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JANICE K. BREWER
SECRETARY OF STATE

State of Arizona
Senate
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First Regular Session
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CHAPTER 280

SENATE BILL 1069

AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-105; AMENDING SECTIONS 15-901 AND 15-1855, ARIZONA REVISED STATUTES; RELATING TO EDUCATION PROGRAMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Title 15, chapter 1, article 1, Arizona Revised Statutes, is amended by adding section 15-105, to read:

15-105. Early graduation scholarship program; fund; program termination; definition

A. EACH SCHOOL DISTRICT OR CHARTER SCHOOL THAT PROVIDES INSTRUCTION IN GRADES NINE THROUGH TWELVE IN THIS STATE SHALL PARTICIPATE IN AND PROMOTE TO STUDENTS AN EARLY GRADUATION SCHOLARSHIP PROGRAM.

B. THE COMMISSION FOR POSTSECONDARY EDUCATION SHALL DEVELOP APPLICATION FORMS, PROCEDURES AND DEADLINES TO IMPLEMENT AND ADMINISTER THE EARLY GRADUATION SCHOLARSHIP PROGRAM IN CONJUNCTION WITH THE DEPARTMENT OF EDUCATION BY NOVEMBER 1, 2007 AND SHALL SELECT ELIGIBLE STUDENTS EACH YEAR FOR PARTICIPATION IN THE EARLY GRADUATION SCHOLARSHIP PROGRAM. THE SCHOOL DISTRICT OR CHARTER SCHOOL THAT THE STUDENT ATTENDS SHALL NOTIFY THE DEPARTMENT OF EDUCATION AND THE COMMISSION FOR POSTSECONDARY EDUCATION IF THE STUDENT GRADUATES AT LEAST ONE SEMESTER BEFORE THE STUDENT'S SCHEDULED GRADUATION DATE.

C. PARTICIPATING FULL-TIME STUDENTS WHO GRADUATE:

1. AT LEAST ONE YEAR EARLY SHALL RECEIVE A SCHOLARSHIP GRANT IN AN AMOUNT NOT TO EXCEED ONE THOUSAND TWO HUNDRED FIFTY DOLLARS OR THE ACTUAL COST OF TUITION, BOOKS AND FEES, WHICHEVER IS LESS, IN THE FIRST ACADEMIC YEAR OF POSTSECONDARY INSTRUCTION, AND AN AMOUNT NOT TO EXCEED SEVEN HUNDRED FIFTY DOLLARS OR THE ACTUAL COST OF TUITION, BOOKS AND FEES, WHICHEVER IS LESS, IN THE SECOND ACADEMIC YEAR OF POSTSECONDARY INSTRUCTION, TO BE USED TO PAY ALL OR A PORTION OF THE TUITION, BOOKS AND FEES CHARGED AT A QUALIFYING POSTSECONDARY INSTITUTION FOR A MAXIMUM OF TWO ACADEMIC YEARS, WHICH MUST BE COMPLETED WITHIN THIRTY-SIX MONTHS AFTER THE STUDENT'S ACTUAL GRADUATION DATE FROM HIGH SCHOOL. THE AMOUNT OF A SCHOLARSHIP GRANT AWARDED TO A PARTICIPATING PART-TIME STUDENT ENROLLED IN AT LEAST SIX CREDIT HOURS SHALL BE PRORATED IN ACCORDANCE WITH THE PART-TIME STATUS OF THE STUDENT.

