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Final Pass: 31-29-0-0

HB 2898: K-12 education; budget reconciliation; 2021-2022.

Sponsor: Representative Cobb, LD 5

Transmitted to the Governor

Overview

Contains budget reconciliation provisions relating to K-12 Education needed for implementing the FY 2022 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the *General Appropriations Act* (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate bills known as *Budget Reconciliation Bills* (BRBs). These BRBs are prepared according to subject area.

Provisions

Funding Formulas

1. Increases the base level to \$4,390.65 for FY 2022. (Sec. 27)
2. Increases the state support level per route mile for FY 2022 as follows:
 - a) From 2.74 to 2.77 for 0.5 or less approved daily route mileage per eligible student transported;
 - b) From 2.24 to 2.27 for more than 0.5 through 1.0 approved daily route mileage per eligible student transported; and
 - c) From 2.74 to 2.77 for more than 1.0 approved daily route mileage per eligible student transported. (Sec. 33)
3. Increases the support level weights for the following Group B funding categories:
 - a) *MD-SC*, *A-SC* and *SID-SC* from 5.833 to 5.988; and
 - b) *DD*, *ED*, *MIID*, *SLD*, *SLI* and *OHI* from 0.003 to 0.093. (Sec. 32)
4. Creates a Group B funding category of *G* and assigns it a support level weight of 0.007. (Sec. 32)
 - a) Defines *G* to mean educational programs for gifted pupils who score at or above the 97th percentile, based on national norms, on a test adopted by the State Board of Education (SBE). (Sec. 27)
 - b) Removes *gifted pupils* from the definition of *Group A*. (Sec. 27)
5. Increases charter additional assistance (CAA) as follows:
 - a) From \$1,875.21 to \$1,897.90 per student count in preschool programs for children with disabilities (PSD), kindergarten programs and the 1st-8th grades; and

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- b) From \$2,185.53 to \$2,211.97 per student count in the 9th-12th grades. (Sec. 4)
- 6. Establishes the qualifying tax rate in tax year 2021 as follows:
 - a) \$1.7694 for a high school district or a common school district within a high school district that does not offer instruction in high school subjects; and
 - b) \$3.5388 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. (Sec. 55)
- 7. Adjusts the state equalization assistance property tax rate in tax year 2021 to \$0.4263. (Sec. 55)
- 8. Modifies apportionments of state aid made to school districts and charter schools as follows:
 - a) Removes the requirement that 1/12 of the total amount be apportioned by the close of business on the last day of June;
 - b) Adds that 1/12 of the total amount is to be apportioned by the close of business on the 15th day of business of July; and
 - c) Requires 1/12 of the total amount to be apportioned by the close of business on the 15th day of business, rather than the 1st day of business, of August through June. (Sec. 35)
- 9. Delays the state aid apportionment modifications to July 1, 2022. (Sec. 119)
- 10. Authorizes the Arizona Department of Education (ADE) to require local education agencies to submit the student level data necessary to determine the apportionment of state aid by July 1st and by the first day of each month thereafter. (Sec. 35)
- 11. Permits the Buckeye Union High School District to submit corrections to the teacher experience index (TEI) data by August 15, 2021 and use the resulting TEI to determine its base support level for FY 2021. (Sec. 109)

Results-Based Funding Fund (RBF Fund)

- 12. Directs ADE to distribute monies from the RBF Fund for FY 2022 to each school operated by a school district or charter holder as follows:
 - a) \$225 per student count if the school:
 - i. Had fewer than 60% of students eligible for free or reduced-price lunches (FRPL) at the time the spring 2019 statewide assessment was administered; and
 - ii. Performed in the top 13% of all schools on the mathematics and language arts portions of the spring 2019 statewide assessment;
 - b) \$400 per student count if the school:
 - i. Had 60% or more of students eligible for FRPL at the time the spring 2019 statewide assessment was administered; and
 - ii. Performed in the top 13% of schools on the mathematics and language arts portions of the spring 2019 statewide assessment;
 - c) \$225 per student count if the school:
 - i. Had 60% or more of students eligible for FRPL at the time the spring 2019 statewide assessment was administered; and
 - ii. Performed in the top 27%, but not in the top 13%, of schools on the mathematics and language arts portion of the spring 2019 statewide assessment. (Sec. 107)
- 13. Directs ADE to distribute \$400 per student count from the RBF Fund to each alternative high school if the school:
 - a) Performed in the top 27% of schools that had more than 60% of students eligible for FRPL on the mathematics and language arts portions of the spring 2019 statewide assessment; and

- b) Reports the average percentage of students who obtained a passing score on the mathematics and language arts portions of the spring 2019 statewide assessment. (Sec. 107)

