Senate Engrossed House Bill

FILED
JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-eighth Legislature
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CHAPTER 264

HOUSE BILL 2790

AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-105; AMENDING SECTION 15-185, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 15-245 AND 15-246; AMENDING SECTIONS 15-341.01 AND 15-531, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 7, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-720.01; AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-901.04; AMENDING SECTIONS 15-945, 15-1044 AND 41-1276, ARIZONA REVISED STATUTES; AMENDING LAWS 2006, CHAPTER 375, SECTION 3; AMENDING LAWS 2006, CHAPTER 375, SECTION 5; MAKING APPROPRIATIONS; RELATING TO KINDERGARTEN THROUGH TWELFTH GRADE EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Title 15, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 15-105, to read:

15-105. Identity verified fingerprints

BEGINNING ON JANUARY 1, 2008, AN APPLICANT WHO APPLIES FOR A NEW TEACHING CERTIFICATE IN ORDER TO TEACH IN A SCHOOL DISTRICT, AN APPLICANT WHO APPLIES FOR A RENEWAL OF AN EXISTING TEACHING CERTIFICATE IN ORDER TO CONTINUE TEACHING IN A SCHOOL DISTRICT, AN APPLICANT WHO IS REQUIRED FOR THE FIRST TIME TO BE FINGERPRINTED IN ORDER TO TEACH IN A CHARTER SCHOOL AND AN APPLICANT WHO IS REQUIRED TO RENEW FINGERPRINTS IN ORDER TO CONTINUE TEACHING IN A CHARTER SCHOOL PURSUANT TO SECTION 15-183 AND AN APPLICANT WHO IS REQUIRED TO BE FINGERPRINTED PURSUANT TO SECTION 15-512 SHALL SUBMIT FOR AN IDENTITY VERIFIED FINGERPRINT CARD THAT WILL BE USED BY THE DEPARTMENT OF PUBLIC SAFETY TO PROCESS THE FINGERPRINT CLEARANCE CARD PURSUANT TO TITLE 41, CHAPTER 12, ARTICLE 3.1 AS FOLLOWS:

1. THE APPLICANT SHALL SUBMIT A REQUEST FOR AN APPLICATION PACKET FROM THE DEPARTMENT OF PUBLIC SAFETY.

2. THE APPLICATION PACKET SHALL BE CONTAINED IN AN ENVELOPE SPECIFIED BY THE DEPARTMENT OF PUBLIC SAFETY AND SHALL INCLUDE THE FOLLOWING:

(a) A BLANK APPLICANT FINGERPRINT CARD.

(b) AN APPLICATION FOR A FINGERPRINT CLEARANCE CARD.

(c) INSTRUCTIONS FOR THE RETURN OF THE APPLICATION PACKET.

3. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY CONTRACT FOR FINGERPRINTING SERVICES THROUGH AN ENTITY OR ENTITIES AND SHALL PROVIDE A COPY OF THE INSTRUCTIONS TO THE ENTITY OR ENTITIES AS PROVIDED BY THE DEPARTMENT OF PUBLIC SAFETY REGARDING THE SUBMISSION OF IDENTITY VERIFIED FINGERPRINTS. IF A SCHOOL DISTRICT OR CHARTER SCHOOL ELECTS TO PROVIDE FINGERPRINTING SERVICES, THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL AUTHORIZE AN INDIVIDUAL EMPLOYED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL TO ADMINISTER THE SERVICES.

4. THE DEPARTMENT OF PUBLIC SAFETY SHALL PROVIDE INSTRUCTIONS TO LAW ENFORCEMENT AGENCIES AND PUBLIC SCHOOLS REGARDING THE SUBMISSION OF IDENTITY VERIFIED FINGERPRINTS. THE DEPARTMENT OF PUBLIC SAFETY SHALL REJECT THE APPLICATION FOR A FINGERPRINT CLEARANCE CARD IF THE APPLICATION IS NOT CORRECT OR IS NOT SUBMITTED ACCORDING TO THE INSTRUCTIONS PROVIDED BY THE DEPARTMENT OF PUBLIC SAFETY.

5. THE APPLICANT, AT THE TIME THAT IDENTITY VERIFIED FINGERPRINTS ARE TAKEN, SHALL PROVIDE THE LAW ENFORCEMENT AGENCY, SCHOOL DISTRICT, CHARTER SCHOOL OR OTHER ENTITY WITH A COMPLETED APPLICATION FORM FOR A FINGERPRINT CLEARANCE CARD, THE FINGERPRINT CARD WITH THE REQUISITE DEMOGRAPHIC INFORMATION AND THE REQUIRED FEE IN THE FORM OF A MONEY ORDER OR CASHIER'S CHECK MADE OUT TO THE ARIZONA DEPARTMENT OF PUBLIC SAFETY. THE LAW ENFORCEMENT AGENCY, SCHOOL DISTRICT, CHARTER SCHOOL OR OTHER ENTITY SHALL VERIFY THE IDENTITY OF THE APPLICANT THROUGH RECOGNIZED MEANS OF PHOTOGRAPHIC IDENTIFICATION AND A COMPARISON OF THE DEMOGRAPHIC INFORMATION ON THE PHOTOGRAPHIC IDENTIFICATION AGAINST THE DEMOGRAPHIC INFORMATION ON THE

APPLICATION FORM AND THE FINGERPRINT CARD. THE AUTHORIZED PERSON TAKING THE FINGERPRINTS SHALL ENTER ON THE APPLICATION FORM A DESCRIPTION OF THE PHOTOGRAPHIC IDENTIFICATION PRESENTED BY THE APPLICANT. THE LAW ENFORCEMENT AGENCY, SCHOOL DISTRICT, CHARTER SCHOOL OR OTHER ENTITY SHALL PLACE THE COMPLETED FINGERPRINT CARD, COMPLETED APPLICATION FORM OR ANY OTHER FORM REQUIRED BY THE DEPARTMENT OF PUBLIC SAFETY AND THE FEE PROVIDED BY THE APPLICANT IN THE POST PAID ENVELOPE PROVIDED BY THE DEPARTMENT OF PUBLIC SAFETY AND MAIL IT TO THE FINGERPRINTING DIVISION AT THE DEPARTMENT OF PUBLIC SAFETY. A LAW ENFORCEMENT AGENCY, SCHOOL DISTRICT, CHARTER SCHOOL OR OTHER ENTITY MAY CHARGE THE APPLICANT A REASONABLE FEE FOR SERVICES PROVIDED PURSUANT TO THIS SECTION.

6. THE DEPARTMENT OF PUBLIC SAFETY SHALL PROCESS THE APPLICATION PACKET IN THE SAME MANNER PRESCRIBED FOR FINGERPRINT CLEARANCE CARDS ISSUED PURSUANT TO TITLE 41, CHAPTER 12, ARTICLE 3.1.

7. THE DEPARTMENT OF PUBLIC SAFETY SHALL PROVIDE FOR DIGITAL STORAGE AND RETRIEVAL OF IDENTITY VERIFIED FINGERPRINTS TAKEN PURSUANT TO THIS SECTION. THE FINGERPRINTS TAKEN PURSUANT TO THIS SECTION SHALL BE DIGITALLY DESIGNATED IN THE FINGERPRINT ARCHIVE AS IDENTITY VERIFIED FINGERPRINT RECORDS.

