

REFERENCE TITLE: K-12 education; 2025-2026

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

# HB 2956

Introduced by  
Representative Livingston (with permission of Committee on Rules)

## AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-120.07; AMENDING SECTIONS 15-185 AND 15-189.05, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-501.02; AMENDING SECTIONS 15-747, 15-901, 15-903, 15-945 AND 41-1276, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO KINDERGARTEN THROUGH GRADE TWELVE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 15, chapter 1, article 1, Arizona Revised  
3 Statutes, is amended by adding section 15-120.07, to read:

4 **15-120.07. High school sports; automatic external**  
5 **defibrillators; definitions**

6 A. NOTWITHSTANDING TITLE 36, CHAPTER 21.1, ARTICLE 3, BEGINNING  
7 AUGUST 1, 2025, EACH PUBLIC SCHOOL IN THIS STATE THAT PROVIDES INSTRUCTION  
8 TO STUDENTS IN ANY OF GRADES NINE THROUGH TWELVE AND THAT SPONSORS AN  
9 ATHLETIC TEAM OR SPORTS PROGRAM SHALL:

10 1. PROVIDE AN AUTOMATED EXTERNAL DEFIBRILLATOR AT EACH SCHOOL  
11 CAMPUS AND SCHOOL-SPONSORED ATHLETIC EVENT.

12 2. ENSURE THAT EACH AUTOMATED EXTERNAL DEFIBRILLATOR THAT IS  
13 PROVIDED PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION IS ALL OF THE  
14 FOLLOWING:

15 (a) IN AN UNLOCKED LOCATION THAT IS ACCESSIBLE BOTH DURING THE  
16 SCHOOL DAY AND AT EACH SCHOOL-SPONSORED ATHLETIC EVENT.

17 (b) IN A LOCATION FROM WHICH THE AUTOMATED EXTERNAL DEFIBRILLATOR  
18 MAY BE PROMPTLY RETRIEVED AND USED AT THE SCHOOL OR SCHOOL-SPONSORED  
19 ATHLETIC EVENT.

20 (c) MAINTAINED IN GOOD WORKING ORDER AND TESTED ACCORDING TO THE  
21 MANUFACTURER'S GUIDELINES.

22 B. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY ACCEPT GIFTS, GRANTS,  
23 DONATIONS AND IN-KIND DONATIONS FOR THE PURPOSES OF THIS SECTION,  
24 INCLUDING TO PURCHASE AND MAINTAIN AUTOMATED EXTERNAL DEFIBRILLATORS.

25 C. FOR THE PURPOSES OF THIS SECTION:

26 1. "AUTOMATED EXTERNAL DEFIBRILLATOR" HAS THE SAME MEANING  
27 PRESCRIBED IN SECTION 36-2261.

28 2. "SCHOOL-SPONSORED ATHLETIC EVENT":

29 (a) MEANS AN EVENT THAT TAKES PLACE ON A SCHOOL CAMPUS AND THAT IS  
30 RELATED TO A SPORT OR OTHER ACTIVITY IN WHICH STUDENTS PARTICIPATE AS  
31 INDIVIDUALS OR AS MEMBERS OF A TEAM.

32 (b) INCLUDES SCHEDULED PRACTICES, TRAININGS AND COMPETITIONS.

33 Sec. 2. Section 15-185, Arizona Revised Statutes, is amended to  
34 read:

35 **15-185. Charter schools; financing; civil penalties;**  
36 **transportation; definition**

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

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

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

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

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

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

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

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

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

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

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

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

4       4. Equalization assistance for the charter school shall be  
5 determined by adding the amount of the base support level and charter  
6 additional assistance. The amount of the charter additional assistance is  
7 ~~\$2,090.10~~ \$2,131.90 per student count in preschool programs for children  
8 with disabilities, kindergarten programs and grades one through eight and  
9 ~~\$2,435.97~~ \$2,484.69 per student count in grades nine through twelve.

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

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

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

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

42      D. Charter schools are allowed to accept grants and gifts to  
43 supplement their state funding, but it is not the intent of the charter  
44 school law to require taxpayers to pay twice to educate the same pupils.  
45 The base support level for a charter school or for a school district

1 sponsoring a charter school shall be reduced by an amount equal to the  
2 total amount of monies received by a charter school from a federal or  
3 state agency if the federal or state monies are intended for the basic  
4 maintenance and operations of the school. The superintendent of public  
5 instruction shall estimate the amount of the reduction for the budget year  
6 and shall revise the reduction to reflect the actual amount before May 15  
7 of the current year. If the reduction results in a negative amount, the  
8 negative amount shall be used in computing all budget limits and  
9 equalization assistance, except that:

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

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

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

28       G. At the request of a charter school, the county school  
29 superintendent of the county where the charter school is located may  
30 provide the same educational services to the charter school as prescribed  
31 in section 15-308, subsection A. The county school superintendent may  
32 charge a fee to recover costs for providing educational services to  
33 charter schools.

34       H. If the sponsor of the charter school determines at a public  
35 meeting that the charter school is not in compliance with federal law,  
36 with the laws of this state or with its charter, the sponsor of a charter  
37 school may submit a request to the department of education to withhold up  
38 to ten percent of the monthly apportionment of state aid that would  
39 otherwise be due the charter school. The department shall adjust the  
40 charter school's apportionment accordingly. The sponsor shall provide  
41 written notice to the charter school at least seventy-two hours before the  
42 meeting and shall allow the charter school to respond to the allegations  
43 of noncompliance at the meeting before the sponsor makes a final  
44 determination to notify the department of education of noncompliance. The  
45 charter school shall submit a corrective action plan to the sponsor on a

1 date specified by the sponsor at the meeting. The corrective action plan  
2 shall be designed to correct deficiencies at the charter school and to  
3 ensure that the charter school promptly returns to compliance. When the  
4 sponsor determines that the charter school is in compliance, the  
5 department shall restore the full amount of state aid payments to the  
6 charter school.

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

27 J. A charter school may receive and spend monies distributed by the  
28 department of education pursuant to section 42-5029, subsection E, section  
29 42-5029.02, subsection A and section 37-521, subsection B.

