

House Engrossed

K-12 education; 2026-2027

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 4163

AN ACT

AMENDING SECTIONS 15-185, 15-901 AND 15-945, ARIZONA REVISED STATUTES;
AMENDING TITLE 15, CHAPTER 11, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 15-1307; AMENDING SECTION 41-1276, ARIZONA REVISED
STATUTES; APPROPRIATING MONIES; RELATING TO KINDERGARTEN THROUGH GRADE
TWELVE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. 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, except that:

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

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

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

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

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

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

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

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

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

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

16 4. Equalization assistance for the charter school shall be
17 determined by adding the amount of the base support level and charter
18 additional assistance. The amount of the charter additional assistance is
19 ~~\$2,131.90~~ \$2,174.54 per student count in preschool programs for children
20 with disabilities, kindergarten programs and grades one through eight and
21 ~~\$2,484.69~~ \$2,534.38 per student count in grades nine through twelve.

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

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

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

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

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

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

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

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

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

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

40 G. At the request of a charter school, the county school
41 superintendent of the county where the charter school is located may
42 provide the same educational services to the charter school as prescribed
43 in section 15-308, subsection A. The county school superintendent may
44 charge a fee to recover costs for providing educational services to
45 charter schools.

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

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

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

42 K. If a school district transports or contracts to transport pupils
43 to the Arizona state schools for the deaf and the blind during any fiscal
44 year, the school district may transport or contract with a charter school
45 to transport sensory impaired pupils during that same fiscal year to a

1 charter school if requested by the parent of the pupil and if the distance
2 from the pupil's place of actual residence within the school district to
3 the charter school is less than the distance from the pupil's place of
4 actual residence within the school district to the campus of the Arizona
5 state schools for the deaf and the blind.

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

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

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

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

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

36 Sec. 2. Section 15-901, Arizona Revised Statutes, is amended to
37 read:

38 15-901. Definitions

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

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

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

14 (a) "Fractional student" means:

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

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

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

(b) "Full-time student" means:

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

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

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

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

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

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

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

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

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

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

43 (a) Grades one through eight.

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

1 4. "Current year" means the fiscal year in which a school district
2 is operating.

3 5. "Daily attendance" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 8. "Eligible students" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 ~~(c)~~ (b) For fiscal year 2025-2026, \$5,113.26.

14 (c) FOR FISCAL YEAR 2026-2027, \$5,215.53.

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

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

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

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

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

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

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

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

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

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

7 (a) If employed ~~full-time~~ FULL-TIME as defined in section 15-501,
8 1.00.

9 (b) If employed less than ~~full-time~~ FULL-TIME, multiply 1.00 by the
10 percentage of a full school day, or its equivalent, or a full class load,
11 or its equivalent, for which the teacher is employed as determined by the
12 governing board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 3. Section 15-945, Arizona Revised Statutes, is amended to read:

15-945. Transportation support level

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

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

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

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

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

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

Column 1
Approved Daily Route
Mileage per Eligible
Student Transported

0.5 or less
More than 0.5 through 1.0
More than 1.0

Column 2
State Support Level per
Route Mile for
Fiscal Year ~~2025-2026~~ 2026-2027
~~3.01~~ 3.07
~~2.47~~ 2.52
~~3.01~~ 3.07

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

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

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

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

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

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

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

1. Determine the sum of the following:

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

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

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

4 D. The transportation support level for each school district for
5 the current year is the sum of the support level for to and from school as
6 determined in subsection A of this section, the support level for academic
7 education, career and technical education, vocational education and
8 athletic trips as determined in subsection B of this section and the
9 support level for extended school year services for pupils with
10 disabilities as determined in subsection C of this section.

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

14 F. School districts must provide the odometer reading for each bus
15 as of the end of the current year and the total bus mileage during the
16 current year.

