ARIZONA SCHOOL ADMINISTRATORS

2021 Session Summary

A SUMMARY OF EDUCATION RELATED LEGISLATION PASSED BY THE ARIZONA LEGISLATURE DURING THE 2021 SESSION.

Prepared by Arizona Capitol Connections
Introduction

The Arizona legislature finished their work for the session and adjourned sine die on June 30th, 2021. This was one of the longest sessions in the last several years. With such a close margin between Republicans and Democrats, (31-29 in the house and 16-14 in the senate) legislation moved slowly and there was a lot of fighting, both between the parties and within the parties. The budget for fiscal year 2022 passed the legislature on the very last day of fiscal year 2021.

1,774 bills were introduced and 474 bills passed the legislature and were sent to Governor Ducey for consideration. He vetoed 28 bills and the rest were either signed by the governor, or will go into effect without the governor’s signature. The general effective date for bills passed this session is September 29th, 2021, which is 90 days after sine die. However, some bills may contain alternative effective dates and those are noted in the bill summaries.

This publication contains an overview of the education legislation enacted during the 2021 legislative session. Please see the following pages for summaries of some of the education budget provisions and summaries of major k12 bills from this session that were signed by the governor. Bills are sorted in order by bill number and each bill number and short title is a hyperlink to the text of the bill. At the end of the bill summaries is a list of k12 bills that ASA was following that either failed to pass the legislature or were vetoed by the governor.

Copies of new laws and more information can also be found on the Arizona Legislative Information Service website: http://azleg.gov/

You may also contact Arizona Capitol Connections with any questions (602) 452-2946.
Mark Barnes mark@azcapconnect.com
Rebecca Beebe rebecca@azcapconnect.com
SUMMARIES OF ENACTED BILLS

Unless noted, the general effective date for bills is September 29th, 2021

**S1028 (Chapter 57): ALTERNATIVE ASSESSMENT; SPECIAL EDUCATION (Barto)**
- Establishes a 13-member Alternative Assessment Study Committee to discuss alternative assessments for special education students and related issues.
- The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 1, 2021.

**S1097 (Chapter 65): PUPILS; EXCUSED ABSENCES; MENTAL HEALTH (Bowie)**
- The Arizona Department of Education is required to identify an absence due to the mental or behavioral health of a pupil as an excused absence. ADE is authorized to adopt guidelines and rules for determining what constitutes an absence due to the mental or behavioral health of a pupil.

**S1114 (Chapter 123): SCHOOLS; REQUIRED POSTING; ABUSE HOTLINE (Mesnard)**
- School district schools and charter schools are required to post in a clearly visible location in a public area of the school that is readily accessible to students a sign that contains the telephone number of the centralized intake hotline concerning suspected abuse and neglect of children, instructions to call 911 for emergencies, and directions for accessing the website of the Department of Child Safety for more information.

**S1139 (Chapter 67): CLASSROOM SITE FUND; DISTRIBUTION (Boyer)**
- Modifies the purposes for which monies from the Classroom Site Fund must be spent to add "student support services" (definition below).
- Student support services is defined as any expenditure in the student support services function as defined in the Uniform System of Financial Records.
- Specifies that teacher compensation must include a base pay and a performance pay component.
- Deletes the requirement for school districts and charter schools to allocate 40 percent of the monies received from the Classroom Site Fund for teacher compensation increases based on performance and employment related expenses, 20 percent of the monies for teacher base salary increases and employment related expenses, and 40 percent of the monies for maintenance and operation purposes.
- The performance based compensation system adopted by school district governing boards is no longer required to have individual teacher performance account for 33 percent.

**S1165 (Chapter 68): SCHOOLS; PERFORMANCE EVALUATION (Boyer)**
- Charter school governing bodies and school district governing boards are not required to conduct principal or teacher performance evaluations in the 2020-21 school year.
- For a teacher who was designated in the lowest performance classification for the 2019-2020 school year, the absence of an evaluation in the 2020-2021 school year cannot be used to enforce dismissal or nonrenewal procedures.
- A teacher evaluation in the 2020-21 school year is not required for a teacher to be eligible to receive performance pay from the Classroom Site Fund.
- Retroactive to July 1, 2020.

**S1377 (Chapter 179): CIVIL LIABILITY; PUBLIC HEALTH PANDEMIC (Leach)**
- An educational institution acting in good faith during a declared public health pandemic is not liable for damage in any civil action for injury, death or loss to person, unless there is clear and convincing evidence that the school failed to act, or acted with willful misconduct or gross negligence.
S1572 (Chapter 434): SCHOOLS; EARLY LITERACY (Shope)

- Delays from July 1 2021 to July 1 2022 the requirement for each district and charter to ensure that one k-3 teacher receives dyslexia training at each school.
- Delays from July 1 2020 to July 1 2022 the requirement for ADE to develop a dyslexia screening plan.
- Changes “nonsense word repetition” to “nonsense word fluency”
- Requires that within 3 years after a certificate for elementary or early childhood education is issued, the certificate holder completes 3 credits or 45 classroom hours in science of reading instruction.
- Requires the SBE to establish a literacy endorsement as a requirement for all certificated teachers who provide literacy instruction in k-5 that includes a requirement to pass a literacy instruction assessment beginning in 2025.
- Requires all approved educator prep programs in elementary and early childhood education to require the courses necessary to obtain a literacy endorsement.
- If sufficient monies are appropriated, beginning in the 2022-2023 SY, the SBE must adopt a statewide kindergarten entry evaluation tool to administer to students in kindergarten within 45 calendar days after the beginning of each school year or within 45 calendar days after a pupil enrolls.
- Requires the notification that a student has a reading deficiency be sent to parents within three weeks after identifying the reading deficiency.
- Requires the notification include “the frequency with which the district or charter will provide timely updates and information to the parent on the pupil’s progress toward reading proficiency.”

