation revenue control limit for each school district for the fiscal year 1988-1989 and each year thereafter shall be the transportation revenue control limit for the current year plus the increase in the transportation support level from the current year to the budget year, except that for fiscal year 2006-2007 and for each fiscal year thereafter, the transportation revenue control limit shall not increase if the transportation revenue control limit is more than one hundred twenty percent of the transportation support level.

C. Notwithstanding subsection B of this section, if the transportation support level of a school district exceeds the transportation revenue control limit in any budget year, the transportation revenue control limit shall be adjusted in that budget year and every budget year thereafter to equal the transportation support level.

D. NOTWITHSTANDING SUBSECTIONS B AND C OF THIS SECTION, THE TRANSPORTATION REVENUE CONTROL LIMIT FOR A SCHOOL DISTRICT MAY NOT INCREASE AND SHALL BE DETERMINED IN EACH SCHOOL DISTRICT AS FOLLOWS:
1. Subtract the fiscal year 2020-2021 transportation support level from the fiscal year 2020-2021 transportation revenue control limit.

2. For fiscal year 2022-2023, the transportation revenue control limit may not exceed eighty percent of the amount determined pursuant to paragraph 1 of this subsection plus the transportation support level.

3. For fiscal year 2023-2024, the transportation revenue control limit may not exceed sixty percent of the amount determined pursuant to paragraph 1 of this subsection plus the transportation support level.

4. For fiscal year 2024-2025, the transportation revenue control limit may not exceed forty percent of the amount determined pursuant to paragraph 1 of this subsection plus the transportation support level.

5. For fiscal year 2025-2026, the transportation revenue control limit may not exceed twenty percent of the amount determined pursuant to paragraph 1 of this subsection plus the transportation support level.

6. For fiscal year 2026-2027 and each fiscal year thereafter, the transportation revenue control limit may not exceed the transportation support level.

Sec. 18. Section 15-947, Arizona Revised Statutes, is amended to read:

15-947. Revenue control limit; district support level; general budget limit; unrestricted total capital budget limit; district additional assistance limit

A. The revenue control limit for a school district is equal to:

1. For a school district that has not opted into the state student funding formula pursuant to section 15-495, the sum of the base revenue control limit determined in section 15-944 and the transportation revenue control limit determined in section 15-946.

2. For a school district that has opted into the state student funding formula pursuant to section 15-495, the base revenue control limit.
B. The district support level for a school district is equal to:

1. FOR A SCHOOL DISTRICT THAT HAS NOT OPTED INTO THE STATE STUDENT FUNDING FORMULA PURSUANT TO SECTION 15-495, the sum of the base support level determined in section 15-943 and the transportation support level determined in section 15-945.

2. FOR A SCHOOL DISTRICT THAT HAS OPTED INTO THE STATE STUDENT FUNDING FORMULA PURSUANT TO SECTION 15-495, THE BASE SUPPORT LEVEL DETERMINED IN SECTION 15-943.

C. The general budget limit for each school district, for each fiscal year, is the sum of the following:

1. The maintenance and operations portion of the revenue control limit for the budget year.

2. The maintenance and operation portion of the following amounts:
   (a) Amounts that are fully funded by revenues other than a levy of taxes upon the taxable property within the school district, as listed below:
      (i) Amounts budgeted as the budget balance carryforward as provided in section 15-943.01.
      (ii) Tuition revenues for attendance of nonresident pupils.
      (iii) State assistance as provided in section 15-976.
      (iv) Special education revenues as provided in section 15-825, subsection D and section 15-1204.
      (v) Title VIII of the elementary and secondary education act of 1965 assistance determined for children with disabilities, children with specific learning disabilities, children residing on Indian lands and children residing within the boundaries of an accommodation school that is located on a military reservation and that is classified as a heavily impacted local educational agency pursuant to 20 United States Code section 7703 as provided in section 15-905, subsections K and O.
      (vi) Title VIII of the elementary and secondary education act of 1965 administrative costs as provided in section 15-905, subsection P.
(vii) State assistance for excess tuition as provided in section 15-825.01.

(viii) Transportation revenues for attendance of nonresident pupils.

(b) Amounts approved pursuant to an override election as provided in section 15-481 for the applicable fiscal year.

(c) Amounts authorized by the county school superintendent pursuant to section 15-974, subsection B.

(d) Expenditures for complying with a court order of desegregation as provided in section 15-910.

(e) Expenditures for the bond issues portion of the cost of tuition as provided in section 15-910.

