

Senate Engrossed

K-12; school funding; revisions

State of Arizona  
Senate  
Fifty-seventh Legislature  
First Regular Session  
2025

# SENATE BILL 1473

AN ACT

AMENDING SECTION 15-185, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 6; AMENDING SECTIONS 15-808 AND 15-901, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-901.04; AMENDING SECTIONS 15-924, 15-947, 15-971, 15-992, 15-2402 AND 41-1276, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 15-185. Charter schools; financing; civil penalties;  
5 transportation; definition

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

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

15 1. The charter school shall ~~calculate a base support level as~~  
16 ~~prescribed in section 15-943~~ **USE THE STATE STUDENT FUNDING FORMULA**  
17 **PRESCRIBED IN SECTION 15-901.04**, except that:

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

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

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

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

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

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

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

39 2. Notwithstanding paragraph 1 of this subsection, the student  
40 count shall be determined initially using an estimated student count based  
41 on actual registration of pupils before the beginning of the school year.  
42 Notwithstanding section 15-1042, subsection F, student level data  
43 submitted to the department may be used to determine estimated student  
44 counts. After the first forty days, one hundred days or two hundred days  
45 in session, as applicable, the charter school shall revise the student

1 count to be equal to the actual average daily membership, as defined in  
 2 section 15-901, of the charter school. Before the fortieth day, one  
 3 hundredth day or two hundredth day in session, as applicable, the state  
 4 board of education, the state board for charter schools, the sponsoring  
 5 university, the sponsoring community college district or the sponsoring  
 6 group of community college districts may require a charter school to  
 7 report periodically regarding pupil enrollment and attendance, and the  
 8 department of education may revise its computation of equalization  
 9 assistance based on the report. A charter school shall revise its student  
 10 count, base support level and ~~charter~~ STATE additional assistance before  
 11 May 15. A charter school that overestimated its student count shall  
 12 revise its budget before May 15. A charter school that underestimated its  
 13 student count may revise its budget before May 15.

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

17 ~~4. Equalization assistance for the charter school shall be~~  
 18 ~~determined by adding the amount of the base support level and charter~~  
 19 ~~additional assistance. The amount of the charter additional assistance is~~  
 20 ~~\$2,090.10 per student count in preschool programs for children with~~  
 21 ~~disabilities, kindergarten programs and grades one through eight and~~  
 22 ~~\$2,435.97 per student count in grades nine through twelve.~~

23 ~~5.~~ 4. The state board of education shall apportion state aid from  
 24 the appropriations made for such purposes to the state treasurer for  
 25 disbursement to the charter schools in each county in an amount as  
 26 determined by this paragraph. The apportionments shall be made as  
 27 prescribed in section 15-973, subsection B.

28 ~~6.~~ 5. The charter school shall not charge tuition for pupils who  
 29 reside in this state, levy taxes or issue bonds. A charter school may  
 30 admit pupils who are not residents of this state and shall charge tuition  
 31 for those pupils in the same manner prescribed in section 15-823.

32 ~~7.~~ 6. Not later than noon on the day preceding each apportionment  
 33 date established pursuant to paragraph ~~5~~ 4 of this subsection, the  
 34 superintendent of public instruction shall furnish to the state treasurer  
 35 an abstract of the apportionment and shall certify the apportionment to  
 36 the department of administration, which shall draw its warrant in favor of  
 37 the charter schools for the amount apportioned.

38 C. If a pupil is enrolled in both a charter school and a public  
 39 school that is not a charter school, the sum of the daily membership,  
 40 which includes enrollment as prescribed in section 15-901, subsection A,  
 41 paragraph 1, subdivisions (a) and (b) and daily attendance as prescribed  
 42 in section 15-901, subsection A, paragraph 5, for that pupil in the school  
 43 district and the charter school shall not exceed 1.0. If a pupil is  
 44 enrolled in both a charter school and a public school that is not a  
 45 charter school, the department of education shall direct the average daily

1 membership to the school with the most recent enrollment date. On  
2 validation of actual enrollment in both a charter school and a public  
3 school that is not a charter school and if the sum of the daily membership  
4 or daily attendance for that pupil is greater than 1.0, the sum shall be  
5 reduced to 1.0 and shall be apportioned between the public school and the  
6 charter school based on the percentage of total time that the pupil is  
7 enrolled or in attendance in the public school and the charter school.  
8 The uniform system of financial records shall include guidelines to  
9 apportion the pupil enrollment and attendance as provided in this section.

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

23 1. Equalization assistance shall not be less than zero.

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

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

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

41 ~~G.~~ F. At the request of a charter school, the county school  
42 superintendent of the county where the charter school is located may  
43 provide the same educational services to the charter school as prescribed  
44 in section 15-308, subsection A. The county school superintendent may

1 charge a fee to recover costs for providing educational services to  
2 charter schools.

3 ~~H.~~ G. If the sponsor of the charter school determines at a public  
4 meeting that the charter school is not in compliance with federal law,  
5 with the laws of this state or with its charter, the sponsor of a charter  
6 school may submit a request to the department of education to withhold up  
7 to ten percent of the monthly apportionment of state aid that would  
8 otherwise be due the charter school. The department shall adjust the  
9 charter school's apportionment accordingly. The sponsor shall provide  
10 written notice to the charter school at least seventy-two hours before the  
11 meeting and shall allow the charter school to respond to the allegations  
12 of noncompliance at the meeting before the sponsor makes a final  
13 determination to notify the department of education of noncompliance. The  
14 charter school shall submit a corrective action plan to the sponsor on a  
15 date specified by the sponsor at the meeting. The corrective action plan  
16 shall be designed to correct deficiencies at the charter school and to  
17 ensure that the charter school promptly returns to compliance. When the  
18 sponsor determines that the charter school is in compliance, the  
19 department shall restore the full amount of state aid payments to the  
20 charter school.

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

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

44 ~~K.~~ J. If a school district transports or contracts to transport  
45 pupils to the Arizona state schools for the deaf and the blind during any

1 fiscal year, the school district may transport or contract with a charter  
2 school to transport sensory impaired pupils during that same fiscal year  
3 to a charter school if requested by the parent of the pupil and if the  
4 distance from the pupil's place of actual residence within the school  
5 district to the charter school is less than the distance from the pupil's  
6 place of actual residence within the school district to the campus of the  
7 Arizona state schools for the deaf and the blind.

8 ~~K.~~ K. Notwithstanding any other law, a university under the  
9 jurisdiction of the Arizona board of regents, a community college district  
10 or a group of community college districts shall not include any student in  
11 the student count of the university, community college district or group  
12 of community college districts for state funding purposes if that student  
13 is enrolled in and attending a charter school sponsored by the university,  
14 community college district or group of community college districts.