H2018 (Chapter 7): SCHOOLS; AUDITS; FINANCIAL RECORDS; BUDGET (Udall)

- Removes the requirement that school districts file proposed, revised, and adopted budgets with the county school superintendent.
- School districts and charter schools are required to send a copy of audit reports to the county school superintendent and the Arizona Department of Education (ADE).
- ADE is required to make the audit reports available on its website.
- School district and charter school governing boards are required to publicly accept all audits and compliance questionnaires by roll call vote.
- If a school district fails to establish and maintain the uniform system of financial records, the Auditor General is required to report that district to the State Board of Education, in addition to ADE, and is required to detail the deficiencies in writing in the report.

H2020 (Chapter 92): SCHOOLS; CHILD CARE; REDUCED FEES (Udall)

- A public school that provides or contracts for childcare services is permitted to reduce the fee a public school employee pays for the child care services if the cost the public school pays for those services is not grossly disproportionate to the total consideration received from the employee.

H2021 (Chapter 414): COLLEGE COURSE CREDIT; DUAL ENROLLMENT (Udall)

- For high school graduation requirements being fulfilled by a college course, the school board is required to award at least 0.5 of a Carnegie unit and is authorized to award up to 1 Carnegie unit for each three semester hours of credit that the student earns in an appropriate college course.
- High school freshmen and sophomores are permitted to enroll in dual enrollment courses for college credit.

H2023 (Chapter 2): SCHOOLS; EMPLOYEES; EMPLOYMENT; DISCIPLINE (Udall)

- The Arizona Department of Education (ADE) is required to investigate written complaints alleging that a "noncertificated person" (defined below) has engaged in immoral or unprofessional conduct.
- “Noncertificated person” is defined as a school district or charter school employee who both:
  - Does not possess a certificate issued by the state board of education
Is required or allowed to provide services directly to pupils without being supervised by a certificated employee. Supervised is defined as “being under the direction of and, except for brief periods of time during a school day or school activity, within sight of a certificated employee when providing direct services to pupils.”

- Does not include the following:
  - A transportation employee
  - A food service employee or contractor
  - A maintenance worker
  - An employee or contractor of the school district or charter school that is not required to possess a valid fingerprint clearance card

- The State Board of Education is authorized to review a complaint to determine whether to take disciplinary action against a noncertificated person who has engaged in immoral or unprofessional conduct, including prohibiting the person’s employment at a school district or charter school for up to five years.

- Before employing a certificated or noncertificated person, school districts and charter schools are required to conduct a search of the educator information system that is maintained by ADE on the prospective employee.

- School districts and charter schools are prohibited from employing in a position that requires a valid fingerprint clearance card either a certificated person whose certificate has been suspended, surrendered, or revoked and not subsequently reinstated, or a noncertificated person who has been prohibited from employment at a school district or charter school by the SBE.

**H2035 (Chapter 415): PARENTAL RIGHTS; SEX EDUCATION INSTRUCTION (Griffin)**

- School district and charter schools are prohibited from providing sex education instruction before the 5th grade.
- A school must obtain signed written consent from a parent or guarding before providing sex education instruction and must inform the parent of their right to review the instructional material when obtaining consent.
- Requires the sex education curricula be available for parental review online and in person before a parent provides written consent and requires that parents are notified where the sex education curricula is available for review at least two weeks before any instruction is offered.
- Specifies that a school district or charter governing body must review and approve sex education course of study before it is offered and must provide input on any proposed sex ed course of study before it is adopted.
- Districts and charters are required to ensure that all meetings of committees that are authorized for the purposes of reviewing and selecting the sex education course of study be publicly noticed at least two weeks before occurring and be open to the public.
- Requires that any proposed sex education course of study be available for review and public comment for at least sixty days before the governing board or body decides whether to approve the course of study.
- Districts and charters must conduct at least two public hearings within the sixty-day period for public comment, which can include written comments, oral comments, and comments submitted through email.
- Specifies that a school district or charter school is not required to provide sex education instruction.
- Specifies that these rules apply to any sex education instruction offered during after school hours.
- Specifies that none of these provisions prohibits age and grade appropriate classroom instruction regarding child assault awareness and abuse prevention.
- Requires that each school district and charter school that offers any sex education instruction to review its course of study and revise it to comply with these provisions on or before December 15, 2021.

**H2123 (Chapter 373): SCHOOLS; SUSPENSIONS AND EXPULSIONS (Udall)**

- Prohibits the suspension and expulsion of pupils 6 and younger.
- A district school or charter school may suspend a student in kindergarten, or grades one through four only if all of the following apply:
  - The pupil is 7 or older
• Failing to remove the pupil would create a safety threat
• Before suspending or expelling, the district school or charter school, if feasible, employs alternative behavioral and disciplinary interventions that are available to the school, and that are appropriate to the circumstances and that are documented by the school.
• The student engaged in conduct on school grounds that meets one of the following:
  • Involves possession of a dangerous weapon without authorization from the school,
  • Involves the possession, use, or sale of a dangerous drug or narcotic drug,
  • Immediately endangers the health or safety of others
  • The pupil’s behavior is determined to qualify as aggravating circumstances and that all of the following apply:
    • The behavior has been documented by the school and prevents other pupils from learning or prevents the teacher from maintaining control of the classroom environment
    • The pupil is unresponsive to targeted interventions as documented through an established intervention process that includes consultation with a school counselor, school psychologist, or other mental health professional or social worker if available within the district or charter school or through a state sponsored program
    • The pupil’s parent was notified and consulted about the ongoing behavior
    • Before a long-term suspension or expulsion, the school provides the pupil with a disability screening and the screening finds that the behavioral issues were not the result of a disability
• For all suspensions of kindergarten through fourth grade pupils, the school district school or charter school must establish a readmission procedure for pupil’s who have served at least five days of a long-term suspension.
• For all expulsions of kindergarten through fourth grade pupils, the school district must establish a readmission procedure for pupils to be considered for readmission at least twenty school days after the effective date of the expulsion or alternative reassignment.

