STATE OF ARIZONA
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY
GOVERNOR

EXECUTIVE OFFICE

February 18, 2016

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bill from the Fifty-second Legislature, 2nd Regular Session, which I signed on February 17, 2016:

S.B. 1525 – JTED restoration and reforms

Sincerely,

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

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House Engrossed Senate Bill

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-second Legislature
Second Regular Session
2016

CHAPTER 4

SENATE BILL 1525

AN ACT

AMENDING SECTIONS 15-391 AND 15-393, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 3, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-393.01; RELATING TO JOINT TECHNICAL EDUCATION DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Heading change

The article heading of title 15, chapter 3, article 6, Arizona Revised Statutes, is changed from "JOINT TECHNOLOGICAL EDUCATION DISTRICTS" to "JOINT TECHNICAL EDUCATION DISTRICTS".

Sec. 2. Section 15-391, Arizona Revised Statutes, is amended to read:

15-391. Definitions

In this article, unless the context otherwise requires:

1. "Joint board" means a joint technical education district governing board.

2. "Joint district" means a joint technical education district.

3. "Joint technical education course" means a course that is offered by a joint technical education district as part of a joint technical education district program, that is approved by the career and technical education division of the department of education and that meets each of the following requirements:

(a) Is taught by an instructor who is certified to teach career and technical education by the state board of education or by a postsecondary educational institution.

(b) Is part of a program that requires students to obtain a passing score OF AT LEAST SIXTY PERCENT on an ~~examination~~ ASSESSMENT that demonstrates ~~a~~ THE level of ~~skill or competency~~ SKILLS, KNOWLEDGE AND COMPETENCIES NECESSARY TO BE SUCCESSFUL IN THE DESIGNATED VOCATION OR INDUSTRY for that program of study ~~that is accepted by a vocation or an industry~~.

(c) Is part of an approved joint technical education district program.

(d) IS NOT A COURSE OR ANY VARIATION OF A COURSE, INCLUDING HONORS, THAT IS REQUIRED UNDER THE MINIMUM COURSE OF STUDY PURSUANT TO SECTION 15-701.01 IN ORDER TO GRADUATE FROM HIGH SCHOOL.

(e) REQUIRES A MAJORITY OF INSTRUCTIONAL TIME TO BE CONDUCTED IN A LABORATORY ENVIRONMENT, FIELD-BASED ENVIRONMENT OR WORK-BASED LEARNING ENVIRONMENT.

(f) HAS DEMONSTRATED A NEED FOR EXTRA FUNDING IN ORDER TO PROVIDE THE JOINT TECHNICAL EDUCATION COURSE.

(g) REQUIRES SPECIALIZED EQUIPMENT IN ORDER TO PROVIDE INSTRUCTION TO STUDENTS THAT EXCEEDS THE COST OF A STANDARD EDUCATIONAL COURSE.

4. "Joint technical education district" means a district that is formed pursuant to this article and that offers joint technical education courses.

5. "Joint technical education district program" means a sequence of courses that is offered by a joint technical education district and that meets all of the following requirements:

(a) Is taught by an instructor who is certified to teach career and technical education by the state board of education or by a postsecondary educational institution.

(b) Requires an assessment that demonstrates ~~a~~ THE level of ~~skill or competency in a~~ SKILLS, KNOWLEDGE AND COMPETENCIES NECESSARY TO BE SUCCESSFUL IN THE DESIGNATED vocation or industry ~~or that leads to~~ OR AN ASSESSMENT NECESSARY FOR certification in and acceptance by that vocation or industry. ANY ASSESSMENT ADOPTED PURSUANT TO THIS SUBDIVISION SHALL REQUIRE A PASSING SCORE OF AT LEAST SIXTY PERCENT.

(c) Requires specialized equipment ~~or instructional materials~~ IN ORDER TO PROVIDE INSTRUCTION TO STUDENTS that ~~exceed~~ EXCEEDS the ~~scope and~~ cost of a standard educational course.

(d) Requires A MAJORITY OF INSTRUCTIONAL TIME TO BE CONDUCTED IN A LABORATORY ENVIRONMENT, FIELD-BASED ENVIRONMENT OR work-based learning ~~components,~~ ENVIRONMENT, AND REQUIRES career and technical student organization participation ~~and laboratory experience as determined by the career and technical education division of the department of education~~.

(e) ~~Meets~~ DEMONSTRATES ALIGNMENT THROUGH A CURRICULUM, INSTRUCTIONAL MODEL AND COURSE SEQUENCE TO MEET the standards of a career and technical education preparatory program as determined by the career and technical education division of the department of education.

(f) ~~Had~~ HAS a defined pathway to career and postsecondary education IN A SPECIFIC VOCATION OR INDUSTRY AS DETERMINED BY THE CAREER AND TECHNICAL EDUCATION DIVISION OF THE DEPARTMENT OF EDUCATION.

(g) Is approved by the career and technical education division of the department of education based on the requirements prescribed in this paragraph ~~within one hundred twenty days~~ after the submission of all required documentation.

(h) Is certified by the joint technical education district governing board to have met all the requirements prescribed in this article.

(i) Is offered only to students in grades nine, ten, eleven and twelve.

(j) FILLS A HIGH-NEED VOCATIONAL OR INDUSTRY NEED AS DETERMINED BY THE CAREER AND TECHNICAL EDUCATION DIVISION OF THE DEPARTMENT OF EDUCATION.