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

20 Sec. 4. Title 15, chapter 11, article 1, Arizona Revised Statutes,
21 is amended by adding section 15-1307, to read:

22 15-1307. Property proceeds fund; expenditure plan; review;
23 requirements for disposition of school buildings
24 and grounds

25 A. THE PROPERTY PROCEEDS FUND IS ESTABLISHED CONSISTING OF THE
26 PROCEEDS FROM THE SALE OR LEASE OF SCHOOL BUILDINGS AND GROUNDS. THE
27 SCHOOLS SHALL ADMINISTER THE FUND AND, EXCEPT AS PROVIDED IN SUBSECTION D
28 OF THIS SECTION, SHALL DEPOSIT IN THE FUND ALL MONIES THAT THE SCHOOLS
29 RECEIVE FOR THE SALE OR LEASE OF SCHOOL BUILDINGS AND GROUNDS ON OR AFTER
30 JULY 1, 2026. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION
31 AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING
32 OF APPROPRIATIONS. ON NOTICE FROM THE SCHOOLS, THE STATE TREASURER SHALL
33 INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND
34 MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

35 B. IN ANY FISCAL YEAR IN WHICH THE LEGISLATURE APPROPRIATES MONIES
36 FROM THE PROPERTY PROCEEDS FUND TO THE SCHOOLS, THE SCHOOLS SHALL PREPARE
37 AN EXPENDITURE PLAN FOR THE MONIES AND SHALL SUBMIT THE PLAN TO THE JOINT
38 LEGISLATIVE BUDGET COMMITTEE FOR REVIEW.

39 C. BEFORE THE SCHOOLS MAY SELL SCHOOL BUILDINGS OR GROUNDS, THE
40 SCHOOLS SHALL DO ALL OF THE FOLLOWING:

41 1. DETERMINE THE APPRAISED VALUE OF THE SCHOOL BUILDINGS OR GROUNDS
42 BY ORDERING INDEPENDENT APPRAISALS FROM AT LEAST TWO DIFFERENT FIRMS. THE
43 SCHOOLS SHALL PROCURE APPRAISAL SERVICES PURSUANT TO TITLE 41, CHAPTER 23
44 AND SHALL AWARD A CONTRACT FOR APPRAISAL SERVICES TO A FIRM ONLY IF THE
45 APPRAISER IS WELL QUALIFIED AND A DESIGNATED MEMBER OF A NATIONALLY

1 RECOGNIZED REAL ESTATE APPRAISAL ASSOCIATION, INSTITUTE OR SOCIETY. THE
2 SCHOOLS MAY USE ANY APPRAISAL THAT IS ORDERED PURSUANT TO THIS PARAGRAPH
3 AS THE APPRAISED VALUE OF THE SCHOOL BUILDINGS OR GROUNDS.

4 2. SUBMIT A PROPOSAL TO SELL SCHOOL BUILDINGS OR GROUNDS TO THE
5 JOINT COMMITTEE ON CAPITAL REVIEW FOR REVIEW.

6 3. SELL THE SCHOOL BUILDINGS OR GROUNDS PURSUANT TO SECTION 37-803.

7 D. THE SCHOOLS ARE NOT REQUIRED TO DEPOSIT MONIES IN THE PROPERTY
8 PROCEEDS FUND IF THE SCHOOLS RECEIVE THE MONIES FOR ANY OF THE FOLLOWING:

9 1. FEES, RENTALS AND OTHER CHARGES FOR THE USE OF SCHOOL FACILITIES
10 FOR NONSCHOOL EVENTS AS DESCRIBED IN SECTION 15-1323.

11 2. PROCEEDS FROM THE LEASE OF SCHOOL BUILDINGS OR GROUNDS TO A
12 SCHOOL.

13 3. PROCEEDS FROM THE LEASE OF SCHOOL BUILDINGS OR GROUNDS FOR A
14 PERIOD OF LESS THAN ONE YEAR. A LEASE OF SCHOOL BUILDINGS OR GROUNDS FOR
15 LESS THAN ONE YEAR THAT INCLUDES AN AUTOMATIC LEASE RENEWAL RESULTING IN A
16 TOTAL LEASE DURATION THAT EXCEEDS ONE YEAR IS CONSIDERED A LEASE FOR MORE
17 THAN ONE YEAR FOR THE PURPOSES OF THIS PARAGRAPH.