H2124 (Chapter 416): CTEDS; AVERAGE DAILY MEMBERSHIP (Udall)
• Allows a student in an approved CTE program provided by a satellite campus, centralized campus or leased centralized campus to generate up to 1.75 ADM for instruction received during any hour of the day, during any day of the week and at any time between July 1 and June 30 of each fiscal year.
• Prohibits a CTED’s ADM from being calculated on the 100th day of instruction.
• Specifies that a student who attends a CTE course or program at a satellite campus and who is not enrolled in the school where the satellite campus is located may generate up to 0.25 ADM for 150 instructional hours received during any hour of the day, during any day of the week and at any time between July 1 and June 30 of each fiscal year.
• States that the ADM for a student who is enrolled in a CTE course or program provided by a community college generates is 0.25 for every three community college credits for which the student is enrolled in CTE courses.
• States that a student who is enrolled in both the school district and CTE course or program provided by a community college or at a centralized campus may generate an up to 1.75 ADM for instruction received during any hour of the day, during any day of the week and at anytime between July 1 and June 30 of each fiscal year.
  o Stipulates that ADM is calculated by dividing the instructional hours of enrollment by 600 hours, except that:
    o i. At least 150 hours and less than 300 hours equals 0.25 ADM;
    o ii. At least 300 hours and less than 450 hours equals 0.5 ADM;
    o iii. At least 450 hours and less than 600 hours equals 0.75 ADM; and
    o iv. At least 600 hours equals 1.0 ADM.
• Specifies that students in an approved CTE program provided by a leased centralized campus may generate an ADM for instruction received during any hour of the day, during any day of the week and at any time between July 1 and June 30 of each fiscal year.
Stipulates that ADM is to be calculated by dividing instructional hours of enrollment by 600 hours, except that:

- i. At least 150 hours but less than 300 hours equals 0.25 ADM;
- ii. At least 300 hours but less than 450 hours equals 0.5 ADM;
- iii. At least 450 hours but less than 600 hours equals 0.75 ADM; and
- iv. At least 600 hours equals 1.0 ADM.

- Prohibits the Arizona Department of Education from restricting a CTED's instructional time by limiting the particular days of the week or time of the fiscal year for instruction to occur.
- Allows a CTED to operate for less than 180 days per year, with the equivalent number of hours of instruction.
- Contains a legislative intent clause.

**H2159 (Chapter 100): SCHOOL BUS DRIVERS; LICENSE REQUIREMENTS (Fillmore)**
- A school bus driver may possess a commercial driver license issued by a state other than Arizona if the applicant will be driving a school bus for a school district that is adjacent to that state.

**H2210 (Chapter awaited): SCHOOL FUNCTIONS; FOOD; BEVERAGES (D. Hernandez)**
- Subject to policies adopted by the Department of Education, school boards are authorized to provide food and beverages at school district events, including official school functions and trainings.

**H2241 (Chapter 418): SCHOOLS; INSTRUCTION; HOLOCAUST; GENOCIDES (A. Hernandez)**
- In adopting the course of study and competency requirements the state board of education is required to include a requirement that students be taught about the holocaust and other genocides at least twice between the seventh and twelfth grades.

**H2268 (Chapter 260): SCHOOLS; TOTAL COMPENSATION STATEMENTS (Grantham)**
- School district governing boards and charter school governing bodies are required to annually provide a total compensation statement to each employee that includes a list of specified pay and benefits including:
  - Base salary and any additional pay
  - Medical benefits and the value of any employer-paid portions of insurance plan premiums
  - Retirement benefit plans, including social security
  - Legally required benefits
  - Any paid leave
  - Any other payment made to or on behalf of the employee
  - Any other benefit provided to the employee

**H2301 (Chapter 25): CTEDS; LETTER GRADES; EXCLUSION (Blackman)**
- Career Technical Education Districts are prohibited from being assigned a letter grade as part of the annual achievement profile compiled by the Department of Education.

**H2402 (Chapter 19): SCHOOLS; TEST RESULTS; LETTER CLASSIFICATION (Udall)**
- The Arizona Department of Education (ADE) is prohibited from assigning schools or school districts letter grade classifications for school year 2020-2021.
- ADE is required to continue to collect and publish data in school year 2020-2021 concerning the academic and educational performance indicators for schools and school districts.
- ADE is required to develop criteria to identify schools and school districts for school year 2020-2021 that demonstrate a below average level of performance.
- During school years 2020-2021, the governing board of a school district is authorized to adopt alternative policies regarding performance-based funding or policies regarding dismissal or nonrenewal procedures for teachers who continue to be designated in the lowest performance classification.
• If the State Board of Education (SBE) alters the statewide assessment testing window for any reason, the SBE is authorized to adjust the dates by which local education agencies are required to receive the scores and assessment data proportionately.

• If the SBE adjusts the dates by which local education agencies are required to receive the scores and assessment data, the SBE cannot impose penalties on the test vendor unless the scores and assessment data are received after the adjusted dates.

• Retroactive to July 1, 2020.

