

State of Arizona
Senate
Fifty-third Legislature
First Regular Session
2017

CHAPTER 333
SENATE BILL 1156

AN ACT

AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-901, Arizona Revised Statutes, is amended to
3 read:

4 15-901. Definitions

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

6 1. "Average daily membership" means the total enrollment of
7 fractional students and full-time students, minus withdrawals, of each
8 school day through the first one hundred days or two hundred days in
9 session, as applicable, for the current year. Withdrawals include
10 students who are formally withdrawn from schools and students who are
11 absent for ten consecutive school days, except for excused absences
12 identified by the department of education. For the purposes of this
13 section, school districts and charter schools shall report student absence
14 data to the department of education at least once every sixty days in
15 session. For computation purposes, the effective date of withdrawal shall
16 be retroactive to the last day of actual attendance of the student or
17 excused absence.

18 (a) "Fractional student" means:

19 (i) For common schools, a preschool child who is enrolled in a
20 program for preschool children with disabilities of at least three hundred
21 sixty minutes each week that meets at least two hundred sixteen hours over
22 the minimum number of days or a kindergarten student who is at least five
23 years of age before January 1 of the school year and enrolled in a school
24 kindergarten program that meets at least three hundred fifty-six hours for
25 a one hundred eighty-day school year, or the instructional hours
26 prescribed in this section. Lunch periods and recess periods may not be
27 included as part of the instructional hours unless the child's
28 individualized education program requires instruction during those periods
29 and the specific reasons for such instruction are fully documented. In
30 computing the average daily membership, preschool children with
31 disabilities and kindergarten students shall be counted as one-half of a
32 full-time student. For common schools, a part-time student is a student
33 enrolled for less than the total time for a full-time student as defined
34 in this section. A part-time common school student shall be counted as
35 one-fourth, one-half or three-fourths of a full-time student if the
36 student is enrolled in an instructional program that is at least
37 one-fourth, one-half or three-fourths of the time a full-time student is
38 enrolled as defined in subdivision (b) of this paragraph.

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

1 program of three subjects that meet at least five hundred forty hours for
2 a one hundred eighty-day school year, or the instructional hours
3 prescribed in this section. The average daily membership of a part-time
4 high school student shall be 0.5 if the student is enrolled in an
5 instructional program of two subjects that meet at least three hundred
6 sixty hours for a one hundred eighty-day school year, or the instructional
7 hours prescribed in this section. The average daily membership of a
8 part-time high school student shall be 0.25 if the student is enrolled in
9 an instructional program of one subject that meets at least one hundred
10 eighty hours for a one hundred eighty-day school year, or the
11 instructional hours prescribed in this section. **THE HOURS IN WHICH A
12 STUDENT IS SCHEDULED TO ATTEND A HIGH SCHOOL DURING THE REGULAR SCHOOL DAY
13 SHALL BE INCLUDED IN THE CALCULATION OF THE AVERAGE DAILY MEMBERSHIP FOR
14 THAT STUDENT.**

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

16 (i) For common schools, a student who is at least six years of age
17 before January 1 of a school year, who has not graduated from the highest
18 grade taught in the school district and who is regularly enrolled in a
19 course of study required by the state board of education. First, second
20 and third grade students or ungraded group B children with disabilities
21 who are at least five, but under six, years of age by September 1 must be
22 enrolled in an instructional program that meets for a total of at least
23 seven hundred twelve hours for a one hundred eighty-day school year, or
24 the instructional hours prescribed in this section. Fourth, fifth and
25 sixth grade students must be enrolled in an instructional program that
26 meets for a total of at least eight hundred ninety hours for a one hundred
27 eighty-day school year, or the instructional hours prescribed in this
28 section. Seventh and eighth grade students must be enrolled in an
29 instructional program that meets for at least one thousand hours. Lunch
30 periods and recess periods may not be included as part of the
31 instructional hours unless the student is a child with a disability and
32 the child's individualized education program requires instruction during
33 those periods and the specific reasons for such instruction are fully
34 documented.