8. A PERSON WHO HAS A SET OF IDENTITY VERIFIED FINGERPRINTS ON FILE WITH THE DEPARTMENT OF PUBLIC SAFETY PURSUANT TO THIS SECTION SHALL NOT BE REQUIRED TO SUBMIT A NEW SET OF FINGERPRINTS TO THE DEPARTMENT OF PUBLIC SAFETY TO RENEW THE PERSON'S FINGERPRINT CLEARANCE CARD. ON RECEIPT OF THE REQUIRED APPLICATION FORM AND FEE FOR A RENEWAL FINGERPRINT CLEARANCE CARD FROM A PERSON REQUIRED TO SUBMIT IDENTITY VERIFIED FINGERPRINTS, THE DEPARTMENT OF PUBLIC SAFETY SHALL ATTEMPT TO USE THE ELECTRONIC COPY OF THE APPLICANT'S IDENTITY VERIFIED FINGERPRINTS THAT ARE RETAINED PURSUANT TO THIS SECTION TO CONDUCT THE FINGERPRINT STATE AND NATIONAL CRIMINAL RECORDS CHECKS. THE DEPARTMENT OF PUBLIC SAFETY MAY REQUIRE THE APPLICANT TO SUBMIT A NEW SET OF IDENTITY VERIFIED FINGERPRINTS IF THE DEPARTMENT OF PUBLIC SAFETY DETERMINES THAT THE ORIGINAL FINGERPRINTS SUBMITTED HAVE BEEN LOST, DAMAGED OR ARE FOUND TO BE OTHERWISE OF INSUFFICIENT QUALITY TO CONDUCT A VALID TECHNICAL FINGERPRINT SEARCH EITHER BY THE DEPARTMENT OF PUBLIC SAFETY OR THE FEDERAL BUREAU OF INVESTIGATION.

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

15-185. Charter schools; financing; definitions

A. Financial provisions for a charter school that is sponsored by a school district governing board are as follows:

1. The charter school shall be included in the district's budget and financial assistance calculations pursuant to paragraph 3 of this subsection and chapter 9 of this title, except for chapter 9, article 4 of this title. The charter of the charter school shall include a description of the methods of funding the charter school by the school district. The school district shall send a copy of the charter and application, including a description of how the school district plans to fund the school, to the state board of

education before the start of the first fiscal year of operation of the charter school. The charter or application shall include an estimate of the student count for the charter school for its first fiscal year of operation. This estimate shall be computed pursuant to the requirements of paragraph 3 of this subsection.

2. A school district is not financially responsible for any charter school that is sponsored by the state board of education or the state board for charter schools.

3. A school district that sponsors a charter school may:

(a) Increase its student count as provided in subsection B, paragraph 2 of this section during the first year of the charter school's operation to include those charter school pupils who were not previously enrolled in the school district. A charter school sponsored by a school district governing board is eligible for the assistance prescribed in subsection B, paragraph 4 of this section. The soft capital allocation as provided in section 15-962 for the school district sponsoring the charter school shall be increased by the amount of the additional assistance. The school district shall include the full amount of the additional assistance in the funding provided to the charter school.

(b) Compute separate weighted student counts pursuant to section 15-943, paragraph 2, subdivision (a) for its noncharter school versus charter school pupils in order to maintain eligibility for small school district support level weights authorized in section 15-943, paragraph 1 for its noncharter school pupils only. The portion of a district's student count that is attributable to charter school pupils is not eligible for small school district support level weights.

4. If a school district uses the provisions of paragraph 3 of this subsection, the school district is not eligible to include those pupils in its student count for the purposes of computing an increase in its revenue control limit and district support level as provided in section 15-948.

5. A school district that sponsors a charter school is not eligible to include the charter school pupils in its student count for the purpose of computing an increase in its capital outlay revenue limit as provided in section 15-961, subsection C, except that if the charter school was previously a school in the district, the district may include in its student count any charter school pupils who were enrolled in the school district in the prior year.

6. A school district that sponsors a charter school is not eligible to include the charter school pupils in its student count for the purpose of computing the revenue control limit which is used to determine the maximum budget increase as provided in chapter 4, article 4 of this title unless the charter school is located within the boundaries of the school district.

7. If a school district converts one or more of its district public schools to a charter school and receives assistance as prescribed in subsection B, paragraph 4 of this section, and subsequently converts the

charter school back to a district public school, the school district shall repay the state the total additional assistance received for the charter school for all years that the charter school was in operation. The repayment shall be in one lump sum and shall be reduced from the school district's current year equalization assistance. The school district's general budget limit shall be reduced by the same lump sum amount in the current year.

B. Financial provisions for a charter school that is sponsored by the state board of education or the state board for charter schools are as follows:

1. The charter school shall calculate a base support level as prescribed in section 15-943, except that sections 15-941 and 15-942 do not apply to these charter schools.

2. Notwithstanding paragraph 1 of this subsection, the student count shall be determined initially using an estimated student count based on actual registration of pupils before the beginning of the school year. After the first one hundred days or two hundred days in session, as applicable, the charter school shall revise the student count to be equal to the actual average daily membership, as defined in section 15-901, or the adjusted average daily membership, as prescribed in section 15-902, of the charter school. Before the one hundredth day or two hundredth day in session, as applicable, the state board of education or the state board for charter schools may require a charter school to report periodically regarding pupil enrollment and attendance and the department of education may revise its computation of equalization assistance based on the report. A charter school shall revise its student count, base support level and additional assistance before May 15. A charter school that overestimated its student count shall revise its budget before May 15. A charter school that underestimated its student count may revise its budget before May 15.

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

4. Equalization assistance for the charter school shall be determined by adding the amount of the base support level and additional assistance. The amount of the additional assistance is one thousand ~~three~~ FOUR hundred ~~eighty-seven~~ FORTY-FIVE dollars twenty-five cents per student count in kindergarten programs and grades one through eight and one thousand six hundred ~~sixteen~~ EIGHTY-FOUR dollars ~~eighty-one~~ FORTY-ONE cents per student count in grades nine through twelve.

5. The state board of education shall apportion state aid from the appropriations made for such purposes to the state treasurer for disbursement to the charter schools in each county in an amount as determined by this paragraph. The apportionments shall be made in twelve equal installments of the total amount to be apportioned during the fiscal year on the fifteenth day of each month of the fiscal year.

6. Notwithstanding paragraph 5 of this subsection, if sufficient appropriated monies are available after the first forty days in session of the current year, a charter school may request additional state monies to fund the increased state aid due to anticipated student growth through the first one hundred days or two hundred days in session, as applicable, of the current year as provided in section 15-948. In no event shall a charter school have received more than three-fourths of its total apportionment before April 15 of the fiscal year. Early payments pursuant to this subsection must be approved by the state treasurer, the director of the department of administration and the superintendent of public instruction.

7. The charter school shall not charge tuition, levy taxes or issue bonds.

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

C. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the sum of the daily membership, which includes enrollment as prescribed in section 15-901, subsection A, paragraph 2, subdivisions (a) and (b) and daily attendance as prescribed in section 15-901, subsection A, paragraph 6, for that pupil in the school district and the charter school shall not exceed 1.0, except that if the pupil is enrolled in both a charter school and a joint technological education district and resides within the boundaries of a school district participating in the joint technological education district, the sum of the average daily membership for that pupil in the charter school and the joint technological education district shall not exceed 1.25. If a pupil is enrolled in both a charter school and a public school that is not a charter school, the department of education shall direct the average daily membership to the school with the most recent enrollment date. Upon validation of actual enrollment in both a charter school and a public school that is not a charter school and if the sum of the daily membership or daily attendance for that pupil is greater than 1.0, the sum shall be reduced to 1.0 and shall be apportioned between the public school and the charter school based on the percentage of total time that the pupil is enrolled or in attendance in the public school and the charter school, except that if the pupil is enrolled in both a charter school and a joint technological education district and resides within the boundaries of a school district participating in the joint technological education district, the sum of the average daily membership for that pupil in the charter school and the joint technological education district shall be reduced to 1.25 and shall be apportioned between the charter school and the joint technological education district based on the percentage of total time that the pupil is enrolled or in attendance in the charter school and the

joint technological education district. The uniform system of financial records shall include guidelines for the apportionment of the pupil enrollment and attendance as provided in this section.