2. ONE SEMESTER EARLY SHALL RECEIVE A SCHOLARSHIP GRANT IN AN AMOUNT NOT TO EXCEED ONE THOUSAND DOLLARS OR THE ACTUAL COST OF TUITION, BOOKS AND FEES, WHICHEVER IS LESS, IN THE FIRST ACADEMIC YEAR OF POSTSECONDARY INSTRUCTION, AND AN AMOUNT NOT TO EXCEED FIVE HUNDRED DOLLARS OR THE ACTUAL COST OF TUITION, BOOKS AND FEES, WHICHEVER IS LESS, IN THE SECOND ACADEMIC YEAR OF POSTSECONDARY INSTRUCTION, TO BE USED TO PAY ALL OR A PORTION OF THE TUITION, BOOKS AND FEES CHARGED AT A QUALIFYING POSTSECONDARY INSTITUTION FOR A MAXIMUM OF TWO ACADEMIC YEARS, WHICH MUST BE COMPLETED WITHIN THIRTY-SIX MONTHS AFTER THE STUDENT'S ACTUAL GRADUATION DATE FROM HIGH SCHOOL. THE AMOUNT OF A SCHOLARSHIP GRANT AWARDED TO A PARTICIPATING PART-TIME STUDENT ENROLLED IN AT LEAST SIX CREDIT HOURS SHALL BE PRORATED IN ACCORDANCE WITH THE PART-TIME STATUS OF THE STUDENT.

D. A STUDENT WHO PROVIDES SATISFACTORY PROOF TO THE COMMISSION FOR POSTSECONDARY EDUCATION THAT THE STUDENT HAS MET ALL OF THE FOLLOWING

CRITERIA IS ELIGIBLE TO SUBMIT AN APPLICATION FOR CONSIDERATION FOR A SCHOLARSHIP GRANT UNDER THE EARLY GRADUATION SCHOLARSHIP PROGRAM:

1. THE STUDENT HAS GRADUATED FROM A CHARTER SCHOOL OR A PUBLIC HIGH SCHOOL THAT IS PART OF A SCHOOL DISTRICT IN THIS STATE AT LEAST ONE SEMESTER EARLIER THAN THE STUDENT'S CLASS IS SCHEDULED TO GRADUATE.

2. THE STUDENT HAS ACHIEVED A PASSING SCORE ON EACH COMPONENT OF THE ARIZONA INSTRUMENT TO MEASURE STANDARDS TEST THAT IS REQUIRED FOR GRADUATION FROM HIGH SCHOOL.

3. THE STUDENT IS CURRENTLY A RESIDENT OF THIS STATE AND HAS BEEN A RESIDENT OF THIS STATE FOR AT LEAST THE PAST TWELVE MONTHS.

4. THE STUDENT SUBMITS A STATEMENT FROM THE QUALIFYING POSTSECONDARY INSTITUTION THAT DETAILS THE COST OF TUITION, BOOKS AND FEES FOR THAT STUDENT.

5. THE STUDENT HAS COMPLETED AND SUBMITTED A FREE APPLICATION FOR FEDERAL STUDENT AID.

6. THE STUDENT OR THE STUDENT'S PARENT OR LEGAL GUARDIAN SIGNS A PROMISSORY NOTE FOR REIMBURSEMENT PURSUANT TO SUBSECTION J OF THIS SECTION.

E. THE SCHOOL DISTRICT OR CHARTER SCHOOL FROM WHICH THE STUDENT GRADUATED SHALL INCLUDE THE STUDENT WHO GRADUATES EARLY IN THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S STUDENT COUNT UNTIL THE STUDENT'S CLASS IS SCHEDULED TO GRADUATE AND SHALL CONTINUE TO RECEIVE PER PUPIL FUNDING MINUS TWO THOUSAND TWO HUNDRED DOLLARS FOR A STUDENT WHO GRADUATES AT LEAST ONE YEAR EARLY OR ONE THOUSAND SEVEN HUNDRED DOLLARS FOR A STUDENT WHO GRADUATES ONE SEMESTER EARLY, WHICHEVER IS APPLICABLE, UNTIL THE STUDENT'S CLASS IS SCHEDULED TO GRADUATE. THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL PLACE THE PER PUPIL FUNDING RECEIVED IN THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S MAINTENANCE AND OPERATIONS FUND.

F. THE DEPARTMENT OF EDUCATION SHALL DEPOSIT TWO THOUSAND TWO HUNDRED DOLLARS FOR A STUDENT WHO GRADUATES AT LEAST ONE YEAR EARLY OR ONE THOUSAND SEVEN HUNDRED DOLLARS FOR A STUDENT WHO GRADUATES ONE SEMESTER EARLY, WHICHEVER IS APPLICABLE, OF THE AMOUNT OF PER PUPIL FUNDING PROVIDED TO A SCHOOL DISTRICT OR CHARTER SCHOOL FOR A STUDENT WHO GRADUATES AT LEAST ONE SEMESTER EARLY IN THE EARLY GRADUATION SCHOLARSHIP FUND ESTABLISHED BY THIS SECTION.