In Lieu of Transportation Grants (ILT Grants)

- 14. Allows a school district, beginning the 2021-2022 school year, to use a portion of its transportation funding to provide ILT Grants to parents of students who attend the school district pursuant to a plan submitted to ADE. (Sec. 31)
- 15. Permits, beginning the 2021-2022 school year, a charter school to use a portion of its CAA funding to provide ILT Grants to parents of students who attend the charter school pursuant to a plan submitted to ADE. (Sec. 31)
- 16. Details that school districts and charter schools may issue ILT Grants to support individual parents or neighborhood carpools in transporting students to school. (Sec. 31)
- 17. Prohibits a school district's transportation funding allocation from being reduced if the school district awards ILT Grants. (Sec. 31)
- 18. Requires participating charter schools to report to ADE regarding the monies awarded to parents. (Sec. 31)
- 19. Instructs ADE to adopt policies to account for ILT Grant expenditures and to require proof of attendance for students whose transportation is supported through the ILT Grants. (Sec. 31)

Public School Transportation Modernization Grants Program (PSTMG Program)

- 20. Establishes the PSTMG Program in the Arizona Department of Administration (ADOA). (Sec. 111)
- 21. Requires ADOA to select an organization to administer the PSTMG Program and outlines requirements the administrator must meet to be selected. (Sec. 111)
- 22. Directs the administrator to distribute grants to school districts, charter schools or other eligible entities and outlines application and reporting requirements. (Sec. 111)
- 23. Requires ADE, ADOA and any grant recipient to provide information that is deemed necessary by the administrator to complete the reports and details what the reports must include. (Sec. 111)
- 24. Instructs the administrator to distribute appropriated monies based on demand and the most innovative solutions. (Sec. 111)
- 25. Mandates the administrator award at least 25% of grants to rural and remote proposals.
 - a) Allows the administrator to award fewer than 25% of grants if an insufficient number of qualified remote and rural proposals is submitted. (Sec. 111)
- 26. Allows the administrator to retain up to 5% of monies appropriated each fiscal year for administration. (Sec. 111)
- 27. Repeals the PSTMG Program on January 1, 2025. (Sec. 111)

Extraordinary Special Education Needs Fund (ESEN Fund)

- 28. States that ESEN Fund monies are continuously appropriated, rather than subject to legislative appropriation. (Sec. 24)
- 29. Transfers administration of the ESEN Fund from SBE to ADE. (Sec. 24)
- 30. Allows ADE to retain up to 2% of ESEN Fund monies for administration. (Sec. 24)

31. Requires ADE to award ESEN Fund monies to school districts and charter schools with eligible claims. (Sec. 24)
 32. Specifies that a school district or charter school is eligible to receive ESEN Fund monies if it is demonstrated that a student receiving special education services has incurred current year costs of at least three times the statewide per pupil funding average. (Sec. 24)
 33. Modifies the required information that must be contained in an application for ESEN Fund monies. (Sec. 24)
 34. Allows a school district or charter school to submit a claim for up to the full fiscal year if the expense incurred at the time of filing will continue to be incurred in subsequent quarters until the end of the same fiscal year. (Sec. 24)
 35. Specifies that total costs submitted must be itemized and attributable to the student for whom the claim is being submitted. (Sec. 24)
 36. Allows a school district or charter school to submit a claim for expenses incurred as a result of an independent educational evaluation. (Sec. 24)
 37. Removes language that mandates ESEN Fund grants be used in the current year and that all unspent monies return to ADE at the end of the fiscal year. (Sec. 24)
 38. Requires ADE to evaluate claim requests on a quarterly basis. (Sec. 24)
 39. Outlines how ADE is to prioritize funding if there are insufficient ESEN Fund monies to cover all eligible claims within a given quarter. (Sec. 24)
 40. Provides a mechanism for:
 - a) ADE to notify a school district or charter school to revise its claim if there is insufficient information; and
 - b) The school district or charter school to revise its claim and receive funding if an additional expense is incurred for a student who received funding for a claim in the same fiscal year. (Sec. 24)
 41. Instructs ADE to annually adopt and post on its website ESEN Fund policies and procedures. (Sec. 24)
 42. Requires ADE to annually submit a report to specified entities that contains specified information regarding the ESEN Fund. (Sec. 24)
- Industry-Recognized Certification and Licensure Reimbursement Fund (IRCLR Fund)***
43. Establishes the IRCLR Fund that is administered by ADE and consists of legislative appropriations, gifts, grants and other donations. (Sec. 41)
 44. States that IRCLR Fund monies are continuously appropriated and exempt from lapsing. (Sec. 41)
 45. Instructs ADE to use IRCLR Fund monies to eliminate or reduce exam costs to obtain industry-recognized certificates and licenses for low-income students. (Sec. 41)
 46. Details the qualifications and requirements a student must meet to qualify for a reimbursement. (Sec. 41)
 47. Specifies that if available IRCLR Fund monies are insufficient to cover the costs of all qualified applicants, ADE must reduce each student's reward amount in proportion to the exam cost. (Sec. 41)