30 K. If a school district transports or contracts to transport pupils  
31 to the Arizona state schools for the deaf and the blind during any fiscal  
32 year, the school district may transport or contract with a charter school  
33 to transport sensory impaired pupils during that same fiscal year to a  
34 charter school if requested by the parent of the pupil and if the distance  
35 from the pupil's place of actual residence within the school district to  
36 the charter school is less than the distance from the pupil's place of  
37 actual residence within the school district to the campus of the Arizona  
38 state schools for the deaf and the blind.

39 L. Notwithstanding any other law, a university under the  
40 jurisdiction of the Arizona board of regents, a community college district  
41 or a group of community college districts shall not include any student in  
42 the student count of the university, community college district or group  
43 of community college districts for state funding purposes if that student  
44 is enrolled in and attending a charter school sponsored by the university,  
45 community college district or group of community college districts.

1       M. The governing body of a charter school shall transmit a copy of  
2 its proposed budget or the summary of the proposed budget and a notice of  
3 the public hearing to the department of education for posting on the  
4 department of education's website not later than ten days before the  
5 hearing and meeting. If the charter school maintains a website, the  
6 charter school governing body shall post on its website a copy of its  
7 proposed budget or the summary of the proposed budget and a notice of the  
8 public hearing.

9       N. The governing body of a charter school shall collaborate with  
10 the private organization that is approved by the state board of education  
11 pursuant to section 15-792.02 to provide approved board examination  
12 systems for the charter school.

13      O. If allowed by federal law, a charter school may opt out of  
14 federal grant opportunities if the charter holder or the appropriate  
15 governing body of the charter school determines that the federal  
16 requirements impose unduly burdensome reporting requirements.

17      P. For the purposes of this section, "monies intended for the basic  
18 maintenance and operations of the school" means monies intended to provide  
19 support for the educational program of the school, except that it does not  
20 include supplemental assistance for a specific purpose or title VIII of  
21 the elementary and secondary education act of 1965 monies. The auditor  
22 general shall determine which federal or state monies meet this  
23 definition.

24      Sec. 3. Section 15-189.05, Arizona Revised Statutes, is amended to  
25 read:

26       15-189.05. Charter school budgets; posting of teacher salary  
27                   information: annual report

28       A. The budget for each charter school shall contain the following  
29 information:

30       1. The average salary of all teachers employed by the charter  
31 school for the current year.

32       2. The average salary of all teachers employed by the charter  
33 school for the previous year.

34       3. The dollar increase in the average salary of all teachers  
35 employed by the charter school for the current year.

36       4. The percentage increase in the average salary of all teachers  
37 employed by the charter school for the current year.

38       5. THE NUMBER OF FULL-TIME EQUIVALENT TEACHERS THAT THE CHARTER  
39 SCHOOL INCLUDED IN THE BUDGET FOR THE CURRENT YEAR, INCLUDING THE NUMBER  
40 OF TEACHERS INCLUDED IN THE BUDGET FOR EACH SCHOOL SITE, IF APPLICABLE,  
41 DISAGGREGATED BY SUBJECT AREA AND GRADE LEVEL.

42       B. Each charter school shall prominently post the information  
43 required by subsection A of this section on its website home page  
44 separately from its budget.

1       C. On or before November 30 of each year, the department of  
2 education shall electronically submit to the joint legislative budget  
3 committee and the governor's office of strategic planning and budgeting a  
4 report that compiles the information required by subsection A of this  
5 section for all charter schools statewide.

6       Sec. 4. Title 15, chapter 5, article 1, Arizona Revised Statutes,  
7 is amended by adding section 15-501.02, to read:

8       15-501.02. Comprehensive annual study; teacher retention;  
9                   annual report

10      A. THE DEPARTMENT OF EDUCATION SHALL CONDUCT AND COMPLETE A  
11 COMPREHENSIVE STUDY EACH YEAR TO DETERMINE THE RETENTION RATE OF TEACHERS  
12 IN SCHOOL DISTRICTS AND CHARTER SCHOOLS IN THIS STATE. THE STUDY SHALL  
13 INCLUDE:

14      1. A SUMMARY OF THE TOTAL NUMBER OF TEACHERS, THE RETENTION RATE  
15 AND THE TURNOVER RATE FOR EACH OF THE FOLLOWING:

16       (a) CERTIFICATED TEACHERS, BY EACH TYPE OF TEACHING CERTIFICATE  
17 PURSUANT TO SECTION 15-501.01, SUBSECTION B.

18       (b) TEACHERS TO WHOM A CERTIFICATE WAS ISSUED BY THE STATE BOARD OF  
19 EDUCATION DURING THE PAST YEAR, DISAGGREGATED BY BOTH THE TYPE OF TEACHING  
20 CERTIFICATE PURSUANT TO SECTION 15-501.01, SUBSECTION B AND BY WHETHER THE  
21 APPLICANT WAS CERTIFIED PURSUANT TO SECTION 15-501.01, SUBSECTION D.

22       (c) NONCERTIFICATED TEACHERS AS DESCRIBED IN SECTION 15-183,  
23 SUBSECTION C, PARAGRAPH 5.

24       (d) TEACHING ASSIGNMENT, INCLUDING BOTH:

25           (i) SUBJECT AREA TAUGHT.

26           (ii) GRADE LEVEL TAUGHT, INCLUDING TEACHERS WHO ARE ASSIGNED TO  
27 KINDERGARTEN PROGRAMS.

28           (e) LOCATION, INCLUDING ALL OF THE FOLLOWING:

29            (i) BY SCHOOL SITE.

30            (ii) BY SCHOOL DISTRICT OR CHARTER SCHOOL.

31            (iii) BY CITY OR TOWN.

32            (iv) BY COUNTY.

33           (f) THE NUMBER OF YEARS OF EXPERIENCE OF EACH TEACHER.

34           (g) THE NUMBER OF TEACHERS WHO, WITHIN THEIR FIRST THREE YEARS OF  
35 TEACHING, RECEIVED FORMAL MENTORSHIP FROM AN INDIVIDUAL WITH FIVE OR MORE  
36 YEARS OF TEACHING EXPERIENCE.