H2705 (Chapter 268): SCHOOLS; DRESS CODE; GRADUATION CEREMONIES (Teller)

• School district governing boards and charter school governing bodies cannot prohibit a student who is a member of a federally recognized Indian Tribe or who is eligible to be enrolled as a member of a federally recognized Indian Tribe from wearing traditional tribal regalia or objects of cultural significance at a graduation ceremony.

H2862 (Chapter 299): SCHOOLS; INSTRUCTIONAL TIME MODELS (Udall)

• School district governing boards and charter school governing bodies (school boards) after two public meetings are authorized to adopt any instructional time models to meet the minimum annual instructional time and instructional hours requirements of statute for determining average daily membership, daily attendance, student count, and any other purpose relating to instructional time or instructional hours.

• Students must receive the minimum instructional time or instructional hours in any day, week, and course length increments adopted by the board.

• School districts and charter schools are authorized to deliver instructional time or instructional hours to students through any combination of: direct instruction, project-based learning, and independent learning time, and master-based learning.

• Allows a school district or charter to include any combination of in-person and remote instruction.

• Allows a school to provide the following percentages of its instructional time in a remote setting without any impact on the school’s funding:
  o up to 50% during the 2021-2022 school year and
  o up to 40% beginning in the 2022-2023 school year and each school year thereafter.

• If a school provides remote instructional time beyond the allowable thresholds, ADE is directed to calculate the school’s funding as follows: subtract the allowable threshold of remote instructional time from the total percentage of remote instructional time provided; and fund the calculated percentage at 95% of the base support level otherwise calculated for the school district or charter school.

• School districts and charter schools are authorized to stagger learning times and schedules and may offer courses and other instructional time options on the weekend or in the evenings.

• Permits a school district or charter to reallocate minimum instructional time or hours required per course to other courses on a per-student basis to allow students to spend more required instructional time or hours on courses that are of greater depth or require additional learning time to catch up to grade level or stay on pace.

Failed legislation:
SB1058 SCHOOLS; LEARNING MATERIALS; ACTIVITIES (Barto)
SB 1295 ADVANCED PLACEMENT COURSES; EXAMS; APPROPRIATIONS (Shope)
SB1280 s/e amendment IN LIEU OF TRANSPORTATION GRANTS (included in state budget)
SB 1400 SCHOOLS; COURSE EQUIVALENTS (Boyer)
SB 1456 SEX EDUCATION INSTRUCTION; PARENTAL RIGHTS (Barto) (See HB2305)
SB 1532 IMPEDING SCHOOL OPERATIONS; CIVIL LIABILITY (Livingston)
SB 1683 SCHOOLS; TRANSPORTATION SUPPORT; PROGRAMS; APPROPRIATION (Boyer) (included in state budget)
SB 1685 SCHOOLS; ATTENDANCE BOUNDARIES; OPEN ENROLLMENT (Boyer) (some provisions included in state budget)
HB2121 SCHOOLS; SUPERINTENDENTS; SEVERANCE PACKAGES; PROHIBITION (Bolick)
HB2175 SCHOOLS; RESIDENCY DOCUMENTATION; POLICIES (Dunn)
HB 2421 SCHOOLS; DISTANCE LEARNING COURSES; FUNDING (Carroll)
HB2427 s/e SCHOOLS; OPEN ENROLLMENT; ATTENDANCE BOUNDARIES (Bolick) (some provisions included in the state budget)
FISCAL YEAR 2022 K-12 BUDGET SUMMARY

GROUP B WEIGHTS AND SPECIAL EDUCATION

$1 million - Gifted Funding
- Establishes a Group B funding weight (G) at .007 for gifted students who score at or above the 97th percentile on a test adopted by the state board of education.
- Appropriates $850,000 for the state to procure a gifted assessment.

$50 million for special education - adjusting weights
- Increases the Group B funding weight for self-contained programs for children with multiple disabilities, autism, or severe intellectual disability (SID-SC) from 5.833 to 5.988.
- Increases the Group B funding weight for students diagnosed with emotional disabilities, mild intellectual disabilities, a specific learning disability, a speech/language impairment, or other health impairment (SLI and OHI) from 0.003 to 0.093.

$5 million one-time deposit into the extraordinary special education needs fund
- Specifies that a school district or charter is eligible to receive monies from the fund if the school district or charter school demonstrates to ADE that a student receiving special education services has incurred costs in the current year of at least the statewide per pupil funding average multiplied by three.
- ADE must evaluate the applications quarterly.
- If there is not sufficient money in the fund for all eligible claims, then the ADE must prioritize funding to claims with the largest difference between the claim amount submitted and the total funding the school received for that student.

OTHER FORMULA ADJUSTMENTS
- Increases the base level (to $4,390.65), transportation funding levels, and charter additional assistance amounts by 1.21% for standard inflation. The base level increase also includes an increase of $32.82 to incorporate $50 million for teacher salary increases that was funded from the Classroom Site Fund on a one-time basis in FY 2021.
- Basic State Aid apportionment schedule is revised and requires ADE to distribute Basic State Aid payments on the 15th day of every month (as opposed to the first) starting July 2022.

SCHOOL FACILITIES BOARD

School Facilities Board
- Building Renewal Funding
  - Appropriates $107.5 million in FY 22 $107.5M and a supplemental for FY21 of $38.8M
- Appropriates $89.4 million FY22, $29.1M in FY23, and $14.7M in FY24 for increase in new school construction cost per square foot.
  - Increases the cost per square foot from $90 to $270.24 for preschool children with disabilities, and K and grades 1-6; and increases it from $95 to $285.30 for grades seven and eight; and increases it from $110 to $330.30 for grades nine through twelve. An increase of 60%.
  - Notwithstanding current new school construction cost-per-square foot rates for schools authorized to begin construction in FY 2022 or earlier that have no yet received final SFB approval to being construction.
- New Construction Funding
- Appropriates $10.3 to accelerate Yuma Union HS Project from ’23 to ’22 start
- Appropriates $3.0 million for Kirkland Elementary School

- Allows the SFB to distribute funds from the Building Renewal Grant Fund for assessments to determine whether a grant from the fund is warranted.