(f) Interest on registered warrants or tax anticipation notes as provided in section 15-910.

(g) Amounts budgeted for a jointly owned and operated career and technical education and vocational education center as provided in section 15-910.01.

3. The maintenance and operations portion of district additional assistance OR STATE ADDITIONAL ASSISTANCE IF APPLICABLE PURSUANT TO SECTION 15-901.04 for the budget year.

4. Any other budget item that is budgeted in the maintenance and operation section of the budget and that is specifically exempt from the revenue control limit or district additional assistance.

D. The unrestricted capital budget limit, for each school district for each fiscal year, is the sum of the following:

1. The federal impact adjustment as determined in section 15-964 for the budget year.

2. Any other budget item that is budgeted in the capital outlay section of the budget and that is specifically exempt from district additional assistance.

3. The unrestricted capital portion of the amounts contained in subsection C of this section.
4. The unexpended budget balance in the unrestricted capital outlay fund from the previous fiscal year.

5. The net interest earned in the unrestricted capital outlay fund FROM the previous fiscal year.

Sec. 19. Repeal
Sections 15-952 and 15-953, Arizona Revised Statutes, are repealed.

Sec. 20. Section 15-971, Arizona Revised Statutes, is amended to read:

15-971. Determination of equalization assistance payments from county and 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 OR STATE ADDITIONAL ASSISTANCE OF A SCHOOL DISTRICT IF APPLICABLE PURSUANT TO SECTION 15-901.04.

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

F. 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. 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.

H. 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.

I. 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. 21. Section 15-992, Arizona Revised Statutes, is amended to read:

15-992. School district tax levy; additional tax in districts ineligible for equalization assistance; definition

A. The board of supervisors of each county, at the time of levying other taxes, shall annually levy school district taxes on the property in any school district in which additional amounts are required, which shall be at rates prescribed in this section. A delinquency factor for estimated uncollected taxes may not be included in the computation of the primary tax rate for school district taxes. Local property taxes may not be levied for any deficit in the classroom site fund. The taxes shall be added to and
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collected in the same manner as other county taxes on the property within the school district. The amount of the school district taxes levied on the property in a particular school district shall be paid into the school fund of that school district.

B. At the same time of levying taxes as provided in subsection A of this section, the county board of supervisors shall annually levy an additional tax in each school district that is not eligible for equalization assistance as provided in section 15-971 in an amount determined as follows:

1. Determine the levy that would be produced by fifty percent of the applicable qualifying tax rate, prescribed in section 15-971, subsection B, per one hundred dollars $100 assessed valuation. NOTWITHSTANDING SECTION 15-971, SUBSECTION B, FOR THE PURPOSES OF CALCULATING THE LEVY DESCRIBED IN THIS PARAGRAPH FOR A SCHOOL DISTRICT THAT HAS OPTED TO USE THE STATE STUDENT FUNDING FORMULA, THE APPLICABLE QUALIFYING TAX RATE IS THE APPLICABLE RATE PRESCRIBED IN SECTION 41-1276, SUBSECTION I, PARAGRAPH 1.

2. Subtract the amount determined in section 15-971, subsection A from the levy determined in paragraph 1 of this subsection. This difference is the additional amount levied or collected as voluntary contributions pursuant to title 48, chapter 1, article 8, except that if the difference is zero or is a negative number, there shall be no levy.

C. Monies collected pursuant to subsection B of this section shall be transmitted to the state treasurer for deposit in the state general fund to aid in school financial assistance.

D. The additional tax prescribed in subsection B of this section is considered to be primary property tax for purposes of section 15-972, subsection B, except that this state is not required to make the payments prescribed in section 15-972, subsection H for these reductions in taxes.

E. The tax levy prescribed in subsection A of this section shall be a rate equal to the applicable qualifying tax rate or rates as prescribed in section 15-971, subsection B or a rate that would result in a levy that equals the school district equalization assistance base prescribed in
section 15-971 subtracted by any amount received pursuant to section 15-905, subsections K, O and P per one-hundred-dollars $100 of assessed valuation used for primary property taxes, whichever is less.

F. At the time of levying taxes as provided in subsection E of this section, the county school superintendent shall annually validate any additional primary school district tax levy amount requests from each school district and levy the sum of the following amounts:

1. A rate that would result in a levy that equals the difference between the transportation revenue control limit as determined in section 15-946 and the transportation support level as determined in section 15-945 or a lesser amount.

2. A rate that would result in a levy that equals any amount pursuant to section 15-910.

3. A rate that would result in a levy that equals any amount for tuition loss as determined in section 15-954.

4. A rate that would result in a levy that equals any amount for the small school adjustment as determined in section 15-949.