37           (h) THE NUMBER OF TEACHERS IN EACH DEMOGRAPHIC SEGMENT IN THIS  
38 STATE AND IN EACH DISTRICT.

39           (i) THE NUMBER OF TEACHERS WHO FAILED TO RENEW THEIR TEACHING  
40 CERTIFICATE OR ENDORSEMENT, OR BOTH, DURING THE PAST YEAR, TOGETHER WITH  
41 THE RENEWAL REQUIREMENTS THAT THE TEACHERS FAILED TO SATISFY.

42       2. A SUMMARY OF THE NUMBER OF VACANT TEACHING POSITIONS, INCLUDING  
43 THE AVERAGE TIME TO FILL A VACANCY, FOR EACH OF THE FOLLOWING:

44           (a) TEACHING ASSIGNMENT, INCLUDING BOTH:

45            (i) SUBJECT AREA TAUGHT.

(ii) GRADE LEVEL TAUGHT, INCLUDING TEACHERS WHO ARE ASSIGNED TO KINDERGARTEN PROGRAMS.

(b) LOCATION, INCLUDING ALL OF THE FOLLOWING:

(i) BY SCHOOL SITE.

(ii) BY SCHOOL DISTRICT OR CHARTER SCHOOL.

(iii) BY CITY OR TOWN.

(iv) BY COUNTY.

(c) THE MANNER BY WHICH THE VACANCY IS FILLED, IF APPLICABLE, INCLUDING WHETHER THE VACANCY:

(i) IS UNFILLED.

(iii) IS TEMPORARILY FILLED BY A LONG-TERM SUBSTITUTE TEACHER.

(iii) IS TEMPORARILY FILLED BY A CERTIFICATED TEACHER WHOSE REGULAR  
ING ASSIGNMENT IS IN A DIFFERENT SUBJECT AREA OR GRADE LEVEL, OR  
THAN THE TEACHING ASSIGNMENT OF THE VACANCY.

3. AN ANALYSIS OF DATA FOR EACH STATE BOARD OF EDUCATION-APPROVED TEACHER PREPARATION PROGRAM, INCLUDING:

(a) DATA RELATING TO PROGRAM COMPLETION.

(b) PROGRAM EMPHASIS, IF ANY, INCLUDING SUBJECT AREA AND GRADE LEVEL.

(c) ENROLLMENT DISAGGREGATED BY ENDORSEMENT.

(d) THE NUMBER OF YEARS THAT INDIVIDUALS SPEND WORKING AS TEACHERS IN THIS STATE AFTER COMPLETING THE PROGRAM.

B. THE STATE BOARD OF EDUCATION AND STATE BOARD FOR CHARTER SCHOOLS SHALL COLLECT AND PROVIDE ANY DATA OR INFORMATION REQUESTED BY THE DEPARTMENT OF EDUCATION FOR THE PURPOSES OF THIS SECTION. THE DEPARTMENT SHALL ANALYZE PUBLIC JOB POSTINGS BY SCHOOL DISTRICTS AND CHARTER SCHOOLS FOR THE PURPOSE OF COMPILING INFORMATION REQUIRED BY SUBSECTION A, PARAGRAPH 2 OF THIS SECTION. THE DEPARTMENT OF EDUCATION SHALL ALLOW THE STATE BOARD OF EDUCATION TO ACCESS ANY DATA AND INFORMATION COLLECTED BY THE DEPARTMENT PURSUANT TO SUBSECTION A, PARAGRAPHS 1 AND 2 OF THIS SECTION.

C. ON OR BEFORE DECEMBER 31, 2025 AND EACH YEAR THEREAFTER, THE DEPARTMENT SHALL SUBMIT THE STUDY RESULTS AND RECOMMENDATIONS TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND SHALL PROVIDE A COPY TO THE SECRETARY OF STATE.

D. THE DEPARTMENT SHALL DEVELOP AND MAINTAIN A PUBLICLY ACCESSIBLE, INTERACTIVE DASHBOARD ON THE DEPARTMENT'S WEBSITE THAT CONTAINS THE STUDY RESULTS AND RECOMMENDATIONS, TOGETHER WITH THE DATA AND INFORMATION COMPILED PURSUANT TO THIS SECTION.

Sec. 5. Section 15-747, Arizona Revised Statutes, is amended to read:

15-747. School financial transparency; portal; required information; third-party contractor

A. Beginning in fiscal year 2021-2022, The department of administration **EDUCATION** shall develop a transparent and easily accessible

1 school financial transparency portal that includes the following ~~school~~  
2 ~~level~~ SCHOOL-LEVEL data for charter schools, individual schools operated  
3 by a school district and school districts:

- 4 1. The detailed total revenues generated by weighted student count.
- 5 2. The total allocated federal, state and local revenues.
- 6 3. The allocation of classroom site fund monies.
- 7 4. The amounts allocated for teacher pay and benefits, classroom  
8 supplies, student support and other expenditures.

9 5. A comparison of the funding information for each school in  
10 relation to the funding information for other schools in the same local  
11 education agency.

12 6. Any other information that is necessary for a transparent  
13 comparison between schools with respect to their revenues, expenditures,  
14 student demographics or academic achievement.

15 B. The ~~department of education and the~~ state board for charter  
16 schools shall provide and assist with any necessary data or financial  
17 information the department of ~~administration~~ EDUCATION or the contractor  
18 selected pursuant to subsection C of this section requests to comply with  
19 and implement subsection A of this section. The auditor general may  
20 provide assistance related to this section.

21 C. The department of ~~administration~~ EDUCATION shall contract with a  
22 third party to develop the portal prescribed in subsection A of this  
23 section. The third party selected by the department must meet all of the  
24 following:

- 25 1. Have experience in building education finance platforms to show  
26 school financial information in a transparent and easily understandable  
27 format.
- 28 2. Be incorporated for at least five years.
- 29 3. Have an exclusive focus on K-12 education finance technology.
- 30 4. Have at least five years of experience building cloud-hosted  
31 education finance software.