18 Sec. 5. Section 41-1276, Arizona Revised Statutes, is amended to
19 read:

20 41-1276. Truth in taxation levy for equalization assistance
21 to school districts

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

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

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

30 B. The truth in taxation rates consist of the qualifying tax rate
31 for a high school district or a common school district within a high
32 school district that does not offer instruction in high school subjects
33 pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax
34 rate for a unified district, a common school district not within a high
35 school district or a common school district within a high school district
36 that offers instruction in high school subjects pursuant to section
37 15-971, subsection B, paragraph 2 that will offset the change in net
38 assessed valuation of property that was subject to tax in the prior year.

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

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

43 2. Determine the statewide net assessed value for the current tax
44 year, excluding the net assessed value of property that was not subject to
45 tax in the preceding year.

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

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

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

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

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

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

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

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

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

Truth in Taxation Hearing

Notice of Tax Increase

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

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

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

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

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

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

18 G. Notwithstanding any other law, the legislature shall not adopt a
19 state budget that provides for qualifying tax rates pursuant to section
20 15-971 that exceed the truth in taxation rates computed pursuant to
21 subsection A of this section unless the rates are adopted by a concurrent
22 resolution approved by an affirmative roll call vote of two-thirds of the
23 members of each house of the legislature before the legislature enacts the
24 general appropriations bill. If the resolution is not approved by
25 two-thirds of the members of each house of the legislature, the rates for
26 the following fiscal year shall be the truth in taxation rates determined
27 pursuant to subsection C of this section and shall be transmitted to the
28 superintendent of public instruction and the county boards of supervisors.

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

35 I. Pursuant to subsection C of this section, the qualifying tax
36 rate in tax year ~~2025~~ 2026 for a high school district or a common school
37 district within a high school district that does not offer instruction in
38 high school subjects as provided in section 15-447 is ~~\$1.5606~~ \$1.5128 and
39 for a unified school district, a common school district not within a high
40 school district or a common school district within a high school district
41 that offers instruction in high school subjects as provided in section
42 15-447 is ~~\$3.1212~~ \$3.0256.

1 Sec. 6. Failing schools tutoring fund; use of monies; fiscal
2 year 2026-2027; report

3 A. Notwithstanding section 15-241, Arizona Revised Statutes, the
4 department of education may use monies in the failing schools tutoring
5 fund established by section 15-241, Arizona Revised Statutes, in fiscal
6 year 2026-2027 for the following school improvements:

7 1. To provide assistance to school districts and charter schools
8 for professional development and coaching for teachers and principals.

9 2. To monitor the progress of school districts and charter schools
10 toward improved academic outcomes.

11 3. Outreach to ensure that schools and parents have access to
12 tutoring opportunities.

13 B. On or before September 1, 2026, the department of education
14 shall report the proposed expenditures for fiscal year 2026-2027 pursuant
15 to subsection A of this section to the governor, the president of the
16 senate, the speaker of the house of representatives, the director of the
17 joint legislative budget committee and the director of the governor's
18 office of strategic planning and budgeting.

19 Sec. 7. Child sexual abuse and assault awareness and
20 prevention pilot program; contract; provider;
21 curriculum development; posting requirements;
22 distribution of materials to new parents by the
23 department of health services; reporting
24 requirements; delayed repeal; definitions

25 A. The child sexual abuse and assault awareness and prevention
26 pilot program is established in the department of education. On or before
27 July 1, 2027, the department of education shall allow public schools to
28 apply to participate in the pilot program and shall select six public
29 schools from the applicants to participate in the pilot program during the
30 2027-2028 school year. The department of education shall consult with the
31 department of child safety and organizations that are operated by
32 survivors of grooming or human trafficking in developing the pilot program
33 established by this subsection and the curriculum developed pursuant to
34 subsection B, paragraph 3 of this section. The pilot program must
35 include:

36 1. For teachers, at least four hours of in-person, evidence-based
37 instructional modules that are provided by an organization that is
38 selected pursuant to subsection B, paragraph 2 of this section and that
39 may include the following:

40 (a) Training regarding the prevention and identification of, and
41 responses to, child sexual abuse and assault, including exploitation,
42 grooming, grooming with the intent to exploit and technology-facilitated
43 abuse.