G. THE COMMISSION FOR POSTSECONDARY EDUCATION SHALL MAKE AWARDS FROM THE EARLY GRADUATION SCHOLARSHIP FUND FOR PAYMENT OF TUITION, BOOKS AND FEES AT QUALIFYING POSTSECONDARY INSTITUTIONS TO STUDENTS WHO ARE SELECTED TO PARTICIPATE IN THE EARLY GRADUATION SCHOLARSHIP PROGRAM ON VERIFICATION OF ADMISSION AND ENROLLMENT BY THE QUALIFYING POSTSECONDARY INSTITUTIONS.

H. IF THE AMOUNT OF MONIES AVAILABLE FOR SCHOLARSHIP GRANTS IN ANY FISCAL YEAR IS INSUFFICIENT TO PROVIDE SCHOLARSHIP GRANTS TO ALL ELIGIBLE APPLICANTS, THE COMMISSION FOR POSTSECONDARY EDUCATION SHALL AWARD SCHOLARSHIP GRANTS TO ELIGIBLE STUDENTS IN THE ORDER IN WHICH THE APPLICATIONS WERE RECEIVED BY THE COMMISSION, EXCEPT THAT PRIORITY SHALL BE GIVEN TO ELIGIBLE STUDENTS WHO RECEIVED A SCHOLARSHIP GRANT IN THE PREVIOUS

FISCAL YEAR AND WHO ARE STILL IN GOOD ACADEMIC STANDING AT THE SAME QUALIFYING POSTSECONDARY INSTITUTION OR WHO TRANSFERRED TO A DIFFERENT QUALIFYING POSTSECONDARY INSTITUTION BUT REMAIN IN GOOD ACADEMIC STANDING AT THE PREVIOUS QUALIFYING POSTSECONDARY INSTITUTION. THE COMMISSION FOR POSTSECONDARY EDUCATION SHALL MAINTAIN A WAITING LIST FOR ALL OTHER APPLICANTS.

I. A QUALIFYING POSTSECONDARY INSTITUTION SHALL NOTIFY THE COMMISSION FOR POSTSECONDARY EDUCATION IF A STUDENT WHO HAS RECEIVED A SCHOLARSHIP GRANT IS NO LONGER IN GOOD ACADEMIC STANDING AT THE QUALIFYING POSTSECONDARY INSTITUTION OR IS NO LONGER ENROLLED AT THE QUALIFYING POSTSECONDARY INSTITUTION.

J. NOT LATER THAN THIRTY-SIX MONTHS AFTER THE STUDENT'S ACTUAL GRADUATION DATE FROM HIGH SCHOOL, THE STUDENT OR THE QUALIFYING POSTSECONDARY INSTITUTION SHALL REIMBURSE THE EARLY GRADUATION SCHOLARSHIP FUND FOR ANY SCHOLARSHIP GRANT RECEIVED PURSUANT TO SUBSECTION C OF THIS SECTION IF THE STUDENT IS NO LONGER IN GOOD ACADEMIC STANDING AT THE QUALIFYING POSTSECONDARY INSTITUTION OR IS NO LONGER ENROLLED AT THE QUALIFYING POSTSECONDARY INSTITUTION. THE COMMISSION FOR POSTSECONDARY EDUCATION MAY WAIVE THE REIMBURSEMENT REQUIREMENTS OF THIS SUBSECTION FOR GOOD CAUSE SHOWN. A STUDENT SHALL PROVIDE PROOF THAT THE STUDENT COMPLETED THE FIRST YEAR IN GOOD ACADEMIC STANDING FROM THE QUALIFYING POSTSECONDARY INSTITUTION TO THE COMMISSION FOR POSTSECONDARY EDUCATION BEFORE RECEIVING MONIES FOR THE SECOND YEAR FROM THE EARLY GRADUATION SCHOLARSHIP FUND.