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

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

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

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

38 Sec. 2. Title 15, chapter 4, Arizona Revised Statutes, is amended  
39 by adding article 6, to read:

40 ARTICLE 6. STATE STUDENT FUNDING FORMULA

41 15-495. School districts; state student funding formula;  
42 election; reversion to standard school finance  
43 formula

44 A. NOTWITHSTANDING ANY OTHER LAW, A SCHOOL DISTRICT THAT PROVIDES  
45 INSTRUCTION TO STUDENTS IN ANY COMBINATION OF KINDERGARTEN PROGRAMS AND

1 GRADES ONE THROUGH TWELVE MAY ELECT TO USE THE STATE STUDENT FUNDING  
2 FORMULA PRESCRIBED IN SECTION 15-901.04 TO DETERMINE THE SCHOOL DISTRICT'S  
3 DISTRICT SUPPORT LEVEL IF THE SCHOOL DISTRICT MEETS THE FOLLOWING  
4 REQUIREMENTS:

5 1. DOES NOT HAVE AN OVERRIDE IN PLACE PURSUANT TO SECTION 15-481 OR  
6 15-482 AND EITHER:

7 (a) DOES NOT OWE ANY DEBT SERVICE PAYMENTS ON ANY CLASS A OR CLASS  
8 B BOND.

9 (b) HAS FOUR OR FEWER REMAINING FISCAL YEARS IN WHICH THE SCHOOL  
10 DISTRICT IS SCHEDULED TO MAKE PAYMENTS ON ANY CLASS A OR CLASS B BOND.

11 2. HAS A SUPPORT LEVEL RATIO THAT EXCEEDS:

12 (a) NINETY PERCENT IN FISCAL YEAR 2025-2026.

13 (b) EIGHTY PERCENT IN FISCAL YEAR 2026-2027.

14 (c) SEVENTY PERCENT IN FISCAL YEAR 2027-2028.

15 (d) SIXTY PERCENT IN FISCAL YEAR 2028-2029.

16 (e) FIFTY PERCENT IN FISCAL YEAR 2029-2030 AND EACH YEAR  
17 THEREAFTER.

18 3. FOR THE PURPOSES OF PARAGRAPH 2 OF THIS SUBSECTION, THE SUPPORT  
19 LEVEL RATIO IS CALCULATED BY:

20 (a) DIVIDING THE AMOUNT OF EQUALIZATION ASSISTANCE CALCULATED  
21 PURSUANT TO SECTION 15-971, SUBSECTION A BY THE PRIMARY ASSESSED VALUATION  
22 OF THE SCHOOL DISTRICT.

23 (b) DIVIDING THE AMOUNT CALCULATED PURSUANT TO SUBDIVISION (a) OF  
24 THIS PARAGRAPH BY ONE-TENTH OF THE QUALIFYING TAX RATE PRESCRIBED IN  
25 SECTION 41-1276, SUBSECTION I, PARAGRAPH 2.

26 B. A SCHOOL DISTRICT THAT IS ELIGIBLE UNDER SUBSECTION A OF THIS  
27 SECTION MAY ELECT TO USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN  
28 SECTION 15-901.04 PURSUANT TO THE FOLLOWING:

29 1. IF THE ESTIMATED TOTAL SCHOOL DISTRICT PRIMARY PROPERTY TAX RATE  
30 WILL BE LESS THAN OR EQUAL TO THE PRIOR YEAR TOTAL SCHOOL DISTRICT PRIMARY  
31 PROPERTY TAX RATE, THE SCHOOL DISTRICT GOVERNING BOARD MAY DO EITHER OF  
32 THE FOLLOWING:

33 (a) VOTE AT A GOVERNING BOARD MEETING TO USE THE STATE STUDENT  
34 FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04.

35 (b) CALL AN ELECTION TO SUBMIT TO THE VOTERS THE QUESTION OF  
36 WHETHER THE SCHOOL DISTRICT SHOULD USE THE STATE STUDENT FUNDING FORMULA  
37 PRESCRIBED IN SECTION 15-901.04.

38 2. IF THE ESTIMATED TOTAL SCHOOL DISTRICT PRIMARY PROPERTY TAX RATE  
39 WILL BE GREATER THAN THE PRIOR YEAR TOTAL SCHOOL DISTRICT PRIMARY PROPERTY  
40 TAX RATE, THE SCHOOL DISTRICT GOVERNING BOARD MAY CALL AN ELECTION TO  
41 SUBMIT TO THE VOTERS THE QUESTION OF WHETHER THE SCHOOL DISTRICT SHOULD  
42 USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04.

43 3. IF THE SCHOOL DISTRICT GOVERNING BOARD CALLS AN ELECTION  
44 PURSUANT TO PARAGRAPH 1 OR 2 OF THIS SUBSECTION, THE QUESTION MUST BE  
45 SUBMITTED TO A VOTE OF THE QUALIFIED ELECTORS OF THE SCHOOL DISTRICT AS

1 PRESCRIBED IN SECTION 15-401 AND SUBJECT TO SECTION 15-402. THE QUESTION  
2 SUBMITTED TO THE QUALIFIED ELECTORS MUST DESCRIBE THE TAX RATE THAT IS  
3 ASSOCIATED WITH USING THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN  
4 SECTION 15-901.04 AND THE ESTIMATED COST OF THAT TAX RATE FOR THE OWNER OF  
5 A SINGLE-FAMILY HOME THAT IS VALUED AT \$200,000. THE SCHOOL DISTRICT  
6 GOVERNING BOARD SHALL ORDER THE ELECTION TO BE HELD ON THE FIRST TUESDAY  
7 AFTER THE FIRST MONDAY IN NOVEMBER AS PRESCRIBED IN SECTION 16-204,  
8 SUBSECTION F.

9 4. IF THE SCHOOL DISTRICT IS AUTHORIZED TO USE THE STATE STUDENT  
10 FUNDING FORMULA PURSUANT TO PARAGRAPH 1 OR 2 OF THIS SUBSECTION, THE  
11 SCHOOL DISTRICT SHALL USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN  
12 SECTION 15-901.04 AND SHALL NO LONGER USE THE STANDARD SCHOOL FINANCE  
13 FORMULA BEGINNING IN THE NEXT FISCAL YEAR FOLLOWING THE AUTHORIZATION.

14 C. A SCHOOL DISTRICT THAT IS USING THE STATE STUDENT FUNDING  
15 FORMULA PRESCRIBED IN SECTION 15-901.04 MAY NOT:

16 1. USE ANY OTHER SOURCE OF PROPERTY TAX-GENERATED FUNDING OTHER  
17 THAN THE STATE STUDENT FUNDING FORMULA, INCLUDING FUNDING GENERATED  
18 PURSUANT TO ANY OF THE FOLLOWING:

- 19 (a) SECTION 15-481.
- 20 (b) SECTION 15-482.
- 21 (c) SECTION 15-910.
- 22 (d) SECTION 15-946.
- 23 (e) SECTION 15-949.
- 24 (f) SECTION 15-954.
- 25 (g) SECTION 15-995.
- 26 (h) CHAPTER 9, ARTICLE 7 OF THIS TITLE.

