

REFERENCE TITLE: schools; performance funding

State of Arizona
Senate
Fifty-first Legislature
First Regular Session
2013

SB 1444

Introduced by
Senators Yee: Crandell; Representatives Boyer, Carter, Goodale

AN ACT

AMENDING SECTIONS 15-241 AND 15-901, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-917; AMENDING SECTION 15-943, 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 15-241, Arizona Revised Statutes, is amended to
3 read:

4 15-241. School and school district accountability; failing
5 schools tutoring fund; classification label for
6 school districts and charter school operators

7 A. The department of education shall compile an annual achievement
8 profile for each public school and school district.

9 B. Each school and school district shall submit to the department any
10 data that is required and requested and that is necessary to compile the
11 achievement profile. A school or school district that fails to submit the
12 information that is necessary is not eligible to receive monies from the
13 classroom site fund established by section 15-977.

14 C. The department shall establish a baseline achievement profile for
15 each school and school district. The baseline achievement profile shall be
16 used to determine a standard measurement of acceptable academic progress for
17 each school and school district and a school and school district
18 classification pursuant to subsection H of this section. Any disclosure of
19 educational records compiled by the department of education pursuant to this
20 section shall comply with the family educational rights and privacy act of
21 1974 (20 United States Code section 1232g).

22 D. The achievement profile for schools and school districts that offer
23 instruction in kindergarten programs and grades one through eight, or any
24 combination of those programs or grades, shall include the following school
25 academic performance indicators:

26 1. The Arizona measure of academic progress. The department shall
27 compute the extent of academic progress made by the pupils in each school and
28 school district during the course of each year.

29 2. The Arizona instrument to measure standards test. The department
30 shall compute the percentage of pupils who meet or exceed the standard on the
31 Arizona instrument to measure standards test, as prescribed by the state
32 board of education. The superintendent of public instruction and the
33 department may calculate academic gain on the Arizona instrument to measure
34 standards test according to each of the school classifications prescribed in
35 subsection G of this section on a statewide basis, for each school district
36 in this state and for each school by determining the average scale scores for
37 students in the current academic year as compared to the average scale scores
38 for the previous academic year for the same students.

39 3. The results of English language learners tests administered
40 pursuant to section 15-756, subsection B, section 15-756.05 and section
41 15-756.06.

42 E. The achievement profile for schools and school districts that offer
43 instruction in grades nine through twelve, or any combination of those
44 grades, shall include the following school academic performance indicators:

1 1. The Arizona measure of academic progress. The department shall
2 compute the extent of academic progress made by the pupils at each school.

3 2. The Arizona instrument to measure standards test. The department
4 shall compute the percentage of pupils pursuant to subsection G of this
5 section who meet or exceed the standard on the Arizona instrument to measure
6 standards test, as prescribed by the state board of education. The
7 superintendent of public instruction and the department may calculate
8 academic gain on the Arizona instrument to measure standards test according
9 to each of the school classifications prescribed in subsection G of this
10 section on a statewide basis, for each school district in this state and for
11 each school by determining the average scale scores for students in the
12 current academic year as compared to the average scale scores for the
13 previous academic year for the same students.

14 3. The annual dropout rate.

15 4. The annual graduation rate.

16 5. The results of English language learners tests administered
17 pursuant to section 15-756, subsection B, section 15-756.05 and section
18 15-756.06.

19 F. Schools and school districts that offer instruction in all or a
20 combination of the grades specified in subsections D and E of this section
21 shall include a single achievement profile for that school and school
22 district that includes the school academic performance indicators specified
23 in subsections D and E of this section.

24 G. Subject to final adoption by the state board of education, the
25 department shall determine the criteria for each school and school district
26 classification using a research based methodology. The methodology shall
27 include the performance of pupils at all achievement levels, account for
28 pupil mobility, account for the distribution of pupil achievement at each
29 school and school district and include longitudinal indicators of academic
30 performance. Fifty per cent of the school and school district classification
31 determination shall consist of academic performance measurements. Fifty per
32 cent of the academic performance measurement shall consist of a measurement
33 of academic gain for all pupils enrolled at the school or school district and
34 fifty per cent of the academic performance measurements shall consist of a
35 measurement of the twenty-five per cent of pupils with the lowest academic
36 performance measurement enrolled at the school or school district. For the
37 purposes of this subsection, "research based methodology" means the
38 systematic and objective application of statistical and quantitative research
39 principles to determine a standard measurement of acceptable academic
40 progress for each school and school district.

41 H. Except as provided in subsection EE of this section, the
42 achievement profile shall be **BASED ON A TWO HUNDRED-POINT SCALE IN ACCORDANCE**
43 **WITH A FRAMEWORK APPROVED BY THE STATE BOARD OF EDUCATION AND SHALL BE** used
44 to determine a school and school district classification that uses a letter
45 grade system as follows:

- 1 1. A school or school district assigned a letter grade of A shall
2 demonstrate an excellent level of performance.
- 3 2. A school or school district assigned a letter grade of B shall
4 demonstrate an above average level of performance.
- 5 3. A school or school district assigned a letter grade of C shall
6 demonstrate an average level of performance.
- 7 4. A school or school district assigned a letter grade of D shall
8 demonstrate a below average level of performance.
- 9 5. A school or school district assigned a letter grade of F shall
10 demonstrate a failing level of performance. The state board of education may
11 also assign a school a letter grade of F if the state board of education
12 determines that the school is among the "persistently lowest-achieving
13 schools" in the state under the federal school accountability requirements
14 pursuant to section 1003(g) of the elementary and secondary education act (20
15 United States Code section 6303).
- 16 I. The classification for each school and the criteria used to
17 determine classification pursuant to subsection G of this section shall be
18 included on the school report card prescribed in section 15-746.
- 19 J. Subject to final adoption by the state board of education, the
20 department of education shall develop a parallel achievement profile for
21 accommodation schools, alternative schools as defined by the state board of
22 education and extremely small schools as defined by the state board of
23 education for the purposes of this section.
- 24 K. If a school is assigned a letter grade of D, within ninety days
25 after receiving notice of the designation, the governing board shall develop
26 an improvement plan for the school, submit a copy of the plan to the
27 superintendent of public instruction and the county educational service
28 agency and supervise the implementation of the plan. The plan shall include
29 necessary components as identified by the state board of education. Within
30 thirty days after submitting the improvement plan to the superintendent of
31 public instruction and the county educational service agency, the governing
32 board shall hold a special public meeting in each school that has been
33 assigned a letter grade of D and shall present the respective improvement
34 plans that have been developed for each school. The school district
35 governing board, within thirty days of receiving notice of the designation,
36 shall provide written notification of the classification to each residence
37 within the attendance area of the school. The notice shall explain the
38 improvement plan process and provide information regarding the public meeting
39 required by this subsection.
- 40 L. A school that has not submitted an improvement plan pursuant to
41 subsection K of this section is not eligible to receive monies from the
42 classroom site fund established by section 15-977 for every day that a plan
43 has not been received by the superintendent of public instruction within the
44 time specified in subsection K of this section plus an additional ninety
45 days. The state board of education shall require the superintendent of the

1 school district to testify before the board and explain the reasons that an
2 improvement plan for that school has not been submitted.

3 M. If a charter school is assigned a letter grade of D, within thirty
4 days the school shall notify the parents of the students attending the school
5 of the classification. The notice shall explain the improvement plan process
6 and provide information regarding the public meeting required by this
7 subsection. Within ninety days of receiving the classification, the charter
8 holder shall present an improvement plan to the charter sponsor at a public
9 meeting and submit a copy of the plan to the superintendent of public
10 instruction. The improvement plan shall include necessary components as
11 identified by the state board of education. For every day that an
12 improvement plan is not received by the superintendent of public instruction
13 and the county educational service agency, the school is not eligible to
14 receive monies from the classroom site fund established by section 15-977 for
15 every day that a plan has not been received by the superintendent of public
16 instruction within the time specified in subsection K of this section plus an
17 additional ninety days. The charter holder shall appear before the
18 sponsoring board and explain why the improvement plan has not been submitted.

19 N. The department of education shall establish an appeals process, to
20 be approved by the state board of education, for a school to appeal data used
21 to determine the achievement profile of the school. The criteria established
22 shall be based on mitigating factors and may include a visit to the school
23 site by the department of education.

24 O. If a school is assigned a letter grade of D for a third consecutive
25 year, the department of education shall visit the school site to confirm the
26 classification data and to review the implementation of the school's
27 improvement plan. The school shall be assigned a letter grade of F unless an
28 alternate letter grade is assigned after an appeal pursuant to subsection N
29 of this section. A school that is assigned a letter grade of D for less than
30 three consecutive years may also be assigned a letter grade of F if the state
31 board of education determines that there is no reasonable likelihood that the
32 school will achieve an average level of performance within the next two
33 years.

34 P. The school district governing board, within thirty days of
35 receiving notice of the school being assigned a letter grade of F, shall
36 provide written notification of the classification to each residence in the
37 attendance area of the school. The notice shall explain the improvement plan
38 process and provide information regarding the public meeting required by
39 subsection S of this section.

40 Q. The superintendent of public instruction in collaboration with the
41 county educational service agency, based on need, shall assign a solutions
42 team to a school assigned a letter grade of D, a school assigned a letter
43 grade of F or any other school pursuant to a mutual agreement between the
44 department of education and the school ~~comprised~~ COMPOSED of master teachers,
45 fiscal analysts and curriculum assessment experts who are certified by the

1 state board of education as Arizona academic standards technicians. The
2 department of education or the county educational service agency may hire or
3 contract with administrators, principals and teachers who have demonstrated
4 experience with the characteristics and situations in a school assigned a
5 letter grade of D or F and may use these personnel as part of the solutions
6 team. The department of education shall work with staff at the school to
7 assist in curricula alignment and shall instruct teachers on how to increase
8 pupil academic progress, considering the school's achievement profile. The
9 solutions team shall consider the existing improvement plan to assess the
10 need for changes to curriculum, professional development and resource
11 allocation and shall present a statement of its findings to the school
12 administrator and district superintendent. Within forty-five days after the
13 presentation of the solutions team's statement of findings, the school
14 district governing board, in cooperation with each school within the school
15 district that is assigned a letter grade of D and its assigned solutions team
16 representative, shall develop and submit to the department of education and
17 the county educational service agency an action plan that details the manner
18 in which the school district will assist the school as the school
19 incorporates the findings of the solutions team into the improvement plan.
20 The department of education shall review the action plan and shall either
21 accept the action plan or return the action plan to the school district for
22 modification. If the school district does not submit an approved action plan
23 within forty-five days, the state board of education may direct the
24 superintendent of public instruction to withhold up to ten per cent of state
25 monies that the school district would otherwise be entitled to receive each
26 month until the plan is submitted to the department of education and the
27 county educational service agency, at which time those monies shall be
28 returned to the school district.