K. A STUDENT WHO RECEIVES AN EARLY GRADUATION SCHOLARSHIP GRANT SHALL BE ALLOWED, AT NO ADDITIONAL COST EXCEPT FOR FEES CHARGED TO ALL STUDENTS, TO BOTH:

1. PARTICIPATE IN EXTRACURRICULAR ACTIVITIES UNTIL THE STUDENT'S HIGH SCHOOL CLASS IS SCHEDULED TO GRADUATE.

2. PARTICIPATE IN THE STUDENT'S HIGH SCHOOL CLASS GRADUATION CEREMONIES.

L. THE EARLY GRADUATION SCHOLARSHIP FUND IS ESTABLISHED CONSISTING OF MONIES DEPOSITED PURSUANT TO SUBSECTION F OF THIS SECTION AND ALL REPAYMENTS THAT ARE RECEIVED PURSUANT TO SUBSECTION J OF THIS SECTION. THE COMMISSION FOR POSTSECONDARY EDUCATION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. ON NOTICE FROM THE COMMISSION, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313 AND MONIES EARNED FROM THE INVESTMENT SHALL BE CREDITED TO THE FUND. THE COMMISSION MAY RETAIN UP TO FIVE PER CENT OF THE MONIES IN THE FUND FOR ADMINISTRATIVE COSTS. THE COMMISSION MAY HIRE UP TO TWO FULL-TIME EQUIVALENT POSITIONS FOR THE IMPLEMENTATION AND ADMINISTRATION OF THE EARLY GRADUATION SCHOLARSHIP PROGRAM.

M. THE COMMISSION FOR POSTSECONDARY EDUCATION SHALL SUBMIT AN ANNUAL REPORT BY DECEMBER 1 TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND A COPY OF THE REPORT SHALL BE

SUBMITTED TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS. THE REPORT SHALL CONTAIN AT LEAST THE FOLLOWING:

1. THE NUMBER OF STUDENTS WHO GRADUATED AT LEAST ONE YEAR EARLY AND THE NUMBER OF STUDENTS WHO GRADUATED AT LEAST ONE SEMESTER EARLY FOR EACH YEAR OF IMPLEMENTATION OF THE PROGRAM BY EACH SCHOOL DISTRICT AND CHARTER SCHOOL.

2. THE NUMBER OF SCHOLARSHIPS PROVIDED PURSUANT TO THIS SECTION.

3. THE AVERAGE AMOUNT PER SCHOLARSHIP PROVIDED PURSUANT TO THIS SECTION.

4. THE BALANCE IN THE EARLY GRADUATION SCHOLARSHIP FUND.

5. THE NUMBER OF STUDENTS USING A SCHOLARSHIP TO ATTEND A REGIONALLY OR NATIONALLY ACCREDITED PUBLIC OR PRIVATE POSTSECONDARY INSTITUTION AND THE NUMBER OF STUDENTS USING A SCHOLARSHIP TO ATTEND A REGIONALLY OR NATIONALLY ACCREDITED VOCATIONAL PROGRAM.

6. A DESCRIPTION OF HOW THE COMMISSION EXPENDED MONIES FOR ADMINISTRATIVE COSTS OF THE PROGRAM PURSUANT TO SUBSECTION L OF THIS SECTION.

N. THE PROGRAM ESTABLISHED BY THIS SECTION ENDS ON JULY 1, 2017 PURSUANT TO SECTION 41-3102.

O. FOR THE PURPOSES OF THIS SECTION, "QUALIFYING POSTSECONDARY INSTITUTION" MEANS A REGIONALLY OR NATIONALLY ACCREDITED PUBLIC OR PRIVATE POSTSECONDARY EDUCATIONAL INSTITUTION IN THIS STATE OR A REGIONALLY OR NATIONALLY ACCREDITED VOCATIONAL PROGRAM IN THIS STATE.

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

15-901. Definitions

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

1. "Average daily attendance" or "ADA" means actual average daily attendance through the first one hundred days or two hundred days in session, as applicable.