**Division of School Facilities**
- Establishes the Division of School Facilities (Division) within ADOA.
- Requires the Director of ADOA to appoint the Director of the Division.
- Allows the Division to contract with a third party to inspect or certify school district self-inspections at least once every five years to ensure compliance with building adequacy, reporting and maintenance requirements.
- Removes the requirement that the Division must:
  - review and approve student population projections for New School Facilities Fund (NSF Fund) monies;
  - certify that plans for new school facilities meet building adequacy standards;
  - adopt minimum school facility adequacy guidelines for the ASDB;
  - annually report all class B bond approvals by school districts to the JLBC;
  - biennially report to the Joint Committee on Capital Review (JCCR) on the amounts necessary to fulfill ASDB new school facility construction; and
  - approve or reject requests by school district governing boards to reduce pupil square footage.
- Requires the Division to:
  - adopt rules regarding the validation of adjacent ways projects;
  - validate proposed adjacent ways projects pursuant to the rules adopted by the Division; and
  - submit a monthly report to the School Facilities Oversight Board (Oversight Board) that details each validated adjacent ways project.
- Requires the Division to annually brief the JCCR regarding the use of monies from the Emergency Deficiencies Correction Fund (EDC Fund), the Building Renewal Grant Fund (BRG Fund) and the NSF Fund.
- Allows the Division to contract for private services, construction management services and assessments for school buildings.
- Allows the Division or the Oversight Board, in compliance with procurement practices, to contract for assessments to determine if a school building has been condemned.
- Allows the Division, rather than the Oversight Board, to enter into an agreement with a public procurement unit for procuring materials and services to correct school facility deficiencies.

**Oversight Board**
- Establishes the Oversight Board within the Division.
- Replaces the statutory membership of the Oversight Board with the following members appointed by the Governor and approved by the Senate:
  - one member representing a statewide organization of taxpayers;
  - one member who is a registered professional architect;
  - one member with knowledge of and experience in school facilities management in a public school system;
  - one member who is a registered professional engineer;
  - 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
  - one member representing the business community.
- Allows current SFB members to continue to serve as Oversight Board members until their current terms of office expires.
- Specifies that the Superintendent of Public Instruction and the Director of ADOA or their designees serve as advisory nonvoting members of the Oversight Board.
- Removes the requirement that the Governor appoint a Chairperson of the Oversight Board from the appointed members.
- Removes the requirement that the Governor appoint a Director of the Oversight Board and requires the Director of the Division to serve as the Director of the Oversight Board.
- Requires the Oversight Board to:
  - review and approve student population projections submitted by school districts to determine how much monies school districts are entitled to receive for constructing new school facilities;
  - make a final determination within five months after receiving a school district's application for monies from the NSF Fund;
  - certify that new school facility plans meet prescribed building adequacy standards;
  - review and approve or reject requests submitted by school districts to reduce pupil square footage;
  - establish minimum school facility adequacy standards for the ASDB; and
  - adopt minimum school facility adequacy guidelines to provide the minimum quality and quantity of school buildings, facilities and equipment necessary for pupils to achieve ASDB educational goals.
- Requires the Oversight Board, by December 15 of each year, to electronically submit a report to the Speaker, President, Governor, SPI and Secretary of State that includes the following information for the previous fiscal year:
  - a detailed description of the monies distributed by the Oversight Board;
  - a list of the capital projects that received monies from the Oversight Board, a description of each funded project and a summary of the reasons for funding the projects; and
  - a summary of the findings and conclusions of the building maintenance inspections.
- Requires the Oversight Board, by December 1 of each year, to electronically report the necessary amounts to fulfill new school facility funding for the next three years to the JCCR and provide a copy of the report to the Speaker, President and Governor.
- Requires the Oversight Board to use the most recent average daily membership (ADM) data available when calculating the necessary amounts for NSF Fund funding and requires ADE to provide the Oversight Board with the most recent ADM data available, if requested.
- Requires the Oversight Board, by June 15 of each year, to electronically submit a report to the JCCR and the OSPB containing:
  - detailed information regarding demographic assumptions;
  - a proposed construction schedule;
  - new school construction cost estimates for projects approved in the current fiscal year; and
  - expected project approvals for the upcoming fiscal year.
- Requires staff from JLBC, OSPB and the Oversight Board to agree on the format of the report.
- Requires each school district, by December 1 of each year, to report to the Oversight Board on class B bond approvals.
- Requires the Oversight Board, by December 31 of each year, to report on all class B bond approvals by school district in that calendar year to the JLBC.
- Allows the Oversight Board to convene subcommittees as needed on specific issues, including school facility safety standards.
- Requires a school district that receives monies from the BRG Fund or NSF Fund to consider school facility safety standards when completing approved projects or constructing new school facilities with monies received from either Fund.
- Terminates the Oversight Board on July 1, 2022.

Emergency Deficiencies Correction (EDC) Fund

- Transfers oversight of the EDC Fund from the Oversight Board to the Division.
- Directs a school district governing board to issue an emergency declaration or resolution before applying for emergency funding to qualify for monies from the EDC Fund.
• Requires the Oversight Board to review all EDC Fund policies and procedures developed by the Division.
• Expands the meaning of emergency to include:
  o a situation that threatens life services such as adequate water supply, energy and wastewater;
  o a situation in which a school district is under orders for an unsafe environment from an authority with jurisdiction; and
  o a school district receiving a professional certified assessment demonstrating that one or more facilities or systems are structurally unsafe and directly impact the functions of the school district, with no alternative options available.