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

1. Equalization assistance shall not be less than zero.

2. For a charter school sponsored by the state board of education or the state board for charter schools, the total of the base support level, the capital outlay revenue limit, the soft capital allocation and the additional assistance shall not be less than zero.

3. For a charter school sponsored by a school district, the base support level for the school district shall not be reduced by more than the amount that the charter school increased the district's base support level, capital outlay revenue limit and soft capital allocation.

E. If a charter school was a district public school in the prior year and is now being operated for or by the same school district and sponsored by the state board of education, the state board for charter schools or a school district governing board, the reduction in subsection D of this section applies. The reduction to the base support level of the charter school or the sponsoring district of the charter school shall equal the sum of the base support level and the additional assistance received in the current year for those pupils who were enrolled in the traditional public school in the prior year and are now enrolled in the charter school in the current year.

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

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

H. If the sponsor of the charter school determines at a public meeting that the charter school is not in compliance with federal law, with the laws of this state or with its charter, the sponsor of a charter school may submit a request to the department of education to withhold up to ten per cent of

the monthly apportionment of state aid that would otherwise be due the charter school. The department of education shall adjust the charter school's apportionment accordingly. The sponsor shall provide written notice to the charter school at least seventy-two hours before the meeting and shall allow the charter school to respond to the allegations of noncompliance at the meeting before the sponsor makes a final determination to notify the department of education of noncompliance. The charter school shall submit a corrective action plan to the sponsor on a date specified by the sponsor at the meeting. The corrective action plan shall be designed to correct deficiencies at the charter school and to ensure that the charter school promptly returns to compliance. When the sponsor determines that the charter school is in compliance, the department of education shall restore the full amount of state aid payments to the charter school.

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

J. For the purposes of this section:

1. "Monies intended for the basic maintenance and operations of the school" means monies intended to provide support for the educational program of the school, except that it does not include supplemental assistance for a specific purpose or P.L. 81-874 monies. The auditor general shall determine which federal or state monies meet the definition in this paragraph.

2. "Operated for or by the same school district" means the charter school is either governed by the same district governing board or operated by the district in the same manner as other traditional schools in the district or is operated by an independent party that has a contract with the school district. The auditor general and the department of education shall determine which charter schools meet the definition in this subsection.

Sec. 3. Title 15, chapter 2, article 2, Arizona Revised Statutes, is amended by adding sections 15-245 and 15-246, to read:

15-245. American competitiveness project fund; technical assistance; grants

A. THE AMERICAN COMPETITIVENESS PROJECT FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED IN THE FUND BY THE DEPARTMENT OF EDUCATION. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND.

B. THE DEPARTMENT OF EDUCATION MAY SOLICIT AND ACCEPT DONATIONS, GRANTS, GIFTS, CONTRIBUTIONS AND DEVISES FROM INDIVIDUALS, CORPORATIONS AND NONPROFIT ORGANIZATIONS FOR DEPOSIT IN THE FUND.

C. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

D. THE DEPARTMENT OF EDUCATION MAY USE THE MONIES IN THE FUND TO PROVIDE TECHNICAL ASSISTANCE AND TO DISTRIBUTE AMERICAN COMPETITIVENESS PROJECT GRANTS TO SCHOOLS AND OTHER LOCAL EDUCATIONAL AGENCIES THAT OFFER ACADEMIC PROGRAMS THAT EMPHASIZE EACH OF THE FOLLOWING:

1. FOREIGN LANGUAGE ACQUISITION.
2. INTERNATIONAL BUSINESS.
3. WORLD HISTORY.

15-246. Arizona government education fund

A. THE ARIZONA GOVERNMENT EDUCATION FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS, GIFTS, GRANTS AND DONATIONS. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

B. THE DEPARTMENT SHALL USE MONIES IN THE FUND TO CONTRACT WITH THIRD PARTIES TO PROVIDE FOR ANNUAL, ONE-WEEK HIGH SCHOOL CIVICS COURSES THAT FOCUS ON STATE GOVERNMENT. THE COURSES SHALL BE SPONSORED BY A FEDERALLY CHARTERED NATIONAL VETERANS' ORGANIZATION THAT HAS AT LEAST FIFTY YEARS OF EXPERIENCE IN PROVIDING THIS TYPE OF CIVICS EDUCATION. THE COURSES SHALL BE CONDUCTED ON THE CAMPUSES OF PUBLIC AND PRIVATE POSTSECONDARY INSTITUTIONS IN THIS STATE.

Sec. 4. Section 15-341.01, Arizona Revised Statutes, is amended to read:

15-341.01. One hundred eighty day school year; definition

A. Notwithstanding any other law, school instruction shall be conducted in each public school in this state for school sessions that total at least one hundred eighty days each school year. The superintendent of public instruction shall cause all relevant school funding formulas to be adjusted to reflect instruction on the one hundred eighty days' equivalency. The department of education shall adjust the amount of state aid distributed to school districts pursuant to section 15-971 to correspond to the increased number of school days prescribed by this section.

~~B. The legislative council shall prepare draft legislation that conforms the statutes and furthers the purposes of this section pursuant to article IV, part 1, section 1, Constitution of Arizona.~~

B. FOR THE PURPOSES OF THIS SECTION, "ONE HUNDRED EIGHTY DAYS" MEANS ONE HUNDRED EIGHTY DAYS OF INSTRUCTION OR AN EQUIVALENT NUMBER OF MINUTES OF INSTRUCTION PER SCHOOL YEAR BASED ON A DIFFERENT NUMBER OF DAYS OF INSTRUCTION APPROVED BY THE SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY.

Sec. 5. Section 15-531, Arizona Revised Statutes, is amended to read:

15-531. Fees

The state board of education may fix and collect fees for:

1. Issuance and evaluation, singly or both, including provisional, basic or standard teaching certificate, administrative, specialized service, nurse, career and technical education, vocational education or substitute, special subject endorsements including guidance-counselor, art, music, physical education, industrial arts, librarian or driver training, one year and multi-year certificates including adult education, emergency or intern certificates, not less than twenty dollars and not more than thirty dollars.

2. Renewal of any certificate, name changes, duplicates or changes of coding to existing files or certificates, not less than ten dollars and not more than twenty dollars.

3. Administration and evaluation of the examination on the Constitutions of the United States and Arizona~~, not less than six dollars and not more than twelve dollars for regularly scheduled administrations and not less than twelve dollars and not more than twenty dollars for administrations other than regularly scheduled administrations~~. FEES FOR THE EXAMINATION ON THE CONSTITUTIONS OF THE UNITED STATES AND ARIZONA SHALL NOT EXCEED THE FEES ASSESSED BY THE TEST PUBLISHER.

4. Administration and evaluation of the ~~reading, grammar and mathematics~~ proficiency examination for applicants for teaching certificates~~, not less than ten dollars and not more than twenty dollars~~. FEES FOR THE PROFICIENCY EXAMINATION SHALL NOT EXCEED THE FEES ASSESSED BY THE TEST PUBLISHER.

Sec. 6. Title 15, chapter 7, article 1, Arizona Revised Statutes, is amended by adding section 15-720.01, to read:

15-720.01. Mathematics or science achievement grant program; criteria; report; fund; program termination

A. THE MATHEMATICS OR SCIENCE ACHIEVEMENT GRANT PROGRAM IS ESTABLISHED IN THE STATE BOARD OF EDUCATION AND SHALL BE ADMINISTERED BY THE STATE BOARD OF EDUCATION. THE PURPOSE OF THE PROGRAM IS TO PROMOTE IMPROVED PUPIL ACHIEVEMENT IN MATHEMATICS OR SCIENCE BY PROVIDING SUPPLEMENTAL FUNDING FOR INNOVATIVE MATHEMATICS OR SCIENCE PROGRAMS.