Arizona Empowerment Scholarship Account (ESA) Program

48. Excludes a child who attends a school that was assigned a D or F letter grade for the most recent year in which letter grades were assigned and who qualifies for FRPL from additional ESA Program requirements. (Sec. 46)
49. Decreases, from at least the first 100 days to at least 45 days, the amount of time a student must have attended a government primary or secondary school full-time to be eligible for the ESA Program.
 - a) Adds that the student may have attended 45 days of the current fiscal year. (Sec. 46)
50. Stipulates that kindergarten students who are enrolled in Arizona online instruction must receive 200 hours of logged instruction to be eligible for the ESA Program. (Sec. 46)
51. Allows ESA monies to be used to pay any amount of educational therapies not covered by insurance if the expense is partially paid by a health insurance policy for the qualified student. (Sec. 47)
52. Prohibits an ESA from being closed upon a student's graduation from a postsecondary institution or after four consecutive years following the student's graduation from high school in which they are not enrolled in a postsecondary institution if the student uses a portion of ESA monies for eligible expenses and is in good standing. (Sec. 47)
53. Requires ADE to enroll and issue an award letter to eligible applicants within 30 days, rather than 45 days, after receipt of a completed application and documentation. (Sec. 48)
54. Mandates that any ESA expenditure for a purchase that is deemed ineligible and that is subsequently repaid by the parent or account holder is to be credited back to the ESA balance within 30 days of repayment, unless the Attorney General determines that fraud has been committed. (Sec. 48)
55. Provides that if SBE issues a stay of an ESA suspension in response to an appeal of an administrative decision made by ADE, ADE may not withhold funding or contract renewal during the stay unless directed by SBE. (Sec. 48)
56. Exempts SBE from uniform administrative hearing procedures for contested cases and appealable agency actions related to the ESA Program. (Sec. 54)

Face Covering and COVID-19 Vaccine Policies

57. Prohibits, notwithstanding any other law or order, a county, city, town, school district governing board or charter school governing body from requiring the use of face coverings by students or staff during school hours and on school property. (Sec. 12)
58. Prevents a school district or charter school from requiring that a student or teacher receive a COVID-19 vaccine or wear a face covering to participate in in-person instruction. (Sec. 12)
59. Contains a retroactivity clause of July 1, 2021. (Sec. 118)

School Facilities Board (SFB)

60. Establishes the School Facilities Oversight Board (Oversight Board) within the Division of School Facilities (Division) within the Arizona Department of Administration (ADOA). (Sec. 61)
61. Transfers the authority, powers, duties and responsibilities of SFB to the Oversight Board and Division. (Sec. 61)

Oversight Board

62. Establishes the Oversight Board within the Division. (Sec. 62)
63. Terminates the Oversight Board on July 1, 2022. (Sec. 58)
64. Outlines the membership of the Oversight Board as follows:

- a) The following members who are appointed by the Governor and confirmed by the Senate:
 - i. One member who represents a statewide organization of taxpayers;
 - ii. One member who is a registered professional architect;
 - iii. One member with knowledge of and experience in school facilities management in a public school system;
 - iv. One member who is a registered professional engineer;
 - v. Two members who are owners or officers of a private construction company, who have knowledge of and experience in construction of large commercial or government buildings and whose businesses do not include school construction; and
 - vi. One person who represents the business community;
 - b) The following members who serve as advisory nonvoting members:
 - i. The Superintendent of Public Instruction (SPI) or their designee; and
 - ii. The director of ADOA or their designee. (Sec. 62)
65. Deletes the requirement that the Governor appoint a chairperson of the Oversight Board. (Sec. 62)
66. Provides that the director of the Division serves as the director of the Oversight Board. (Sec. 63)
67. Removes the requirement that the director of the Division have demonstrated competency, in private business or government service, in school finance, facilities design or facilities management. (Sec. 63)
68. Allows the Oversight Board to convene subcommittees as needed on specific issues, including school facility safety standards.
- a) Requires a school district that receives Building Renewal Grant (BRG) Fund or New School Facilities (NSF) Fund monies to consider the school facility safety standards when completing approved projects or constructing new school facilities with monies received from the funds. (Sec. 67)
69. Requires the Oversight Board to review and approve student population projections to determine how much school districts are entitled to receive to construct new facilities.
- a) States the Oversight Board must make a final determination within five months after receiving a school district's application for monies from the NSF Fund. (Sec. 63)
70. Directs the Oversight Board to certify that plans for new school facilities meet building adequacy standards. (Sec. 63)
71. Directs the Oversight Board to review and approve or reject requests submitted by school districts to reduce pupil square footage. (Sec. 63)
72. Establishes the requirement that the Oversight Board annually submit a report to specified entities that contains:
- a) A detailed description of distributed monies;
 - b) A list of each capital project that received monies during the previous fiscal year, a description of each project and summary of the reasons for distributing monies; and
 - c) A summary of the findings and conclusions of the building maintenance inspections conducted. (Sec. 63)
73. Requires the Oversight Board to electronically report the following information to specified entities by prescribed dates annually:
- a) The necessary amounts to fulfill the requirements for new school facility funding for the next three fiscal years;