Building Renewal Grant (BRG) Fund

• Transfers administration of the BRG Fund from the Oversight Board to the Division.
• Requires a school district to submit a preventive maintenance plan to the Division to be eligible for BRG Fund monies.
• Specifies that a building renewal grant expires 12 months after grant approval unless the Division issues an extension.
• Requires, if the Division approves a project and determines that similar projects on average take longer than 12 months to complete, the Division to extend the grant expiration date based on the average amount of time similar projects have required for completion.
• Requires the Division to establish a process for a school district to request a building renewal grant extension.
• Requires a school district, upon expiration of a grant, to return any unspent monies from the BRG Fund to the Division for deposit into the BRG Fund.
• Requires the Division to implement policies and procedures requiring a school district to report the preventive maintenance activities completed during the past 12 months for facilities for which BRG Fund monies are being requested.
• Directs the Division to submit a monthly report to the Oversight Board that details how monies in the BRG Fund have been distributed.
• Requires the Division to adopt rules regarding the approval of building renewal grants and time frames for:
  o approving or denying grant requests for critical projects;
  o notifying an applicant when their building renewal grant application is incomplete;
  o providing regular updates to applicants regarding complete grant applications; and
  o distributing monies from the BRG Fund.
• Requires the Oversight Board to review all BRG Fund policies and procedures developed by the Division.
• Allows the Division to spend monies from the BRG Fund on assessments to determine if a grant is warranted.

New School Facilities (NSF) Fund

• Transfers administration of the NSF Fund from the Oversight Board to the Division.
• Requires the Division, at the direction of the Oversight Board, to distribute monies to school districts for constructing new school facilities, purchasing land, certain contracted expenses and additional square footage, as outlined in statute.
• Allows any extra monies received 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.
• Permits a school district to apply for monies from the NSF Fund if one or more school buildings have been condemned.
• Removes the requirement that any unobligated contract monies in the NSF Fund be transferred to the Capital Reserve Fund.

CTEDS

Fourth Year Funding
- Appropriates $5M ongoing beginning in FY22 for 4th year CTED funding
- Allows students in CTED programs to generate ADM during any day of the week at any time between July 1 and June 30.
- Allows a student enrolled in an internship course as part of a CTED program to be included in the student count of the CTED for that internship course.
- Allows students in grades 9-12 and the year immediately following graduation to be enrolled in a CTED program, not to exceed four years for the same student.
- Specifies that for a student in grade 9, funding will be provided only if the student reaches the 40th day of grade 11 enrolled in a CTED program. At that time, funding will be provided for grade 9 and any subsequent year the student is eligible for funding.
- For students in 9th and 13th grade, funding will be provided only if the student is enrolled in an approved program as detailed below:
  - Requires the Office of Economic Opportunity to collaborate with ADE to compile a list of in-demand regional education programs that lead to a career path in high demand with median to high wage jobs in that region
  - Requires the Office of Economic Opportunity to incorporate industry feedback and submit the list to the Arizona Career and Technical Education Quality Commission for review and approval
  - Specifies that funding will only be provided for students in grade 9 or the year immediately following graduation if the student is enrolled in a program that was included on the list for the year in which the student began the program.
- Specifies that for FY22, FY23, FY24, and FY25, a student participating in an approved CTED program included on the in-demand regional education list on the date the list is compiled qualifies for funding in the year immediately following graduation.

Industry-Recognized Certification and Licensure Reimbursement Fund

- $5M each year in FY22 and FY23.
- Appropriates $1 million ongoing beginning in FY24 to the Fund
- Directs ADE to use to eliminate or reduce exam costs to obtain industry-recognized certificates and licenses for low-income students.
- Specifies that to qualify for reimbursement, a student must:
  - Successfully pass a certificate or license exam related to a CTED program
  - Meet eligibility requirements to receive free or reduced-price lunches
  - Apply to the CTED to receive reimbursement for the cost of the exam. The CTED shall subsequently apply to ADE for reimbursement.

ARIZONA DEPARTMENT OF EDUCATION

- Appropriates $1.26 million ongoing for the college credit by exam fee waiver
- Appropriates an additional $2.5 million for College Credit By Examination Incentive Program making the total $7.4M
- Appropriates $500,000 ongoing to the investigative unit and moves the unit and its responsibilities to the state board of education.
- Appropriates $3.1 million in FY24 for 25 literacy coaches
- Appropriates $1.5 million in FY24 for a kindergarten entry assessment
- Appropriates $1.3 million in FY24 for dyslexia screening and training
- Appropriates $1 million in FY24 for teacher reading instruction exam
- Appropriates $1 million ongoing in FY24 for CTED certification exam fee reimbursement
- Appropriates $5 million for statewide assessment funding
- Appropriates $400,000 for Jobs for Arizona Graduates
• Requires that before spending money allocated to ADE by the American Rescue Plan Act of 2021 in the amount of $10 million or more for one designated purpose, the superintendent of public instruction must notify the senate president, speaker of the house, the chairs of the senate and house appropriations committees, and the director of the joint legislative budget committee of the intended use of the monies.

OTHER BUDGET PROVISIONS

Instructional time model changes (changes provisions added in HB2862, which passed and was signed by the governor allowing for alternative instructional models)

• Permits schools to provide instruction under an instructional time model that includes remote learning up to 50% of the time in FY22 and 40% in FY23 and every year thereafter. This is a change to the school level from the school district level.