(k) REQUIRES A SINGLE OR STACKABLE CREDENTIAL AS DESCRIBED IN SUBDIVISION (l) OF THIS PARAGRAPH OR A SKILL THAT WILL ALLOW A STUDENT TO OBTAIN WORK AS DESCRIBED IN SUBDIVISION (l) OF THIS PARAGRAPH ON GRADUATION BEFORE RECEIVING AN ASSOCIATE'S DEGREE OR BACCALAUREATE DEGREE.

(l) LEADS TO CERTIFICATION OR LICENSURE IN THE DESIGNATED VOCATION OR INDUSTRY THAT HAS BEEN VERIFIED AND ACCEPTED BY THAT VOCATION OR INDUSTRY AND THAT QUALIFIES THE RECIPIENT OF THE CERTIFICATION OR LICENSURE FOR EMPLOYMENT FOR WHICH THE STUDENT WOULD NOT OTHERWISE QUALIFY. IF THERE IS NO CERTIFICATION OR LICENSURE THAT IS ACCEPTED BY THE VOCATION OR INDUSTRY, COMPLETION OF THE PROGRAM MUST QUALIFY THE STUDENT FOR EMPLOYMENT FOR WHICH THE STUDENT WOULD NOT OTHERWISE QUALIFY WITHOUT COMPLETION OF THE JOINT TECHNICAL EDUCATION DISTRICT PROGRAM.

(m) REQUIRES INSTRUCTION AND INSTRUCTIONAL MATERIALS IN COURSES THAT ARE SUBSTANTIALLY DIFFERENT FROM AND EXCEED THE SCOPE OF STANDARD INSTRUCTION

AND THAT INCLUDE VOCATIONAL SKILLS, COMPETENCIES AND KNOWLEDGE TO BE SUCCESSFUL IN THE DESIGNATED JOINT TECHNICAL EDUCATION DISTRICT PROGRAM VOCATION OR INDUSTRY.

(n) AN INDUSTRY OR VOCATION HAS AGREED TO PROVIDE FINANCIAL OR TECHNICAL SUPPORT TO THE JOINT TECHNICAL EDUCATION DISTRICT FOR A SPECIFIC JOINT TECHNICAL EDUCATION DISTRICT PROGRAM. FOR THE PURPOSES OF THIS SUBDIVISION, "FINANCIAL SUPPORT" INCLUDES IN-KIND CONTRIBUTIONS AND DONATIONS.

(o) A JOINT TECHNICAL EDUCATION DISTRICT HAS DEMONSTRATED A NEED FOR EXTRA FUNDING IN ORDER TO PROVIDE THE JOINT TECHNICAL EDUCATION DISTRICT PROGRAM.

6. "State board" means the state board of education.

Sec. 3. Section 15-393, Arizona Revised Statutes, is amended to read:

15-393. <u>Joint technical education district governing board; report; definitions</u>

A. The management and control of the joint district are vested in the joint technical education district governing board, including the content and quality of the courses offered by the district, the quality of teachers who provide instruction on behalf of the district, the salaries of teachers who provide instruction on behalf of the district and the reimbursement of other entities for the facilities used by the district. Unless the governing boards of the school districts participating in the formation of the joint district vote to implement an alternative election system as provided in subsection B of this section, the joint board shall consist of five members elected from five single member districts formed within the joint district. The single member district election system shall be submitted as part of the plan for the joint district pursuant to section 15-392 and shall be established in the plan as follows:

1. The governing boards of the school districts participating in the formation of the joint district shall define the boundaries of the single member districts so that the single member districts are as nearly equal in population as is practicable, except that if the joint district lies in part in each of two or more counties, at least one single member district may be entirely within each of the counties comprising the joint district if this district design is consistent with the obligation to equalize the population among single member districts.

2. The boundaries of each single member district shall follow election precinct boundary lines, as far as practicable, in order to avoid further segmentation of the precincts.

3. A person who is a registered voter of this state and who is a resident of the single member district is eligible for election to the office of joint board member from the single member district. The terms of office of the members of the joint board shall be as prescribed in section 15-427, subsection B. An employee of a joint technical education district or the spouse of an employee shall not hold membership on a governing board of a

joint technical education district by which the employee is employed. A member of one school district governing board or joint technical education district governing board is ineligible to be a candidate for nomination or election to or serve simultaneously as a member of any other governing board, except that a member of a governing board may be a candidate for nomination or election for any other governing board if the member is serving in the last year of a term of office. A member of a governing board shall resign the member's seat on the governing board before becoming a candidate for nomination or election to the governing board of any other school district or joint technical education district, unless the member of the governing board is serving in the last year of a term of office.

4. Nominating petitions shall be signed by the number of qualified electors of the single member district as provided in section 16-322.

B. The governing boards of the school districts participating in the formation of the joint district may vote to implement any other alternative election system for the election of joint district board members. If an alternative election system is selected, it shall be submitted as part of the plan for the joint district pursuant to section 15-392, and the implementation of the system shall be as approved by the United States justice department.