32 5. Have experience integrating with the uniform system of financial  
33 records.

34 Sec. 6. Section 15-901, Arizona Revised Statutes, is amended to  
35 read:

36 **15-901. Definitions**

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

38 1. "Average daily membership" means the total enrollment of  
39 fractional students and full-time students, minus withdrawals, of each  
40 school day through the first one hundred days or two hundred days in  
41 session, as applicable, for the current year. For the purposes of this  
42 paragraph, "withdrawals" means students who are formally withdrawn from  
43 schools or students who are absent for ten consecutive school days, except  
44 for excused absences identified by the department of education. For  
45 computation purposes, a student who is absent for nine or fewer

1 consecutive school days, including the last day of the school year, is not  
2 a withdrawal and may not be subtracted from the total enrollment of  
3 fractional students and full-time students. For the purposes of this  
4 section, school districts and charter schools shall report student absence  
5 data to the department of education at least once every sixty days in  
6 session. For computation purposes, the effective date of withdrawal shall  
7 be retroactive to the last day of actual attendance of the student or  
8 excused absence. A school district or charter school may satisfy any of  
9 the time and hours requirements prescribed in this subsection in any  
10 manner prescribed in the school district's or charter school's  
11 instructional time model adopted under section 15-901.08.

12 (a) "Fractional student" means:

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

32 (ii) For high schools, a part-time student who is enrolled in less  
33 than four subjects that count toward graduation as defined by the state  
34 board of education, each of which, if taught each school day for the  
35 minimum number of days required in a school year, would meet a minimum of  
36 one hundred twenty-three hours a year, or the equivalent, in a recognized  
37 high school. The average daily membership of a part-time high school  
38 student shall be 0.75 if the student is enrolled in an instructional  
39 program of three subjects that meet at least five hundred forty hours for  
40 a one hundred eighty-day school year, or the instructional hours  
41 prescribed in this section. The average daily membership of a part-time  
42 high school student shall be 0.5 if the student is enrolled in an  
43 instructional program of two subjects that meet at least three hundred  
44 sixty hours for a one hundred eighty-day school year, or the instructional  
45 hours prescribed in this section. The average daily membership of a

1 part-time high school student shall be 0.25 if the student is enrolled in  
2 an instructional program of one subject that meets at least one hundred  
3 eighty hours for a one hundred eighty-day school year, or the  
4 instructional hours prescribed in this section. The hours in which a  
5 student is scheduled to attend a high school during the regular school day  
6 shall be included in the calculation of the average daily membership for  
7 that student.

8 (b) "Full-time student" means:

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

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

43 (iii) If a child who has not reached five years of age before  
44 September 1 of the current school year is admitted to kindergarten and  
45 repeats kindergarten in the following school year, a school district or

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

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

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

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

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

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

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

37 3. "Common school district" means a political subdivision of this  
38 state offering instruction to students in programs for preschool children  
39 with disabilities and kindergarten programs and either:

40 (a) Grades one through eight.

41 (b) Grades one through nine pursuant to section 15-447.01.

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

1       5. "Daily attendance" means:

2       (a) For common schools, days in which a pupil:

3           (i) Of a kindergarten program or ungraded, but not group B children  
4 with disabilities, who is at least five, but under six, years of age by  
5 September 1 attends at least three-quarters of the instructional time  
6 scheduled for the day. If the total instruction time scheduled for the  
7 year is at least three hundred fifty-six hours but is less than seven  
8 hundred twelve hours, such attendance shall be counted as one-half day of  
9 attendance. If the instructional time scheduled for the year is at least  
10 six hundred ninety-two hours, "daily attendance" means days in which a  
11 pupil attends at least one-half of the instructional time scheduled for  
12 the day. Such attendance shall be counted as one-half day of attendance.  
13 A school district or charter school may satisfy any of the time and hours  
14 requirements prescribed in this item in any manner prescribed in the  
15 school district's or charter school's instructional time model adopted  
16 under section 15-901.08.

17           (ii) Of the first, second or third grades attends more than  
18 three-quarters of the instructional time scheduled for the day. A school  
19 district or charter school may satisfy any of the time and hours  
20 requirements prescribed in this item in any manner prescribed in the  
21 school district's or charter school's instructional time model adopted  
22 under section 15-901.08.

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

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

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

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

1 school district's or charter school's instructional time model adopted  
2 under section 15-901.08.

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

12 (c) For common schools, the attendance of a preschool child with  
13 disabilities shall be counted as one-fourth day's attendance for each  
14 thirty-six minutes of attendance, except as provided in paragraph 1,  
15 subdivision (a), item (i) of this subsection for children with  
16 disabilities up to a maximum of three hundred sixty minutes each week. A  
17 school district or charter school may satisfy any of the time and hours  
18 requirements prescribed in this subdivision in any manner prescribed in  
19 the school district's or charter school's instructional time model adopted  
20 under section 15-901.08.

21 (d) For high schools, the attendance of a pupil shall not be  
22 counted as a full day unless the pupil is actually and physically in  
23 attendance and enrolled in and carrying four subjects, each of which, if  
24 taught each school day for the minimum number of days required in a school  
25 year, would meet a minimum of one hundred twenty-three hours a year, or  
26 the equivalent, that count toward graduation in a recognized high school  
27 except as provided in section 15-797 and subdivision (e) of this  
28 paragraph. Attendance of a pupil carrying less than the load prescribed  
29 shall be prorated. A school district or charter school may satisfy any of  
30 the time and hours requirements prescribed in this subdivision in any  
31 manner prescribed in the school district's or charter school's instructional time  
32 model adopted under section 15-901.08.

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

41 (f) For homebound or hospitalized, a full day of attendance may be  
42 counted for each day during a week in which the student receives at least  
43 four hours of instruction. A school district or charter school may  
44 satisfy any of the time and hours requirements prescribed in this

1 subdivision in any manner prescribed in the school district's or charter  
2 school's instructional time model adopted under section 15-901.08.