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

31 3. RECEIVE DISTRICT ADDITIONAL ASSISTANCE PURSUANT TO SECTION  
32 15-961.

33 D. IF A SCHOOL DISTRICT APPROVES THE USE OF THE STATE STUDENT  
34 FUNDING FORMULA AS PRESCRIBED IN SUBSECTION B OF THIS SECTION AND THE  
35 SCHOOL DISTRICT GOVERNING BOARD SUBSEQUENTLY DECIDES BY A MAJORITY VOTE OF  
36 ITS MEMBERS TO REVERT TO THE STANDARD SCHOOL FINANCE FORMULA, THE SCHOOL  
37 DISTRICT GOVERNING BOARD SHALL CALL AN ELECTION TO DETERMINE THE QUESTION  
38 OF WHETHER TO NO LONGER USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED  
39 IN SECTION 15-901.04 AND TO REVERT TO THE STANDARD SCHOOL FINANCE FORMULA.  
40 THE QUESTION SHALL BE SUBMITTED TO A VOTE OF THE QUALIFIED ELECTORS OF THE  
41 SCHOOL DISTRICT AS PRESCRIBED IN SECTION 15-401 AND SUBJECT TO SECTION  
42 15-402. THE SCHOOL DISTRICT GOVERNING BOARD SHALL ORDER THE ELECTION TO  
43 BE HELD ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER AS  
44 PRESCRIBED IN SECTION 16-204, SUBSECTION F. IF A MAJORITY OF THE  
45 QUALIFIED ELECTORS OF THE SCHOOL DISTRICT WHO VOTE ON THE QUESTION VOTE TO



1 NO LONGER USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION  
2 15-901.04 AND TO REVERT TO THE STANDARD SCHOOL FINANCE FORMULA, THE SCHOOL  
3 DISTRICT MAY USE ALL OTHER AVAILABLE FUNDING AUTHORIZED BY LAW IN THE NEXT  
4 FISCAL YEAR FOLLOWING THE ELECTION HELD PURSUANT TO THIS SUBSECTION. A  
5 SCHOOL DISTRICT MAY NOT SUBMIT A QUESTION FOR AN OVERRIDE OR CLASS A OR  
6 CLASS B BOND ALONG WITH A QUESTION TO OPT OUT OF THE STATE STUDENT FUNDING  
7 FORMULA PRESCRIBED IN SECTION 15-901.04 IN THE SAME ELECTION.

8 E. FOR THE PURPOSES OF THIS SECTION, SCHOOL DISTRICT DOES NOT  
9 INCLUDE A CAREER TECHNICAL EDUCATION DISTRICT AS DEFINED IN SECTION  
10 15-391.

11 Sec. 3. Section 15-808, Arizona Revised Statutes, is amended to  
12 read:

13 15-808. Arizona online instruction; reports; definitions

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

21 1. The depth and breadth of curriculum choices.

22 2. The variety of educational methodologies employed by the school  
23 and the means of addressing the unique needs and learning styles of  
24 targeted pupil populations, including computer-assisted learning systems,  
25 virtual classrooms, virtual laboratories, electronic field trips, ~~e-mail~~  
26 EMAIL, virtual tutoring, online help desk, group chat sessions and  
27 noncomputer-based activities performed under the direction of a  
28 certificated teacher.

29 3. The availability of an intranet or private network to safeguard  
30 pupils against predatory and pornographic elements of the internet.

31 4. The availability of filtered research access to the internet.

32 5. The availability of private individual ~~e-mail~~ EMAIL between  
33 pupils, teachers, administrators and parents in order to protect the  
34 confidentiality of pupil records and information.

35 6. The availability of faculty members who are experienced with  
36 computer networks, the internet and computer animation.

37 7. The extent to which the school intends to develop partnerships  
38 with universities, community colleges and private businesses.

39 8. The services offered to populations with developmental  
40 disabilities.

41 9. The grade levels that will be served.

42 B. Each new school that provides online instruction shall provide  
43 online instruction on a probationary status. After a new school that  
44 provides online instruction has clearly demonstrated the academic  
45 integrity of its instruction through the actual improvement of the

1 academic performance of its students, the school may apply to be removed  
2 from probationary status. The state board of education or the  
3 state-approved charter authorizer that sponsored the charter school shall  
4 remove from Arizona online instruction any probationary school that fails  
5 to clearly demonstrate improvement in academic performance within three  
6 years measured against goals in the approved application and the state's  
7 accountability system. All pupils who participate in Arizona online  
8 instruction shall reside in this state. Pupils who participate in Arizona  
9 online instruction are subject to the testing requirements prescribed in  
10 chapter 7, article 3 of this title. On enrollment, the school shall  
11 notify the parents or guardians of the pupil of the state testing  
12 requirements. If a pupil fails to comply with the testing requirements  
13 and the school administers the tests pursuant to this subsection to less  
14 than ninety-five percent of the pupils in Arizona online instruction, the  
15 pupil shall not be allowed to participate in Arizona online instruction.

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

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

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

32 F. If a pupil is enrolled in a school district or charter school  
33 and also participates in Arizona online instruction, the sum of the  
34 average daily membership, which includes enrollment as prescribed in  
35 section 15-901, subsection A, paragraph 1, subdivisions (a) and (b) and  
36 daily attendance as prescribed in section 15-901, subsection A, paragraph  
37 5, for that pupil in the school district or charter school and in Arizona  
38 online instruction shall not exceed 1.0. If the pupil is enrolled in a  
39 school district or a charter school and also participates in Arizona  
40 online instruction and the sum of the daily membership or daily attendance  
41 for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and  
42 shall be apportioned between the school district, unless the school  
43 district is a career technical education district subject to the  
44 apportionment requirements of section 15-393, or charter school and  
45 Arizona online instruction based on the percentage of total time that the

1 pupil is enrolled or in attendance in the school district or charter  
2 school and Arizona online instruction. The uniform system of financial  
3 records shall include guidelines for the apportionment of the pupil  
4 enrollment and attendance as provided in this subsection. Pupils in  
5 Arizona online instruction do not incur absences for purposes of this  
6 subsection and may generate an average daily attendance of 1.0 for  
7 attendance hours during any hour of the day, during any day of the week  
8 and at any time between July 1 and June 30 of each fiscal year. For  
9 kindergarten programs and grades one through eight, average daily  
10 membership shall be calculated by dividing the instructional hours as  
11 reported in the daily log required in subsection E of this section by the  
12 applicable hourly requirements prescribed in section 15-901. For grades  
13 nine through twelve, average daily membership shall be calculated by  
14 dividing the instructional hours as reported in the daily log required in  
15 subsection E of this section by nine hundred. The average daily  
16 membership of a pupil who participates in online instruction shall not  
17 exceed 1.0. Average daily membership shall not be calculated on the one  
18 hundredth day of instruction for the purposes of this section. Funding  
19 shall be determined as follows:

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

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

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

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

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

13 J. For the purposes of this section:

14 1. "Full-time student" means:

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

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

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

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

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

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

1           4. "Part-time student" means:

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

8           (b) A part-time student of seventy-five percent average daily  
9 membership shall be enrolled in at least three subjects throughout the  
10 year that offer for first, second and third grade students at least five  
11 hundred thirty-four instructional hours in a school year and for fourth,  
12 fifth and sixth grade students at least six hundred sixty-eight  
13 instructional hours in a school year. A part-time student of fifty  
14 percent average daily membership shall be enrolled in at least two  
15 subjects throughout the year that offer for first, second and third grade  
16 students at least three hundred fifty-six instructional hours in a school  
17 year and for fourth, fifth and sixth grade students at least four hundred  
18 forty-five instructional hours in a school year. A part-time student of  
19 twenty-five percent average daily membership shall be enrolled in at least  
20 one subject throughout the year that offers for first, second and third  
21 grade students at least one hundred seventy-eight instructional hours in a  
22 school year and for fourth, fifth and sixth grade students at least two  
23 hundred twenty-three instructional hours in a school year.

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

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

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

1       Sec. 4. Heading change

2       A. The chapter heading of title 15, chapter 9, Arizona Revised  
3 Statutes, is changed from "SCHOOL DISTRICT BUDGETING AND FINANCIAL  
4 ASSISTANCE" to "SCHOOL BUDGETING AND FINANCIAL ASSISTANCE".

5       B. The article heading of title 15, chapter 9, article 1, Arizona  
6 Revised Statutes, is changed from "GENERAL PROVISIONS FOR SCHOOL DISTRICT  
7 BUDGETS" to "GENERAL PROVISIONS".

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

10       15-901. Definitions

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

12       1. "Average daily membership" means the total enrollment of  
13 fractional students and full-time students, minus withdrawals, of each  
14 school day through the first one hundred days or two hundred days in  
15 session, as applicable, for the current year. For the purposes of this  
16 paragraph, "withdrawals" means students who are formally withdrawn from  
17 schools or students who are absent for ten consecutive school days, except  
18 for excused absences identified by the department of education. For  
19 computation purposes, a student who is absent for nine or fewer  
20 consecutive school days, including the last day of the school year, is not  
21 a withdrawal and may not be subtracted from the total enrollment of  
22 fractional students and full-time students. For the purposes of this  
23 section, school districts and charter schools shall report student absence  
24 data to the department of education at least once every sixty days in  
25 session. For computation purposes, the effective date of withdrawal shall  
26 be retroactive to the last day of actual attendance of the student or  
27 excused absence. A school district or charter school may satisfy any of  
28 the time and hours requirements prescribed in this subsection in any  
29 manner prescribed in the school district's or charter school's  
30 instructional time model adopted under section 15-901.08.

31       (a) "Fractional student" means:

32       (i) For common schools, a preschool child who is enrolled in a  
33 program for preschool children with disabilities of at least three hundred  
34 sixty minutes each week that meets at least two hundred sixteen hours over  
35 the minimum number of days or a kindergarten student who is at least five  
36 years of age before January 1 of the school year and enrolled in a school  
37 kindergarten program that meets at least three hundred fifty-six hours for  
38 a one hundred eighty-day school year, or the instructional hours  
39 prescribed in this section. In computing the average daily membership,  
40 preschool children with disabilities and kindergarten students shall be  
41 counted as one-half of a full-time student. For common schools, a  
42 part-time student is a student enrolled for less than the total time for a  
43 full-time student as defined in this section. A part-time common school  
44 student shall be counted as one-fourth, one-half or three-fourths of a  
45 full-time student if the student is enrolled in an instructional program

1 that is at least one-fourth, one-half or three-fourths of the time a  
2 full-time student is enrolled as defined in subdivision (b) of this  
3 paragraph. The hours in which a student is scheduled to attend a common  
4 school during the regular school day shall be included in the calculation  
5 of the average daily membership for that student.

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

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

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

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

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

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

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

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



1 enrolled in or in attendance at the school district and Arizona online  
2 instruction or the charter school and Arizona online instruction.

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

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

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

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

16 (a) Grades one through eight.

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

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

20 5. "Daily attendance" means:

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

22 (i) Of a kindergarten program or ungraded, but not group B children  
23 with disabilities, who is at least five, but under six, years of age by  
24 September 1 attends at least three-quarters of the instructional time  
25 scheduled for the day. If the total instruction time scheduled for the  
26 year is at least three hundred fifty-six hours but is less than seven  
27 hundred twelve hours, such attendance shall be counted as one-half day of  
28 attendance. If the instructional time scheduled for the year is at least  
29 six hundred ninety-two hours, "daily attendance" means days in which a  
30 pupil attends at least one-half of the instructional time scheduled for  
31 the day. Such attendance shall be counted as one-half day of attendance.  
32 A school district or charter school may satisfy any of the time and hours  
33 requirements prescribed in this item in any manner prescribed in the  
34 school district's or charter school's instructional time model adopted  
35 under section 15-901.08.

36 (ii) Of the first, second or third grades attends more than  
37 three-quarters of the instructional time scheduled for the day. A school  
38 district or charter school may satisfy any of the time and hours  
39 requirements prescribed in this item in any manner prescribed in the  
40 school district's or charter school's instructional time model adopted  
41 under section 15-901.08.

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

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

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

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

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

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

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

39 (d) For high schools, the attendance of a pupil shall not be  
40 counted as a full day unless the pupil is actually and physically in  
41 attendance and enrolled in and carrying four subjects, each of which, if  
42 taught each school day for the minimum number of days required in a school  
43 year, would meet a minimum of one hundred twenty-three hours a year, or  
44 the equivalent, that count toward graduation in a recognized high school  
45 except as provided in section 15-797 and subdivision (e) of this

1 paragraph. Attendance of a pupil carrying less than the load prescribed  
2 shall be prorated. A school district or charter school may satisfy any of  
3 the time and hours requirements prescribed in this subdivision in any  
4 manner prescribed in the school district's or charter school's  
5 instructional time model adopted under section 15-901.08.

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

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

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

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

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

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

1        7. "District support level" means:

2        (a) FOR A SCHOOL DISTRICT THAT USES THE STANDARD SCHOOL FINANCE  
3 FORMULA, the base support level plus the transportation support level.

4        (b) FOR A SCHOOL DISTRICT THAT ELECTS PURSUANT TO SECTION 15-495 TO  
5 USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04, THE  
6 BASE SUPPORT LEVEL.