B. THE STATE BOARD OF EDUCATION SHALL DEVELOP APPLICATION PROCEDURES, SELECTION CRITERIA AND MINIMUM PERFORMANCE STANDARDS. THE STATE BOARD OF EDUCATION SHALL AWARD MATHEMATICS OR SCIENCE ACHIEVEMENT GRANTS TO SCHOOL DISTRICTS AND CHARTER SCHOOLS THAT DEMONSTRATE THROUGH SPECIFIC PERFORMANCE MEASURES AND SUPPORTING DATA THAT THE PROPOSED PROGRAMS PROVIDE NEW AND INNOVATIVE WAYS TO INCREASE PUPILS' MATHEMATICS OR SCIENCE SKILLS. SCHOOL DISTRICTS AND CHARTER SCHOOLS MAY CONTRACT WITH A SERVICE PROVIDER. THE STATE BOARD OF EDUCATION SHALL GIVE PRIORITY TO SCHOOL DISTRICTS AND CHARTER SCHOOLS THAT HAVE LOW MATHEMATICS OR SCIENCE ACHIEVEMENT SCORES AS MEASURED BY THE ARIZONA INSTRUMENT TO MEASURE STANDARDS TEST PRESCRIBED IN SECTION 15-741.

C. ON OR BEFORE DECEMBER 15, THE STATE BOARD OF EDUCATION SHALL SUBMIT AN ANNUAL REPORT CONCERNING EACH GRANT RECIPIENT'S MATHEMATICS OR SCIENCE ACHIEVEMENT PROGRAM TO THE GOVERNOR, THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE STATE BOARD OF EDUCATION SHALL PROVIDE A COPY OF THE REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE STATE BOARD SHALL INCLUDE AN EVALUATION OF THE EFFECTIVENESS OF THE PROGRAM AND A COMPARISON OF THE ANNUAL ACADEMIC ACHIEVEMENT OF PUPILS IN THE GRANT RECIPIENT'S MATHEMATICS OR SCIENCE ACHIEVEMENT PROGRAM TO PUPILS IN

COMPARABLE SCHOOLS THAT ARE NOT IN THE MATHEMATICS OR SCIENCE ACHIEVEMENT PROGRAM.

D. THE MATHEMATICS OR SCIENCE ACHIEVEMENT PROGRAM FUND IS ESTABLISHED CONSISTING OF MONIES APPROPRIATED FOR THIS PURPOSE. THE STATE BOARD OF EDUCATION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE STATE BOARD OF EDUCATION MAY RETAIN UP TO FIVE PER CENT OF THE MONIES APPROPRIATED TO THE STATE BOARD FOR THE PURPOSES OF THIS SECTION FOR COSTS ASSOCIATED WITH ADMINISTERING THE MATHEMATICS OR SCIENCE ACHIEVEMENT GRANT PROGRAM.

E. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2017 PURSUANT TO SECTION 41-3102.

Sec. 7. Section 15-901, Arizona Revised Statutes, is amended to read:

15-901. Definitions

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

1. "Average daily attendance" or "ADA" means actual average daily attendance through the first one hundred days or two hundred days in session, as applicable.

2. "Average daily membership" means the total enrollment of fractional students and full-time students, minus withdrawals, of each school day through the first one hundred days or two hundred days in session, as applicable, for the current year. Withdrawals include students formally withdrawn from schools and students absent for ten consecutive school days, except for excused absences as identified by the department of education. For computation purposes, the effective date of withdrawal shall be retroactive to the last day of actual attendance of the student.

(a) "Fractional student" means:

(i) For common schools, until fiscal year 2001-2002, a preschool child who is enrolled in a program for preschool children with disabilities of at least three hundred sixty minutes each week or a kindergarten student at least five years of age prior to January 1 of the school year and enrolled in a school kindergarten program that meets at least three hundred forty-six instructional hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the kindergarten program shall meet at least three hundred forty-eight hours. In fiscal year 2002-2003, the kindergarten program shall meet at least three hundred fifty hours. In fiscal year 2003-2004, the kindergarten program shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005, the kindergarten program shall meet at least three hundred fifty-four hours. In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten program shall meet at least three hundred fifty-six hours. Lunch periods and recess periods may not be included as part of the instructional hours unless the child's individualized education program requires instruction during those periods and the specific reasons for such instruction are fully documented. In computing the average daily membership, preschool children

with disabilities and kindergarten students shall be counted as one-half of a full-time student. For common schools, a part-time student is a student enrolled for less than the total time for a full-time student as defined in this section. A part-time common school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of the time a full-time student is enrolled as defined in subdivision (b) of this paragraph.

(ii) For high schools, a part-time student who is enrolled in less than four subjects that count toward graduation as defined by the state board of education in a recognized high school and who is taught in less than twenty instructional hours per week prorated for any week with fewer than five school days. A part-time high school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of a full-time instructional program as defined in subdivision (c) of this paragraph.

(b) "Full-time student" means:

(i) For common schools, a student who is at least six years of age prior to 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. Until fiscal year 2001-2002, first, second and third grade students, ungraded students at least six, but under nine, years of age by September 1 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 six hundred ninety-two hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least six hundred ninety-six hours. In fiscal year 2002-2003, the program shall meet at least seven hundred hours. In fiscal year 2003-2004, the program shall meet at least seven hundred four hours. In fiscal year 2004-2005, the program shall meet at least seven hundred eight hours. In fiscal year 2005-2006 and in each fiscal year thereafter, the program shall meet at least seven hundred twelve hours. Until fiscal year 2001-2002, fourth, fifth and sixth grade students or ungraded students at least nine, but under twelve, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least eight hundred sixty-five hours during the minimum number of school days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least eight hundred seventy hours. In fiscal year 2002-2003, the program shall meet at least eight hundred seventy-five hours. In fiscal year 2003-2004, the program shall meet at least eight hundred eighty hours. In fiscal year 2004-2005, the program shall meet at least eight hundred eighty-five hours. In fiscal year 2005-2006 and each fiscal year thereafter, the program shall meet at least eight hundred ninety hours.

Until fiscal year 2001-2002, seventh and eighth grade students or ungraded students at least twelve, but under fourteen, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least one thousand thirty-eight hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least one thousand forty-four hours. In fiscal year 2002-2003, the program shall meet at least one thousand fifty hours. In fiscal year 2003-2004, the program shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005, the program shall meet at least one thousand sixty-two hours. In fiscal year 2005-2006 and each fiscal year thereafter, the program shall meet at least one thousand sixty-eight hours. Lunch periods and recess periods may not be included as part of the instructional hours unless the student is a child with a disability and the child's individualized education program requires instruction during those periods and the specific reasons for such instruction are fully documented.

(ii) For high schools, a student not graduated from the highest grade taught in the school district, or an ungraded student at least fourteen years of age by September 1, and enrolled in at least a full-time instructional program of subjects that count toward graduation as defined by the state board of education in a recognized high school. A full-time student shall not be counted more than once for computation of average daily membership.

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

(c) "Full-time instructional program" means:

(i) Through fiscal year 2000-2001, at least four subjects, 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 hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(ii) For fiscal year 2001-2002, an instructional program that meets at least a total of seven hundred four hours during the minimum number of days required and includes at least four subjects 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-two hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(iii) For fiscal year 2002-2003, an instructional program that meets at least a total of seven hundred eight hours during the minimum number of days required and includes at least four subjects 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-two hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at

least twenty hours per week prorated for any week with fewer than five school days.