2. "Average daily membership" means the total enrollment of fractional students and full-time students, minus withdrawals, of each school day through the first one hundred days or two hundred days in session, as applicable, for the current year. Withdrawals include students formally withdrawn from schools and students absent for ten consecutive school days, except for excused absences as identified by the department of education. For computation purposes, the effective date of withdrawal shall be retroactive to the last day of actual attendance of the student.

(a) "Fractional student" means:

(i) For common schools, until fiscal year 2001-2002, a preschool child who is enrolled in a program for preschool children with disabilities of at least three hundred sixty minutes each week or a kindergarten student at least five years of age prior to January 1 of the school year and enrolled in a school kindergarten program that meets at least three hundred forty-six instructional hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the

kindergarten program shall meet at least three hundred forty-eight hours. In fiscal year 2002-2003, the kindergarten program shall meet at least three hundred fifty hours. In fiscal year 2003-2004, the kindergarten program shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005, the kindergarten program shall meet at least three hundred fifty-four hours. In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten program shall meet at least three hundred fifty-six hours. Lunch periods and recess periods may not be included as part of the instructional hours unless the child's individualized education program requires instruction during those periods and the specific reasons for such instruction are fully documented. In computing the average daily membership, preschool children with disabilities and kindergarten students shall be counted as one-half of a full-time student. For common schools, a part-time student is a student enrolled for less than the total time for a full-time student as defined in this section. A part-time common school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of the time a full-time student is enrolled as defined in subdivision (b) of this paragraph.

(ii) For high schools, a part-time student who is enrolled in less than four subjects that count toward graduation as defined by the state board of education in a recognized high school and who is taught in less than twenty instructional hours per week prorated for any week with fewer than five school days. A part-time high school student shall be counted as one-fourth, one-half or three-fourths of a full-time student if the student is enrolled in an instructional program that is at least one-fourth, one-half or three-fourths of a full-time instructional program as defined in subdivision (c) of this paragraph.

(b) "Full-time student" means:

(i) For common schools, a student who is at least six years of age prior to January 1 of a school year, who has not graduated from the highest grade taught in the school district and who is regularly enrolled in a course of study required by the state board of education. Until fiscal year 2001-2002, first, second and third grade students, ungraded students at least six, but under nine, years of age by September 1 or ungraded group B children with disabilities who are at least five, but under six, years of age by September 1 must be enrolled in an instructional program that meets for a total of at least six hundred ninety-two hours during the minimum number of days required in a school year as provided in section 15-341. In fiscal year 2001-2002, the program shall meet at least six hundred ninety-six hours. In fiscal year 2002-2003, the program shall meet at least seven hundred hours. In fiscal year 2003-2004, the program shall meet at least seven hundred four hours. In fiscal year 2004-2005, the program shall meet at least seven hundred eight hours. In fiscal year 2005-2006 and in each fiscal year thereafter, the program shall meet at least seven hundred twelve hours.