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

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

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

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

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

29 8. "Eligible students" means:

30 (a) Students who are transported by or for a school district and  
31 who qualify as full-time students or fractional students, except students  
32 for whom transportation is paid by another school district or a county  
33 school superintendent, and:

34 (i) For common school students, whose place of actual residence  
35 within the school district is more than one mile from the school facility  
36 of attendance or students who are admitted pursuant to section 15-816.01  
37 and who meet the economic eligibility requirements established under the  
38 national school lunch and child nutrition acts (42 United States Code  
39 sections 1751 through 1793) for free or reduced-price lunches and whose  
40 actual place of residence outside the school district boundaries is more  
41 than one mile from the school facility of attendance.

42 (ii) For high school students, whose place of actual residence  
43 within the school district is more than one and one-half miles from the  
44 school facility of attendance or students who are admitted pursuant to  
45 section 15-816.01 and who meet the economic eligibility requirements

1 established under the national school lunch and child nutrition acts  
2 (42 United States Code sections 1751 through 1793) for free or  
3 reduced-price lunches and whose actual place of residence outside the  
4 school district boundaries is more than one and one-half miles from the  
5 school facility of attendance.

6 (b) Kindergarten students, for purposes of computing the number of  
7 eligible students under subdivision (a), item (i) of this paragraph, shall  
8 be counted as full-time students, notwithstanding any other provision of  
9 law.

10 (c) Children with disabilities, as defined by section 15-761, who  
11 are transported by or for the school district or who are admitted pursuant  
12 to chapter 8, article 1.1 of this title and who qualify as full-time  
13 students or fractional students regardless of location or residence within  
14 the school district or children with disabilities whose transportation is  
15 required by the pupil's individualized education program.

16 (d) Students whose residence is outside the school district and who  
17 are transported within the school district on the same basis as students  
18 who reside in the school district.

19 9. "Enrolled" or "enrollment" means that a pupil is currently  
20 registered in the school district.

21 10. "GDP price deflator" means the average of the four implicit  
22 price deflators for the gross domestic product reported by the United  
23 States department of commerce for the four quarters of the calendar year.

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

29 12. "Instructional hours" or "instructional time" means hours or  
30 time spent pursuant to an instructional time model adopted under section  
31 15-901.08.

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

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

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

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

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

1 attendance or from the school transportation scheduled return point to  
2 their place of residence.

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

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

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

9       2. "Base level" means the following amounts plus the percentage  
10 increase to the base level as provided in section 15-902.04:

11       ~~(a) For fiscal year 2022-2023, \$4,775.27.~~

12       ~~(b)~~ (a) For fiscal year 2023-2024, \$4,914.71.

13       ~~(c)~~ (b) For fiscal year 2024-2025, \$5,013.00.

14       (c) FOR FISCAL YEAR 2025-2026, \$5,113.26.

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

17       4. "Base support level" means the base support level as provided in  
18 section 15-943.

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

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

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

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

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

42       10. "FRPL" means students who meet the eligibility requirements  
43 established under the national school lunch and child nutrition acts  
44 (42 United States Code sections 1751 through 1793) for free or  
45 reduced-price lunches, or an equivalent measure recognized for

1 participating in the federal free and reduced-price lunch program and  
2 other school programs dependent on a poverty measure, including the  
3 community eligibility provision for which free and reduced-price lunch  
4 data is not available.

5 11. "Full-time equivalent certified teacher" or "FTE certified  
6 teacher" means for a certified teacher the following:

7 (a) If employed full time as defined in section 15-501, 1.00.  
8 (b) If employed less than full time, multiply 1.00 by the  
9 percentage of a full school day, or its equivalent, or a full class load,  
10 or its equivalent, for which the teacher is employed as determined by the  
11 governing board.

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

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

20 14. "Group B" means educational improvements for pupils in  
21 kindergarten programs and grades one through three, educational programs  
22 for autism, a hearing impairment, a moderate intellectual disability,  
23 multiple disabilities, multiple disabilities with severe sensory  
24 impairment, orthopedic impairments, preschool severe delay, a severe  
25 intellectual disability and emotional disabilities for school age pupils  
26 enrolled in private special education programs or in school district  
27 programs for children with severe disabilities or visual impairment,  
28 English learners enrolled in a program to promote English language  
29 proficiency pursuant to section 15-752 and students who meet the  
30 eligibility requirements established under the national school lunch and  
31 child nutrition acts (42 United States Code sections 1751 through 1793)  
32 for free or reduced-price lunches, or an equivalent measure recognized for  
33 participating in the federal free and reduced-price lunch program and  
34 other school programs dependent on a poverty measure, including the  
35 community eligibility provision for which free and reduced-price lunch  
36 data is not available.

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

38 16. "Homebound" or "hospitalized" means a pupil who is capable of  
39 profiting from academic instruction but is unable to attend school due to  
40 illness, disease, accident or other health conditions, who has been  
41 examined by a competent medical doctor and who is certified by that doctor  
42 as being unable to attend regular classes for a period of not less than  
43 three school months or a pupil who is capable of profiting from academic  
44 instruction but is unable to attend school regularly due to chronic or  
45 acute health problems, who has been examined by a competent medical doctor

1 and who is certified by that doctor as being unable to attend regular  
2 classes for intermittent periods of time totaling three school months  
3 during a school year. The medical certification shall state the general  
4 medical condition, such as illness, disease or chronic health condition,  
5 that is the reason that the pupil is unable to attend school. Homebound  
6 or hospitalized includes a student who is unable to attend school for a  
7 period of less than three months due to a pregnancy if a competent medical  
8 doctor, after an examination, certifies that the student is unable to  
9 attend regular classes due to risk to the pregnancy or to the student's  
10 health.

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

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

14 19. "MD-R, A-R and SID-R" means resource programs for pupils with  
15 multiple disabilities, autism and severe intellectual disability.

16 20. "MD-SC, A-SC and SID-SC" means self-contained programs for  
17 pupils with multiple disabilities, autism and severe intellectual  
18 disability.

19 21. "MD-SSI" means a program for pupils with multiple disabilities  
20 with severe sensory impairment.

21 22. "MOID" means programs for pupils with moderate intellectual  
22 disability.