(iv) For fiscal year 2003-2004, an instructional program that meets at least a total of seven hundred twelve hours during the minimum number of days required and includes at least four subjects 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, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(v) For fiscal year 2004-2005, an instructional program that meets at least a total of seven hundred sixteen hours during the minimum number of days required and includes at least four subjects 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, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(vi) For fiscal year 2005-2006 and each fiscal year thereafter, an instructional program that meets at least a total of seven hundred twenty hours during the minimum number of days required and includes at least four subjects 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, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

3. "Budget year" means the fiscal year for which the school district is budgeting and which immediately follows the current year.

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

5. "Current year" means the fiscal year in which a school district is operating.

6. "Daily attendance" means:

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

(i) Of a kindergarten program or ungraded, but not group B children with disabilities, and at least five, but under six, years of age by September 1 attends at least three-quarters of the instructional time scheduled for the day. If the total instruction time scheduled for the year is at least three hundred forty-six hours but is less than six hundred ninety-two hours such attendance shall be counted as one-half day of attendance. If the instructional time scheduled for the year is at least six hundred ninety-two hours, "daily attendance" means days in which a pupil attends at least one-half of the instructional time scheduled for the day. Such attendance shall be counted as one-half day of attendance.

(ii) Of the first, second or third grades, ungraded and at least six, but under nine, years of age by September 1 or ungraded group B children with disabilities and at least five, but under six, years of age by September 1 attends more than three-quarters of the instructional time scheduled for the day.

(iii) Of the fourth, fifth or sixth grades or ungraded and at least nine, but under twelve, years of age by September 1 attends more than three-quarters of the instructional time scheduled for the day, except as provided in section 15-797.

(iv) Of the seventh or eighth grades or ungraded and at least twelve, but under fourteen, years of age by September 1 attends more than three-quarters of the instructional time scheduled for the day, except as provided in section 15-797.

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

(i) If attendance for all pupils in the school is based on quarter days, the attendance of a pupil shall be counted as one-fourth of a day's attendance for each one-fourth of full-time instructional time attended.

(ii) If attendance for all pupils in the school is based on half days, the attendance of at least three-quarters of the instructional time scheduled for the day shall be counted as a full day's attendance and attendance at a minimum of one-half but less than three-quarters of the instructional time scheduled for the day equals one-half day of attendance.

(c) For common schools, the attendance of a preschool child with disabilities shall be counted as one-fourth day's attendance for each thirty-six minutes of attendance not including lunch periods and recess periods, except as provided in paragraph 2, subdivision (a), item (i) of this subsection for children with disabilities up to a maximum of three hundred sixty minutes each week.

(d) For high schools or ungraded schools in which the pupil is at least fourteen years of age by September 1, the attendance of a pupil shall not be counted as a full day unless the pupil is actually and physically in attendance and enrolled in and carrying four subjects, 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 hours a year, or the equivalent, that count toward graduation in a recognized high school except as provided in section 15-797 and subdivision (e) of this paragraph. Attendance of a pupil carrying less than the load prescribed shall be prorated.

(e) For high schools or ungraded schools in which the pupil is at least fourteen years of age by September 1, the attendance of a pupil may be counted as one-fourth of a day's attendance for each sixty minutes of instructional time in a subject that counts toward graduation, except that

attendance for a pupil shall not exceed the pupil's full or fractional membership.

(f) For homebound or hospitalized, a full day of attendance may be counted for each day during a week in which the student receives at least four hours of instruction.

(g) For school districts which maintain school for an approved year-round school year operation, attendance shall be based on a computation, as prescribed by the superintendent of public instruction, of the one hundred eighty days' equivalency or two hundred days' equivalency, as applicable, of instructional time as approved by the superintendent of public instruction during which each pupil is enrolled.

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

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

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

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

9. "Eligible students" means:

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

(i) For common school students, whose place of actual residence within the school district is more than one mile from the school facility of attendance or students who are admitted pursuant to section 15-816.01 and who meet the economic eligibility requirements established under the national school lunch and child nutrition acts (42 United States Code sections 1751 through 1785) for free or reduced price lunches and whose actual place of residence outside the school district boundaries is more than one mile from the school facility of attendance.

(ii) For high school students, whose place of actual residence within the school district is more than one and one-half miles from the school facility of attendance or students who are admitted pursuant to section 15-816.01 and who meet the economic eligibility requirements established under the national school lunch and child nutrition acts (42 United States

Code sections 1751 through 1785) for free or reduced price lunches and whose actual place of residence outside the school district boundaries is more than one and one-half miles from the school facility of attendance.

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

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

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

10. "Enrolled" or "enrollment" means when a pupil is currently registered in the school district.

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

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

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

14. "Student count" means average daily membership as prescribed in this subsection for the fiscal year prior to the current year, except that for the purpose of budget preparation student count means average daily membership as prescribed in this subsection for the current year.

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

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

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

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

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

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

2. "Base level" means:

~~(a) For fiscal year 2004-2005, two thousand eight hundred ninety-three dollars eighteen cents.~~

~~(b) For fiscal year 2005-2006, three thousand one dollars.~~

~~(c)~~ (a) For fiscal year 2006-2007, three thousand one hundred thirty-three dollars fifty-three cents.

(b) FOR FISCAL YEAR 2007-2008, THREE THOUSAND TWO HUNDRED TWENTY-SIX DOLLARS EIGHTY-EIGHT CENTS.

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

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

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

6. "ED, MIMR, SLD, SLI and OHI" means programs for children with emotional disabilities, mild mental retardation, a specific learning disability, a speech/language impairment and other health impairments.

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

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

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

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

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

10. "Group A" means educational programs for career exploration, a specific learning disability, an emotional disability, mild mental retardation, remedial education, a speech/language impairment, homebound, bilingual, preschool moderate delay, preschool speech/language delay, other health impairments and gifted pupils.

11. "Group B" means educational improvements for pupils in kindergarten programs and grades one through three, educational programs for autism, a hearing impairment, moderate mental retardation, multiple disabilities, multiple disabilities with severe sensory impairment, orthopedic impairments, preschool severe delay, severe mental retardation and emotional disabilities for school age pupils enrolled in private special education programs or in school district programs for children with severe disabilities or visual impairment and English learners enrolled in a program to promote English language proficiency pursuant to section 15-752.

12. "HI" means programs for pupils with hearing impairment.

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

14. "K" means kindergarten programs.

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

16. "MD-R, A-R and SMR-R" means resource programs for pupils with multiple disabilities, autism and severe mental retardation.

17. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils with multiple disabilities, autism and severe mental retardation.

18. "MDSSI" means a program for pupils with multiple disabilities with severe sensory impairment.

19. "MOMR" means programs for pupils with moderate mental retardation.

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

21. "OI-SC" means a self-contained program for pupils with orthopedic impairments.

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

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

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

25. "Small isolated school district" means a school district which 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 no school which is fewer than thirty miles by the most reasonable route from another school, or, if road conditions and terrain make the driving slow or hazardous, fifteen miles from another school which teaches one or more of the same grades and is operated by another school district in this state.

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

26. "Small school district" means a school district which 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 which is fewer than thirty miles by the most reasonable route from another school which 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.

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

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

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

30. "Voc. Ed." means career and technical education and vocational education programs, as defined in section 15-781.

Sec. 8. Title 15, chapter 9, article 1, Arizona Revised Statutes, is amended by adding section 15-901.04, to read:

15-901.04. Instructional technology systems pilot program; grant application; criteria; program termination

A. THE STATE BOARD OF EDUCATION, IN COLLABORATION WITH THE DEPARTMENT OF EDUCATION, SHALL ESTABLISH AN INSTRUCTIONAL TECHNOLOGY SYSTEMS PILOT PROGRAM.