1 Until fiscal year 2001-2002, fourth, fifth and sixth grade students or
2 ungraded students at least nine, but under twelve, years of age by September
3 1 must be enrolled in an instructional program that meets for a total of at
4 least eight hundred sixty-five hours during the minimum number of school days
5 required in a school year as provided in section 15-341. In fiscal year
6 2001-2002, the program shall meet at least eight hundred seventy hours. In
7 fiscal year 2002-2003, the program shall meet at least eight hundred
8 seventy-five hours. In fiscal year 2003-2004, the program shall meet at
9 least eight hundred eighty hours. In fiscal year 2004-2005, the program
10 shall meet at least eight hundred eighty-five hours. In fiscal year
11 2005-2006 and each fiscal year thereafter, the program shall meet at least
12 eight hundred ninety hours. Until fiscal year 2001-2002, seventh and eighth
13 grade students or ungraded students at least twelve, but under fourteen,
14 years of age by September 1 must be enrolled in an instructional program that
15 meets for a total of at least one thousand thirty-eight hours during the
16 minimum number of days required in a school year as provided in section
17 15-341. In fiscal year 2001-2002, the program shall meet at least one
18 thousand forty-four hours. In fiscal year 2002-2003, the program shall meet
19 at least one thousand fifty hours. In fiscal year 2003-2004, the program
20 shall meet at least one thousand fifty-six hours. In fiscal year 2004-2005,
21 the program shall meet at least one thousand sixty-two hours. In fiscal year
22 2005-2006 and each fiscal year thereafter, the program shall meet at least
23 one thousand sixty-eight hours. Lunch periods and recess periods may not be
24 included as part of the instructional hours unless the student is a child
25 with a disability and the child's individualized education program requires
26 instruction during those periods and the specific reasons for such
27 instruction are fully documented.
28 (ii) For high schools, EXCEPT AS PROVIDED IN SECTION 15-105, a student
29 not graduated from the highest grade taught in the school district, or an
30 ungraded student at least fourteen years of age by September 1, and enrolled
31 in at least a full-time instructional program of subjects that count toward
32 graduation as defined by the state board of education in a recognized high
33 school. A full-time student shall not be counted more than once for
34 computation of average daily membership.
35 (iii) For homebound or hospitalized, a student receiving at least four
36 hours of instruction per week.
37 (c) "Full-time instructional program" means:
38 (i) Through fiscal year 2000-2001, at least four subjects, each of
39 which, if taught each school day for the minimum number of days required in a
40 school year, would meet a minimum of one hundred twenty hours a year, or the
41 equivalent, or one or more subjects taught in amounts of time totaling at
42 least twenty hours per week prorated for any week with fewer than five school
43 days.

(ii) For fiscal year 2001-2002, an instructional program that meets at least a total of seven hundred four hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-two hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(iii) For fiscal year 2002-2003, an instructional program that meets at least a total of seven hundred eight hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-two hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(iv) For fiscal year 2003-2004, an instructional program that meets at least a total of seven hundred twelve hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(v) For fiscal year 2004-2005, an instructional program that meets at least a total of seven hundred sixteen hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

(vi) For fiscal year 2005-2006 and each fiscal year thereafter, an instructional program that meets at least a total of seven hundred twenty hours during the minimum number of days required and includes at least four subjects each of which, if taught each school day for the minimum number of days required in a school year, would meet a minimum of one hundred twenty-three hours a year, or the equivalent, or one or more subjects taught in amounts of time totaling at least twenty hours per week prorated for any week with fewer than five school days.

3. "Budget year" means the fiscal year for which the school district is budgeting and which immediately follows the current year.

4. "Common school district" means a political subdivision of this state offering instruction to students in programs for preschool children with disabilities and kindergarten programs and grades one through eight.

5. "Current year" means the fiscal year in which a school district is operating.

6. "Daily attendance" means:

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

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

(ii) Of the first, second or third grades, ungraded and at least six, but under nine, years of age by September 1 or ungraded group B children with disabilities and at least five, but under six, years of age by September 1 attends more than three-quarters of the instructional time scheduled for the day.

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

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

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

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

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

(c) For common schools, the attendance of a preschool child with disabilities shall be counted as one-fourth day's attendance for each thirty-six minutes of attendance not including lunch periods and recess periods, except as provided in paragraph 2, subdivision (a), item (i) of this subsection for children with disabilities up to a maximum of three hundred sixty minutes each week.

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

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

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

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

7. "Daily route mileage" means the sum of:

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

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

8. "District support level" means the base support level plus the transportation support level.

9. "Eligible students" means:

(a) Students who are transported by or for a school district and who qualify as full-time students or fractional students, except students for

whom transportation is paid by another school district or a county school superintendent, and:

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

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

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

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

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

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

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

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

13. "Revenue control limit" means the base revenue control limit plus the transportation revenue control limit.