29 R. The parent or the guardian of the pupil may apply to the department
30 of education, in a manner determined by the department of education, for a
31 certificate of supplemental instruction from the failing schools tutoring
32 fund established by this section. Pupils attending a school assigned a
33 letter grade of D or F or a pupil who has failed to pass one or more portions
34 of the Arizona instrument to measure standards test in grades eight through
35 twelve in order to graduate from high school may select an alternative
36 tutoring program in academic standards from a provider that is certified by
37 the state board of education. To qualify, the provider must state in writing
38 a level of academic improvement for the pupil that includes a timeline for
39 improvement that is agreed to by the parent or guardian of the pupil. The
40 state board of education shall annually review academic performance levels
41 for providers certified pursuant to this subsection and may remove a provider
42 at a public hearing from an approved list of providers if that provider fails
43 to meet its stated level of academic improvement. The state board of
44 education shall determine the application guidelines and the maximum value
45 for each certificate of supplemental instruction. The state board of

1 education shall annually complete a market survey in order to determine the
2 maximum value for each certificate of supplemental instruction. This
3 subsection shall not be construed to require the state to provide additional
4 monies beyond the monies provided pursuant to section 42-5029, subsection E,
5 paragraph 7.

6 S. Within sixty days of receiving notification of a school being
7 assigned a letter grade of F, the school district governing board shall
8 evaluate needed changes to the existing improvement plan for the school,
9 consider recommendations from the solutions team, submit a copy of the plan
10 to the superintendent of public instruction and the county educational
11 service agency and supervise the implementation of the plan. Within thirty
12 days after submitting the improvement plan to the superintendent of public
13 instruction, the governing board shall hold a public meeting in each school
14 that has been assigned a letter grade of F and shall present the respective
15 improvement plans that have been developed for each school.

16 T. A school that has not submitted an improvement plan pursuant to
17 subsection S of this section is not eligible to receive monies from the
18 classroom site fund established by section 15-977 for every day that a plan
19 has not been received by the superintendent of public instruction within the
20 time specified in subsection S of this section plus an additional ninety
21 days. The state board of education shall require the superintendent of the
22 school district to testify before the board and explain the reasons that an
23 improvement plan for that school has not been submitted.

24 U. If a charter school is assigned a letter grade of F, the department
25 of education shall immediately notify the charter school's sponsor. The
26 charter school's sponsor shall either take action to restore the charter
27 school to acceptable performance or revoke the charter school's charter.
28 Within thirty days the school shall notify the parents of the students
29 attending the school of the classification and of any pending public meetings
30 to review the issue.

31 V. A school that has been assigned a letter grade of F shall be
32 evaluated by the department of education to determine if the school failed to
33 properly implement its school improvement plan, align the curriculum with
34 academic standards, provide teacher training, prioritize the budget or
35 implement other proven strategies to improve academic performance. After
36 visiting the school site pursuant to subsection O of this section, the
37 department of education shall submit to the state board of education a
38 recommendation to proceed pursuant to subsections Q, R and S of this section
39 or that the school be subject to a public hearing to determine if the school
40 failed to properly implement its improvement plan and the reasons for the
41 department's recommendation.

42 W. If the department does recommend a public hearing, the state board
43 of education shall meet and may provide by a majority vote at the public
44 hearing for the continued operation of the school as allowed by this
45 subsection. The state board of education shall determine whether

1 governmental, nonprofit and private organizations may submit applications to
2 the state board to fully or partially manage the school. The state board's
3 determination shall include:

4 1. If and to what extent the local governing board may participate in
5 the operation of the school including personnel matters.

6 2. If and to what extent the state board of education shall
7 participate in the operation of the school.

8 3. Resource allocation pursuant to subsection Y of this section.

9 4. Provisions for the development and submittal of a school
10 improvement plan to be presented in a public meeting at the school.

11 5. A suggested time frame for the alternative operation of the school.

12 X. The state board shall periodically review the status of a school
13 that is operated by an organization other than the school district governing
14 board to determine whether the operation of the school should be returned to
15 the school district governing board. Before the state board makes a
16 determination, the state board or its designee shall meet with the school
17 district governing board or its designee to determine the time frame,
18 operational considerations and the appropriate continuation of existing
19 improvements that are necessary to assure a smooth transition of authority
20 from the other organization back to the school district governing board.

21 Y. If an alternative operation plan is provided pursuant to subsection
22 W of this section, the state board of education shall pay for the operation
23 of the school and shall adjust the school district's soft capital allocation
24 pursuant to section 15-962, capital outlay revenue limit pursuant to section
25 15-961, base support level pursuant to section 15-943, monies distributed
26 from the classroom site fund established by section 15-977 and transportation
27 support level pursuant to section 15-945 to accurately reflect any reduction
28 in district services that are no longer provided to that school by the
29 district. The state board of education may modify the school district's
30 revenue control limit, the district support level and the general budget
31 limit calculated pursuant to section 15-947 by an amount that corresponds to
32 this reduction in services. The state board of education shall retain the
33 portion of state aid that would otherwise be due the school district for the
34 school and shall distribute that portion of state aid directly to the
35 organization that contracts with the state board of education to operate the
36 school.