23 23. "OI-R" means a resource program for pupils with orthopedic  
24 impairments.

25 24. "OI-SC" means a self-contained program for pupils with  
26 orthopedic impairments.

27 25. "PSD" means preschool programs for children with disabilities  
28 as provided in section 15-771.

29 26. "P-SD" means programs for children who meet the definition of  
30 preschool severe delay as provided in section 15-771.

31 27. "Qualifying tax rate" means the qualifying tax rate specified  
32 in section 15-971 applied to the assessed valuation used for primary  
33 property taxes.

34 28. "Small isolated school district" means a school district that  
35 meets all of the following:

36 (a) Has a student count of fewer than six hundred in kindergarten  
37 programs and grades one through eight or grades nine through twelve.

38 (b) Contains no school that is fewer than thirty miles by the most  
39 reasonable route from another school, or, if road conditions and terrain  
40 make the driving slow or hazardous, fifteen miles from another school that  
41 teaches one or more of the same grades and is operated by another school  
42 district in this state.

43 (c) Is designated as a small isolated school district by the  
44 superintendent of public instruction.

1       29. "Small school district" means a school district that meets all  
2 of the following:

3       (a) Has a student count of fewer than six hundred in kindergarten  
4 programs and grades one through eight or grades nine through twelve.

5       (b) Contains at least one school that is fewer than thirty miles by  
6 the most reasonable route from another school that teaches one or more of  
7 the same grades and is operated by another school district in this state.

8       (c) Is designated as a small school district by the superintendent  
9 of public instruction.

10      30. "Transportation revenue control limit" means the transportation  
11 revenue control limit computed as prescribed in section 15-946.

12      31. "Transportation support level" means the support level for  
13 pupil transportation operating expenses as provided in section 15-945.

14      32. "VI" means programs for pupils with visual impairments.

15      Sec. 7. Section 15-903, Arizona Revised Statutes, is amended to  
16 read:

17      15-903. Budget format; prohibited expenditures; annual report

18      A. The superintendent of public instruction in conjunction with the  
19 auditor general shall prepare and prescribe a budget format to be used by  
20 all school districts.

21      B. The budget format shall be designed to allow all school  
22 districts to plan and provide in detail for using available monies. The  
23 budget format shall contain distinct sections for, but need not be limited  
24 to, maintenance and operation, debt service, special projects, capital  
25 outlay, adjacent ways and classroom site fund. The maintenance and  
26 operation section shall include, but need not be limited to, separate  
27 subsections for regular education programs, special education programs and  
28 operational expenditures for pupil transportation. Each subsection shall  
29 clearly distinguish classroom instruction expenditures. The special  
30 education program subsection shall include a subtotal for the disability  
31 classifications as defined in section 15-761 and programs for gifted,  
32 vocational and technical education, remedial education and bilingual  
33 students. The total expenditures for each of these programs shall be  
34 included on the budget form. The pupil transportation subsection shall  
35 include all operational expenditures relating to transporting pupils,  
36 including all operational expenditures within a contract if the school  
37 district contracts for pupil transportation.

38      C. The capital outlay section of the budget shall include a  
39 subsection for unrestricted capital outlay. The unrestricted capital  
40 outlay subsection shall include budgeted expenditures for acquisitions by  
41 purchase, lease-purchase or lease of capital items as defined in the  
42 uniform system of financial records and shall include:

43       1. Land, buildings and improvements to land and buildings,  
44 including labor and related employee benefits costs and material costs if  
45 work is performed by school district employees.

1       2. Furniture, furnishings, athletic equipment and other equipment,  
2 including computer software.

3       3. Pupil and nonpupil transportation vehicles and equipment,  
4 including all capital expenditures within a contract if the school  
5 district contracts for pupil transportation.

6       4. Textbooks and related printed subject matter materials adopted  
7 by the governing board.

8       5. Instructional aids.

9       6. Library books.

10      7. Payment of principal and interest on bonds.

11      8. School district administration emergency needs that are directly  
12 related to pupils.

13      D. The budget format shall contain distinct subsections for the  
14 following:

15      1. Special programs to improve academic achievement of pupils in  
16 kindergarten programs and grades one through three as provided in section  
17 15-482.

18      2. School plant funds.

19      3. Capital outlay budget increases as provided in section 15-481.

20      4. Property taxation, including the following:

21      (a) The primary tax rates for the school district for the current  
22 year and the budget year.

23      (b) The secondary tax rates for maintenance and operation, K-3 and  
24 capital overrides for the school district for the current year and the  
25 budget year.

26      (c) The secondary tax rates for class A bonds for the school  
27 district for the current year and the budget year.

28      (d) The secondary tax rates for class B bonds for the school  
29 district for the current year and the budget year.

30      5. A description of any corrections or adjustments made to the  
31 budget pursuant to section 15-915.

32      E. The budget format shall also contain:

33      1. A statement identifying proposed pupil-teacher ratios and  
34 pupil-staff ratios relating to the provision of special education services  
35 for the budget year.

36      2. THE NUMBER OF FULL-TIME EQUIVALENT TEACHERS THAT THE SCHOOL  
37 DISTRICT INCLUDED IN THE BUDGET FOR THE CURRENT YEAR, INCLUDING THE NUMBER  
38 OF TEACHERS INCLUDED IN THE BUDGET FOR EACH SCHOOL THAT IS OPERATED BY THE  
39 SCHOOL DISTRICT, DISAGGREGATED BY SUBJECT AREA AND GRADE LEVEL.

40      ~~2.~~ 3. The prominent display of the average salary of all teachers  
41 employed by the school district for the current year. The school district  
42 shall also prominently post this information on its website home page  
43 separately from its budget.

1        ~~3.~~ 4. The prominent display of the average salary of all teachers  
2 employed by the school district for the previous year. The school  
3 district shall also prominently post this information on its website home  
4 page separately from its budget.

5        ~~4.~~ 5. The prominent display of the dollar increase in the average  
6 salary of all teachers employed by the school district for the current  
7 year. The school district shall also prominently post this information on  
8 its website home page separately from its budget.