14. "Student count" means average daily membership as prescribed in this subsection for the fiscal year prior to the current year, except that

1 for the purpose of budget preparation student count means average daily
2 membership as prescribed in this subsection for the current year.
3 15. "Submit electronically" means submitted in a format and in a manner
4 prescribed by the department of education.
5 16. "Total bus mileage" means the total number of miles driven by all
6 buses of a school district during the school year.
7 17. "Total students transported" means all eligible students
8 transported from their place of residence to a school transportation pickup
9 point or to the school of attendance and from the school of attendance or
10 from the school transportation scheduled return point to their place of
11 residence.
12 18. "Unified school district" means a political subdivision of the
13 state offering instruction to students in programs for preschool children
14 with disabilities and kindergarten programs and grades one through twelve.
15 B. In this title, unless the context otherwise requires:
16 1. "Base" means the revenue level per student count specified by the
17 legislature.
18 2. "Base level" means:
19 (a) For fiscal year 2004-2005, two thousand eight hundred ninety-three
20 dollars eighteen cents.
21 (b) For fiscal year 2005-2006, three thousand one dollars.
22 (c) For fiscal year 2006-2007, three thousand one hundred thirty-three
23 dollars fifty-three 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. "ED, MIMR, SLD, SLI and OHI" means programs for children with
34 emotional disabilities, mild mental retardation, a specific learning
35 disability, a speech/language impairment and other health impairments.
36 7. "ED-P" means programs for children with emotional disabilities who
37 are enrolled in private special education programs as prescribed in section
38 15-765, subsection D, paragraph 1 or in an intensive school district program
39 as provided in section 15-765, subsection D, paragraph 2.
40 8. "ELL" means English learners who do not speak English or whose
41 native language is not English, who are not currently able to perform
42 ordinary classroom work in English and who are enrolled in an English
43 language education program pursuant to sections 15-751, 15-752 and 15-753.
44 9. "Full-time equivalent certified teacher" or "FTE certified teacher"
45 means for a certified teacher the following:

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

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

10. "Group A" means educational programs for career exploration, a specific learning disability, an emotional disability, mild mental retardation, remedial education, a speech/language impairment, homebound, bilingual, preschool moderate delay, preschool speech/language delay, other health impairments and gifted pupils.

11. "Group B" means educational improvements for pupils in kindergarten programs and grades one through three, educational programs for autism, a hearing impairment, moderate mental retardation, multiple disabilities, multiple disabilities with severe sensory impairment, orthopedic impairments, preschool severe delay, severe mental retardation and emotional disabilities for school age pupils enrolled in private special education programs or in school district programs for children with severe disabilities or visual impairment and English learners enrolled in a program to promote English language proficiency pursuant to section 15-752.

12. "HI" means programs for pupils with hearing impairment.

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

14. "K" means kindergarten programs.

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

16. "MD-R, A-R and SMR-R" means resource programs for pupils with multiple disabilities, autism and severe mental retardation.

17. "MD-SC, A-SC and SMR-SC" means self-contained programs for pupils with multiple disabilities, autism and severe mental retardation.

18. "MDSSI" means a program for pupils with multiple disabilities with severe sensory impairment.

19. "MOMR" means programs for pupils with moderate mental retardation.

20. "OI-R" means a resource program for pupils with orthopedic impairments.

21. "OI-SC" means a self-contained program for pupils with orthopedic impairments.

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

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

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

25. "Small isolated school district" means a school district which meets all of the following:

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

(b) Contains no school which is fewer than thirty miles by the most reasonable route from another school, or, if road conditions and terrain make the driving slow or hazardous, fifteen miles from another school which teaches one or more of the same grades and is operated by another school district in this state.

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

26. "Small school district" means a school district which meets all of the following:

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

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

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

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

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

29. "VI" means programs for pupils with visual impairments.

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

Sec. 3. Section 15-1855, Arizona Revised Statutes, is amended to read:

15-1855. <u>Postsecondary education grant program; fund; program termination; definition</u>

A. The commission on postsecondary education shall develop, implement and administer a postsecondary education grant program. The commission shall develop application forms, procedures and deadlines and shall select eligible

students each year for participation in the postsecondary education grant program. The commission may establish partnerships with qualifying schools for the administration of the postsecondary education grant program. Participating full-time students shall receive a grant in an amount of two thousand dollars annually FOR A MAXIMUM OF FOUR CALENDAR YEARS to be used to pay all or a portion of the FOLLOWING:

1. THE tuition CHARGED AT A QUALIFYING SCHOOL. ~~,~~

2. THE COST OF books REQUIRED FOR CLASSES AT A QUALIFYING SCHOOL. ~~and~~

3. THE fees charged at a qualifying school ~~for a maximum of four calendar years~~.

B. The amount of a grant awarded to a participating part-time student enrolled in at least six credit hours shall be prorated in accordance with the part-time status of the student.