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

1 student shall be 1.0 if the student is enrolled in at least four subjects
2 that meet at least seven hundred twenty hours for a one hundred eighty-day
3 school year, or the equivalent instructional hours prescribed in this
4 section. THE HOURS IN WHICH A STUDENT IS SCHEDULED TO ATTEND A HIGH
5 SCHOOL DURING THE REGULAR SCHOOL DAY SHALL BE INCLUDED IN THE CALCULATION
6 OF THE AVERAGE DAILY MEMBERSHIP FOR THAT STUDENT.

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

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

21 (v) Except as otherwise provided by law, for any student who is
22 concurrently enrolled in a school district and a charter school, the
23 average daily membership shall be apportioned between the school district
24 and the charter school and shall not exceed 1.0. The apportionment shall
25 be based on the percentage of total time that the student is enrolled in
26 or in attendance at the school district and the charter school.

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

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

38 (c) "REGULAR SCHOOL DAY" MEANS THE REGULARLY SCHEDULED CLASS
39 PERIODS INTENDED FOR INSTRUCTIONAL PURPOSES. INSTRUCTIONAL PURPOSES MAY
40 INCLUDE CORE SUBJECTS, ELECTIVE SUBJECTS, LUNCH, STUDY HALLS, MUSIC
41 INSTRUCTION, AND OTHER CLASSES THAT ADVANCE THE ACADEMIC INSTRUCTION OF
42 PUPILS, EXCEPT THAT INSTRUCTIONAL PURPOSES SHALL NOT INCLUDE ATHLETIC
43 PRACTICES OR EXTRACURRICULAR CLUBS AND ACTIVITIES.

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

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

4 (a) Grades one through eight.

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

6 4. "Current year" means the fiscal year in which a school district
7 is operating.

8 5. "Daily attendance" means:

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

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

20 (ii) Of the first, second or third grades attends more than
21 three-quarters of the instructional time scheduled for the day.

22 (iii) Of the fourth, fifth or sixth grades attends more than
23 three-quarters of the instructional time scheduled for the day, except as
24 provided in section 15-797.

25 (iv) Of the seventh or eighth grades attends more than
26 three-quarters of the instructional time scheduled for the day, except as
27 provided in section 15-797.

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

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

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

42 (c) For common schools, the attendance of a preschool child with
43 disabilities shall be counted as one-fourth day's attendance for each
44 thirty-six minutes of attendance not including lunch periods and recess
45 periods, except as provided in paragraph 1, subdivision (a), item (i) of

1 this subsection for children with disabilities up to a maximum of three
2 hundred sixty minutes each week.

3 (d) For high schools, the attendance of a pupil shall not be
4 counted as a full day unless the pupil is actually and physically in
5 attendance and enrolled in and carrying four subjects, each of which, if
6 taught each school day for the minimum number of days required in a school
7 year, would meet a minimum of one hundred twenty-three hours a year, or
8 the equivalent, that count toward graduation in a recognized high school
9 except as provided in section 15-797 and subdivision (e) of this
10 paragraph. Attendance of a pupil carrying less than the load prescribed
11 shall be prorated.

12 (e) For high schools, the attendance of a pupil may be counted as
13 one-fourth of a day's attendance for each sixty minutes of instructional
14 time in a subject that counts toward graduation, except that attendance
15 for a pupil shall not exceed the pupil's full or fractional membership.

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

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

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

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

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

39 7. "District support level" means the base support level plus the
40 transportation support level.

41 8. "Eligible students" means:

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

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

9 (ii) For high school students, whose place of actual residence
10 within the school district is more than one and one-half miles from the
11 school facility of attendance or students who are admitted pursuant to
12 section 15-816.01 and who meet the economic eligibility requirements
13 established under the national school lunch and child nutrition acts (42
14 United States Code sections 1751 through 1785) for free or reduced price
15 lunches and whose actual place of residence outside the school district
16 boundaries is more than one and one-half miles from the school facility of
17 attendance.

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

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

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

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

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

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

41 12. "Revenue control limit" means the base revenue control limit
42 plus the transportation revenue control limit.

43 13. "Student count" means average daily membership as prescribed in
44 this subsection for the fiscal year before the current year, except that

1 for the purpose of budget preparation student count means average daily
2 membership as prescribed in this subsection for the current year.

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

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

7 16. "Total students transported" means all eligible students
8 transported from their place of residence to a school transportation
9 pickup point or to the school of attendance and from the school of
10 attendance or from the school transportation scheduled return point to
11 their place of residence.