37 Z. If the state board of education determines that a charter school
38 failed to properly implement its improvement plan, the sponsor of the charter
39 school shall revoke the charter school's charter.

40 AA. If there are more than two schools in a district and more than
41 one-half, or in any case more than five, of the schools in the district are
42 assigned a letter grade of F for more than two consecutive years, in the next
43 election of members of the governing board the election ballot shall contain
44 the following statement immediately above the listing of governing board
45 candidates:

1 Within the last five years, (number of schools) schools in the
2 _____ school district have been assigned a letter grade of F
3 or designated as "schools failing to meet academic standards" by
4 the superintendent of public instruction.

5 BB. At least twice each year the department of education shall publish
6 in a newspaper of general circulation in each county of this state a list of
7 schools that are assigned a letter grade of F.

8 CC. The failing schools tutoring fund is established consisting of
9 monies collected pursuant to section 42-5029, subsection E as designated for
10 this purpose. The department of education shall administer the fund. The
11 department of education may use monies from the fund to purchase materials
12 designed to assist students to meet the Arizona academic standards and to
13 achieve a passing score on the Arizona instrument to measure standards test
14 in order to graduate from high school.

15 DD. The department of education may develop a classification label for
16 school districts and charter school operators. If the department of
17 education develops a classification label for school districts and charter
18 school operators, the classification label may be developed from the
19 following components:

- 20 1. Measures of academic progress.
- 21 2. Pupil assessment data.
- 22 3. The attendance rates and graduation rates of pupils who are
23 educated in that charter school operator's charter schools or in that school
24 district's schools.
- 25 4. The percentage of the parents of pupils enrolled in that charter
26 school operator's charter schools or in that school district's schools that
27 categorizes the quality of their child's education as excellent on a parental
28 rating of school quality.

29 EE. The state board of education shall determine appropriate
30 modifications to the criteria used to calculate achievement profiles for
31 schools that participate in the board examination system prescribed in
32 chapter 7, article 6 of this title.

33 FF. The state board of education shall adopt guidelines to include
34 supplementary training in reading instruction for teachers who provide
35 instruction to pupils in a kindergarten program or grade one, two or three in
36 an improvement plan pursuant to subsection K of this section.

37 GG. In addition to any other corrective procedures prescribed in this
38 section and section 15-241.01, a school that has been assigned a letter grade
39 of D or F for two consecutive years shall implement a science, technology,
40 engineering and mathematics intervention strategy under the supervision of
41 the state board of education.

42 HH. In addition to any other corrective procedures prescribed in this
43 section a school district that has been assigned a letter grade of D or F for
44 two consecutive years shall implement a parent involvement strategy. The
45 parent involvement strategy shall be included in the school improvement ~~plans~~

1 PLAN for each applicable school within the district, as prescribed in
2 subsection K of this section.

3 Sec. 2. Section 15-901, Arizona Revised Statutes, is amended to 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 fractional
7 students and full-time students, minus withdrawals, of each school day
8 through the first one hundred days or two hundred days in session, as
9 applicable, for the current year. Withdrawals include students formally
10 withdrawn from schools and students absent for ten consecutive school days,
11 except for excused absences identified by the department of education. For
12 the purposes of this section, school districts and charter schools shall
13 report student absence data to the department of education at least once
14 every sixty days in session. For computation purposes, the effective date of
15 withdrawal shall be retroactive to the last day of actual attendance of the
16 student or excused absence.

17 (a) "Fractional student" means:

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

36 (ii) For high schools, a part-time student who is enrolled in less
37 than four subjects that count toward graduation as defined by the state board
38 of education, each of which, if taught each school day for the minimum number
39 of days required in a school year, would meet a minimum of one hundred
40 twenty-three hours a year, or the equivalent, in a recognized high school.
41 The average daily membership of a part-time high school student shall be 0.75
42 if the student is enrolled in an instructional program of three subjects that
43 meet at least five hundred forty hours for a one hundred eighty day school
44 year, or the instructional hours prescribed in this section. The average
45 daily membership of a part-time high school student shall be 0.5 if the

1 student is enrolled in an instructional program of two subjects that meet at
2 least three hundred sixty hours for a one hundred eighty day school year, or
3 the instructional hours prescribed in this section. The average daily
4 membership of a part-time high school student shall be 0.25 if the student is
5 enrolled in an instructional program of one subject that meets at least one
6 hundred eighty hours for a one hundred eighty day school year, or the
7 instructional hours prescribed in this section.

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

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

30 (ii) For high schools, except as provided in section 15-105, a student
31 not graduated from the highest grade taught in the school district, or an
32 ungraded student at least fourteen years of age by September 1, and enrolled
33 in at least an instructional program of four or more subjects that count
34 toward graduation as defined by the state board of education, each of which,
35 if taught each school day for the minimum number of days required in a school
36 year, would meet a minimum of one hundred twenty-three hours a year, or the
37 equivalent, that meets for a total of at least seven hundred twenty hours for
38 a one hundred eighty day school year, or the instructional hours prescribed
39 in this section in a recognized high school. A full-time student shall not
40 be counted more than once for computation of average daily membership. The
41 average daily membership of a full-time high school student shall be 1.0 if
42 the student is enrolled in at least four subjects that meet at least seven
43 hundred twenty hours for a one hundred eighty day school year, or the
44 equivalent instructional hours prescribed in this section.