7        8. "Eligible students" means:

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

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

20        (ii) For high school students, whose place of actual residence  
21 within the school district is more than one and one-half miles from the  
22 school facility of attendance or students who are admitted pursuant to  
23 section 15-816.01 and who meet the economic eligibility requirements  
24 established under the national school lunch and child nutrition acts  
25 (42 United States Code sections 1751 through 1793) for free or  
26 reduced-price lunches and whose actual place of residence outside the  
27 school district boundaries is more than one and one-half miles from the  
28 school facility of attendance.

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

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

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

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

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

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

9        12. "Instructional hours" or "instructional time" means hours or  
10 time spent pursuant to an instructional time model adopted under section  
11 15-901.08.

12        13. "Revenue control limit" means:

13        (a) FOR A SCHOOL DISTRICT THAT USES THE STANDARD SCHOOL FINANCE  
14 FORMULA, the base revenue control limit plus the transportation revenue  
15 control limit.

16        (b) FOR A SCHOOL DISTRICT THAT ELECTS PURSUANT TO SECTION 15-901.04  
17 TO USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04,  
18 THE BASE REVENUE CONTROL LIMIT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26       10. "FRPL" means students who meet the eligibility requirements  
27 established under the national school lunch and child nutrition acts  
28 (42 United States Code sections 1751 through 1793) for free or  
29 reduced-price lunches, or an equivalent measure recognized for  
30 participating in the federal free and reduced-price lunch program and  
31 other school programs dependent on a poverty measure, including the  
32 community eligibility provision for which free and reduced-price lunch  
33 data is not available.

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

36       (a) If employed full time as defined in section 15-501, 1.00.

37       (b) If employed less than full time, multiply 1.00 by the  
38 percentage of a full school day, or its equivalent, or a full class load,  
39 or its equivalent, for which the teacher is employed as determined by the  
40 governing board.

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

44       13. "Group A" means educational programs for career exploration, a  
45 specific learning disability, an emotional disability, a mild intellectual

1 disability, remedial education, a speech/language impairment,  
2 developmental delay, homebound pupils, bilingual pupils and pupils with  
3 other health impairments.

4       14. "Group B" means educational improvements for pupils in  
5 kindergarten programs and grades one through three, educational programs  
6 for autism, a hearing impairment, a moderate intellectual disability,  
7 multiple disabilities, multiple disabilities with severe sensory  
8 impairment, orthopedic impairments, preschool severe delay, a severe  
9 intellectual disability and emotional disabilities for school age pupils  
10 enrolled in private special education programs or in school district  
11 programs for children with severe disabilities or visual impairment,  
12 English learners enrolled in a program to promote English language  
13 proficiency pursuant to section 15-752 and students who meet the  
14 eligibility requirements established under the national school lunch and  
15 child nutrition acts (42 United States Code sections 1751 through 1793)  
16 for free or reduced-price lunches, or an equivalent measure recognized for  
17 participating in the federal free and reduced-price lunch program and  
18 other school programs dependent on a poverty measure, including the  
19 community eligibility provision for which free and reduced-price lunch  
20 data is not available.

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

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

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

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

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

1       20. "MD-SC, A-SC and SID-SC" means self-contained programs for  
2 pupils with multiple disabilities, autism and severe intellectual  
3 disability.

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

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

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

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

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

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

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

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

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

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

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

30      29. "Small school district" means a school district that meets all  
31 of the following:

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

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

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

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

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

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



1       Sec. 6. Title 15, chapter 9, article 1, Arizona Revised Statutes,  
2 is amended by adding section 15-901.04, to read:

3       15-901.04. State student funding formula; calculation

4       A. THE STATE STUDENT FUNDING FORMULA IS ESTABLISHED FOR SCHOOL  
5 DISTRICTS THAT ELECT PURSUANT TO SECTION 15-495 TO USE THIS FUNDING  
6 FORMULA AND FOR CHARTER SCHOOLS. EACH SCHOOL DISTRICT THAT USES THE STATE  
7 STUDENT FUNDING FORMULA AND EACH CHARTER SCHOOL SHALL:

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

9       2. ADD THE BASE SUPPORT LEVEL AMOUNT CALCULATED UNDER PARAGRAPH 1  
10 OF THIS SUBSECTION AND STATE ADDITIONAL ASSISTANCE. THE AMOUNT OF STATE  
11 ADDITIONAL ASSISTANCE IS:

12       (a) \$2,025.29 PER STUDENT COUNT IN PRESCHOOL PROGRAMS FOR CHILDREN  
13 WITH DISABILITIES, KINDERGARTEN PROGRAMS AND GRADES ONE THROUGH EIGHT.

14       (b) \$2,360.44 PER STUDENT COUNT IN GRADES NINE THROUGH TWELVE.

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

17       C. EACH SCHOOL DISTRICT THAT ELECTS TO USE THE STATE STUDENT  
18 FUNDING FORMULA SHALL SUBTRACT FROM THE AMOUNT CALCULATED PURSUANT TO  
19 SUBSECTION A OF THIS SECTION AN AMOUNT EQUAL TO THE TOTAL AMOUNT OF MONIES  
20 RECEIVED BY THE SCHOOL DISTRICT FROM A FEDERAL OR STATE AGENCY THAT IS  
21 INTENDED TO OFFSET PROPERTY TAX REVENUE NOT RECEIVED FROM FEDERAL LANDS.

22       Sec. 7. Section 15-924, Arizona Revised Statutes, is amended to  
23 read:

24       15-924. In lieu of transportation grants

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

35       B. Notwithstanding any other law, ~~beginning in the 2021-2022 school~~  
36 ~~year,~~ a charter school may use a portion of its ~~charter~~ STATE additional  
37 assistance funding allocated pursuant to section ~~15-185~~ 15-901.04 to  
38 provide in lieu of transportation grants to parents of students who attend  
39 the charter school pursuant to a plan submitted to the department of  
40 education. Charter schools may issue grants to support individual parents  
41 or neighborhood carpools in transporting students to school.  
42 Participating charter schools shall report to the department regarding the  
43 monies awarded to parents as required by the department.

44       C. The department of education shall adopt policies and procedures  
45 to account for expenditures under this section and to require proof of

1 attendance for students whose transportation is supported through grants  
2 under this section.

3 Sec. 8. Section 15-947, Arizona Revised Statutes, is amended to  
4 read:

5 15-947. Revenue control limit; district support level;  
6 general budget limit; unrestricted total capital  
7 budget limit; district additional assistance limit;  
8 state additional assistance limit

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

10 1. FOR A SCHOOL DISTRICT THAT USES THE STANDARD SCHOOL FINANCE  
11 FORMULA, the sum of the base revenue control limit determined in section  
12 15-944 and the transportation revenue control limit determined in section  
13 15-946.

14 2. FOR A SCHOOL DISTRICT THAT ELECTS PURSUANT TO SECTION 15-495 TO  
15 USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04, THE  
16 BASE REVENUE CONTROL LIMIT.