Open enrollment

• Requires school boards open enrollment policies to:
  o include basic information needed to request enrollment that is consistent with guidance and state and federal law regarding pupil privacy and civil rights;
  o include information regarding the provision of transportation or resources for transportation; and
  o be easily accessible from the home page on each school's website and be available in English, Spanish or any other language used by a majority of the populations served by the school or school district.

• Requires a school district to update on each school's website the capacity and whether or not the school is currently accepting open enrollment students by grade level, at least once every 12 weeks, unless there are no changes to report.

• Requires a school district with any other separate capacity for specialized programs at schools to post required capacity information by specialized program.

• Directs schools to accept pupils throughout the school year as capacity allows through open enrollment policies and to select pupils on the wait list as seats become available.

• Requires pupils who are denied access to a school due to capacity limits to be informed that they are on a wait list and provided applicable selection process details.

• Requires a school district to enroll, at any time, any resident pupil who applies for enrollment.

• Requires a school district to give enrollment preference to and reserve capacity for:
  o resident pupils;
  o pupils returning to the school from the prior year; and
  o siblings of pupils already enrolled.

• Allows a school district to give enrollment preference to children who:
  o Meet the definition of unaccompanied youth prescribed in the McKinney-Vento Homeless Assistance Act; or
  o attend a school that is closing.

• Allows a school district to give enrollment preference to and reserve capacity for:
  ▪ resident transfer pupils and their siblings; and
  ▪ pupils who meet additional criteria established and published by a governing board as outlined.

• Requires a school or a district, if remaining capacity as determined by the governing board is insufficient to enroll all applicant students, to select pupils through an equitable selection process, such as a lottery, with preference given to siblings of selected pupils.

• Prohibits a school from limiting admission based on ethnicity or race, national origin, sex, income level, disability, English language proficiency or athletic ability.

• Increases the limit, from 20 miles to 30 miles each way, for transportation provided by a school district to and from a pupil's school of attendance, pickup point or to an adjacent district for eligible pupils or pupils with disabilities.
• Requires governing board-adopted policies regarding attendance boundaries to include a parent or guardian notification procedure that includes an assurance that if a school remains open as part of the boundary change and capacity is available, pupils assigned to a new attendance area may stay enrolled in their current school.

• Prohibits attendance boundaries from being used to require pupils to attend certain schools based on the pupil’s place of residence.

• Defines resident pupil as a pupil whose residence is within the attendance area of a school.

• Directs the SBE to:
  o adopt a model format school districts can use for describing open enrollment options to ensure clarity and consistency for parents to understand their options, enrollment capacity at each school and the ability to choose any school within their district of residence or any other school in Arizona; and
  o adopt rules, policies and guidance for school districts to utilize while enrolling students, consistent with state and federal law.

• Requires ADE to:
  o investigate and enforce any complaints or substantiated claims of any unlawful or inappropriate enrollment practices by school districts, according to the supervisory duties of the Superintendent of Public Instruction (SPI);
  o refer any complaints received regarding charter schools to the ASBCS to investigate and enforce; and
  o regularly update the SBE.

• Requires the ADE to provide an annual report that informs the public and policymakers of the open enrollment participation rate by school district, school and county, including:
  o the number of pupils by student subgroup designation open enrolled as resident pupils, resident transfer pupils or nonresident pupils in each school and school district;
  o the school districts and zip codes from which pupils are enrolling; and
  o by FY 2023, the number of pupils enrolled in charter schools and the school districts from which those pupils are enrolling.

• Requires, subject to available appropriated monies, the SBE to design a public awareness effort by January of each year and distribute materials that:
  o communicate to the public the ability to choose any public school in Arizona;
  o direct the public to resources to learn about school choice options in Arizona; and
  o instruct the public on how to request enrollment for pupils.

• Allows the SBE to include other options in its public awareness effort informational materials and messaging.

• Allows the SBE, in designing the public awareness effort and distributing materials, to collaborate with:
  o public and private partners to assist in achieving prescribed objectives; and
  o ADE to provide parents and the public with informational resources.

In Lieu of transportation grants

• Beginning in the 2021-2022 school year, a district may use a portion of its transportation funding to provide in lieu of transportation grants to parents of students who attend the district pursuant to a plan submitted to ADE.

• School districts may issue grants to support individual parents or neighborhood carpools in transporting students to school. A school district’s transportation funding may not be reduced or otherwise diminished due to the district award grant.

• Beginning in the 2021-2022 school year, a charter school may use a portion of its charter additional assistance to provide in lieu of transportation grants to parents of student who attend the charter school pursuant to a plan submitted to the department of education.

• Charter schools may issue grants to support individual parents or neighborhood carpools in transporting students to school.

• The department of education shall adopt policies and procedures to account for expenditures under this section and to require proof of attendance for students whose transportation is supported through grants under this section.
Public School Transportation Modernization Grants Program
• Appropriates $10 million dollars to Arizona Department of Administration for a public school transportation modernization grant program.
• 2 Year pilot program
• The department must select an organization to administer the program.
• The organization must:
  o Be a nonprofit that has experience awarding innovation grants to both school districts and charter schools in this state that promote expanding educational options for student or innovative approaches to k-12 education.
  o Have previously been awarded funding from this state or the federal government to grant to school districts or charter schools in the current or previous fiscal year.
  o Demonstrate the ability and history to be able to provide ongoing evaluation and compliance to entities that were awarded grants pursuant to this section.
• The program must:
  o Distribute grants to school districts, charter schools, and other entities deemed eligible.
  o Develop a Public School Transportation Modernization Grant application that requires applicants to explain how it would use grant monies to improve access to reliable and safe transportation for charter students or open enrollment students or to support k-12 transportation innovations and efficiency solutions.
  o Distribute monies based on demand and most innovative solutions.
  o Award at least 25% of the grants to support rural and remote proposals, if sufficient applications exist.

