



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

REVISED

FACT SHEET FOR S.B. 1456

CTEs; in-demand programs; funding

Purpose

Replaces the requirement for the Office of Economic Opportunity (OEO) to compile an in-demand regional education list with a requirement for the OEO and Arizona Career and Technical Education Quality Commission (CTE Quality Commission) to develop and compile a draft and final statewide in-demand education list. Modifies the conditions for a career and technical education district (CTED) to receive funding for students in grade 9 or in the school year immediately following graduation. Repeals the Arizona Industry Credentials Incentive Program (Incentive Program) and Incentive Program Fund (Incentive Program Fund).

Background

CTEDs are responsible for providing career and technical education (CTE) preparation programs designed to prepare students for advanced CTE or entry into the workforce. The OEO, in collaboration with the Arizona Department of Education (ADE), must annually compile an in-demand regional education list of the CTE programs that lead to a high-demand career path with median-to-high-wage jobs in that region. For a CTED student in grade 9 or the school year immediately following graduation to generate funding, the student must be enrolled in a CTE program on the in-demand regional education list. A CTED does not receive funding for a student in grade 9 until the student reaches the 40th day of grade 11 enrolled in a CTE program on the in-demand regional education list. A CTED may offer associate degrees that are accredited by a regional or national accreditation agency for CTED programs that are on the in-demand regional education list (A.R.S. §§ [15-393](#); [15-398](#); and [15-790](#)).

In 2019, the Legislature established the Incentive Program and Incentive Program Fund and directed ADE to provide \$1,000 incentive awards to school districts, charter schools and CTEDs for each high school graduate who obtains a qualifying certification, credential or license through a CTE course or program ([Laws 2019, Ch. 265](#)). The OEO must annually provide an in-demand education list to ADE that: 1) includes information on wages, business growth and job openings; and 2) ranks the top occupations in each industry that address a critical statewide, regional or economic need. The ADE must then annually convene a commission to review a list that only includes certificates, credentials and licenses that qualify for the Incentive Program, publish the list on the ADE website and submit the list to the Joint Legislative Budget Committee for review. Incentive Program award monies may be spent on: 1) instructional costs and professional development for CTE program teacher certification; 2) offsetting a student's cost of certification, credentialing or licensure; 3) developmental costs relating to creating, expanding or improving an approved CTE program site; 4) instructional hardware, software or supplies; and 5) career exploration and awareness activities for parents, students and the community ([A.R.S. § 15-249.15](#)).

The Joint Legislative Budget Committee fiscal note estimates that modifying the funding criteria for CTED students in grade 9 and the year after graduation would annually increase Basic State Aid (BSA) costs by \$7.7 million based on FY 2024 enrollment. JLBC states that the actual impact would depend on how many students will eventually be eligible for funding under current law ([JLBC fiscal note](#)).

Provisions

1. Requires the OEO, in collaboration with ADE, to annually compile a draft statewide in-demand education list, rather than an in-demand regional education list.
2. Requires the OEO to submit the draft statewide in-demand education list to the CTE Quality Commission for consideration, rather than submit the in-demand regional education list to the CTE Quality Commission for review and approval.
3. Requires the CTE Quality Commission to approve a final statewide in-demand education list that includes the approved CTE programs included in the draft statewide in-demand education list.
4. Stipulates that a CTED is provided funding for a student in grade 9 only if the student is enrolled in grade 10 in an approved CTE program that was on the CTE Quality Commission's final statewide in-demand education list for the year in which the student began the program, rather than only if the student reaches the 40th day of grade 11 enrolled in an approved CTE program that was on the OEO's in-demand regional education list for the year in which the student began the program.
5. Stipulates that a CTED is provided funding for a student in the school year immediately following graduation only if the student is enrolled in a CTE program that was included on the CTE Quality Commission's final statewide in-demand educational list, rather than the OEO's in-demand regional education list, for the year in which the student began the program.
6. Modifies the criteria that an associate degree offered by a CTED may only be for CTED programs that are on the CTE Quality Commission's final statewide in-demand education list, rather than the OEO's in-demand regional education list.
7. Repeals the Incentive Program and Incentive Program Fund and the requirements relating to:
 - a) ADE's administration of the list of qualifying CTE credentials;
 - b) distribution of \$1,000 awards to school districts, charter schools and CTEDs for each qualifying student;
 - c) permissible uses of Incentive Program award monies; and
 - d) ADE's annual Incentive Program report.
8. Makes technical and conforming changes.
9. Becomes effective on the general effective date.

Revisions

- Updates the fiscal impact statement.