C. The joint technical education district shall be subject to the following provisions of this title:

1. Chapter 1, articles 1 through 6.
2. Sections 15-208, 15-210, 15-213 and 15-234.
3. Articles 2, 3 and 5 of this chapter.
4. Section 15-361.
5. Chapter 4, articles 1, 2 and 5.
6. Chapter 5, articles 1, 2 and 3.
7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729 and 15-730.
8. Chapter 7, article 5.
9. Chapter 8, articles 1, 3 and 4.
10. Sections 15-828 and 15-829.
11. Chapter 9, article 1, article 6, except for section 15-995, and article 7.
12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.
13. Sections 15-1101 and 15-1104.
14. Chapter 10, articles 2, 3, 4 and 8.

D. Notwithstanding subsection C of this section, the following apply to a joint technical education district:

1. A joint district may issue bonds for the purposes specified in section 15-1021 and in chapter 4, article 5 of this title to an amount in the aggregate, including the existing indebtedness, not exceeding one percent of the taxable property used for secondary tax purposes, as determined pursuant to title 42, chapter 15, article 1, within the joint technical education

district as ascertained by the last property tax assessment previous to issuing the bonds.

2. The number of governing board members for a joint district shall be as prescribed in subsection A of this section.

3. The student count for the first year of operation of a joint technical education district as provided in this article shall be determined as follows:

(a) Determine the estimated student count for joint district classes that will operate in the first year of operation. This estimate shall be based on actual registration of pupils as of March 30 scheduled to attend classes that will be operated by the joint district. The student count for the district of residence of the pupils registered at the joint district shall be adjusted. The adjustment shall cause the district of residence to reduce the student count for the pupil to reflect the courses to be taken at the joint district. The district of residence shall review and approve the adjustment of its own student count as provided in this subdivision before the pupils from the school district can be added to the student count of the joint district.

(b) The student count for the new joint district shall be the student count as determined in subdivision (a) of this paragraph.

(c) For the first year of operation, the joint district shall revise the student count to the actual average daily membership as prescribed in section 15-901, subsection A, paragraph 1 for students attending classes in the joint district. A joint district shall revise its student count, the base support level as provided in section 15-943.02, the revenue control limit as provided in section 15-944.01 and the district additional assistance as provided in section 15-962.01 prior to May 15. A joint district that overestimated its student count shall revise its budget prior to May 15. A joint district that underestimated its student count may revise its budget prior to May 15.

(d) After March 15 of the first year of operation, the district of residence shall adjust its student count by reducing it to reflect the courses actually taken at the joint district. The district of residence shall revise its student count, the base support level as provided in section 15-943, the revenue control limit as provided in section 15-944 and the district additional assistance as provided in section 15-962.01 prior to May 15. A district that underestimated the student count for students attending the joint district shall revise its budget prior to May 15. A district that overestimated the student count for students attending the joint district may revise its budget prior to May 15.

(e) A joint district for the first year of operation shall not be eligible for adjustment pursuant to section 15-948.

(f) The procedures for implementing this paragraph shall be as prescribed in the uniform system of financial records.

(g) Pupils in an approved joint technical education district centralized program may generate an average daily membership of 1.0 during any day of the week and at any time between July 1 and June 30 of each fiscal year.

For the purposes of this paragraph, "district of residence" means the district that included the pupil in its average daily membership for the year before the first year of operation of the joint district and that would have included the pupil in its student count for the purposes of computing its base support level for the fiscal year of the first year of operation of the joint district if the pupil had not enrolled in the joint district.

4. A student includes any person enrolled in the joint district without regard to the person's age or high school graduation status, except that:

(a) A student in a kindergarten program or in grades one through nine who enrolls in courses offered by the joint technical education district shall not be included in the joint district's student count or average daily membership.

(b) A student in a kindergarten program or in grades one through nine who is enrolled in career and technical education courses shall not be funded in whole or in part with monies provided by a joint technical education district, except that a pupil in grade eight or nine may be funded with monies generated by the five cent qualifying tax rate authorized in subsection F of this section.

(c) BEGINNING JULY 1, 2016, a student who HAS GRADUATED FROM HIGH SCHOOL OR RECEIVED A GENERAL EQUIVALENCY DIPLOMA OR WHO is over twenty-one years of age shall not be included in the student count of the joint district for the purposes of chapter 9, articles 3, 4 and 5 of this title. A STUDENT WHO HAS YET TO GRADUATE OR RECEIVE A GENERAL EQUIVALENCY DIPLOMA AND WAS LAWFULLY ENROLLED IN A JOINT TECHNICAL EDUCATION DISTRICT PROGRAM ON JANUARY 1, 2016 MAY CONTINUE TO PARTICIPATE IN THE PROGRAM AFTER THE EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION.

(d) A STUDENT WHO IS ENROLLED IN ANY INTERNSHIP COURSE AS PART OF A JOINT TECHNICAL EDUCATION DISTRICT PROGRAM SHALL NOT BE INCLUDED IN THE STUDENT COUNT OF THE JOINT DISTRICT FOR THAT INTERNSHIP COURSE FOR THE PURPOSES OF CHAPTER 9, ARTICLES 3, 4 AND 5 OF THIS TITLE.