B. A SCHOOL IN A SCHOOL DISTRICT OR A CHARTER SCHOOL MAY APPLY TO THE DEPARTMENT OF EDUCATION FOR PARTICIPATION IN THE PILOT PROGRAM. THE DEPARTMENT OF EDUCATION SHALL RECOMMEND THE FORMAT OF THE APPLICATIONS AND RECOMMEND APPLICATION PROCEDURES AND CRITERIA. THE STATE BOARD OF EDUCATION SHALL APPROVE THE APPLICATION FORMAT AND SELECTION CRITERIA.

C. THE DEPARTMENT OF EDUCATION SHALL SELECT ONE SCHOOL THAT PROVIDES INSTRUCTION IN ANY COMBINATION OF KINDERGARTEN PROGRAMS AND GRADES ONE THROUGH EIGHT TO PARTICIPATE IN THE PILOT PROGRAM, AFTER REVIEW AND APPROVAL

BY THE STATE BOARD OF EDUCATION. THE DEPARTMENT OF EDUCATION SHALL SELECT A SCHOOL THAT HAS AN EFFECTIVE PLAN THAT DEMONSTRATES COMMITMENT TO INSTRUCTIONAL CHANGE REQUIRED TO ACHIEVE SIGNIFICANT PERFORMANCE GAINS THROUGH PARTICIPATION IN THE PILOT PROGRAM AND THAT DEMONSTRATES A FINANCIAL COMMITMENT BY SUBMITTING A BUDGET THAT SHOWS THE AMOUNT OF FUNDING THAT THE SCHOOL WILL CONTRIBUTE TO THE PILOT PROGRAM. THE DEPARTMENT OF EDUCATION SHALL DISTRIBUTE MONIES APPROPRIATED FOR THIS PURPOSE TO THE SELECTED SCHOOL.

D. THE SCHOOL THAT IS SELECTED TO PARTICIPATE IN THE PILOT PROGRAM SHALL USE THE MONIES DISTRIBUTED PURSUANT TO THIS SECTION FOR THE FOLLOWING PURPOSES TO SIGNIFICANTLY INCREASE ACADEMIC PERFORMANCE:

1. TO UPGRADE INSTRUCTIONAL TECHNOLOGY SYSTEMS IN THE CLASSROOM BY ADDRESSING ALL SYSTEM ASPECTS, INCLUDING A DIGITAL CURRICULUM, SOFTWARE, COMPUTER HARDWARE, TECHNICAL SUPPORT, DATA AND LOCAL AREA NETWORKS WITH FILE SERVERS AND BROADBAND INTERNET CONNECTIVITY.

2. TO ENSURE ACCESS TO ONE NETWORKED COMPUTER WITH BROADBAND INTERNET ACCESS, ACCORDING TO STANDARDS ESTABLISHED BY THE GOVERNMENT INFORMATION TECHNOLOGY AGENCY, FOR EVERY PUPIL IN EVERY ACADEMIC CLASSROOM.

3. TO PROVIDE TRAINING TO TEACHERS ON CLASSROOM APPLICATION AND INSTRUCTIONAL TECHNOLOGY.

E. THE DEPARTMENT OF EDUCATION SHALL SUBMIT AN ANNUAL UPDATE BEGINNING ON JANUARY 1, 2008 THAT SUMMARIZES THE RESULTS OF THE PILOT PROGRAM TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, THE PRESIDENT OF THE SENATE AND THE JOINT LEGISLATIVE BUDGET COMMITTEE. THE DEPARTMENT OF EDUCATION SHALL PROVIDE A COPY OF THIS ANNUAL UPDATE TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. THE ANNUAL UPDATE SHALL INCLUDE A SUMMARY OF THE PILOT PROGRAM'S IMPACT ON THE SCHOOL'S BUDGET, INCLUDING ANY IMPACT ON HARD AND SOFT CAPITAL SPENDING, EXPENDITURES DELINEATED BY ADMINISTRATION AND CLASSROOM SPENDING, EXPENDITURES DELINEATED BY MAINTENANCE AND OPERATIONS AND CAPITAL SPENDING AND THE IMPACT OF THE PILOT PROGRAM ON ACCOUNTABILITY MEASURES, INCLUDING ANY ACADEMIC GAINS MADE BY PUPILS AS A RESULT OF THE PILOT PROGRAM.

F. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2010.

Sec. 9. 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.

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	Column 2 State Support Level per Route Mile for Fiscal Year ~~2006-2007~~ 2007-2008
0.5 or less	~~$2.19~~ $2.23
More than 0.5 through 1.0	~~$1.77~~ $1.81
More than 1.0	~~$2.19~~ $2.23

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.

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

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

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

1. Determine the sum of the following:

(a) The total number of miles driven by all buses of a school district while transporting eligible pupils with disabilities on scheduled routes from their residence to the school of attendance and from the school of attendance

to their residence on routes for extended school year services in accordance with section 15-881.

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

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

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

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

Sec. 10. Section 15-1044, Arizona Revised Statutes, is amended to read:

15-1044. Arizona e-learning task force; duties

A. The Arizona e-learning task force is established. The task force shall consist of the following members who shall be appointed on or before August 31, 2006:

1. Two representatives of the business community with expertise in technology issues, one of whom shall be appointed by the governor and one of whom shall be appointed by the speaker of the house of representatives.

2. Two persons who shall have a background in psychometrics, one of whom shall be appointed by the president of the senate and one of whom shall be appointed by the speaker of the house of representatives.

3. Two persons who have expertise in curriculum development, one of whom shall be appointed by the governor and one of whom shall be appointed by the president of the senate.

4. One teacher who provides instruction in grade six, seven, eight or nine in a public, private or charter school and who is appointed by the speaker of the house of representatives.

5. One person who represents a public, private or charter school that provides instruction in grade six, seven, eight or nine and who is appointed by the governor.

6. One person who represents an entity that has at least ten years of experience in teacher training and professional development coursework and that has provided such training and coursework to at least five thousand teachers and who is appointed by the president of the senate.

7. TWO PERSONS WHO REPRESENT HIGHER EDUCATION AND WHO HAVE EXPERTISE IN EDUCATION TECHNOLOGY AND TWENTY-FIRST CENTURY LEARNING, ONE OF WHOM SHALL BE APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE OF WHOM SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

8. ONE PERSON WHO HAS A BACKGROUND IN ONLINE OR DIGITAL FORMAT FORMATIVE ASSESSMENT AND WHO IS APPOINTED BY THE GOVERNOR.

~~7.~~ 9. The superintendent of public instruction or the superintendent's designee.

~~8.~~ 10. The director of the government information technology agency or the director's designee.

B. The task force shall annually elect a chairperson from among the members of the task force. The department of education shall provide staff support for the task force.

C. The initial members appointed pursuant to subsection A, paragraphs 1 through ~~6~~ 8 shall assign themselves by lot to terms of one, two and three years in office. All subsequent members appointed pursuant to subsection A, paragraphs 1 through ~~6~~ 8 serve three year terms. The chairperson shall notify the appointing authority of these terms.

D. The task force shall:

1. Examine e-learning programs in other states.

2. Analyze potential methods to implement e-learning programs in this state.

3. Develop innovative e-learning solutions.

4. Annually report to the legislature regarding e-learning programs and solutions.

E. Task force members are not eligible for compensation, but task force members who are appointed pursuant to subsection A, paragraphs 1 through ~~6~~ 8 are eligible for reimbursement of expenses pursuant to title 38, chapter 4, article 2 from monies appropriated to the department of education.

Sec. 11. Section 41-1276, Arizona Revised Statutes, is amended to read:

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

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

1. The chairmen of the house of representatives ways and means committee and the senate finance committee or their successor committees.

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

B. The truth in taxation rates consist of the qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 1, a qualifying tax rate for a unified district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects pursuant to section 15-971, subsection B, paragraph 2 and a state equalization assistance property tax rate pursuant to section 15-994 that will offset the change in net assessed valuation of property that was subject to tax in the prior year.