5. A rate that would result in a levy that equals any amount for liabilities in excess of the school district budget pursuant to section 15-907.

6. A rate that would result in a levy that equals any amount for adjacent ways pursuant to section 15-995.

7. A rate that would result in a levy that equals the amount not captured by the qualifying tax rate as a result of property subject to the government property lease excise tax pursuant to title 42, chapter 6, article 5 as calculated in section 15-971, subsection B, paragraph 2.

8. Following the recommendation of the county school superintendent and on approval by the county board of supervisors, for a school district that is not eligible for state aid, a rate that would result in a levy that equals any legal amount not levied in the current year as a result of underestimated average daily membership in the current year or as a result of a judgment in accordance with section 42-16213.
9. A rate that would result in a levy that equals any amount pursuant to a qualifying dropout prevention program that was originally established by law in 1987.

10. On the recommendation of the county school superintendent and on approval by the county board of supervisors before adoption of tax rates pursuant to section 42-17151, a rate that would result in a levy that equals any separately stated cash deficit from the prior fiscal year resulting from an anticipated or actual deviation in the property tax roll, including resolutions or judgments pursuant to title 42, chapter 16, articles 5 and 6.

G. NOTWITHSTANDING SUBSECTIONS E AND F OF THIS SECTION:

1. FOR A SCHOOL DISTRICT THAT HAS ELECTED PURSUANT TO SECTION 15-495 TO USE THE STATE STUDENT FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04, THE TAX LEVY PRESCRIBED IN SUBSECTION A OF THIS SECTION SHALL BE A RATE EQUAL TO THE APPLICABLE QUALIFYING TAX RATE OR RATES AS PRESCRIBED IN SECTION 15-971, SUBSECTION B OR A RATE THAT WOULD RESULT IN A LEVY THAT EQUALS THE SCHOOL DISTRICT EQUALIZATION ASSISTANCE BASE PRESCRIBED IN SECTION 15-971 SUBTRACTED BY ANY AMOUNT RECEIVED PURSUANT TO SECTION 15-905, SUBSECTIONS K, O AND P PER $100 OF ASSESSED VALUATION USED FOR PRIMARY PROPERTY TAXES, WHICHEVER IS LESS.

2. AT THE TIME OF LEVYING TAXES AS PROVIDED IN PARAGRAPH 1 OF THIS SUBSECTION, THE COUNTY SCHOOL SUPERINTENDENT SHALL ANNUALLY VALIDATE ANY ADDITIONAL PRIMARY SCHOOL DISTRICT TAX LEVY AMOUNT REQUESTS FROM EACH SCHOOL DISTRICT AND LEVY THE SUM OF THE FOLLOWING AMOUNTS:

(a) A RATE THAT WOULD RESULT IN A LEVY THAT EQUALS THE AMOUNT NOT CAPTURED BY THE QUALIFYING TAX RATE AS A RESULT OF PROPERTY SUBJECT TO THE GOVERNMENT PROPERTY LEASE EXCISE TAX PURSUANT TO TITLE 42, CHAPTER 6, ARTICLE 5 AS CALCULATED IN SECTION 15-971, SUBSECTION B, PARAGRAPH 2.

(b) FOLLOWING THE RECOMMENDATION OF THE COUNTY SCHOOL SUPERINTENDENT AND ON APPROVAL BY THE COUNTY BOARD OF SUPERVISORS, FOR A SCHOOL DISTRICT THAT IS NOT ELIGIBLE FOR STATE AID, A RATE THAT WOULD RESULT IN A LEVY THAT EQUALS ANY LEGAL AMOUNT NOT LEVIED IN THE CURRENT YEAR AS A RESULT OF
UNDERESTIMATED AVERAGE DAILY MEMBERSHIP IN THE CURRENT YEAR OR AS A RESULT OF A JUDGMENT IN ACCORDANCE WITH SECTION 42-16213.

(c) ON THE RECOMMENDATION OF THE COUNTY SCHOOL SUPERINTENDENT AND ON APPROVAL BY THE COUNTY BOARD OF SUPERVISORS BEFORE ADOPTION OF TAX RATES PURSUANT TO SECTION 42-17151, A RATE THAT WOULD RESULT IN A LEVY THAT EQUALS ANY SEPARATELY STATED CASH DEFICIT FROM THE PRIOR FISCAL YEAR RESULTING FROM AN ANTICIPATED OR ACTUAL DEVIATION IN THE PROPERTY TAX ROLL, INCLUDING RESOLUTIONS OR JUDGMENTS PURSUANT TO TITLE 42, CHAPTER 16, ARTICLES 5 AND 6.