17 B. The district support level ~~for a school district~~ is equal to:

18 1. FOR A SCHOOL DISTRICT THAT USES THE STANDARD SCHOOL FINANCE  
19 FORMULA, the sum of the base support level determined in section 15-943  
20 and the transportation support level determined in section 15-945.

21 2. FOR A SCHOOL DISTRICT THAT ELECTS PURSUANT TO SECTION 15-495 TO  
22 USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04, THE  
23 BASE SUPPORT LEVEL DETERMINED IN SECTION 15-943.

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

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

28 2. The maintenance and operation portion of the following amounts:

29 (a) Amounts that are fully funded by revenues other than a levy of  
30 taxes on the taxable property within the school district, as listed below:

31 (i) Amounts budgeted as the budget balance carryforward as provided  
32 in section 15-943.01.

33 (ii) Tuition revenues for attendance of nonresident pupils.

34 (iii) State assistance as provided in section 15-976.

35 (iv) Special education revenues as provided in section 15-825,  
36 subsection D and section 15-1204.

37 (v) Title VIII of the elementary and secondary education act of  
38 1965 assistance determined for children with disabilities, children with  
39 specific learning disabilities, children residing on Indian lands and  
40 children residing within the boundaries of an accommodation school that is  
41 located on a military reservation and that is classified as a heavily  
42 impacted local educational agency pursuant to 20 United States Code  
43 section 7703 as provided in section 15-905, subsections K and O.

44 (vi) Title VIII of the elementary and secondary education act of  
45 1965 administrative costs as provided in section 15-905, subsection P.

1 (vii) State assistance for excess tuition as provided in section  
2 15-825.01.

3 (viii) Transportation revenues for attendance of nonresident  
4 pupils.

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

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

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

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

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

16 3. The maintenance and operations portion of district additional  
17 assistance **OR STATE ADDITIONAL ASSISTANCE** for the budget year.

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

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

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

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

28 3. The unrestricted capital portion of the amounts contained in  
29 subsection C of this section.

30 4. The unexpended budget balance in the unrestricted capital outlay  
31 fund from the previous fiscal year.

32 5. The net interest earned in the unrestricted capital outlay fund  
33 from the previous fiscal year.

34 Sec. 9. Section 15-971, Arizona Revised Statutes, is amended to  
35 read:

36 **15-971. Determination of equalization assistance payments**  
37 **from county and state funds for school districts**

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

40 1. The lesser of a school district's revenue control limit or  
41 district support level as determined in section 15-947.

42 2. District additional assistance of a school district as  
43 determined in section 15-961 **OR STATE ADDITIONAL ASSISTANCE, IF**  
44 **APPLICABLE, PURSUANT TO SECTION 15-901.04.**

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

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

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

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

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

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

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

29           (c) From the amounts determined in subdivisions (a) and (b) of this  
30 paragraph, subtract the levy that would be produced by the current  
31 qualifying tax rate for a high school district or a common school district  
32 within a high school district that does not offer instruction in high  
33 school subjects as provided in section 15-447. If the qualifying tax rate  
34 generates a levy that is in excess of the total determined in subsection A  
35 of this section, the school district is not eligible for equalization  
36 assistance. For the purposes of this subsection, "assessed valuation"  
37 includes the values used to determine voluntary contributions collected  
38 pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article  
39 8 and the assessed value of all property subject to the government  
40 property lease excise tax pursuant to title 42, chapter 6, article 5.

41           3. The amount that would be produced by levying a qualifying tax  
42 rate in a career technical education district, which shall be \$.05 per  
43 \$100 assessed valuation unless the legislature sets a lower rate by law.

1 C. State aid for equalization assistance for education for a school  
2 district shall be the equalization assistance for education for a school  
3 district as provided in subsections A and B of this section.

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

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

12 F. The additional weight for state aid purposes given to special  
13 education as provided in section 15-943 shall be given to school districts  
14 only if special education programs comply with chapter 7, article 4 of  
15 this title and the conditions and standards prescribed by the  
16 superintendent of public instruction pursuant to rules of the state board  
17 of education for pupil identification and placement pursuant to sections  
18 15-766 and 15-767.

19 G. In addition to state general fund appropriations, all amounts  
20 received pursuant to section 37-521, subsection B, paragraph 3, section  
21 42-5029, subsection E, paragraph 5 and section 42-5029.02, subsection A,  
22 paragraph 5 and from any other source for the purposes of this section are  
23 appropriated for state aid to schools as provided in this section.

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

32 Sec. 10. Section 15-992, Arizona Revised Statutes, is amended to  
33 read:

34 15-992. School district tax levy; additional tax in districts  
35 ineligible for equalization assistance; definition

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

1 taxes levied on the property in a particular school district shall be paid  
2 into the school fund of that school district.

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

8 1. Determine the levy that would be produced by fifty percent of  
9 the applicable qualifying tax rate, ~~prescribed in section 15-971,~~  
10 ~~subsection B,~~ per \$100 assessed valuation. THE APPLICABLE QUALIFYING TAX  
11 RATE:

12 (a) FOR A SCHOOL DISTRICT THAT USES THE STANDARD SCHOOL FINANCE  
13 FORMULA IS THE APPLICABLE QUALIFYING TAX RATE PRESCRIBED IN SECTION  
14 15-971, SUBSECTION B.

15 (b) FOR A SCHOOL DISTRICT THAT ELECTS PURSUANT TO SECTION 15-495 TO  
16 USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04,  
17 NOTWITHSTANDING SECTION 15-971, SUBSECTION B, IS THE APPLICABLE QUALIFYING  
18 TAX RATE PRESCRIBED IN SECTION 41-1276, SUBSECTION I, PARAGRAPH 2.

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

25 C. Monies collected pursuant to subsections B and F of this section  
26 shall be transmitted to the state treasurer for deposit in the state  
27 general fund to aid in school financial assistance.

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

32 E. The tax levy prescribed in subsection A of this section shall be  
33 a rate equal to:

34 1. FOR A SCHOOL DISTRICT THAT USES THE STANDARD SCHOOL FINANCE  
35 FORMULA, the applicable qualifying tax rate or rates as prescribed in  
36 section 15-971, subsection B or a rate that would result in a levy that  
37 equals the school district equalization assistance base prescribed in  
38 section 15-971 subtracted by any amount received pursuant to section  
39 15-905, subsections K, O and P per \$100 of assessed valuation used for  
40 primary property taxes, whichever is less.

41 2. FOR A SCHOOL DISTRICT THAT ELECTS PURSUANT TO SECTION 15-495 TO  
42 USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04, THE  
43 APPLICABLE QUALIFYING TAX RATE OR RATES AS PRESCRIBED IN SECTION 41-1276,  
44 SUBSECTION I, PARAGRAPH 2 OR A RATE THAT WOULD RESULT IN A LEVY THAT  
45 EQUALS THE SCHOOL DISTRICT EQUALIZATION ASSISTANCE BASE PRESCRIBED IN

1 SECTION 15-971 MINUS ANY AMOUNT RECEIVED PURSUANT TO SECTION 15-905,  
2 SUBSECTIONS K, O AND P PER \$100 OF ASSESSED VALUATION USED FOR PRIMARY  
3 PROPERTY TAXES, WHICHEVER IS LESS.