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

4 (iv) Except as otherwise provided by law, for any student who is
5 concurrently enrolled in a school district and a charter school, the average
6 daily membership shall be apportioned between the school district and the
7 charter school and shall not exceed 1.0. The apportionment shall be based on
8 the percentage of total time that the student is enrolled in or in attendance
9 at the school district and the charter school.

10 (v) Except as otherwise provided by law, for any student who is
11 concurrently enrolled, pursuant to section 15-808, in a school district and
12 Arizona online instruction or a charter school and Arizona online
13 instruction, the average daily membership shall be apportioned between the
14 school district and Arizona online instruction or the charter school and
15 Arizona online instruction and shall not exceed 1.0. The apportionment shall
16 be based on the percentage of total time that the student is enrolled in or
17 in attendance at the school district and Arizona online instruction or the
18 charter school and Arizona online instruction.

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

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

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

26 (a) Grades one through eight.

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

28 4. "Current year" means the fiscal year in which a school district is
29 operating.

30 5. "Daily attendance" means:

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

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

42 (ii) Of the first, second or third grades, ungraded and at least six,
43 but under nine, years of age by September 1 or ungraded group B children with
44 disabilities and at least five, but under six, years of age by September 1

1 attends more than three-quarters of the instructional time scheduled for the
2 day.

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

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

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

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

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

23 (c) For common schools, the attendance of a preschool child with
24 disabilities shall be counted as one-fourth day's attendance for each
25 thirty-six minutes of attendance not including lunch periods and recess
26 periods, except as provided in paragraph 1, subdivision (a), item (i) of this
27 subsection for children with disabilities up to a maximum of three hundred
28 sixty minutes each week.

29 (d) For high schools or ungraded schools in which the pupil is at
30 least fourteen years of age by September 1, the attendance of a pupil shall
31 not be counted as a full day unless the pupil is actually and physically in
32 attendance and enrolled in and carrying four subjects, each of which, if
33 taught each school day for the minimum number of days required in a school
34 year, would meet a minimum of one hundred twenty hours a year, or the
35 equivalent, that count toward graduation in a recognized high school except
36 as provided in section 15-797 and subdivision (e) of this paragraph.
37 Attendance of a pupil carrying less than the load prescribed shall be
38 prorated.

39 (e) For high schools or ungraded schools in which the pupil is at
40 least fourteen years of age by September 1, the attendance of a pupil may be
41 counted as one-fourth of a day's attendance for each sixty minutes of
42 instructional time in a subject that counts toward graduation, except that
43 attendance for a pupil shall not exceed the pupil's full or fractional
44 membership.

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

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

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

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

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

24 7. "District support level" means the base support level plus the
25 transportation support level.

26 8. "Eligible students" means:

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

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

39 (ii) For high school students, whose place of actual residence within
40 the school district is more than one and one-half miles from the school
41 facility of attendance or students who are admitted pursuant to section
42 15-816.01 and who meet the economic eligibility requirements established
43 under the national school lunch and child nutrition acts (42 United States
44 Code sections 1751 through 1785) for free or reduced price lunches and whose

1 actual place of residence outside the school district boundaries is more than
2 one and one-half miles from the school facility of attendance.

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

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

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

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

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

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

25 12. "Revenue control limit" means the base revenue control limit plus
26 the transportation revenue control limit.

27 13. "Student count" means average daily membership as prescribed in
28 this subsection for the fiscal year before the current year, except that for
29 the purpose of budget preparation student count means average daily
30 membership as prescribed in this subsection for the current year.

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

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

35 16. "Total students transported" means all eligible students
36 transported from their place of residence to a school transportation pickup
37 point or to the school of attendance and from the school of attendance or
38 from the school transportation scheduled return point to their place of
39 residence.

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

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

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

1 2. "Base level" means the following amounts plus the percentage
2 increases to the base level as provided in sections 15-902.02, 15-918.04,
3 15-919.04 and 15-952, except that if a school district or charter school is
4 eligible for an increase in the base level as provided in two or more of
5 these sections, the base level amount shall be calculated by compounding
6 rather than adding the sum of one plus the percentage of the increase from
7 those different sections:

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

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

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

14 (d) FOR FISCAL YEAR 2013-2014, THREE THOUSAND TWO HUNDRED FIFTY-SIX
15 DOLLARS NINETY-FOUR CENTS.

16 (e) FOR FISCAL YEAR 2014-2015, THREE THOUSAND TWO HUNDRED FORTY-SIX
17 DOLLARS SIXTEEN CENTS.

18 (f) FOR FISCAL YEAR 2015-2016, THREE THOUSAND TWO HUNDRED THIRTY-FIVE
19 DOLLARS THIRTY-EIGHT CENTS.

20 (g) FOR FISCAL YEAR 2016-2017, THREE THOUSAND TWO HUNDRED TWENTY-FOUR
21 DOLLARS SIXTY CENTS.

22 (h) FOR FISCAL YEAR 2017-2018, THREE THOUSAND TWO HUNDRED THIRTEEN
23 DOLLARS EIGHTY-TWO CENTS.