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

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

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

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

4. Adjust the qualifying tax rates and the state equalization assistance property tax rate 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, 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 and the state equalization assistance property tax rate 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 each year.

E. If the legislature proposes either qualifying tax rates or a state equalization assistance property tax rate that exceeds 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 that meets 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 increase by $_____.

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

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

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

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

G. Notwithstanding any other law, the legislature shall not adopt a state budget that provides for either qualifying tax rates pursuant to section 15-971 or a state equalization assistance property tax rate pursuant to section 15-994 that exceeds the truth in taxation rates computed pursuant to subsection A of this section unless the rates are adopted by a concurrent resolution approved by an affirmative roll call vote of two-thirds of the members of each house of the legislature before the legislature enacts the general appropriations bill. If the resolution is not approved by two-thirds of the members of each house of the legislature, the rates for the following fiscal year shall be the truth in taxation rates determined pursuant to

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

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

I. Pursuant to subsection C of this section, the qualifying tax rate in tax year ~~2006~~ 2007 for a high school district or a common school district within a high school district that does not offer instruction in high school subjects as provided in section 15-447 is ~~$1.7394~~ $1.6020 and 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 as provided in section 15-447 is ~~$3.4788~~ $3.2040. The state equalization assistance property tax rate in tax years 2006, 2007 and 2008 is zero. The state equalization assistance property tax rate in tax year 2009 shall be computed by annually adjusting the tax year 2005 rate of $0.4358 as provided by this section through tax year 2009.

Sec. 12. Laws 2006, chapter 375, section 3 is amended to read:

Sec. 3. E-learning pilot program

A. The department of education, in cooperation with the e-learning task force established by section 15-1044, Arizona Revised Statutes, ~~as added by this act,~~ shall establish an e-learning pilot program at up to ten schools.

B. On or before December 15, ~~2006~~ 2007, the e-learning task force, in cooperation with the department of education, shall prepare an actionable request for proposals to implement a three-year e-learning pilot program to help participating schools to achieve academic and motivational gains based on the state and national average and shall submit the preliminary request for proposals to the joint legislative budget committee for review and comment. The request for proposals shall require all responses to meet the government information technology agency standards. The request shall include:

1. The scope of work, including programmatic, performance and technical requirements, conceptual design, specifications and functional and operational elements for the delivery of the completed components of the pilot program.

2. A description of the qualifications required of the entity or group of entities that will be selected for the pilot program.

3. Copies of the contract documents that the successful bidder or group of bidders will be expected to sign.

4. A timeline for the design and completion of the pilot program.

5. The estimated cost of the components of the pilot program.

6. Any other information relevant to the pilot program.

C. Based on the comments received from the joint legislative budget committee, the task force shall finalize the request for proposals and the department of education shall issue the finalized request for proposals within thirty days after the hearing conducted by the joint legislative budget committee.

D. The department of education shall award a contract or contracts within one hundred eighty days after the issuance of the finalized request for proposals.

E. At least ten days before the department of education enters into a contract or contracts that result from the request for proposals, the superintendent of public instruction shall submit the provisions of the contract or contracts for review by the joint legislative budget committee in executive session.

F. The overall e-learning system shall be implemented through a three-year pilot program by an entity or a group of entities that delivers the following elements:

1. Program management by an organization that is capable of each of the following:

(a) Delivering reliable psychometric analysis of academic gains.

(b) Evaluating coursework for alignment with the academic standards adopted by the state board of education.

(c) Performing reliability analysis of electronic systems delivering coursework and assessments.

(d) Analysis and direction towards system improvements.

(e) Delivering monthly reports on the performance of the system and directing any corrective steps required to achieve success.

2. A central delivery or supporting system with the ability to deliver course work to fifty thousand students simultaneously at the highest reliability level both at home and at school.

3. Mathematics instruction through a digital curriculum system with coursework and assessments that are aligned with the academic standards adopted by the state board of education. The assessments shall provide formative and cumulative assessments aligned with the coursework, and shall provide percentile rank, grade level and scale scores on the Arizona instrument to measure standards test at the individual, classroom and school level on a real-time basis. The scale score reports on the Arizona instrument to measure standards test shall be on the same scale as the passing scale score for a high school diploma in this state. The entity or group of entities delivering the assessments shall be able to show that the entity or group of entities are capable of delivering these assessments with computer adaptive testing.

4. Lap-top technology to teachers and students involved in the pilot program.

5. Teacher training and professional development coursework and assessment. The teacher development and training shall be delivered by an

entity or group of entities that has experience providing teacher training and professional development coursework and shall include both initial and ongoing components. The coursework shall include strategies and techniques to successfully integrate technological and digital resources into the daily work of students.

G. After the department of education and the e-learning task force have awarded a contract to the entity or group of entities that will implement the e-learning pilot program, the department of education, in cooperation with the e-learning task force, shall establish application procedures and additional selection criteria for schools that wish to apply for participation in the pilot program. The pilot program shall be conducted at up to ten schools that provide instruction in any two grades consisting of grade six, seven, eight or nine. Pupils in preschool programs, kindergarten programs, grades one through five and grades ten, eleven and twelve are not eligible to participate in the pilot program. These schools shall be able to demonstrate that the teachers who will participate in the pilot program are committed to the pilot program. The affected teachers shall complete the initial training and professional development component of the pilot program by the end of the fall semester of ~~2007~~ 2008.

H. In cooperation with the e-learning task force, the department of education shall submit a report on or before November 15, ~~2010~~ 2011 to the governor, the president of the senate and the speaker of the house of representatives that summarizes the results of the pilot program. The academic effectiveness of pupils in the pilot program shall be measured according to the existing assessment mechanisms prescribed in title 15, Arizona Revised Statutes. The department of education shall provide a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records.

I. Schools and pupils that participate in the technology assisted project-based instruction program established pursuant to section 15-808, Arizona Revised Statutes, are not eligible for participation in the pilot program.

Sec. 13. Laws 2006, chapter 375, section 5 is amended to read:

Sec. 5. Delayed repeal

~~Sections 4 and 5 of this act,~~ LAWS 2006, CHAPTER 375, SECTION 3, AS AMENDED BY THIS ACT, AND SECTION 4, relating to the e-learning pilot program and the e-learning fund, are repealed from and after August 31, ~~2011~~ 2012.

Sec. 14. Department of education; e-learning pilot program; distribution of monies

Notwithstanding Laws 2006, chapter 375, section 6, the department of education may distribute the monies appropriated for the e-learning pilot program in fiscal years 2006-2007, 2007-2008, 2008-2009, 2009-2010 and 2010-2011.

Sec. 15. Desegregation budget; limit

Notwithstanding section 15-910, Arizona Revised Statutes, the maximum amount that a school district may budget for desegregation activities for fiscal year 2007-2008 shall be computed as follows:

1. Determine the amount that the district budgeted for desegregation activities for fiscal year 2006-2007 pursuant to Laws 2006, chapter 353, section 18.

2. Compute the percentage increase in average daily membership for the district, as defined in section 15-901, Arizona Revised Statutes, for the 2006-2007 school year above the 2005-2006 school year. If average daily membership for the district decreased for the 2006-2007 school year below the 2005-2006 school year, assume a per cent increase of zero.

3. Multiply the amount determined in paragraph 1 of this section by the percentage determined in paragraph 2 of this section.

4. Multiply the amount determined in paragraph 1 of this section by two per cent for assumed inflation.

5. Add the amounts determined in paragraphs 1, 3 and 4 of this section.

Sec. 16. Adjustment for rapid decline in student count for fiscal year 2007-2008

Notwithstanding section 15-942, Arizona Revised Statutes, for fiscal year 2007-2008, the department of education shall reduce by fifty per cent the amount of rapid decline funding that a school district would otherwise be eligible to receive pursuant to section 15-942, subsections A through F, Arizona Revised Statutes.