- b) Detailed information regarding demographic assumptions, a proposed construction schedule and new school construction cost estimates for individual projects approved in the current fiscal year and expected project approvals for the upcoming fiscal year; and
- c) All class B bond approvals by school districts. (Sec. 63)

74. Mandates the Oversight Board adopt and establish minimum school facility adequacy guidelines for the Arizona State Schools for the Deaf and Blind (ASDB). (Sec. 63)

Division

75. Establishes the Division within ADOA. (Sec. 61)

76. Requires the director of ADOA to appoint the director of the Division. (Sec. 61)

77. Requires the Division to contract with a third party to inspect or certify school district self-inspections of school buildings at least once every five years to ensure compliance with building adequacy standards. (Sec. 63)

78. Mandates the Division:

- a) Adopt rules regarding the validation of proposed adjacent ways projects;
- b) Validate proposed adjacent ways projects pursuant to adopted rules;
- c) Submit a monthly report to the Oversight Board that details each validated adjacent ways project. (Sec. 63)

79. Requires the Division to brief the Joint Committee on Capital Review at least once each year regarding the use of monies from the EDC Fund, the BRG Fund and the NSF Fund. (Sec. 63)

BRG Fund

80. Directs the Division to administer the BRG Fund. (Sec. 69)

81. Instructs the Division to implement policies and procedures to require a school district to report the preventive maintenance activities that have been completed during the previous 12 months for the facilities for which BRG Fund monies are being requested.

- a) Requires a school district to submit a preventive maintenance plan to the Division to be eligible for BRG Fund monies. (Sec. 69)

82. Specifies that a BRG expires 12 months after the grant request is approved unless the Division issues an extension. (Sec. 69)

83. States that if the Division approves a BRG project and determines that similar projects take, on average, longer than 12 months to complete, the Division must extend the BRG expiration date. (Sec. 69)

84. Allows a school district to request an extension for a BRG. (Sec. 69)

85. Stipulates that upon expiration of a BRG grant, a school district must return any unused BRG monies to the Division for deposit in the BRG Fund. (Sec. 69)

86. Allows the Division to spend BRG Fund monies for assessments to determine if a BRG is warranted. (Sec. 69)

87. Requires the Division to submit a monthly report to the Oversight Board that details how BRG Fund monies have been distributed. (Sec. 69)

88. Mandates the Division adopt rules regarding:

- a) The approval of BRGs; and
- b) Time frames regarding:
 - i. Approving or denying of BRG requests for critical projects;

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- ii. Notifying an applicant that the BRG application is incomplete;
- iii. Providing regular updates to applicants regarding completed applications; and
- iv. Distributing monies from the BRG Fund. (Sec. 69)

EDC Fund

- 89. Directs the Division to administer the EDC Fund. (Sec. 68)
- 90. Requires a school district governing board, before applying for EDC Fund monies, to issue an emergency declaration or resolution in order to be eligible for EDC Fund monies. (Sec. 68)
- 91. Mandates the Oversight Board review all policies and procedures that the Division develops to administer the EDC Fund. (Sec. 68)
- 92. Alters the meaning of *emergency* regarding the EDC Fund. (Sec. 68)

NSF Fund

- 93. Directs the Division to administer the NSF Fund. (Sec. 70)
- 94. Repeals the Capital Reserve Fund. (Sec. 44)
- 95. Deletes the requirement that any unobligated contract monies in the NSF Fund be transferred to the Capital Reserve Fund. (Sec. 70)
- 96. Provides that at the direction of the Oversight Board, the Division may distribute NSF Fund monies for additional square footage as outlined in statute. (Sec. 70)
- 97. Allows any extra monies received by a school district from the NSF Fund as a result of a modification based on geographic or site conditions to be used to address unforeseen costs at any stage of an NSF Fund project. (Sec. 70)
- 98. Modifies the costs per square foot from the NSF Fund formula for additional space as follows:
 - a) From \$90 to \$270.24 for PSD, kindergarten programs and the 1st-6th grades;
 - b) From \$95 to \$285.30 for the 7th-8th grades; and
 - c) From \$110 to \$330.30 for the 9th-12th grades. (Sec. 70)
- 99. Applies the updated costs per square foot to new school facilities that were previously approved by SFB for specified school districts. (Sec. 112)
- 100. Applies each annual construction market adjustment to all new school construction projects approved by SFB during that year. (Sec. 70)