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

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

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

18 2. "Base level" means the following amounts plus the percentage
19 increases to the base level as provided in sections 15-902.04 and 15-952,
20 except that if a school district or charter school is eligible for an
21 increase in the base level as provided in two or more of these sections,
22 the base level amount shall be calculated by compounding rather than
23 adding the sum of one plus the percentage of the increase from those
24 different sections:

25 (a) For fiscal year 2007-2008, three thousand two hundred
26 twenty-six dollars eighty-eight cents.

27 (b) For fiscal year 2008-2009, three thousand two hundred
28 ninety-one dollars forty-two cents.

29 (c) For fiscal years 2009-2010, 2010-2011, 2011-2012 and 2012-2013,
30 three thousand two hundred sixty-seven dollars seventy-two cents.

31 (d) For fiscal year 2013-2014, three thousand three hundred
32 twenty-six dollars fifty-four cents.

33 (e) For fiscal year 2014-2015, three thousand three hundred
34 seventy-three dollars eleven cents.

35 (f) For fiscal year 2015-2016, three thousand six hundred dollars
36 zero cents.

37 (g) For fiscal year 2016-2017, three thousand six hundred
38 thirty-five dollars sixty-four cents.

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

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

43 5. "Certified teacher" means a person who is certified as a teacher
44 pursuant to the rules adopted by the state board of education, who renders
45 direct and personal services to schoolchildren in the form of instruction

1 related to the school district's educational course of study and who is
2 paid from the maintenance and operation section of the budget.

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

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

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

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

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

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

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

28 11. "Group A" means educational programs for career exploration, a
29 specific learning disability, an emotional disability, a mild intellectual
30 disability, remedial education, a speech/language impairment,
31 developmental delay, homebound, bilingual, other health impairments and
32 gifted pupils.

33 12. "Group B" means educational improvements for pupils in
34 kindergarten programs and grades one through three, educational programs
35 for autism, a hearing impairment, a moderate intellectual disability,
36 multiple disabilities, multiple disabilities with severe sensory
37 impairment, orthopedic impairments, preschool severe delay, a severe
38 intellectual disability and emotional disabilities for school age pupils
39 enrolled in private special education programs or in school district
40 programs for children with severe disabilities or visual impairment and
41 English learners enrolled in a program to promote English language
42 proficiency pursuant to section 15-752.

43 13. "HI" means programs for pupils with hearing impairment.

44 14. "Homebound" or "hospitalized" means a pupil who is capable of
45 profiting from academic instruction but is unable to attend school due to

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

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

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

20 17. "MD-R, A-R and SID-R" means resource programs for pupils with
21 multiple disabilities, autism and severe intellectual disability.

22 18. "MD-SC, A-SC and SID-SC" means self-contained programs for
23 pupils with multiple disabilities, autism and severe intellectual
24 disability.

25 19. "MD-SSI" means a program for pupils with multiple disabilities
26 with severe sensory impairment.

27 20. "MOID" means programs for pupils with moderate intellectual
28 disability.

29 21. "OI-R" means a resource program for pupils with orthopedic
30 impairments.

31 22. "OI-SC" means a self-contained program for pupils with
32 orthopedic impairments.

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

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

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

40 26. "Small isolated school district" means a school district that
41 meets all of the following:

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

44 (b) Contains no school that is fewer than thirty miles by the most
45 reasonable route from another school, or, if road conditions and terrain

1 make the driving slow or hazardous, fifteen miles from another school that
2 teaches one or more of the same grades and is operated by another school
3 district in this state.

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

6 27. "Small school district" means a school district that meets all
7 of the following:

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

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

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

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

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

19 30. "VI" means programs for pupils with visual impairments.

20 Sec. 2. Applicability

21 This act clarifies the calculation of average daily membership for
22 full-time and part-time high school students. This act shall apply to any
23 new or not yet completed audits of a local education agency and shall
24 apply to each year being audited by the department. This act shall not be
25 used by a local education agency as the basis for a budget correction
26 pursuant to section 15-915, Arizona Revised Statutes.

APPROVED BY THE GOVERNOR MAY 22, 2017.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 22, 2017.