5. A joint district may operate for more than one hundred eighty days per year, with expanded hours of service.

6. A joint district may use the carryforward provisions of section 15-943.01.

7. A school district that is part of a joint district shall use any monies received pursuant to this article to supplement and not supplant base year career and technical education courses, and directly related equipment and facilities, except that a school district that is part of a joint technical education district and that has used monies received pursuant to this article to supplant career and technical education courses that were

offered before the first year that the school district participated in the joint district or the first year that the school district used monies received pursuant to this article or that used the monies for purposes other than for career and technical education courses shall use one hundred percent of the monies received pursuant to this article to supplement and not supplant base year career and technical education courses.

8. A joint technical education district shall use any monies received pursuant to this article to enhance and not supplant career and technical education courses and directly related equipment and facilities.

9. A joint technical education district or a school district that is part of a joint district or a charter school shall only include pupils in grades ten through twelve in the calculation of student count or average daily membership if the pupils are enrolled in courses that are approved jointly by the governing board of the joint technical education district and each participating school district or charter school for satellite courses taught within the participating school district or charter school, or approved solely by the joint technical education district for centrally located courses. Student count and average daily membership from courses that are not part of an approved program for career and technical education shall not be included in student count and average daily membership of a joint technical education district.

E. The joint board shall appoint a superintendent as the executive officer of the joint district.

F. Taxes may be levied for the support of the joint district as prescribed in chapter 9, article 6 of this title, except that a joint technical education district shall not levy a property tax pursuant to law that exceeds five cents per one hundred dollars assessed valuation except for bond monies pursuant to subsection D, paragraph 1 of this section. Except for the taxes levied pursuant to section 15-994, such taxes shall be obtained from a levy of taxes on the taxable property used for secondary tax purposes.

G. The schools in the joint district are available to all persons who reside in the joint district and to pupils whose district of residence within this state is paying tuition on behalf of the pupils to a district of attendance that is a member of the joint technical education district, subject to the rules for admission prescribed by the joint board.

H. The joint board may collect tuition for adult students and the attendance of pupils who are residents of school districts that are not participating in the joint district pursuant to arrangements made between the governing board of the district and the joint board.

I. The joint board may accept gifts, grants, federal monies, tuition and other allocations of monies to erect, repair and equip buildings and for the cost of operation of the schools of the joint district.

J. One member of the joint board shall be selected chairman. The chairman shall be selected annually on a rotation basis from among the

participating school districts. The chairman of the joint board shall be a voting member.

K. A joint board and a community college district may enter into agreements for the provision of administrative, operational and educational services and facilities.

L. BEGINNING JULY 1, 2016, any agreement between the governing board of a joint technical education district and another joint technical education district, a school district, a charter school or a community college district shall be in the form of an intergovernmental agreement or other written contract. The auditor general shall modify the uniform system of financial records and budget forms in accordance with this subsection. The intergovernmental agreement or other written contract shall completely and accurately specify each of the following:

1. The financial provisions of the intergovernmental agreement or other written contract and the format for the billing of all services.

2. The accountability provisions of the intergovernmental agreement or other written contract.

3. The responsibilities of each joint technical education district, each school district, each charter school and each community college district that is a party to the intergovernmental agreement or other written contract.

4. The type of instruction that will be provided under the intergovernmental agreement or other written contract, including individualized education programs pursuant to section 15-763.

5. The quality of the instruction that will be provided under the intergovernmental agreement or other written contract.

6. The transportation services that will be provided under the intergovernmental agreement or other written contract and the manner in which transportation costs will be paid.

7. The amount that the joint technical education district will contribute to a course and the amount of support required by the school district or the community college.

8. That the services provided by the joint technical education district, the school district, the charter school or the community college district be proportionally calculated in the cost of delivering the service.

9. That the payment for services shall not exceed the cost of the services provided.

10. THAT THE JOINT TECHNICAL EDUCATION DISTRICT WILL PROVIDE THE FOLLOWING MINIMUM SERVICES FOR ALL MEMBER DISTRICTS:

(a) PROFESSIONAL DEVELOPMENT OF CAREER AND TECHNICAL TEACHERS IN THE JOINT DISTRICT WHO ARE TEACHING PROGRAMS OR COURSES AT A SATELLITE CAMPUS.

(b) ONGOING EVALUATION AND SUPPORT OF SATELLITE CAMPUS PROGRAMS AND COURSES TO ENSURE QUALITY AND COMPLIANCE.

11. AN ITEMIZED LISTING OF OTHER GOODS AND SERVICES THAT ARE PROVIDED TO THE MEMBER DISTRICT AND THAT ARE PAID FOR BY THE RETENTION OF SATELLITE CAMPUS STUDENT FUNDING.

~~M. On or before December 31 of each year, each joint technical education district shall submit a detailed report to the career and technical education division of the department of education. The career and technical education division of the department of education shall collect, summarize and analyze the data submitted by the joint districts, shall submit an annual report that summarizes the data submitted by the joint districts to the governor, the speaker of the house of representatives, the president of the senate and the state board of education and shall submit a copy of this report to the secretary of state. The data submitted by each joint technical education district shall include the following:~~

~~1. The average daily membership of the joint district.~~

~~2. The program listings and program descriptions of programs offered by the joint district, including the course sequences for each program.~~

~~3. The costs associated with each program offered by the joint district.~~

~~4. The completion rate for each program offered by the joint district. For the purposes of this paragraph, "completion rate" means the completion rate for students who are designated as concentrators in that program by the department of education under the career and technology approved plan.~~

~~5. The graduation rate from the school district of residence of students who have completed a program in the joint district.~~