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

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

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

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

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

43 8. "ED-P" means programs for children with emotional disabilities who
44 are enrolled in private special education programs as prescribed in section

1 15-765, subsection D, paragraph 1 or in an intensive school district program
2 as provided in section 15-765, subsection D, paragraph 2.

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

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

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

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

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

18 12. "Group B" means educational improvements for pupils in kindergarten
19 programs and grades one through three, educational programs for autism, a
20 hearing impairment, a moderate intellectual disability, multiple
21 disabilities, multiple disabilities with severe sensory impairment,
22 orthopedic impairments, preschool severe delay, a severe intellectual
23 disability and emotional disabilities for school age pupils enrolled in
24 private special education programs or in school district programs for
25 children with severe disabilities or visual impairment and English learners
26 enrolled in a program to promote English language proficiency pursuant to
27 section 15-752.

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

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

- 1 15. "K-3" means kindergarten programs and grades one through three.
2 16. "K-3 Reading" means reading programs for pupils in kindergarten
3 programs and grades one, two and three.
4 17. "MD-R, A-R and SID-R" means resource programs for pupils with
5 multiple disabilities, autism and severe intellectual disability.
6 18. "MD-SC, A-SC and SID-SC" means self-contained programs for pupils
7 with multiple disabilities, autism and severe intellectual disability.
8 19. "MD-SSI" means a program for pupils with multiple disabilities with
9 severe sensory impairment.
10 20. "MOID" means programs for pupils with moderate intellectual
11 disability.
12 21. "OI-R" means a resource program for pupils with orthopedic
13 impairments.
14 22. "OI-SC" means a self-contained program for pupils with orthopedic
15 impairments.
16 23. "PSD" means preschool programs for children with disabilities as
17 provided in section 15-771.
18 24. "P-SD" means programs for children who meet the definition of
19 preschool severe delay as provided in section 15-771.
20 25. "Qualifying tax rate" means the qualifying tax rate specified in
21 section 15-971 applied to the assessed valuation used for primary property
22 taxes.
23 26. "Small isolated school district" means a school district that meets
24 all of the following:
25 (a) Has a student count of fewer than six hundred in kindergarten
26 programs and grades one through eight or grades nine through twelve.
27 (b) Contains no school that is fewer than thirty miles by the most
28 reasonable route from another school, or, if road conditions and terrain make
29 the driving slow or hazardous, fifteen miles from another school that teaches
30 one or more of the same grades and is operated by another school district in
31 this state.
32 (c) Is designated as a small isolated school district by the
33 superintendent of public instruction.
34 27. "Small school district" means a school district that meets all of
35 the following:
36 (a) Has a student count of fewer than six hundred in kindergarten
37 programs and grades one through eight or grades nine through twelve.
38 (b) Contains at least one school that is fewer than thirty miles by
39 the most reasonable route from another school that teaches one or more of the
40 same grades and is operated by another school district in this state.
41 (c) Is designated as a small school district by the superintendent of
42 public instruction.
43 28. "Transportation revenue control limit" means the transportation
44 revenue control limit computed as prescribed in section 15-946.

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

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

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

6 Sec. 3. Title 15, chapter 9, article 1, Arizona Revised Statutes, is
7 amended by adding section 15-917, to read:

8 15-917. Performance funding

9 A. PERFORMANCE FUNDING FOR EACH SCHOOL DISTRICT AND CHARTER SCHOOL
10 SHALL BE COMPUTED AS FOLLOWS:

11 1. THE ACHIEVEMENT PAYMENT SHALL BE COMPUTED AS FOLLOWS:

12 (a) IDENTIFY THE ACHIEVEMENT SCORE OF THE SCHOOL DISTRICT OR CHARTER
13 SCHOOL ON A TWO HUNDRED-POINT SCALE FOR THE PRIOR SCHOOL YEAR PURSUANT TO
14 SECTION 15-241.

15 (b) SUBTRACT ONE HUNDRED FROM THE SCORE IDENTIFIED IN SUBDIVISION (a)
16 OF THIS PARAGRAPH.

17 (c) MULTIPLY THE DIFFERENCE IDENTIFIED IN SUBDIVISION (b) OF THIS
18 PARAGRAPH BY FIVE DOLLARS FORTY THREE CENTS.

19 (d) MULTIPLY THE PRIOR YEAR AVERAGE DAILY MEMBERSHIP OF THE SCHOOL
20 DISTRICT OR CHARTER SCHOOL BY THE LESSER OF FIVE HUNDRED DOLLARS OR THE
21 PRODUCT IDENTIFIED IN SUBDIVISION (c) OF THIS PARAGRAPH.

22 (e) FOR FISCAL YEARS 2013-2014 THROUGH 2016-2017 ONLY, REDUCE THE
23 PRODUCT DETERMINED IN SUBDIVISION (d) OF THIS PARAGRAPH BY THE FOLLOWING
24 PERCENTAGES:

25 (i) FOR FISCAL YEAR 2013-2014, EIGHTY PER CENT.

26 (ii) FOR FISCAL YEAR 2014-2015, SIXTY PER CENT.

27 (iii) FOR FISCAL YEAR 2015-2016, FORTY PER CENT.

28 (iv) FOR FISCAL YEAR 2016-2017, TWENTY PER CENT.

