

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)

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

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

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

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

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

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

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

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

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

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

C. FOR THE PURPOSES OF THIS SECTION:

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

2. "SCHOOL-SPONSORED ATHLETIC EVENT":

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

(b) INCLUDES SCHEDULED PRACTICES, TRAININGS AND COMPETITIONS.

Sec. 2. 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 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) TEACHING ASSIGNMENT, INCLUDING BOTH:

(i) SUBJECT AREA TAUGHT.

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

(e) 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.

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

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

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

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

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

(a) TEACHING ASSIGNMENT, INCLUDING BOTH:

(i) SUBJECT AREA TAUGHT.

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

3 (b) LOCATION, INCLUDING ALL OF THE FOLLOWING:

4 (i) BY SCHOOL SITE.

5 (ii) BY SCHOOL DISTRICT OR CHARTER SCHOOL.

6 (iii) BY CITY OR TOWN.

7 (iv) BY COUNTY.

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

10 (i) IS UNFILLED.

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

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

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

17 (a) DATA RELATING TO PROGRAM COMPLETION.

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

20 (c) ENROLLMENT DISAGGREGATED BY ENDORSEMENT.

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

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

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

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

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

42 15-747. School financial transparency; portal; required
43 information; third-party contractor

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

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

1. The detailed total revenues generated by weighted student count.
2. The total allocated federal, state and local revenues.
3. The allocation of classroom site fund monies.
4. The amounts allocated for teacher pay and benefits, classroom supplies, student support and other expenditures.
5. A comparison of the funding information for each school in relation to the funding information for other schools in the same local education agency.
6. Any other information that is necessary for a transparent comparison between schools with respect to their revenues, expenditures, student demographics or academic achievement.

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

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

1. Have experience in building education finance platforms to show school financial information in a transparent and easily understandable format.
2. Be incorporated for at least five years.
3. Have an exclusive focus on K-12 education finance technology.
4. Have at least five years of experience building cloud-hosted education finance software.
5. Have experience integrating with the uniform system of financial records.

Sec. 6. 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. For the purposes of this paragraph, "withdrawals" means students who are formally withdrawn from schools or students who are absent for ten consecutive school days, except for excused absences identified by the department of education. For 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
32 instructional time 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

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

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

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

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

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

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

8. "Eligible students" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

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.

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

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.

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>	<u>Column 4</u>
Approved Daily Route Mileage per Eligible Student Transported	District Type <u>02 or 03</u>	District Type <u>04</u>	District Type <u>05</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

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.

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

Sec. 9. 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 chairpersons of the house of representatives ways and means committee and the senate finance committee, or their successor committees.

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

B. The truth in taxation rates consist of the qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax rate for a unified district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 2 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 for the current fiscal year by the percentage determined in paragraph 3 of this subsection in order to offset the change in net assessed value.

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

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

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

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

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

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

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

Truth in Taxation Hearing
Notice of Tax Increase

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

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

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

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

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

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

G. Notwithstanding any other law, the legislature shall not adopt a state budget that provides for 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.