~~6. A detailed description of the career opportunities available to students after completion of the program offered by the joint district.~~

~~7. A detailed description of the career placement of students who have completed the program offered by the joint district.~~

~~8. Any other data deemed necessary by the department of education to carry out its duties under this subsection.~~

~~N.~~ M. A MEMBER SCHOOL DISTRICT OR CHARTER SCHOOL MAY NOT SUBMIT REQUESTS FOR THE APPROVAL OR ADDITION OF SATELLITE CAMPUS JOINT DISTRICT PROGRAMS OR COURSES DIRECTLY TO THE CAREER AND TECHNICAL EDUCATION DIVISION OF THE DEPARTMENT OF EDUCATION, BUT SHALL SUBMIT ALL APPROPRIATE APPLICATION DOCUMENTATION AND MATERIALS FOR PROGRAMS OR COURSES TO THE JOINT DISTRICT. ON APPROVAL FROM THE JOINT BOARD, A JOINT DISTRICT SHALL ONLY SUBMIT REQUESTS FOR THE APPROVAL OR ADDITION OF SATELLITE CAMPUS JOINT DISTRICT PROGRAMS OR COURSES DIRECTLY TO THE CAREER AND TECHNICAL EDUCATION DIVISION OF THE DEPARTMENT OF EDUCATION. If the career and technical education division of the department of education determines that a course does not meet the criteria for approval as a joint technical education course, the governing board of the joint technical education district may appeal this decision to the state board of education acting as the state board of vocational education.

~~O.~~ N. Notwithstanding any other law, the average daily membership for a pupil who is enrolled in a joint technical education course defined in section 15-391 and who does not meet the criteria specified in subsection ~~Q~~ P or ~~R~~ Q of this section shall be 0.25 for each course, except the sum of

the average daily membership shall not exceed the limits prescribed by subsection D, ~~O~~ P or ~~R~~ Q of this section, as applicable.

~~P.~~ O. If a career and technical education course or program is provided on a satellite campus, the sum of the average daily membership, as provided in section 15-901, subsection A, paragraph 1, for that pupil in the school district or charter school and joint technical education district shall not exceed 1.25. The school district or charter school and the joint district shall determine the apportionment of the average daily membership for that pupil between the school district or charter school and the joint district. A pupil who attends a course or program at a satellite campus and who is not enrolled in the school district or charter school where the satellite campus is located may generate the average daily membership pursuant to this subsection if the pupil is enrolled in a school district that is a member district in the same joint technical education district.

~~Q.~~ P. The sum of the average daily membership of a pupil who is enrolled in both the school district and joint technical education district course or program provided at a community college pursuant to subsection K of this section or at a centralized campus shall not exceed 1.75. The member school district and the joint district shall determine the apportionment of the average daily membership and student enrollment for that pupil between the member school district and the joint district, except that the amount apportioned shall not exceed 1.0 for either entity. Notwithstanding any other law, the average daily membership for a pupil in grade ten, eleven or twelve who is enrolled in a course that meets for at least one hundred fifty minutes per class period at a centralized campus shall be 0.75. To qualify for funding pursuant to this subsection, a centralized campus shall offer programs and courses to all eligible students in each member district of the joint technical education district.

~~R.~~ Q. The average daily membership for a pupil in grade ten, eleven or twelve who is enrolled in a course that meets for at least one hundred fifty minutes per class period at a leased centralized campus shall not exceed 0.75. The sum of the average daily membership, as provided in section 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the school district and in joint technical education district courses provided at a leased centralized campus shall not exceed 1.75 if all of the following conditions are met:

1. The course qualifies as a joint technical education course as defined in section 15-391.

2. The course is offered to all eligible students in each member district of the joint technical education district and enrolls students from multiple high schools.

3. The joint technical education district program in which the course is included addresses a specific industry need and has been developed in cooperation with that industry, or the leased facility is a state or federal asset that would otherwise be unused or underutilized.

4. The lease is established at fair market value if the lease is executed for a facility located on the site of a member district and was approved by the joint committee on capital review, except that a lease that was executed or renewed before December 31, 2012 is not subject to approval by the joint committee on capital review. ~~The requirement prescribed in this paragraph does not apply from and after December 31, 2016.~~

~~S.~~ R. A student who is enrolled in an accommodation school as defined in section 15-101 may be treated as a student of the school district in which the student physically resides for the purposes of enrollment in a joint technical education district and shall be included in the calculation of average daily membership for either the joint technical education district or the accommodation school, or both.

~~T.~~ S. Notwithstanding any other law, the student count for a joint technical education district shall be equivalent to the joint technical education district's average daily membership.

~~U. Beginning in fiscal year 2016-2017, base support level funding that a school district or charter school receives for a pupil who is enrolled in both a school district or charter school and a joint technical education district satellite campus program shall be funded at ninety-two and one-half percent of the base support level funding that the school district or charter school would otherwise receive for that pupil.~~

~~V. Beginning in fiscal year 2016-2017, base support level funding that a joint technical education district receives for a pupil who is enrolled in both a school district or charter school and a joint technical education district shall be funded at ninety-two and one-half percent of the base support level funding that the joint technical education district would otherwise receive for that pupil.~~

~~W.~~ T. A school district OR CHARTER SCHOOL may not prohibit or discourage students who are enrolled in that school district OR CHARTER SCHOOL from attending courses offered by a joint technical education district, INCLUDING REQUIRING STUDENTS TO GENERATE A FULL 1.0 AVERAGE DAILY MEMBERSHIP OR ENROLLING IN MORE COURSES THAN ARE NEEDED FOR A PARTICULAR STUDENT TO GRADUATE BEFORE ENROLLING AND ATTENDING PROGRAMS OR COURSES OFFERED BY A JOINT DISTRICT.