9        ~~5.~~ 6. The prominent display of the percentage increase in the  
10 average salary of all teachers employed by the school district for the  
11 current year. The school district shall also prominently post this  
12 information on its website home page separately from its budget.

13        F. The special projects section shall include budgeted expenditures  
14 for state special projects, including special adult projects, career  
15 education, deficiencies correction fund projects and new school facilities  
16 fund projects, such federal special projects as ESEA title programs,  
17 vocational education and title IV Indian education, and other special  
18 projects.

19        G. A school district shall not make expenditures for campaign  
20 literature associated with school district or charter school officials.  
21 If the superintendent of public instruction determines that a school  
22 district has violated this subsection, the superintendent of public  
23 instruction may withhold any portion of the school district's  
24 apportionment of state aid.

25        H. The budget format shall include an electronic format that shall  
26 be submitted for each proposed, adopted and revised budget.

27        I. On or before November 30 of each year, the department of  
28 education shall electronically submit to the joint legislative budget  
29 committee and the governor's office of strategic planning and budgeting a  
30 report that compiles the information required by subsection E, paragraphs  
31 2 through ~~5~~ 6 of this section for all school districts statewide.

32        Sec. 8. Section 15-945, Arizona Revised Statutes, is amended to  
33 read:

34        **15-945. *Transportation support level***

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

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

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

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

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

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

<u>Column 1</u>	<u>Column 2</u>
Approved Daily Route	State Support Level per
Mileage per Eligible	Route Mile for
<u>Student Transported</u>	<u>Fiscal Year 2024-2025 2025-2026</u>
0.5 or less	<del>2.95</del> 3.01
More than 0.5 through 1.0	<del>2.42</del> 2.47
More than 1.0	<del>2.95</del> 3.01

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

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

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

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

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
Approved Daily Route	District Type	District Type	District Type
Mileage per Eligible	02 or 03	04	05
<u>Student Transported</u>			
0.5 or less	0.15	0.10	0.25
More than 0.5 through 1.0	0.15	0.10	0.25
More than 1.0	0.18	0.12	0.30

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

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

3       1. Determine the sum of the following:

4           (a) The total number of miles driven by all buses of a school  
5 district while transporting eligible pupils with disabilities on scheduled  
6 routes from their residence to the school of attendance and from the  
7 school of attendance to their residence on routes for extended school year  
8 services in accordance with section 15-881.

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

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

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

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

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

33       G. A school district may include route mileage and the number of  
34 riders to calculate funding pursuant to this section for transporting  
35 eligible students using motor vehicles described in section 15-925.

36       Sec. 9. Section 41-1276, Arizona Revised Statutes, is amended to  
37 read:

38       41-1276. Truth in taxation levy for equalization assistance  
39                   to school districts

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

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

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

3       B. The truth in taxation rates consist of the qualifying tax rate  
4 for a high school district or a common school district within a high  
5 school district that does not offer instruction in high school subjects  
6 pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax  
7 rate for a unified district, a common school district not within a high  
8 school district or a common school district within a high school district  
9 that offers instruction in high school subjects pursuant to section  
10 15-971, subsection B, paragraph 2 that will offset the change in net  
11 assessed valuation of property that was subject to tax in the prior year.

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

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

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

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

21       4. Adjust the qualifying tax rates for the current fiscal year by  
22 the percentage determined in paragraph 3 of this subsection in order to  
23 offset the change in net assessed value.

24       D. Except as provided in subsections E and G of this section, the  
25 qualifying tax rate for a high school district or a common school district  
26 within a high school district that does not offer instruction in high  
27 school subjects and the qualifying tax rate for a unified school district,  
28 a common school district not within a high school district or a common  
29 school district within a high school district that offers instruction in  
30 high school subjects for the following fiscal year shall be the rate  
31 determined by the joint legislative budget committee pursuant to  
32 subsection C of this section. The committee shall transmit the rates to  
33 the superintendent of public instruction and the county boards of  
34 supervisors by March 15 of each year.

35       E. If the legislature proposes qualifying tax rates that exceed the  
36 truth in taxation rate:

37       1. The house of representatives ways and means committee and the  
38 senate finance committee, or their successor committees, shall hold a  
39 joint hearing on or before February 28 and publish a notice of a truth in  
40 taxation hearing subject to the following requirements:

41       (a) The notice shall be published twice in a newspaper of general  
42 circulation in this state that is published at the state capital. The  
43 first publication shall be at least fourteen but not more than twenty days  
44 before the date of the hearing. The second publication shall be at least  
45 seven but not more than ten days before the date of the hearing.

(b) The notice shall be published in a location other than the classified or legal advertising section of the newspaper.

(c) The notice shall be at least one-fourth page in size and shall be surrounded by a solid black border at least one-eighth inch in width.

(d) The notice shall be in the following form, with the "truth in taxation hearing - notice of tax increase" headline in at least eighteen-point type:

Truth in Taxation Hearing  
Notice of Tax Increase

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

The proposed tax increase will cause the taxes on a \$100,000 home to be \$(total proposed taxes including the tax increase). Without the proposed tax increase, the total taxes that would be owed on a \$100,000 home would have been \$\_\_\_\_\_.

All interested citizens are invited to attend a public hearing on the tax increase that is scheduled to be held (date and time) at (location).

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

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

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

G. Notwithstanding any other law, the legislature shall not adopt a state budget that provides for qualifying tax rates pursuant to section 15-971 that exceed 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

1 pursuant to subsection C of this section and shall be transmitted to the  
2 superintendent of public instruction and the county boards of supervisors.

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

9 I. Pursuant to subsection C of this section, the qualifying tax  
10 rate in tax year ~~2024~~ 2025 for a high school district or a common school  
11 district within a high school district that does not offer instruction in  
12 high school subjects as provided in section 15-447 is ~~\$1.5930~~ \$1.5606 and  
13 for a unified school district, a common school district not within a high  
14 school district or a common school district within a high school district  
15 that offers instruction in high school subjects as provided in section  
16 15-447 is ~~\$3.1860~~ \$3.1212.