1 (b) Resources to further student, teacher and parental awareness
2 and prevention of child sexual abuse and assault, including exploitation,
3 grooming, grooming with the intent to exploit and technology-facilitated
4 abuse.

5 2. For the parents of students who are enrolled in the
6 participating schools, at least three hours of in-person, evidence-based
7 instruction provided by an organization that is selected pursuant to
8 subsection B, paragraph 2 of this section and age-appropriate educational
9 materials that are designed for children in kindergarten programs or any
10 of grades one through twelve regarding child sexual abuse and assault
11 awareness and prevention, including exploitation, grooming behaviors and
12 grooming with the intent to exploit. The evidence-based instruction that
13 an organization provides to the parents of students who are enrolled in
14 the participating school pursuant to this paragraph may include
15 instruction in:

16 (a) Skills to recognize the following:

17 (i) Child sexual abuse and assault.

18 (ii) Boundary violations and unwanted forms of contact.

19 (iii) Grooming behaviors, including manipulation, trust building,
20 secrecy, desensitization and isolation.

21 (iv) Exploitation and grooming with the intent to exploit,
22 including online grooming, sextortion and technology-facilitated
23 exploitation.

24 (v) Patterns, tactics and warning signs associated with grooming
25 and exploitation.

26 (b) Strategies that:

27 (i) Promote disclosure.

28 (ii) Reduce self-blame.

29 (iii) Mobilize bystanders.

30 3. A uniform child sexual abuse and assault response policy and
31 reporting procedure that is based on best practices and that may include:

32 (a) Actions that victims of child sexual abuse and assault may take
33 to obtain assistance.

34 (b) Intervention and counseling options for victims of child sexual
35 abuse and assault.

36 (c) Access to educational resources to enable victims of child
37 sexual abuse and assault to succeed in school.

38 (d) Uniform procedures for reporting instances of child sexual
39 abuse and assault to school staff members.

40 (e) Uniform procedures for notifying the parents of any student who
41 is a victim of an incident that involves child sexual abuse, child sexual
42 assault, grooming, exploitation, grooming with the intent to exploit or
43 technology-facilitated abuse not later than twenty-four hours after any
44 school personnel become aware of the incident.

1 B. The department of education:

2 1. May contract with a provider to implement the pilot program
3 established by subsection A of this section if the provider demonstrates
4 that the provider is able to meet all of the requirements prescribed by
5 subsection A of this section.

6 2. Shall select one or more organizations to provide the
7 instructional modules for teachers pursuant to subsection A, paragraph 1
8 of this section or the instruction for the parents of students pursuant to
9 subsection A, paragraph 2 of this section, or both. The department of
10 education shall select an organization pursuant to this paragraph only if
11 the organization meets both of the following:

12 (a) Is organized and operated for the purpose of preventing child
13 sexual abuse, promoting grooming awareness or preventing human
14 trafficking.

15 (b) Ensures that the individuals who will provide instruction to
16 teachers and parents of students are either qualified survivors of
17 grooming or human trafficking or advocates who have direct expertise in
18 child sexual abuse, grooming and human trafficking prevention.

19 3. Beginning on the effective date of this section, shall gather
20 stakeholder input to develop a curriculum for the pilot program, including
21 scheduling stakeholder meetings, subject to the following:

22 (a) The department of education shall solicit input from
23 representatives of each of the following:

24 (i) The department of child safety.

25 (ii) Organizations that are organized and operated for the purpose
26 of preventing child sexual abuse, grooming or human trafficking.

27 (iii) Survivors of child sexual abuse, grooming and human
28 trafficking.