~~X. Notwithstanding subsection D, paragraph 7 of this section, a school district or charter school that experiences a reduction in its base support level funding pursuant to subsection U of this section may use a portion of joint technical education district monies that it receives pursuant to this section in order to offset the loss of regular education funding that it experiences pursuant to subsection U of this section. The amount of joint technical education monies that the school district or charter school may use to offset the loss of funding that it experiences pursuant to subsection U of this section may not exceed the reduction in base support level funding that it experiences pursuant to subsection U of this section.~~

~~Y.~~ U. The governing board of the joint technical education district may contract with any charter school that is located within the boundaries of the joint technical education district to allow that charter school to offer career and technical education courses or programs as a satellite campus.

V. BEGINNING IN 2020 AND EVERY FIVE YEARS THEREAFTER, THE CAREER AND TECHNICAL EDUCATION DIVISION OF THE DEPARTMENT OF EDUCATION SHALL REVIEW JOINT TECHNICAL EDUCATION DISTRICT PROGRAMS AND JOINT TECHNICAL EDUCATION COURSES TO ENSURE COMPLIANCE, QUALITY AND ELIGIBILITY. ANY PROGRAM OR COURSE DEEMED TO NOT MEET THE REQUIREMENTS SET FORTH BY LAW SHALL NOT BE FUNDED FOR THE PRECEDING SCHOOL YEAR AND SHALL BE REMOVED FROM THE APPROVED PROGRAM AND COURSE LIST. THE CAREER AND TECHNICAL EDUCATION DIVISION MAY ESTABLISH A STAGGERED SCHEDULE FOR REVIEWING EACH JOINT TECHNICAL EDUCATION DISTRICT.

~~Z.~~ W. For the purposes of this section:

1. "Base year" means the complete school year in which voters of a school district elected to join a joint technical education district.

2. "Centralized campus" means a facility that is owned and operated by a joint technical education district for the purpose of offering joint technical education DISTRICT programs or joint technical education courses ~~as defined in section 15-391~~.

3. "Lease" means a written agreement in which the right of occupancy or use of real property is conveyed from one person or entity to another person or entity for a specified period of time.

4. "Leased centralized campus" means a facility that is leased and operated by a joint technical education district for the purpose of offering joint technical education DISTRICT programs or joint technical education courses ~~as defined in section 15-391~~.

5. "Satellite campus" means a facility that is owned or operated by a school district or charter school for the purpose of offering joint technical education DISTRICT programs or joint technical education courses ~~as defined in section 15-391~~.

Sec. 4. Title 15, chapter 3, article 6, Arizona Revised Statutes, is amended by adding section 15-393.01, to read:

15-393.01. <u>Joint technical education districts; annual report; performance and accountability</u>

A. THE DEPARTMENT OF EDUCATION SHALL INCLUDE EACH JOINT TECHNICAL EDUCATION DISTRICT IN THE DEPARTMENT'S ANNUAL ACHIEVEMENT PROFILES REQUIRED BY SECTION 15-241. SUBJECT TO APPROVAL BY THE STATE BOARD OF EDUCATION, THE DEPARTMENT OF EDUCATION SHALL DEVELOP SPECIFIC CRITERIA APPLICABLE TO JOINT DISTRICTS AND INCLUDE JOINT DISTRICTS IN THE LETTER GRADE CLASSIFICATION SYSTEM PRESCRIBED IN SECTION 15-241. THE DEPARTMENT SHALL INCLUDE ALL OF THE FOLLOWING PERFORMANCE INDICATORS IN THE ANNUAL ACHIEVEMENT PROFILES AND LETTER GRADE CLASSIFICATION:

1. THE GRADUATION RATE OF ALL STUDENTS ENROLLED IN A CAREER AND TECHNICAL EDUCATION PROGRAM OR COURSE.

2. THE COMPLETION RATE FOR EACH PROGRAM OFFERED BY THE JOINT DISTRICT.

3. PERFORMANCE ON ASSESSMENTS REQUIRED PURSUANT TO SECTION 15-391, PARAGRAPH 5, SUBDIVISION (b).

4. POSTGRADUATION EMPLOYMENT RATES FOR STUDENTS WHO COMPLETE A CAREER AND TECHNICAL EDUCATION PROGRAM.

B. A JOINT DISTRICT IS SUBJECT TO THE PERFORMANCE AUDITS PURSUANT TO SECTION 41-1279.03, SUBSECTION A, PARAGRAPH 9. THE AUDITOR GENERAL SHALL CONSIDER THE DIFFERENCES AND APPLICABLE LAWS FOR A JOINT DISTRICT WHEN CONDUCTING A PERFORMANCE AUDIT FOR A JOINT DISTRICT.

C. ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE CAREER AND TECHNICAL EDUCATION DIVISION OF THE DEPARTMENT OF EDUCATION SHALL SUBMIT A JOINT TECHNICAL EDUCATION DISTRICT ANNUAL REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND SHALL SUBMIT A COPY OF THIS REPORT TO THE SECRETARY OF STATE. THE CAREER AND TECHNICAL EDUCATION DIVISION OF THE DEPARTMENT OF EDUCATION SHALL SUBMIT A COPY OF THIS REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE FOR REVIEW. THE ANNUAL REPORT SHALL INCLUDE THE FOLLOWING:

1. THE AVERAGE DAILY MEMBERSHIP OF EACH JOINT DISTRICT, INCLUDING THE AVERAGE DAILY MEMBERSHIP OF EACH CENTRALIZED CAMPUS, SATELLITE CAMPUS AND LEASED CENTRALIZED CAMPUS AS DEFINED IN SECTION 15-393.

2. THE ACTUAL STUDENT COUNT OF EACH JOINT DISTRICT, INCLUDING THE STUDENT COUNT OF EACH CENTRALIZED CAMPUS, SATELLITE CAMPUS AND LEASED CENTRALIZED CAMPUS AS DEFINED IN SECTION 15-393.

3. THE PROGRAMS AND CORRESPONDING COURSES OFFERED BY EACH JOINT DISTRICT, INCLUDING THE LOCATION OF EACH PROGRAM AND COURSE.

4. THE STUDENT ENROLLMENT OF EACH PROGRAM AND CORRESPONDING COURSE FOR EACH JOINT DISTRICT BASED ON PROGRAM OR COURSE LOCATION.

5. THE COSTS ASSOCIATED WITH EACH PROGRAM OFFERED BY THE JOINT DISTRICT.

6. A LISTING OF ANY PROGRAMS OR COURSES THAT WERE DISCONTINUED BY REVIEW OF THE CAREER AND TECHNICAL EDUCATION DIVISION PURSUANT TO SECTION 15-393, SUBSECTION V.

7. A LISTING OF ANY PROGRAMS OR COURSES THAT WERE CONTINUED BY REVIEW OF THE CAREER AND TECHNICAL EDUCATION DIVISION PURSUANT TO SECTION 15-393, SUBSECTION V.

8. A LISTING OF ANY PROGRAMS OR COURSES THAT WERE ADDED BY THE CAREER AND TECHNICAL EDUCATION DIVISION.

9. ANY OTHER DATA OR INFORMATION DEEMED NECESSARY BY THE DEPARTMENT OF EDUCATION.

D. THE OFFICE OF THE AUDITOR GENERAL, IN CONSULTATION WITH THE DEPARTMENT OF EDUCATION, SHALL DEVELOP AND ESTABLISH UNIFORM COST REPORTING GUIDELINES, POLICIES AND PROCEDURES FOR JOINT TECHNICAL EDUCATION DISTRICT PROGRAMS. ANY GUIDELINE, POLICY OR PROCEDURE SHALL ALLOW FOR THE EFFECTIVE COMPARISON OF COST BETWEEN JOINT TECHNICAL EDUCATION DISTRICT PROGRAMS.

Sec. 5. Career and technical education task force; members; duties; annual report; repeal

A. The career and technical education task force is established consisting of the following members:

1. Three members of the senate who are appointed by the president of the senate, not more than two of whom are members of the same political party. The president of the senate shall designate one of these members to serve as cochairperson of the committee.

2. Three members of the house of representatives who are appointed by the speaker of the house of representatives, not more than two of whom are members of the same political party. The speaker of the house of representatives shall designate one of these members to serve as cochairperson of the committee.

3. One member who is affiliated with a statewide policy and research organization that has a background in school finance, school choice and education policy and who is appointed by the governor.

4. One member who is affiliated with a major taxpayer organization and who is appointed by the governor.

5. One member who represents a high-need vocation or industry in this state and who is appointed by the governor.

6. Two members who each represent a different joint technical education district and who are appointed by the president of the senate. One of these members shall be from a joint technical education district that has two thousand or more students enrolled in a centralized campus and the other member shall be from a joint district with a majority of students enrolled at satellite campuses.

7. Two members who each represent a different joint technical education district and who are appointed by the speaker of the house of representatives. Both of these members shall be from separate joint technical education districts with less than two thousand students.

B. Task force members are not eligible to receive compensation but are eligible to receive reimbursement of expenses pursuant to title 38, chapter 4, article 2, Arizona Revised Statutes.

C. The career and technical education division of the department of education and the department of education shall lend technical support to the task force and provide any data, research or information that the task force may request.

D. The task force shall study and analyze:

1. Uniformity in career and technical education course offerings and titles across all joint technical education districts.

2. Uniformity in course sequencing for completing career and technical education programs across all joint technical education districts.

3. Uniformity in certifications and licensure issued on completion of career and technical education programs across all joint technical education districts.

4. The establishment of open enrollment and school choice across all joint technical education districts.

5. Joint technical education district financing and allocation of monies to member districts and charter schools for students enrolled at satellite campuses.

6. The reduction of duplicative career and technical education programs and courses based on locations of other satellite campus, centralized campus, leased centralized campus and community college career and technical education program and course offerings.

7. Any other issues to reform, promote and enhance career and technical education.

E. The task force shall submit an annual report of its findings and recommendations for administrative and legislative action on or before December 15 to the governor, the president of the senate and the speaker of the house of representatives and shall provide a copy of this report to the secretary of state.

