

REFERENCE TITLE: Arizona online instruction; cost study

State of Arizona  
Senate  
Fifty-seventh Legislature  
Second Regular Session  
2026

## **SB 1412**

Introduced by  
Senator Epstein

AN ACT

PROVIDING FOR A COST STUDY OF ARIZONA ONLINE INSTRUCTION; APPROPRIATING  
MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Arizona online instruction; auditor general; cost  
3 study; delayed repeal

4 A. The auditor general shall conduct and complete a cost study of  
5 Arizona online instruction programs and schools in this state. The  
6 auditor general may select a sample of Arizona online instruction  
7 programs, schools and courses for this cost study. The state board of  
8 education, the state board for charter schools, the department of  
9 education and Arizona online instruction programs and schools shall timely  
10 cooperate with and provide to the auditor general necessary information in  
11 the form and format prescribed by the auditor general. The cost study  
12 shall include all of the following:

13 1. The cost of providing Arizona online instruction to students  
14 pursuant to section 15-808, Arizona Revised Statutes, including  
15 administration, technology, personnel and curriculum costs for fiscal  
16 years 2022-2023, 2023-2024 and 2024-2025. Any costs that are supported by  
17 the federal government shall be considered for the purposes of this cost  
18 study. The auditor general may rely on self-reported costs by Arizona  
19 online instruction programs and schools for the purposes of this  
20 paragraph.

21 2. Recommendations for reporting options for Arizona online  
22 instruction programs and schools related to courses offered by online  
23 delivery method, monies spent on each type of course delivery method, the  
24 number of students served and the number of teachers by course delivery  
25 method.

26 3. The amount of monies that the school finance formula generates  
27 for a student who receives Arizona online instruction and the amount of  
28 monies spent by the student's school of attendance.

29 4. Areas in Arizona online instruction in which this state can  
30 reduce or eliminate administrative and reporting requirements.

31 5. Any other information the auditor general deems necessary.

32 B. This section is repealed from and after December 31, 2027.

33 Sec. 2. Appropriation; auditor general; cost study; exemption

34 A. The sum of \$165,000 is appropriated from the state general fund  
35 in fiscal year 2026-2027 to the office of auditor general for the cost  
36 study prescribed by this act.

37 B. The appropriation made in subsection A of this section is exempt  
38 from the provisions of section 35-190, Arizona Revised Statutes, relating  
39 to lapsing of appropriations.