29 (b) The department of education shall select an organization to
30 develop the curriculum for the pilot program, coordinate stakeholder input
31 and ensure that the curriculum is survivor-informed and
32 prevention-focused. The department of education shall select an
33 organization that both:

34 (i) Is organized and operated for the purpose of preventing child
35 sexual abuse, grooming or human trafficking.

36 (ii) Demonstrates that the organization has experience providing
37 survivor-informed prevention education.

38 (c) The curriculum developed pursuant to subdivision (b) of this
39 paragraph is subject to approval by the state board of education and the
40 department of education.

41 4. Shall make the educational materials described in subsection A,
42 paragraph 2 of this section available to the public on the department of
43 education's website and provide the webpage address for the educational
44 materials to each participating school and to the director of the
45 department of health services.

1 5. Shall select an organization to provide by mail a printed copy
2 of the educational materials described in subsection A, paragraph 2 of
3 this section on receipt of any request that is submitted pursuant to
4 subsection C, paragraph 2, subdivision (b) of this section. If sufficient
5 monies are available, the department of education may reimburse the
6 organization that is selected pursuant to this paragraph for the actual
7 costs of providing printed copies of the educational materials to the
8 parents of students.

9 C. A public school that participates in the pilot program
10 established by subsection A of this section:

11 1. May not require any parent to participate in the pilot program.

12 2. On enrollment of a student, shall provide to the student's
13 parent both:

14 (a) The webpage address described in subsection B, paragraph 4 of
15 this section.

16 (b) An opportunity to request a printed copy of the educational
17 materials described in subsection A, paragraph 2 of this section. If a
18 student's parent requests a printed copy of the educational materials
19 pursuant to this subdivision and authorizes the school to disclose the
20 parent's address, the school shall submit the request and address to the
21 organization that is selected by the department of education pursuant to
22 subsection B, paragraph 5 of this section, and the organization shall mail
23 a printed copy of the educational materials to the student's parent.

24 D. On or before October 1, 2028, each public school that
25 participates in the pilot program established by subsection A of this
26 section shall submit a report to the department of education and a copy of
27 the report to the department of child safety that includes all of the
28 following:

29 1. The number of parents who received evidence-based instruction
30 through the pilot program, together with the number of hours of
31 instruction that the organization that is selected pursuant to subsection
32 B, paragraph 2 of this section provided.

33 2. The number of teachers who completed the evidence-based
34 instructional modules provided through the pilot program.

35 3. Any testimony or comments from teachers or the parents of
36 students relating to the pilot program.

37 4. Whether the school intends to continue providing instructional
38 modules to teachers or instruction to the parents of students, or both,
39 through an organization that is selected pursuant to subsection B,
40 paragraph 2 of this section in subsequent school years.

41 E. The department of health services shall include in the
42 educational materials and information that is compiled and provided to new
43 parents pursuant to section 36-503.04, Arizona Revised Statutes, the
44 webpage address described in subsection B, paragraph 4 of this section.

1 F. For the purposes of this section:

2 1. "Grooming" means a pattern of conduct used to gain a minor's
3 trust, desensitize the minor to inappropriate conduct and facilitate
4 exploitation.

5 2. "Exploitation" means the manipulation, abuse or use of a minor
6 for sexual purposes, sexual conduct, sexual trafficking, sexual extortion
7 or other sexual abuse.

8 F. This section is repealed from and after December 31, 2028.

9 Sec. 8. Department of education; state aid; fiscal year
10 2024-2025 recalculation; fiscal year 2026-2027
11 increase; delayed repeal

12 A. Notwithstanding section 15-915, subsection B, Arizona Revised
13 Statutes, the department of education shall recalculate the state aid for
14 the Alhambra elementary school district in fiscal year 2024-2025 as the
15 result of a change in the assessed valuation of property within the school
16 district and shall increase the state aid for the Alhambra elementary
17 school district in fiscal year 2026-2027 by \$852,200.

18 B. This section is repealed from and after December 31, 2027.

19 Sec. 9. Intent

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