17 Sec. 10. Failing schools tutoring fund; use of monies; fiscal  
18 year 2025-2026; report

19 A. Notwithstanding section 15-241, Arizona Revised Statutes, the  
20 department of education may use monies in the failing schools tutoring  
21 fund established by section 15-241, Arizona Revised Statutes, in fiscal  
22 year 2025-2026 for the following school improvements:

23 1. Providing assistance to school districts and charter schools for  
24 professional development and coaching for teachers and principals.

25 2. Monitoring the progress of school districts and charter schools  
26 towards improved academic outcomes.

27 3. Outreach to ensure that schools and parents have access to  
28 tutoring opportunities.

29 B. On or before September 1, 2025, the department of education  
30 shall report the proposed expenditures for fiscal year 2025-2026 pursuant  
31 to subsection A of this section to the governor, the president of the  
32 senate, the speaker of the house of representatives, the director of the  
33 joint legislative budget committee and the director of the governor's  
34 office of strategic planning and budgeting.

35 Sec. 11. Continuing high school and workforce training  
36 program; enrollment limits; retroactivity; delayed  
37 repeal

38 A. Notwithstanding section 15-217.01, Arizona Revised Statutes, the  
39 state board of education may approve program schools for the continuing  
40 high school and workforce training program with a total projected  
41 full-time enrollment of not more than one hundred thirty students in  
42 fiscal year 2025-2026.

43 B. This section applies retroactively to from and after June 30,  
44 2025.

45 C. This section is repealed from and after June 30, 2027.

1       Sec. 12. Transfer: effect: succession

2       A. All matters relating to the K-12 school financial transparency  
3 portal developed pursuant to section 15-747, Arizona Revised Statutes, as  
4 amended by this act, including contracts executed by the department of  
5 administration, rules adopted by the department of administration,  
6 property, records, data, investigative findings and obligations, are  
7 transferred on the effective date of this act, and maintain the same  
8 status with the department of education.

9       B. All appropriated monies remaining unspent and unencumbered of  
10 the department of administration for the K-12 school financial  
11 transparency portal are transferred to the department of education and may  
12 be used for the purposes of this act.

13      Sec. 13. Ninth grade on-track grant program: school  
14                   requirements: delayed repeal

15      A. The department of education shall establish a ninth grade  
16 on-track grant program. The department shall administer the grant program  
17 and may adopt policies and procedures to carry out the purposes of this  
18 section. The department shall:

19       1. Establish procedures for a school district or charter school to  
20 apply for a grant, for the department to evaluate the applications and for  
21 the department to award grants to eligible school districts and charter  
22 schools. The department shall ensure that the grant application and  
23 reporting requirements do not impose an undue burden on the school  
24 districts and charter schools.

25       2. Require each application to be approved by a majority vote of  
26 the school district governing board or charter school governing body,  
27 whichever applies, before the school district or charter school may submit  
28 the application to the department.

29       3. Award grants on a first-come, first-served basis to each  
30 eligible school district or charter school in an amount that is at least  
31 \$150 for each ninth grade student who is enrolled in the school district  
32 or charter school, except that the total number of projected ninth grade  
33 students who may be funded pursuant to this paragraph may not exceed six  
34 thousand six hundred fifty.

35       4. Provide administrative support to grant recipients for  
36 implementing ninth grade on-track programs and services pursuant to this  
37 section.

38       B. Each school district or charter school that receives a grant  
39 award pursuant to subsection A of this section shall:

40       1. Use the monies to establish and expand programs, opportunities  
41 and strategies that help ninth grade students complete sufficient credits  
42 to be on track to graduate in four years, including all of the following:

43           (a) Providing real-time, accessibly formatted data regarding  
44 student grades, attendance and behavior to grade nine teachers and support  
45 staff.

1       (b) Allocating time for grade nine teachers and support staff to  
2 meet during the school day to review data and develop intervention  
3 strategies for at-risk students in grade nine. The school district or  
4 charter school shall maintain records of meetings held pursuant to this  
5 subdivision and provide those records to the department on request.

6       (c) Providing timely, actionable data for grade nine teachers,  
7 including providing access to data and developing teachers' data literacy.

8       (d) Creating highly effective grade nine success teams.

9       (e) Establishing foundational structures and conditions for grade  
10 nine on-track work.

11       (f) Establishing systems and processes to optimize operations of  
12 the grade nine success team.

13       (g) Systematizing grade nine success by recruiting and engaging all  
14 stakeholders.

15       (h) Creating and executing proactive and data-driven intervention  
16 and referral systems and processes.

17       (i) Implementing proactive and high-leverage intervention  
18 strategies.

19       (j) Creating and executing a comprehensive system of grade nine  
20 transition supports.

21       (k) Creating a personalized and supportive environment for students  
22 in grade nine.

23       (l) Providing early preparation for high school entry.

24       (m) Providing proactive supports to grade nine teachers and support  
25 staff.

26       (n) Implementing high quality instructional strategies and fair  
27 grading practices.

28       (o) Developing learning-centered professional communities and  
29 student-centered learning communities.

30       (p) Establishing a partnership with an organization that has at  
31 least five years of experience providing ninth grade on-track programs and  
32 services to school districts and charter schools to increase grade nine  
33 on-track rates.

34       2. On request from the department, provide any information  
35 necessary to demonstrate compliance with this section.

36       C. A school district or charter school that receives monies  
37 pursuant to this section shall supplement and not supplant programs,  
38 opportunities and strategies that help ninth grade students complete  
39 sufficient credits to be on track to graduate in four years.

40       D. For the purposes of this section, a student is deemed on track  
41 to graduate in four years if the student does both of the following:

42       1. Completes at least twenty-five percent of the credits required  
43 for the student to graduate from high school by the end of ninth grade.

1       2. Does not earn more than one letter grade of F, or the  
2 equivalent, in ninth grade.

3       E. This section is repealed from and after December 31, 2030.

4       Sec. 14. Intent

5       The governor and the legislature intend that school districts  
6 increase the total percentage of classroom spending over the previous  
7 year's percentages in the combined categories of instruction, student  
8 support and instructional support as prescribed by the auditor general.