Sec. 17. Audits; average daily membership

For fiscal year 2007-2008, the department of education or the office of the auditor general may conduct average daily membership audits of school districts and charter schools.

Sec. 18. Joint technological education district equalization funding; pro rata reduction

A. Notwithstanding section 15-393, Arizona Revised Statutes, or any other law, the department of education shall fund state aid for joint technological education districts for fiscal year 2007-2008 at ninety-one and eight-tenths per cent of the amount that otherwise would be provided by law and shall reduce applicable budget limits of each affected district accordingly.

B. Notwithstanding subsection A of this section, a joint technological education district shall not receive less equalization formula funding for fiscal year 2007-2008 than it received for fiscal year 2006-2007 apart from reductions due to changes in student counts, net assessed property values or other technical factors or due to prior year adjustments or corrections. The department of education shall adjust the applicable budget limits of a joint technological education district, as needed, in order to comply with the requirements of this subsection. For the purposes of this subsection,

"equalization formula funding" means the sum of a joint technological education district's base support level, as defined in section 15-943.02, Arizona Revised Statutes, and its capital outlay revenue limit and soft capital allocation, as defined in section 15-962.01, Arizona Revised Statutes.

Sec. 19. Joint legislative study committee on K-12 school funding and best practices; membership; duties; report

A. The joint legislative study committee on K-12 school funding and best practices is established consisting of the following members:

1. Five members of the senate who are appointed by the president of the senate, not more than three of whom are members of the same political party.

2. Five members of the house of representatives who are appointed by the speaker of the house of representatives, not more than three of whom are members of the same political party.

B. The committee shall:

1. Review and make recommendations on school district and charter school maintenance and operations funding, including recommendations on formula based funding that impact both local and state funds.

2. Review and make recommendations on school district and charter school capital funding, including recommendations on formula based funding that impact both local and state funds.

3. Review and make recommendations on best practices in school programs and school finance.

C. The committee shall elect a chairperson from its membership.

D. The committee may use the expertise and services of the staffs of the department of education and the school facilities board.

E. The joint legislative study committee shall submit an initial report on or before December 1, 2007 and a final report on or before December 1, 2008 that summarizes the joint legislative study committee's findings and recommendations to the governor, the president of the senate and the speaker of the house of representatives. A copy of each report shall be delivered to the secretary of state and the director of the Arizona state library, archives and public records.

Sec. 20. Appropriation; basic state aid; base level increase

A. The sum of $46,000,000 is appropriated from the state general fund in fiscal year 2007-2008 to the department of education to fund an additional increase in the base level authorized in section 15-901, subsection B, paragraph 2, Arizona Revised Statutes, as amended by this act.

B. The funding appropriated in subsection A of this section shall be used by school districts, charter schools and the Arizona state schools for the deaf and the blind to provide salary and benefit increases to nonadministrative personnel.

Sec. 21. Appropriation; department of education; exemption

A. The sum of $100,000 is appropriated from the state general fund in fiscal year 2007-2008 to the department of education for deposit in the Arizona government education fund established by section 15-246, Arizona Revised Statutes, as added by this act, and is appropriated from the Arizona government education fund to the department of education.

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

Sec. 22. Appropriation; department of education; researched-based employee discipline and risk management staff development training and materials; school districts and charter schools; exemption

A. The sum of $400,000 is appropriated from the state general fund in fiscal year 2007-2008 to the department of education for purchasing qualified outsourced materials for use in providing education administrators and managers staff development in the area of employee discipline and risk management techniques as follows:

1. All school districts and charter schools shall receive the qualifying materials. The materials will be used to train administrators and education employee managers in research-based techniques and strategies, through staff development intended to proactively reduce employee discipline-related legal risks, experienced by Arizona schools and school districts, as school leaders' work to ensure that all educators are highly qualified.

2. The qualified employee disciplinary techniques utilized from the qualified outsourced products purchased to deliver professional development shall meet the qualifications for use of federal title II funds and shall include adult learning theory activities, direct instruction format, activity objectives aligned to the taxonomy of learning, online pre and post assessments, video-based instruction, case studies, decision making software, print-based support resources, facilitator guides and participant manuals.

3. The qualified outsourced materials shall be distributed to each school district and charter school in this state in fiscal year 2007-2008 under a license structure that provides perpetual rights to use the multimedia and the duplication of print resources of the participants' manuals.

4. Additional and optional qualified outsourced services may be purchased by the qualifying school districts and charter schools from the approved outsourced vendor to deliver the optional professional development program training and will only be conducted by the vendor approved certified trainers.

5. Attendance in the optional qualified outsourced training is voluntary for each district and charter school and shall not be a prerequisite to receive the qualifying materials and use license provided by the approved outsourced vendor.

6. All registration and training costs for school districts and charter schools obtaining additional and optional qualified outsourced staff development services, related to the product, shall be paid by school districts and charter schools, including travel, lodging and per diem expenses associated with participation in the professional development training.

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

Sec. 23. Appropriation; reading first initiative; expansion; exemption

A. The sum of $1,000,000 is appropriated from the state general fund in fiscal year 2007-2008 to the department of education for distribution of grants to schools to expand the reading first initiative authorized under the no child left behind act of 2001 (P.L. 107-110; 115 Stat. 1425). Monies appropriated pursuant to this section shall be distributed to schools that do not currently participate in the reading first initiative and that do not currently receive federal monies under title I of the elementary and secondary education act. The department of education shall determine application procedures and selection criteria for schools that wish to apply for these grants.

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

Sec. 24. Appropriation; instructional technology systems pilot program; exemption

A. The sum of $1,000,000 is appropriated from the state general fund in fiscal year 2007-2008 to the department of education for the instructional technology systems pilot program.

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

Sec. 25. Appropriation; additional fingerprinting requirements; exemption

A. The sum of $125,000 is appropriated from the state general fund in fiscal year 2007-2008 to the department of public safety in order to provide digital storage and retrieval of identity verified fingerprints.

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

Sec. 26. Intent; definition

A. The monies appropriated in section 20 of this act, relating to salary and benefit increases for nonadministrative personnel, are intended to provide salary and benefit increases for nonadministrative personnel in school districts, charter schools and the Arizona state schools for the deaf

and the blind. These increases are intended to be above and beyond any existing contract, agreement or cost-of-living increase and are intended to supplement and not supplant any existing monies for salary and benefit increases for nonadministrative personnel.

B. For the purposes of this section, "existing monies" means any monies that school districts or the Arizona state schools for the deaf and the blind budgeted, designated or intended in any way to use for nonadministrative personnel salary and benefit increases in fiscal year 2007-2008.

APPROVED BY THE GOVERNOR JUNE 25, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 25, 2007.

Passed the House May 23, 2007

by the following vote: 31 Ayes,

28 Nays, 1 Not Voting

Speaker of the House

Pro Tempore

Herman L. Moore

Chief Clerk of the House

Passed the Senate June 18, 2007

by the following vote: 24 Ayes,

4 Nays, 2 Not Voting

Timothy S. Bee

President of the Senate

Charmion B. Clinton

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____M.

_____

Secretary to the Governor

Approved this _____day of

_____

at _____ o'clock _____M.

_____

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____M.

_____

Secretary of State

H.B. 2790

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

June 19, 2007

by the following vote: 49 Ayes,

10 Nays, 1 Not Voting

Speaker of the House

Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

19th day of June, 2007

at 4:56 o'clock P. M.

Secretary to the Governor

Approved this 25 day of

June, 2007,

at 10:15 o'clock A. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 25 day of June, 2007,

at 11:25 o'clock A. M.

Janice K. Brewer

Secretary of State

H.B. 2790