$68.6 million total Results Based Funding
• No increase from last year.
• Based on the Az Merit results from spring of 2019.
• AzMERIT test results in the top 13% for schools with less than 60% FRPL and in the top 27% for schools with 60% or more FRPL.
• $225 for qualifying schools with less than 60% FRPL.
• $225 for schools with more than 60% FRPL with AzMERIT results in the top 14%-27% of schools with 60% or more FRPL.
• $600 per pupil for schools with greater than 60% FRPL and with AzMERIT results in the top 13% of schools with 60% or more FRPL.

School financial transparency portal
• Appropriates $3 million to ADOA for a k12 financial transparency reporting system.
• Beginning in 2021-2022, requires the ADOA develop a “transparent and easily accessible school financial transparency portal” that includes the following school level information:
  o Detailed total revenues generated by weighted student count
  o The total allocated federal state and local revenues
  o The allocation of classroom stie fund monies
  o The amounts allocated for teacher pay and benefits, classroom supplies, student support and other expenditures
  o A comparison of the funding information for each school in relation to the funding information for other schools in the same LEA
  o Any other information that is necessary for a transparent comparison between schools with respect to their revenues, expenditures, student demographics, or academic achievement
• Mandates that ADOA contract with a third party to complete this.

Prohibited Instruction (Critical Race Theory)
• 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 grade 12, from allowing instruction in or making the following concepts a part of a course;
  o one race, ethnic group or sex is inherently morally or intellectually superior to another race, ethnic group or sex;
  o an individual, by virtue of their race, ethnicity or sex, is inherently racist, sexist or oppressive, whether consciously or unconsciously;
  o an individual should be invidiously discriminated against or receive adverse treatment because of their race, ethnicity or sex;
  o an individual's moral character is determined by their race, ethnicity or sex;
  o an individual bears responsibility for actions by other members of the same race, ethnic group or sex;
  o an individual should feel discomfort, guilt, anguish or any other psychological distress because of their race, ethnicity or sex; and
  o academic achievement, meritocracy or traits, including a hard work ethic, are racist, sexist or were created by members of a particular race, ethnic group or sex to oppress members of another race, ethnic group or sex; and
  o using public monies for instruction presenting any form of blame or judgment based on race, ethnicity or sex.
• Allows an attorney, acting on behalf of a public school, to request a legal opinion from the county attorney or the AG whether a proposed use of school district resources would violate the prohibition on course concepts.
• Allows the county attorney or the AG to initiate a suit in the superior court in the county where the alleged violation occurs.
• Subjects a teacher in violation to disciplinary action, including suspending or revoking a teacher's certificate, as determined by the SBE.
• Allows a court to impose a civil penalty for each violation, limited to $5,000 per school district, charter school or state agency where the violation occurs.
• Specifies any sexual harassment training or lessons on recognizing and reporting abuse is still permitted.

Empowerment Scholarship Accounts (ESAs)

• Exempts students, who qualify for free and reduced-price lunches and attend a school that received a D or F letter grade, from additional ESA Program qualifications for qualified school attendance and scholarship requirements.
• Reduces, from the first 100 days to any 45 days, the amount of time a full-time student must attend a qualified primary or secondary school to qualify for the ESA Program.
• Specifies that the letter grades for schools or school districts, used to determine qualifying students for the ESA Program, are from the most recent year in which letter grades were assigned.
• Modifies ESA Program eligibility to include a full-time student attending a primary or secondary school during the current fiscal year.
• Specifies that kindergarten students, enrolled in Arizona online instruction, must receive 200 hours of logged instruction to be eligible for an ESA.
• Allows ESA monies to fund additional services, including any amount of educational therapies from a licensed or accredited provider not covered by a health insurance policy, if the expense is partially paid by insurance for the qualified student.
• Specifies a qualified student who continues using ESA monies for eligible expenses each year and remains in good standing, will not have their ESA closed before they graduate from a postsecondary institution or after four consecutive years following high school graduation in which a student is not enrolled in an eligible postsecondary institution.
• Decreases, from 45 days to 30 days, the amount of time ADE has to enroll and issue award letters to eligible students in the ESA Program after receiving completed applications.
• Requires an ineligible purchase repaid by the ESA holder to be credited back to the ESA within 30 days of payment receipt, unless the AG determines fraud has been committed.
• Prohibits ADE from withholding ESA funding or contract renewal during a stay issued by the SBE of an ESA suspension, while an administrative decision is being appealed.
• Exempts the SBE from uniform administrative hearing procedure requirements for contested cases and appealable agency action in connection to the ESA Program.

Learning Loss
• On or before July 1, 2021 school districts and charter schools shall report to ADE whether they offered in-person, teacher-led instruction for at least one hundred days of the 2020-2021 school year. The report shall delineate the number of days of in-person, teacher-led instruction that was offered by school site.
• On or before August 1, 2021 the ADE shall submit a report to the joint legislative budget committee and the governor’s office of strategic planning and budgeting that compiles the information reported by school districts and charter schools.
• On or before September 1, 2021 the department of education shall post on its website school district and charter school plans to address learning loss by spending elementary and secondary school emergency relief fund monies appropriated to this state by the American Rescue Plan.
• The governor’s office of strategic planning and budgeting shall post on its website its allocation of $350,000,000 of coronavirus state fiscal recovery fund monies appropriated to the state by the American Rescue Plan to school districts and charter schools for assistance to supplement monies provided by the elementary and secondary school emergency relief fund.

Covid policies
• Prohibits, retroactive to July 1, 2021, a county, city, town, school district governing board or charter school governing body from requiring students or staff to use face coverings during school hours and on school property.
• Prohibits 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.