Succession

- 101. Grants the Oversight Board and the Division within ADOA the authority, powers, duties and responsibilities of SFB. (Sec. 116)
- 102. States that a person serving as a member of SFB is eligible to continue to serve as a member of the Oversight Board until the expiration of their current term. (Sec. 115)

Miscellaneous

- 103. Allows the Oversight Board or the Division to contract, in compliance with procurement practices, assessments for school buildings to determine if the buildings have been condemned. (Sec. 63)

Investigative Unit and Investigations of Personnel

- 104. Requires SBE, rather than ADE, to direct and oversee the work of all investigators related to investigating certificated persons, persons seeking certification and noncertificated persons (persons) for immoral or unprofessional conduct. (Sec. 5, 9)

105. Instructs SBE, rather than ADE, to adopt rules prescribing procedures to investigate complaints alleging that a person engaged in immoral or unprofessional conduct. (Sec. 5)
106. Designates investigators as SBE employees and specifies that they are to be housed within SBE. (Sec. 5, 9)
107. Allows SBE to issue subpoenas to compel the attendance and testimony of witnesses and production of documents or physical evidence in connection with an investigation or hearing of an allegation that a person engaged in immoral or unprofessional conduct. (Sec. 5)
108. Permits SBE to petition the superior court to enforce a subpoena, if the subpoena is disobeyed. (Sec. 5)
109. States that any failure to obey a court order may be punished by the court as contempt. (Sec. 5)
110. Repeals statute that allows ADE to issue subpoenas relating to the investigation of a complaint that a certificated person engaged in immoral or unprofessional conduct. (Sec. 8)
111. Requires ADE to provide SBE access to the Educator Information System and any related systems that are deemed necessary by SBE to investigate and adjudicate allegations of conduct constituting grounds for disciplinary action. (Sec. 13)
112. Grants immunity from civil liability to SBE if SBE provides information to a school district regarding a person seeking employment, unless the information meets prescribed factors. (Sec. 19)
113. Requires the Director of the Arizona Department of Public Safety (DPS) to authorize the exchange of criminal justice information with SBE to evaluate the fitness of a person if SBE has reasonable suspicion that the person engaged in specified conduct. (Sec. 56)
114. Requires ADE, rather than SBE, to provide DPS with current and updated lists of email addresses for each school district. (Sec. 56)

Prohibition on Specified Concepts

115. Prevents a teacher, administrator or other employee of a school district, charter school or state agency who is involved with students and teachers in preschool through the 12th grade from using public monies for instruction that presents any form of blame or judgment on the basis of race, ethnicity or sex. (Sec. 21)
116. Prohibits a teacher, administrator or other employee of a school district, charter school or state agency who is involved with students and teachers in preschool through the 12th grade from allowing instruction in or making part of a course the following concepts:
 - a) One race, ethnic group or sex is inherently morally or intellectually superior to another;
 - b) An individual, by virtue of their race, ethnicity or sex, is inherently racist, sexist or oppressive;
 - c) An individual should be invidiously discriminated against or receive adverse treatment because of their race, ethnicity or sex;
 - d) An individual's moral character is determined by their race, ethnicity or sex;
 - e) An individual, by virtue of their race, ethnicity, or sex, bears responsibility for actions committed by other members of the same race, ethnic group or sex;
 - f) An individual should feel discomfort, guilty, anguish or any other form of psychological distress because of their race, ethnicity or sex; and
 - g) Academic achievement, meritocracy or traits are racist or sexist or were created by a particular race, ethnic group or sex to oppress others. (Sec. 21)

117. Allows an attorney acting on behalf of a public school to request a legal opinion of the county attorney or Attorney General (AG) as to whether a proposed use of school district resources would violate the prohibition on specified instruction. (Sec. 21)
118. Allows the AG or county attorney to initiate a suit in superior court to comply with the prohibition on specified instruction. (Sec. 21)
119. Allows the court to impose a penalty of not more than \$5,000 per school district, charter school or state agency for each violation of the prohibition on specified instruction. (Sec. 21)
120. Subjects a teacher who violates the prohibition on specified instruction to disciplinary action as deemed appropriate by SBE. (Sec. 21)
121. States that sexual harassment training and lessons on reporting and recognizing abuse are not precluded. (Sec. 21)