29 2. THE IMPROVEMENT PAYMENT SHALL BE COMPUTED AS FOLLOWS:

30 (a) IDENTIFY THE ACHIEVEMENT SCORE OF THE SCHOOL DISTRICT OR CHARTER
31 SCHOOL ON A TWO HUNDRED POINT SCALE FOR THE PRIOR SCHOOL YEAR PURSUANT TO
32 SECTION 15-241.

33 (b) IDENTIFY THE HIGHEST PREVIOUS ACHIEVEMENT SCORE OF THE SCHOOL
34 DISTRICT OR CHARTER SCHOOL DURING UP TO THE LAST FIVE YEARS AFTER FISCAL YEAR
35 2011-2012.

36 (c) SUBTRACT THE SCORE IDENTIFIED IN SUBDIVISION (b) OF THIS PARAGRAPH
37 FROM THE SCORE IDENTIFIED IN SUBDIVISION (a) OF THIS PARAGRAPH. IF THE
38 DIFFERENCE IS ZERO OR NEGATIVE, ASSUME ZERO.

39 (d) MULTIPLY THE NUMBER IDENTIFIED IN SUBDIVISION (a) OF THIS
40 PARAGRAPH BY TWENTY FIVE CENTS.

41 (e) SUBTRACT THE PRODUCT IDENTIFIED IN SUBDIVISION (d) OF THIS
42 PARAGRAPH FROM SIXTY DOLLARS.

43 (f) MULTIPLY THE DIFFERENCE IDENTIFIED IN SUBDIVISION (c) OF THIS
44 PARAGRAPH BY THE DIFFERENCE IDENTIFIED IN SUBDIVISION (e) OF THIS PARAGRAPH.

1 (g) MULTIPLY THE PRIOR YEAR AVERAGE DAILY MEMBERSHIP OF THE SCHOOL
 2 DISTRICT OR CHARTER SCHOOL BY THE LESSER OF FIVE HUNDRED DOLLARS OR THE
 3 PRODUCT IDENTIFIED IN SUBDIVISION (f) OF THIS PARAGRAPH.

4 (h) FOR FISCAL YEARS 2013-2014 THROUGH 2016-2017 ONLY, REDUCE THE
 5 PRODUCT DETERMINED IN SUBDIVISION (g) OF THIS PARAGRAPH BY THE FOLLOWING
 6 PERCENTAGES:

7 (i) FOR FISCAL YEAR 2013-2014, EIGHT PER CENT.

8 (ii) FOR FISCAL YEAR 2014-2015, SIXTY PER CENT.

9 (iii) FOR FISCAL YEAR 2015-2016, FORTY PER CENT.

10 (iv) FOR FISCAL YEAR 2016-2017, TWENTY PER CENT.

11 B. PERFORMANCE FUNDING FOR A SCHOOL DISTRICT OR CHARTER SCHOOL SHALL
 12 EQUAL THE SUM OF ITS ACHIEVEMENT PAYMENT PURSUANT TO SUBSECTION A, PARAGRAPH
 13 1 OF THIS SECTION AND ITS IMPROVEMENT PAYMENT PURSUANT TO SUBSECTION A,
 14 PARAGRAPH 2 OF THIS SECTION.

15 C. ON OR BEFORE OCTOBER 15 OF EACH YEAR, THE DEPARTMENT OF EDUCATION
 16 SHALL PROMINENTLY POST ON THE DEPARTMENT'S WEBSITE PERFORMANCE FUNDING
 17 INFORMATION THAT INCLUDES THE FOLLOWING INFORMATION FOR EACH SCHOOL DISTRICT
 18 AND CHARTER SCHOOL:

19 1. THE PER PUPIL ACHIEVEMENT PAYMENT AMOUNT CALCULATED PURSUANT TO
 20 SUBSECTION A, PARAGRAPH 1 OF THIS SECTION.

21 2. THE PER PUPIL IMPROVEMENT PAYMENT AMOUNT CALCULATED PURSUANT TO
 22 SUBSECTION A, PARAGRAPH 2 OF THIS SECTION.

23 3. THE TOTAL PERFORMANCE FUNDING AMOUNT.

24 D. THIS SECTION DOES NOT APPLY TO JOINT TECHNICAL EDUCATION DISTRICTS.

25 Sec. 4. Section 15-943, Arizona Revised Statutes, is amended to read:
 26 15-943. Base support level

27 The base support level for each school district shall be computed as
 28 follows:

29 1. The following support level weights shall be used in paragraph 2,
 30 subdivision (a) of this section for the following school districts:

31 (a) For school districts whose student count in kindergarten programs
 32 and grades one through eight is classified in column 1 of this subdivision,
 33 the support level weight for kindergarten programs and grades one through
 34 eight is the corresponding support level weight prescribed in column 2 or 3
 35 of this subdivision, whichever is appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
<u>Student Count</u>	Support Level Weight For Small Isolated <u>School Districts</u>	Support Level Weight For Small <u>School Districts</u>
1-99	1.559	1.399
100-499	1.358 + [0.0005 x (500 - student count)]	1.278 + [0.0003 x (500 - student count)]
500-599	1.158 + [0.002 x (600 - student count)]	1.158 + [0.0012 x (600 - student count)]

1 (b) For school districts whose student count in grades nine through
 2 twelve is classified in column 1 of this subdivision, the support level
 3 weight for grades nine through twelve is the corresponding support level
 4 weight prescribed in column 2 or 3 of this subdivision, whichever is
 5 appropriate:

<u>Column 1</u>	<u>Column 2</u>	<u>Column 3</u>
	Support Level Weight For Small Isolated School Districts	Support Level Weight For Small School Districts
<u>Student Count</u>	<u>School Districts</u>	<u>School Districts</u>
1-99	1.669	1.559
100-499	1.468 + [0.0005 x (500 - student count)]	1.398 + [0.0004 x (500 - student count)]
500-599	1.268 + [0.002 x (600 - student count)]	1.268 + [0.0013 x (600 - student count)]

15 2. Subject to paragraph 1 of this section, determine the weighted
 16 student count as follows:

17 (a)

<u>Grade Base</u>	<u>Group A</u>	<u>Support Level Weight</u>	<u>Student Count</u>	<u>Weighted Student Count</u>
PSD 1.000 + 0.450 = 1.450			x _____	= _____
K-8 1.000 + 0.158 = 1.158			x _____	= _____
9-12 1.163 + 0.105 = 1.268			x _____	= _____
			Subtotal	A _____

25 (b)

<u>Funding Category</u>	<u>Support Level Weight</u>	<u>Student Count</u>	<u>Weighted Student Count</u>
HI	4.771	x _____	= _____
K-3	0.060	x _____	= _____
K-3 reading	0.040	x _____	= _____
ELL	0.115	x _____	= _____
MD-R, A-R and SID-R	6.024	x _____	= _____
MD-SC, A-SC and SID-SC	5.833	x _____	= _____
MD-SSI	7.947	x _____	= _____
OI-R	3.158	x _____	= _____
OI-SC	6.773	x _____	= _____
P-SD	3.595	x _____	= _____
DD, ED, MIID, SLD, SLI and OHI	0.003	x _____	= _____
ED-P	4.822	x _____	= _____

1	MOID	4.421	x	_____	=	_____
2	VI	4.806	x	_____	=	_____
3				Subtotal	B	_____

4 (c) Total of subtotals A and B: _____

5 3. Multiply the total determined in paragraph 2 of this section by the
6 base level.

7 4. Multiply the teacher experience index of the district or 1.00,
8 whichever is greater, by the product obtained in paragraph 3 of this section.

9 5. FOR JOINT TECHNICAL EDUCATION DISTRICTS, MULTIPLY THE TOTAL
10 DETERMINED IN PARAGRAPH 4 OF THIS SECTION BY THE FOLLOWING FACTOR:

11 (a) FOR FISCAL YEAR 2013-2014, 1.0033.

12 (b) FOR FISCAL YEAR 2014-2015, 1.0067.

13 (c) FOR FISCAL YEAR 2015-2016, 1.01.

14 (d) FOR FISCAL YEAR 2016-2017, 1.0134.

15 (e) FOR FISCAL YEAR 2017-2018 AND ALL SUBSEQUENT FISCAL YEARS, 1.0168.

16 6. ADD THE PERFORMANCE FUNDING AMOUNT COMPUTED PURSUANT TO SECTION
17 15-917.

18 Sec. 5. Transition from AIMS test

19 A. On or before August 15, 2015, the department of education shall
20 develop mechanisms and procedures to designate comparable scores obtained on
21 the Arizona instrument to measure standards test to scores obtained on a
22 competency test selected by the state board of education that is designed to
23 measure college and career readiness.

24 B. The department of education shall prepare and submit recommended
25 legislation for consideration in the fifty-second legislature, second regular
26 session that is designed to adjust performance payment calculations for
27 school districts and charter schools to fairly and accurately account for the
28 transition from the Arizona instrument to measure standards test to a
29 competency test selected by the state board of education that is designed to
30 measure college and career readiness.

31 Sec. 6. Performance funding evaluation; report; public meeting

32 A. For fiscal year 2016-2017, the state board of education shall
33 contract with an independent organization to evaluate whether performance
34 funding for school districts and charter schools results in improved academic
35 performance of pupils.

36 B. The independent organization selected pursuant to subsection A of
37 this section shall submit a report on or before December 31, 2017 to the
38 governor, the president of the senate and the speaker of the house of
39 representatives that summarizes the evaluation conducted pursuant to
40 subsection A of this section and that includes findings and recommendations
41 on the following:

42 1. Methods to improve performance funding for school districts and
43 charter schools.

1 2. Methods to improve the letter grade system prescribed in section
2 15-241, subsection H, Arizona Revised Statutes, as amended by this act, in a
3 manner that results in improved academic performance of pupils.

4 C. The independent organization selected pursuant to subsection A of
5 this section shall submit a copy of the report prescribed in subsection B of
6 this section to the secretary of state.

7 D. On or before November 15, 2017, the joint legislative budget
8 committee shall conduct a review of performance funding for school districts
9 and charter schools in a public meeting held for this purpose. The public
10 meeting shall include a public discussion of the findings and recommendations
11 prescribed in the evaluation report submitted pursuant to subsection B of
12 this section. The public meeting shall provide for public testimony.

13 Sec. 7. Intent

14 It is the intent of the Legislature that school districts and charter
15 schools that sustain high levels of academic achievement or improve their
16 academic achievement be rewarded through a performance funding system. The
17 intent is that all school districts and charter schools have fair and
18 reasonable access to performance funding and that funding levels should not
19 be driven by where a school district or a charter school is located.