F. This section is repealed from and after December 31, 2018.

Sec. 6. Department of education; joint legislative budget committee review of new requirements; reports

On the effective date of this act, the department of education shall immediately start reviewing the compliance and eligibility of all joint technical education district programs and joint technical education courses currently in effect with the new requirements set forth in this act. Through December 31, 2018, the department of education shall submit quarterly reports to the joint legislative budget committee for review on its progress and the subsequent approval or rejection of currently eligible joint technical education district programs and joint technical education courses. Any joint technical education program or joint technical education course that is deemed to have not met the requirements pursuant to this act may not receive funding after the effective date of this act.

Sec. 7. Auditor general; special audit

As scheduled by the joint legislative audit committee, the auditor general shall conduct a special audit of joint technical education districts that includes all of the following:

1. The delivery of career and technical education for schools that are not included in a joint technical education district compared to the delivery of career and technical education in a joint technical education district.

2. The delivery of career and technical education at a centralized campus compared to the delivery of career and technical education at a satellite campus.

3. The growth in satellite campus programs compared to centralized campus programs.

4. The spending habits of joint technical education districts.

5. The efficiency of joint technical education district practices and administrative spending.

6. The relationship between joint technical education districts and member districts and services provided to member districts.

7. The variety, scope and duplication of joint technical education district program and course offerings.

8. Any follow-up issues arising since the previous audit or any other issues necessary for the completion of the audit as determined by the auditor general.

Sec. 8. House of Representatives; findings and intent

A. The Arizona House of Representatives finds that:

1. Joint Technical Education Districts, known as JTEDs, are an important component of a well-rounded education system by providing access to Career and Technical Education programs that offer training to students to equip them with the tools needed to enter the workforce after high school in jobs that demand highly-skilled employees.

2. Restoring funding to JTEDs and implementing accountability measures to the programs was an important priority of members of the Arizona House of Representatives, including Representatives Ackerley, Allen, Alston, Andrade, Barton, Benally, Bolding, Borrelli, Bowers, Boyer, Brophy McGee, Campbell, Cardenas, Carter, Clark, Cobb, Coleman, Espinoza, Fann, Farnsworth E, Fernandez, Finchem, Friese, Gabaldón, Gonzales, Gowan, Gray, Hale, Kern, Kopec, Larkin, Lawrence, Leach, Livingston, Lovas, Mendez, Mesnard, Meyer, Mitchell, Montenegro, Norgaard, Olson, Otondo, Petersen, Plumlee, Pratt, Rios, Rivero, Robson, Saldate, Shope, Stevens, Thorpe, Townsend, Velasquez and Weninger.

3. To accomplish the goal of swift and efficient enactment of funding and reforms to JTEDs, House and Senate members and staff worked with stakeholders to develop an agreement which culminated in the introduction of House Bill 2642 on February 4, 2016. House Bill 2642 was heard in a Special Education Committee on February 8, 2016 and passed by the House and transmitted to the Senate on February 9, 2016, with the understanding that a motion would be made in the Senate pursuant to Senate Rule 11 to substitute House Bill 2642 on Third Reading and send the bill to the Governor.

4. The Senate introduced Senate Bill 1525, identical to House Bill 2642, and amended Senate Bill 1525 in Committee of the Whole, which caused the bills to no longer be identical, and passed Senate Bill 1525 on Third Reading and transmitted it to the House on February 11, 2016.

B. It is the intent of the Arizona House of Representatives to ensure that these vital JTED programs are funded to meet the needs of both Arizona's students and businesses. The Arizona House of Representatives urges the Arizona State Senate to immediately concur in the House amendments to Senate Bill 1525, pass the bill on Final Passage, and transmit the bill to the Governor.

1 Sec. 9. Retroactivity
2 Section 15-393, Arizona Revised Statutes, as amended by this act,
3 applies retroactively to from and after June 30, 2016.
4 Sec. 10. Emergency
5 This act is an emergency measure that is necessary to preserve the
6 public peace, health or safety and is operative immediately as provided by
7 law.

APPROVED BY THE GOVERNOR FEBRUARY 17, 2016

FILED IN THE OFFICE OF THE SECRETARY OF STATE FEBRUARY 18, 2016

Passed the House February 16, 2016,

by the following vote: 60 Ayes,

0 Nays, 0 Not Voting

w/emergency

Speaker of the House

Jim Drake

Chief Clerk of the House

Passed the Senate February 11, 2016,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

with Emergency

President of the Senate

Susan Craves

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR
This Bill was received by the Governor this

_____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

_____, 20_____,

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this _____ day of _____, 20____,

at _____ o'clock _____ M.

Secretary of State

S.B. 1525

SENATE CONCURS IN HOUSE AMENDMENTS AND FINAL PASSAGE

Passed the Senate February 17, **20** 16

by the following vote: 29 **Ayes,**

0 **Nays,** 1 **Not Voting**

with Emergency

President of the Senate

Susan Craves

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

17th **day of** February, **20** 16

at 2:55 **o'clock** P. **M.**

Valerie Hanna

Secretary to the Governor

Approved this 17th **day of**

February

at 6:00 **o'clock** P **M.**

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 18th **day of** February, **20** 16

S.B. 1525

at 9:45 **o'clock** A **M.**

Michele Reagan

Secretary of State