Recovery of Illegally Paid Monies

122. Authorizes the AG to bring an action to recover illegally paid public monies against:
 - a) A public official, employee, agent, political subdivision or a budget unit who knowingly uses public monies or other public resources to organize, plan or execute any activity that impedes or prevents a public school from operating; and
 - b) A teacher, administrator or other employee of a school district or charter school or a state employee whose violation of the prohibition on specified issues resulted in an illegal use of public monies. (Sec. 50)
123. Excludes a public official, employee or agent if they are acting in good faith and in furtherance of their official duties. (Sec. 50)

Open Enrollment Policies

124. Adds that a school district governing board's policies or procedures regarding changing or adopting attendance boundaries must include an assurance that students assigned to a new attendance area may stay enrolled in their current school if:
 - a) The school remains open; and
 - b) Capacity is available. (Sec. 10)
125. Prohibits attendance boundaries from being used to require students to attend certain schools based on the student's place of residence. (Sec. 10)
126. Requires a school district governing board's open enrollment policies to:
 - a) Include information that:
 - i. Is prescribed by SBE for describing open enrollment options;
 - ii. Is needed to request enrollment and that is consistent with guidance and state and federal law regarding pupil privacy and civil rights; and
 - iii. Describes the provision of transportation or resources for transportation;
 - b) Be easily accessible on the school website's home page in English, Spanish or in any other language used by a majority of the populations served. (Sec. 26)
127. Instructs a school district to update, on each school's website at least once every 12 weeks unless there are no changes to report, the school's capacity and whether the school is currently accepting open enrollment students, by grade level.
 - a) Directs a school to also post this information by specialized program, if the school has any other separate capacity by specialized program. (Sec. 26)
128. Requires schools to accept pupils throughout the school year as capacity allows and as seats become available. (Sec. 26)

129. States that if a pupil is denied access due to capacity, the pupil must be informed that they are on a wait list and of the details regarding an equitable selection process. (Sec. 28)
130. Mandates a school district enroll at any time any resident pupil who applies for enrollment to the school district. (Sec. 26)
131. Instructs a school district to give enrollment preference to and reserve capacity for:
 - a) Resident pupils;
 - b) Pupils returning to the school from the prior year; and
 - c) Siblings of pupils already enrolled. (Sec. 26)
132. Allows a school district to give enrollment preference to children who:
 - a) Meet the definition of *unaccompanied youth*; or
 - b) Attend a school that is closing. (Sec. 26)
133. Allows a school district to give enrollment preference to and reserve capacity for:
 - a) Resident transfer pupils and their siblings; and
 - b) Pupils who meet additional criteria established and published by the school district governing board. (Sec. 26)
134. Requires a school or school district, if remaining capacity at the school is insufficient to enroll all pupils who submit a timely request, to select pupils through an equitable selection process.
 - a) Specifies that the equitable selection process may be conducted through a lottery.
 - b) Stipulates that preference must be given to the siblings of a pupil selected through an equitable selection process. (Sec. 26)
135. Prohibits a school from limiting admission based on specified factors. (Sec. 26)
136. Allows a school district governing board to provide transportation of no more than 30 miles, rather than 20 miles, each way for nonresident pupils eligible for FRPL. (Sec. 26)
137. Requires a governing board to provide transportation of no more than 30 miles, rather than 20 miles, each way for nonresident pupils with disabilities whose individual education program specify that transportation is necessary. (Sec. 26)
138. Instructs SBE to adopt a model format that school districts may use for describing open enrollment options to ensure clarity and consistency for parents. (Sec. 26)
139. Requires ADE to investigate and enforce any complaints or substantiated claims of unlawful or inappropriate enrollment practices by school districts pursuant to state and federal law.
 - a) Directs ADE to refer any complaints received regarding charter schools to the Arizona State Board for Charter Schools (ASBCS).
 - b) Directs ADE to regularly update SBE on its investigations. (Sec. 26)
140. Instructs ADE to develop an annual participation report that informs the public and policymakers of the open enrollment participation rate by school district, school and county.
 - a) Outlines the information the participation report must contain. (Sec. 26)
141. Instructs SBE, subject to the availability of appropriated monies and every January, to design a public awareness effort and distribute materials regarding open enrollment and school choice.
 - a) Allows SBE to collaborate with public and private partners and ADE. (Sec. 26)
142. Defines *resident pupil*. (Sec. 25)