G. H. For the purposes of this section, “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.

Sec. 22. 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 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.

4. 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 for the state educational system for committed youth, except 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. 23. 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;

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 AT LEAST 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.


Sec. 24. Section 15-2402, Arizona Revised Statutes, is amended to read:

15-2402. Arizona empowerment scholarship accounts; funds

A. Arizona empowerment scholarship accounts are established to provide options for the education of students in this state.

B. To enroll a qualified student for an Arizona empowerment scholarship account, the parent of the qualified student must sign an agreement to do all of the following:

1. Use a portion of the Arizona empowerment scholarship account monies allocated annually to provide an education for the qualified student in at least the subjects of reading, grammar, mathematics, social studies
and science, unless the Arizona empowerment scholarship account is allocated monies according to a transfer schedule other than quarterly transfers pursuant to section 15-2403, subsection F.

2. Not enroll the qualified student in a school district or charter school and release the school district from all obligations to educate the qualified student. This paragraph does not relieve the school district or charter school that the qualified student previously attended from the obligation to conduct an evaluation pursuant to section 15-766.

3. Not accept a scholarship from a school tuition organization pursuant to title 43 concurrently with an Arizona empowerment scholarship account for the qualified student in the same year a parent signs the agreement pursuant to this section.

4. Use monies deposited in the qualified student's Arizona empowerment scholarship account only for the following expenses of the qualified student:

   (a) Tuition or fees at a qualified school.

   (b) Textbooks required by a qualified school.

   (c) If the qualified student meets any of the criteria specified in section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) as determined by a school district or by an independent third party pursuant to section 15-2403, subsection I, the qualified student may use the following additional services:

      (i) Educational therapies from a licensed or accredited practitioner or provider, including and up to any amount not covered by insurance if the expense is partially paid by a health insurance policy for the qualified student.

      (ii) A licensed or accredited paraprofessional or educational aide.

      (iii) Tuition for vocational and life skills education approved by the department.

      (iv) Associated goods and services that include educational and psychological evaluations, assistive technology rentals and braille translation goods and services approved by the department.
(d) Tutoring or teaching services provided by an individual or facility accredited by a state, regional or national accreditating organization.

(e) Curricula and supplementary materials.

(f) Tuition or fees for a nonpublic online learning program.

(g) Fees for a nationally standardized norm-referenced achievement test, an advanced placement examination or any exams related to college or university admission.

(h) Tuition or fees at an eligible postsecondary institution.

(i) Textbooks required by an eligible postsecondary institution.

(j) Fees to manage the Arizona empowerment scholarship account.

(k) Services provided by a public school, including individual classes and extracurricular programs.

(l) Insurance or surety bond payments.

(m) Uniforms purchased from or through a qualified school.

(n) If the qualified student meets the criteria specified in section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) and if the qualified student is in the second year prior to the final year of a contract executed pursuant to this article, costs associated with an annual education plan conducted by an independent evaluation team. The department shall prescribe minimum qualifications for independent evaluation teams pursuant to this subdivision and factors that teams must use to determine whether the qualified student shall be eligible to continue to receive monies pursuant to this article through the school year in which the qualified student reaches twenty-two years of age. An independent evaluation team that provides an annual education plan pursuant to this subdivision shall submit a written report that summarizes the results of the evaluation to the parent of the qualified student and to the department on or before July 31. The written report submitted by the independent evaluation team is valid for one year. If the department determines that the qualified student meets the eligibility criteria prescribed in the annual education plan, the qualified student is eligible to continue to 

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receive monies pursuant to this article until the qualified student reaches twenty-two years of age, subject to annual review. A parent may appeal the department's decision pursuant to title 41, chapter 6, article 10. As an addendum to a qualified student's final-year contract, the department shall provide the following written information to the parent of the qualified student:

(i) That the qualified student will not be eligible to continue to receive monies pursuant to this article unless the results of an annual education plan conducted pursuant to this subdivision demonstrate that the qualified student meets the eligibility criteria prescribed in the annual education plan.

(ii) That the parent is entitled to obtain an annual education plan pursuant to this subdivision to determine whether the qualified student meets the eligibility criteria prescribed in the annual education plan.

(iii) A list of independent evaluation teams that meet the minimum qualifications prescribed by the department pursuant to this subdivision.