4 F. At the same time of levying taxes as provided in subsection A of  
5 this section, the county board of supervisors shall annually levy an  
6 additional tax in each common school district not within a high school  
7 district that is equal to the lesser of:

8 1. A rate that is equal to the applicable qualifying tax rate or  
9 rates as prescribed in section 15-971, subsection B.

10 2. A rate that would result in a levy that equals the statewide  
11 average per pupil funding for high school pupils multiplied by the student  
12 count as defined in section 15-901 of resident high school pupils in the  
13 common school district not within a high school district during the prior  
14 school year. On or before July 1 of each year, the department of  
15 education shall provide each common school district not within a high  
16 school district with the student count as defined in section 15-901 of  
17 resident high school pupils in the district during the prior school year.  
18 On or before July 1 of each year, the department of education shall  
19 provide each county board of supervisors with the statewide average per  
20 pupil funding for high school pupils, the student count as defined in  
21 section 15-901 of resident high school pupils in the common school  
22 district not within a high school district during the prior school year  
23 and any other information requested by the county board of supervisors for  
24 the purposes of levying the tax prescribed in this subsection. For the  
25 purposes of this paragraph, "per pupil funding" means the amount  
26 calculated pursuant to section 15-943, paragraph 2, subdivision (a) for  
27 grades nine through twelve multiplied by the sum of the following:

28 (a) District additional assistance pursuant to section 15-961,  
29 subsections A, B and C for a school district with a student count of six  
30 hundred or more in grades nine through twelve.

31 (b) The base level amount prescribed by section 15-901.

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

36 1. FOR A SCHOOL DISTRICT THAT USES THE STANDARD SCHOOL FINANCE  
37 FORMULA:

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

42 ~~2.~~ (b) A rate that would result in a levy that equals any amount  
43 pursuant to section 15-910.

44 ~~3.~~ (c) A rate that would result in a levy that equals any amount  
45 for tuition loss as determined in section 15-954.

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

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

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

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

12       ~~8.~~ (h) Following the recommendation of the county school  
13 superintendent and on approval by the county board of supervisors, for a  
14 school district that is not eligible for state aid, a rate that would  
15 result in a levy that equals any legal amount not levied in the current  
16 year as a result of underestimated average daily membership in the current  
17 year or as a result of a judgment in accordance with section 42-16213.

18       ~~9.~~ (i) A rate that would result in a levy that equals any amount  
19 pursuant to a qualifying dropout prevention program that was originally  
20 established by law in 1987.

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

28       2. FOR A SCHOOL DISTRICT THAT ELECTS PURSUANT TO SECTION 15-495 TO  
29 USE THE STATE STUDENT FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04:

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

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

40       (c) ON THE RECOMMENDATION OF THE COUNTY SCHOOL SUPERINTENDENT AND  
41 ON APPROVAL BY THE COUNTY BOARD OF SUPERVISORS BEFORE ADOPTION OF TAX  
42 RATES PURSUANT TO SECTION 42-17151, A RATE THAT WOULD RESULT IN A LEVY  
43 THAT EQUALS ANY SEPARATELY STATED CASH DEFICIT FROM THE PRIOR FISCAL YEAR  
44 RESULTING FROM AN ANTICIPATED OR ACTUAL DEVIATION IN THE PROPERTY TAX



1 ROLL, INCLUDING RESOLUTIONS OR JUDGMENTS PURSUANT TO TITLE 42, CHAPTER 16,  
2 ARTICLES 5 AND 6.

3 H. For the purposes of this section, "assessed valuation" includes  
4 the values used to determine voluntary contributions collected pursuant to  
5 title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

6 Sec. 11. Section 15-2402, Arizona Revised Statutes, is amended to  
7 read:

8 15-2402. Arizona empowerment scholarship accounts; funds

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

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

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

20 2. Not enroll the qualified student in a school district or charter  
21 school and release the school district from all obligations to educate the  
22 qualified student. This paragraph does not:

23 (a) Relieve the school district or charter school that the  
24 qualified student previously attended from the obligation to conduct an  
25 evaluation pursuant to section 15-766.

26 (b) Require the qualified student to withdraw from ~~a~~ ANY school  
27 district or charter school before enrolling for an Arizona empowerment  
28 scholarship account if the qualified student withdraws from the school  
29 district or charter school before receiving any monies in the qualified  
30 student's Arizona empowerment scholarship account.

31 (c) Prevent the qualified student from applying in advance for an  
32 Arizona empowerment scholarship account to be funded beginning the  
33 following school year, subject to section 15-2403, subsection H.

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

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

41 (a) Tuition or fees at a qualified school that requires all  
42 teaching staff and personnel who have unsupervised contact with students  
43 to be fingerprinted.

44 (b) Textbooks required by a qualified school.

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

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

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

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

13 (iv) Associated goods and services that include educational and  
14 psychological evaluations, assistive technology rentals and braille  
15 translation goods and services approved by the department.

16 (d) Tutoring or teaching services provided by an individual who is  
17 not subject to disciplinary action by the state board of education for  
18 immoral or unprofessional conduct pursuant to section 15-505 or 15-534.04  
19 or a facility that is accredited by a state, regional or national  
20 accrediting organization. The department shall ensure THAT any individual  
21 who provides tutoring or teaching services to one or more qualified  
22 students pursuant to this subdivision is not subject to disciplinary  
23 action by the state board of education. The department shall also remove  
24 any individual who is subject to disciplinary action by the state board of  
25 education from all platforms that the department provides to parents and  
26 qualified students for the purchase of goods or educational services using  
27 account monies.

28 (e) Curricula and supplementary materials.

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

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

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

34 (i) Textbooks required by an eligible postsecondary institution.

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

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

38 (l) Insurance or surety bond payments.

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

40 (n) If the qualified student meets the criteria specified in  
41 section 15-2401, paragraph 7, subdivision (a), item (i), (ii) or (iii) and  
42 if the qualified student is in the second year prior to the final year of  
43 a contract executed pursuant to this article, costs associated with an  
44 annual education plan conducted by an independent evaluation team. The  
45 department shall prescribe minimum qualifications for independent

1 evaluation teams pursuant to this subdivision and factors that teams must  
2 use to determine whether the qualified student shall be eligible to  
3 continue to receive monies pursuant to this article through the school  
4 year in which the qualified student reaches twenty-two years of age. An  
5 independent evaluation team that provides an annual education plan  
6 pursuant to this subdivision shall submit a written report that summarizes  
7 the results of the evaluation to the parent of the qualified student and  
8 to the department on or before July 31. The written report submitted by  
9 the independent evaluation team is valid for one year. If the department  
10 determines that the qualified student meets the eligibility criteria  
11 prescribed in the annual education plan, the qualified student is eligible  
12 to continue to receive monies pursuant to this article until the qualified  
13 student reaches twenty-two years of age, subject to annual review. A  
14 parent may appeal the department's decision pursuant to title 41, chapter  
15 6, article 10. As an addendum to a qualified student's final-year  
16 contract, the department shall provide the following written information  
17 to the parent of the qualified student:

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

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

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

28 (o) Public transportation services in this state, including a  
29 commuter pass for the qualified student, or transportation network  
30 services as defined in section 28-9551 between the qualified student's  
31 residence and a qualified school in which the qualified student is  
32 enrolled.