Disclosure of Student Level Data

143. Requires ADE to adopt policies and procedures that allow county school superintendents, SBE and ASBCS access to student level data for currently enrolled students. (Sec. 39)
144. Instructs ADE to develop policies and procedures, as prescribed by interagency-data sharing agreements, that:
 - a) Are to be implemented by county school superintendents, SBE and ASBCS; and
 - b) Comply with the Family Educational Rights and Privacy Act and privacy laws and policies, including policies that manage access to personally identifiable information. (Sec. 39)
145. Details that ADE's policies and procedures must:
 - a) Contain a detailed data security plan that includes specified guidelines, standards, procedures and policies;
 - b) Ensure that written agreements involving the disclosure of student level data comply with prescribed conditions, requirements and specifications;
 - c) Ensure that work products from the use of student level data do not conflict with any state and federal reporting; and
 - d) Provide access to student level data through an online platform within the parameters of federal law. (Sec. 39)
146. Exempts a homeschool student with an affidavit on file from ADE's policies and procedures regarding student level data access. (Sec. 39)

School Financial Transparency Portal (Portal) and Report Card Data

147. Directs ADOA, beginning in FY 2022, to develop a transparent and easily accessible Portal. (Sec. 23)
148. Details the school level data the Portal must include for charter schools, individual schools operated by a school district and school districts. (Sec. 23)
149. Instructs ADOA to contract with a third party to develop the Portal.
 - a) Specifies the experience and requirements the third party must demonstrate to be selected. (Sec. 23)
150. Requires ADE and ASBCS to provide and assist with any necessary data or financial information ADOA or the selected contractor requests to implement the Portal. (Sec. 23)
151. Allows the Auditor General to provide assistance to ADOA for the Portal. (Sec. 23)
152. Removes the requirement, beginning FY 2022, that a school report card contain outlined school level data and instead requires the school report card to have a link to access the Portal. (Sec. 22)
153. Contains a retroactivity clause of July 1, 2021. (Sec. 118)

School Finance Data System Replacement

154. Requires ADE, before each expenditure of any monies appropriated for school finance system replacement, to submit the purpose and estimated costs of the expenditure to ADOA and the Information Technology Authorization Committee for review and approval. (Sec. 110)
155. Directs ADOA to detail development milestones for the replacement of the school finance data system within 30 days after the last day of FY 2021, in consultation with ADE. (Sec. 110)
156. Details what the milestones must include. (Sec. 110)
157. Stipulates that to close a milestone and be eligible to receive funding for subsequent work on any major milestone or critical deliverable for the replacement of the school finance data system, ADE must receive approval from the SPI and the Director of ADOA. (Sec. 110)

- 158. Mandates ADE submit an expenditure plan on the staffing of the school finance data system project for review by ADOA. (Sec. 110)
- 159. Instructs ADE to use a portion of the monies appropriated for school finance data system replacement to engage with a third party to conduct independent verification and validation related to the replacement of the school finance data system. (Sec. 110)
- 160. Requires ADOA to define the terms of any agreement with a third party that conducts independent verification and validation related to the replacement of the school finance data system. (Sec. 110)
- 161. Directs ADE to update all current agreements with third parties that conduct independent verification and validation related to the replacement of the school finance data system. (Sec. 110)
- 162. Contains a legislative intent clause. (Sec. 110)

Peach Springs Unified School District Crisis Management Team (Team)

- 163. Extends the Team, as established by [Laws 2020, Chapter 26](#), from April 1, 2021 to April 1, 2022. (Sec. 106)
- 164. Eliminates language that prescribes the members of the Team. (Sec. 106)
- 165. Strikes the ability for the SPI to retain a portion of state monies entitled to Peach Springs Unified School District to compensate Team members. (Sec. 106)
- 166. Requires the Team to submit a preliminary report by July 1, 2021, rather than July 1, 2020, and a final report by December 31, 2021, rather than December 31, 2020. (Sec. 106)
- 167. Contains a retroactivity clause of April 2, 2021. (Sec. 118)

Learning Loss and Federal Monies Reporting

- 168. Mandates, by July 1, 2021, school districts and charter schools to report to ADE whether they offered in-person, teacher-led instruction for at least 100 days in the 2020-2021 school year.
 - a) Specifies that the report must delineate the number of days of in-person, teacher-led instruction that was offered by school site.
 - b) Instructs ADE, by August 1, 2021, to compile this information and submit a report to specified entities. (Sec. 108)
- 169. Specifies that school districts and charter schools with fewer than 180 days of instruction must report whether they offered in-person, teacher-led instruction for an equivalent proportion of instruction days. (Sec. 108)
- 170. Requires ADE to post on its website, by September 1, 2021, school district and charter school plans to address learning loss by spending Elementary and Secondary School Emergency Relief Fund (ESSERF) monies appropriated to Arizona by the American Rescue Plan Act (ARPA). (Sec. 108)
- 171. Directs the Governor's Office of Strategic Planning and Budgeting (OSPB) to post on its website its allocation of \$350,000,000 of Coronavirus State Fiscal Recovery Fund monies appropriated to Arizona by ARPA to school districts and charter schools for assistance to supplement monies provided by ESSERF. (Sec. 108)