5. Not file an affidavit of intent to homeschool pursuant to section 15-802, subsection B, paragraph 2 or 3.

6. Not use monies deposited in the qualified student's account for any of the following:

(a) Computer hardware or other technological devices, except as otherwise allowed under paragraph 4, subdivision (c) of this subsection.

(b) Transportation of the pupil.

(c) Consumable educational supplies, including paper, pens or markers.

C. In exchange for the parent's agreement pursuant to subsection B of this section, the department shall transfer from the monies that would otherwise be allocated to a recipient's prior school district, or if the child is currently eligible to attend kindergarten, the monies that the department determines would otherwise be allocated to a recipient's expected school district of attendance, to the treasurer for deposit into an Arizona empowerment scholarship account an amount that is equivalent to
ninety percent of the sum of the base support level and additional assistance prescribed in sections 15-185 and 15-943 for that particular student if that student were attending a charter school AMOUNT THAT WOULD BE CALCULATED FOR THAT STUDENT UNDER THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04, SUBSECTION A.

D. The department of education empowerment scholarship account fund is established consisting of monies appropriated by the legislature. The department shall administer the fund. Monies in the fund are subject to legislative appropriation. Monies in the fund shall be used for the department's costs in administering Arizona empowerment scholarship accounts under this chapter. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations. If the number of Arizona empowerment scholarship accounts significantly increases after fiscal year 2020-2021, the department may request an increase in the amount appropriated to the fund in any subsequent fiscal year in the budget estimate submitted pursuant to section 35-113. The department shall list monies in the fund as a separate line item in its budget estimate.

E. The state treasurer empowerment scholarship account fund is established consisting of monies appropriated by the legislature. The state treasurer shall administer the fund. Monies in the fund shall be used for the state treasurer's costs in administering the Arizona empowerment scholarship accounts under this chapter. If the number of Arizona empowerment scholarship accounts significantly increases after fiscal year 2020-2021, the state treasurer may request an increase in the amount appropriated to the fund in any subsequent fiscal year in the budget estimate submitted pursuant to section 35-113. Monies in the fund are subject to legislative appropriation. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations. The state treasurer shall list monies in the fund as a separate line item in its budget estimate.

F. A parent must renew the qualified student's Arizona empowerment scholarship account on an annual basis.
G. Notwithstanding any changes to the student's multidisciplinary evaluation team plan, a student who has previously qualified for an Arizona empowerment scholarship account remains eligible to apply for renewal until the student finishes high school.

H. If a parent does not renew the qualified student's Arizona empowerment scholarship account for a period of three academic years, the department shall notify the parent that the qualified student's account will be closed in sixty calendar days. The notification must be sent through certified mail, email and telephone, if applicable. The parent has sixty calendar days to renew the qualified student's Arizona empowerment scholarship account. If the parent chooses not to renew or does not respond in sixty calendar days, the department shall close the account and any remaining monies shall be returned to the state.

I. A signed agreement under this section constitutes school attendance required by section 15-802.

J. A qualified school or a provider of services purchased pursuant to subsection B, paragraph 4 of this section may not share, refund or rebate any Arizona empowerment scholarship account monies with the parent or qualified student in any manner.

K. Notwithstanding subsection H of this section, on the qualified student's graduation from a postsecondary institution or after any period of four consecutive years after high school graduation in which the student is not enrolled in an eligible postsecondary institution, but not before this time as long as the account holder continues using a portion of account monies for eligible expenses each year and is in good standing, the qualified student's Arizona empowerment scholarship account shall be closed and any remaining monies shall be returned to the state.

L. Monies received pursuant to this article do not constitute taxable income to the parent of the qualified student.
Sec. 25. Section 41-1276, Arizona Revised Statutes, 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 chairmen of the house of representatives ways and means committee and the senate finance committee, or their successor committees.
2. The chairmen 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, 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, 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 each year.

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

1. 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.

2. NOTWITHSTANDING SUBSECTION G OF THIS SECTION, FOR SCHOOL DISTRICTS THAT HAVE ELECTED PURSUANT TO SECTION 15-495 TO USE THE STATE STUDENT FUNDING FORMULA AS PRESCRIBED IN SECTION 15-901.04, THE QUALIFYING TAX RATE IN TAX YEAR 2022:

(a) 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 $2.1194.
(b) FOR A UNIFIED SCHOOL DISTRICT, A COMMON SCHOOL DISTRICT THAT IS 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 $4.2388.

3. The state equalization assistance property tax rate in tax year 2021 is $0.4263."

Amend title to conform