33 (p) Computer hardware and technological devices primarily used for  
34 an educational purpose. For the purposes of this subdivision, "computer  
35 hardware and technological devices":

36 (i) Includes calculators, personal computers, laptops, tablet  
37 devices, microscopes, telescopes and printers.

38 (ii) Does not include entertainment and other primarily  
39 noneducational devices, including televisions, telephones, video game  
40 consoles and accessories, and home theatre and audio equipment.

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

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

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

6           (b) Transportation of the pupil, except for transportation services  
7 described in paragraph 4, subdivision (o) of this subsection.

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

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

34           E. The state treasurer empowerment scholarship account fund is  
35 established consisting of monies appropriated by the legislature. The  
36 state treasurer shall administer the fund. Monies in the fund shall be  
37 used for the state treasurer's costs in administering the Arizona  
38 empowerment scholarship accounts under this chapter. If the number of  
39 Arizona empowerment scholarship accounts significantly increases after  
40 fiscal year 2020-2021, the state treasurer may request an increase in the  
41 amount appropriated to the fund in any subsequent fiscal year in the  
42 budget estimate submitted pursuant to section 35-113. Monies in the fund  
43 are subject to legislative appropriation. Monies in the fund are exempt  
44 from the provisions of section 35-190 relating to lapsing of

1 appropriations. The state treasurer shall list monies in the fund as a  
2 separate line item in its budget estimate.

3 F. A parent must renew the qualified student's Arizona empowerment  
4 scholarship account on an annual basis. The department of education shall  
5 verify that the parent's child is a qualified student as defined in  
6 section 15-2401 or 15-2401.01 in the year for which the parent seeks to  
7 renew the Arizona empowerment scholarship account. This subsection does  
8 not require the department to annually verify the child's disability for  
9 the purpose of section 15-2401, paragraph 7, subdivision (a), item (i),  
10 (ii) or (iii), if applicable.

11 G. Notwithstanding any changes to the student's multidisciplinary  
12 evaluation team plan, a student who has previously qualified for an  
13 Arizona empowerment scholarship account remains eligible to apply for  
14 renewal until the student finishes high school.

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

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

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

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

38 L. Monies received pursuant to this article do not constitute  
39 taxable income to the parent of the qualified student.

40 Sec. 12. Section 41-1276, Arizona Revised Statutes, is amended to  
41 read:

42 41-1276. Truth in taxation levy for equalization assistance  
43 to school districts

44 A. On or before February 15 of each year, the joint legislative  
45 budget committee shall compute and transmit the truth in taxation rates

1 for equalization assistance for school districts for the following fiscal  
2 year to:

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

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

7 B. The truth in taxation rates consist of the qualifying tax rate  
8 for a high school district or a common school district within a high  
9 school district that does not offer instruction in high school subjects  
10 pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax  
11 rate for a unified district, a common school district not within a high  
12 school district or a common school district within a high school district  
13 that offers instruction in high school subjects pursuant to section  
14 15-971, subsection B, paragraph 2 that will offset the change in net  
15 assessed valuation of property that was subject to tax in the prior year.

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

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

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

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

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

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

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

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

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

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

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

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

13 Truth in Taxation Hearing

14 Notice of Tax Increase

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

19 The proposed tax increase will cause the taxes on a  
20 \$100,000 home to be \$(total proposed taxes including the tax  
21 increase). Without the proposed tax increase, the total taxes  
22 that would be owed on a \$100,000 home would have been  
23 \$\_\_\_\_\_.

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

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

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

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

41 G. ~~Notwithstanding any other law,~~ The legislature shall not adopt a  
42 state budget that provides for qualifying tax rates pursuant to section  
43 15-971 that exceed the truth in taxation rates computed pursuant to  
44 subsection A of this section unless the rates are adopted by a concurrent  
45 resolution approved by an affirmative roll call vote of two-thirds of the

1 members of each house of the legislature before the legislature enacts the  
2 general appropriations bill. If the resolution is not approved by  
3 two-thirds of the members of each house of the legislature, the rates for  
4 the following fiscal year shall be the truth in taxation rates determined  
5 pursuant to subsection C of this section and shall be transmitted to the  
6 superintendent of public instruction and the county boards of supervisors.

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

13 I. Pursuant to subsection C of this section: ~~---~~

14 1. FOR A SCHOOL DISTRICT THAT USES THE STANDARD SCHOOL FINANCE  
15 FORMULA, the qualifying tax rate in tax year 2024:

16 (a) For a high school district or a common school district within a  
17 high school district that does not offer instruction in high school  
18 subjects as provided in section 15-447 is \$1.5930. ~~and~~

19 (b) For a unified school district, a common school district not  
20 within a high school district or a common school district within a high  
21 school district that offers instruction in high school subjects as  
22 provided in section 15-447 is \$3.1860.

23 2. NOTWITHSTANDING SUBSECTION G OF THIS SECTION, FOR A SCHOOL  
24 DISTRICT THAT ELECTS PURSUANT TO SECTION 15-495 TO USE THE STATE STUDENT  
25 FUNDING FORMULA PRESCRIBED IN SECTION 15-901.04, THE QUALIFYING TAX RATE  
26 IN TAX YEAR 2024:

27 (a) FOR A HIGH SCHOOL DISTRICT OR A COMMON SCHOOL DISTRICT WITHIN A  
28 HIGH SCHOOL DISTRICT THAT DOES NOT OFFER INSTRUCTION IN HIGH SCHOOL  
29 SUBJECTS AS PROVIDED IN SECTION 15-447 IS \$1.9116.

30 (b) FOR A UNIFIED SCHOOL DISTRICT, A COMMON SCHOOL DISTRICT NOT  
31 WITHIN A HIGH SCHOOL DISTRICT OR A COMMON SCHOOL DISTRICT WITHIN A HIGH  
32 SCHOOL DISTRICT THAT OFFERS INSTRUCTION IN HIGH SCHOOL SUBJECTS AS  
33 PROVIDED IN SECTION 15-447 IS \$3.8232.

34 (ENACTED WITHOUT THE EMERGENCY)

35 Sec. 13. Emergency

36 This act is an emergency measure that is necessary to preserve the  
37 public peace, health or safety and is operative immediately as provided by  
38 law.