Career Technical Education Districts (CTEDs)

- 172. Adds that students in an approved CTED centralized campus or leased campus centralized program may generate an average daily membership (ADM) during any day of the week and at any time between July 1 and June 30 of each fiscal year. (Sec. 14)

173. Allows a CTED, a school district that is part of a CTED or a charter school to include students who are in the 9th grade or in the school year immediately following graduation in the calculation of student count or ADM. (Sec. 14)
174. Allows a CTED to include a student who is enrolled in an internship course as part of a CTED program in student count. (Sec. 14)
175. Restricts funding for the same student to not more than four years. (Sec. 14)
176. Details ADM calculations for students who are in the 9th grade or in the school year immediately following graduation and enrolled in a CTED course. (Sec. 14)
177. Requires the Arizona Office of Economic Opportunity (OEO), in collaboration with ADE and by September 1st annually, to compile an in-demand regional education list (List) of the approved career technical education (CTE) programs that lead to a career path in high demand with median-to-high wages in that region. (Sec. 14)
178. Directs OEO to include industry feedback when developing the List. (Sec. 14)
179. Requires OEO to submit the List to the Arizona Career and Technical Education Quality Commission for review and approval. (Sec. 14)
180. Permits funding for a student in the 9th grade only if the student reaches the 40th day of the 11th grade enrolled in an approved CTE program that is included on the List for the student's region in the year they began the program. (Sec. 14)
181. Allows funding for a student in the school year immediately following graduation only if the student is enrolled in an approved CTE program included on the List for the student's region in the year they began the program. (Sec. 14)
182. Provides that a student in the year immediately following graduation who is enrolled in an approved CTED program included in the List for FYs 2022-2025 is eligible for funding. (Sec. 114)
183. Adds a separate listing of information to ADE's annual CTED report that contains outlined information regarding students who are in the 9th grade and eligible to receive funding, in the school year immediately following graduation or enrolled in an internship course. (Sec. 15)

ASDB

184. Creates the Cooperative Service Fund (CS Fund) that consists of monies from:
 - a) ADE for special education institutional vouchers for deaf and blind students who are enrolled in regional school cooperatives;
 - b) Membership fees paid by school districts and charter schools participating in regional school cooperatives; and
 - c) Fee-for-service payments made by school districts and charter schools on behalf of students enrolled in regional school cooperatives for whom the schools do not receive a special education institutional voucher. (Sec. 43)
185. Provides that monies dedicated to regional school cooperatives are to be deposited in the CS Fund, rather than be continuously appropriated. (Sec. 43)
186. Tasks ASDB with administering the CS Fund.
 - a) States that monies are subject to legislative appropriation and exempt from lapsing. (Sec. 43)
187. Defines *regional school cooperatives*. (Sec. 43)

Miscellaneous

- 188. Declares that the State may only enforce statutory or regulatory requirements for the 2020-2021 school year that are consistent with the approved waiver of the accountability, school identification and related reporting requirements awarded by the United States Department of Education. (Sec. 113)
- 189. Clarifies that a school, rather than a school district or charter school, may deliver, define, or reallocate instructional time and hours under an adopted instructional time model as specified in [Laws 2021, Chapter 299](#). (Sec. 28)
- 190. Allows age- and grade-appropriate classroom instruction regarding child assault awareness and abuse prevention, conditional upon the enactment of House Bill 2035, relating to parental rights and sex education instruction. (Sec. 21, 120)
- 191. Increases the maximum possible transfer of unclaimed lottery prize monies to the Tribal College Dual Enrollment Program Fund in a fiscal year from \$250,000 to \$325,000. (Sec. 1)
- 192. Requires SBE to also report the aggregate expenditures of local revenues calculation to OSPB. (Sec. 30)
- 193. Instructs the State Treasurer, by September 1 annually, to report to specified entities on prior and current fiscal year distributions made from the Student Support and Safety Fund and the Career Training and Workforce Fund. (Sec. 42)
- 194. Contains a legislative intent clause relating to classroom spending. (Sec. 117)
- 195. Makes technical changes. (Sec. 1, 2, 4, 5-7, 10, 11, 13, 14, 16, 17, 22, 24, 26, 28, 30, 34-40, 45, 46, 50, 52, 57, 68, 60, 62,63, 66-68, 70, 71, 75, 83, 87, 95-97, 102, 105)
- 196. Makes conforming changes. (Sec. 2, 3, 5-7, 9-11, 13-18, 20, 25-27, 29, 34-38, 40, 45, 49, 51-53, 56-60, 62-106)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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