C. EMPLOYEES OF PRIVATE POSTSECONDARY INSTITUTIONS AND FAMILY MEMBERS OF EMPLOYEES OF PRIVATE POSTSECONDARY INSTITUTIONS ARE NOT ELIGIBLE TO RECEIVE A POSTSECONDARY EDUCATION GRANT PURSUANT TO THIS SECTION IF THE EMPLOYEE OR FAMILY MEMBER IS ELIGIBLE FOR TUITION REIMBURSEMENT OR A TUITION WAIVER AS A BENEFIT OF EMPLOYMENT.

D. A student who has ~~obtained a sufficient number of academic credits to graduate with~~ a baccalaureate degree from the qualifying school is ~~no longer~~ NOT eligible to receive postsecondary education grant monies pursuant to this section.

~~B.~~ E. Students who provide satisfactory proof to the commission that the student has met each of the following criteria are eligible to submit an application for consideration by the commission for a grant under the postsecondary education grant program:

1. The student MEETS AT LEAST ONE OF THE FOLLOWING CRITERIA:

(a) Has graduated from a public or private high school in this state. ~~,~~

(b) Has completed the equivalent of grade twelve in a home school program. ~~or~~

(c) Has obtained a general equivalency diploma in this state.

(d) IS CURRENTLY A RESIDENT OF THIS STATE AND HAS BEEN A RESIDENT OF THIS STATE FOR AT LEAST THE PAST TWELVE MONTHS.

(e) IS A MEMBER OF THE MILITARY SERVICE OF THE UNITED STATES STATIONED IN THIS STATE OR THE SPOUSE OR DEPENDENT OF A MEMBER OF THE MILITARY SERVICE OF THE UNITED STATES STATIONED IN THIS STATE.

2. The student has met the qualifications adopted by the commission. The commission shall adopt minimum qualifications that are comparable to the admissions standards established by the Arizona board of regents for Arizona public universities.

3. The student registers for enrollment as a student in a baccalaureate program at a nationally or regionally accredited private postsecondary educational institution in this state that awards four year baccalaureate degrees.

~~4. The student is currently a resident of this state and has been a resident of this state for at least the past five consecutive years.~~

4. THE STUDENT HAS PROVIDED HIGH SCHOOL TRANSCRIPTS AS PROOF OF GRADUATION IF THE STUDENT HAS GRADUATED FROM A PUBLIC OR PRIVATE HIGH SCHOOL. IF HIGH SCHOOL RECORDS NO LONGER EXIST FOR A STUDENT OR AFTER EVERY REASONABLE EFFORT HAS BEEN MADE TO OBTAIN OFFICIAL RECORDS, THE STUDENT MAY SUBMIT A LETTER CERTIFIED BY THE HIGH SCHOOL FROM WHICH THE STUDENT GRADUATED OR THE ORIGINAL HIGH SCHOOL DIPLOMA.

5. The student has completed and submitted a free application for federal student aid.

6. The student is a citizen or legal resident of the United States~~,~~ or is otherwise lawfully present in the United States.

~~C.~~ F. The postsecondary education grant fund is established consisting of legislative appropriations. The commission shall administer the fund. Monies in the fund are continuously appropriated and are exempt from the provisions of section 35-190 relating to lapsing of appropriations. The commission shall make awards for payment of tuition at qualifying schools to students who are selected to participate in the postsecondary education grant program pursuant to subsection A of this section.

~~D.~~ G. If the amount of monies available for postsecondary education grants in any fiscal year is insufficient to provide grants to all eligible applicants, the commission shall award grants to eligible students in the order in which the applications were received by the commission, except that priority shall be given to qualifying students who received a grant in the previous fiscal year and who are still in good academic standing at the same qualifying school. The commission shall maintain a waiting list for all other applicants.

~~E.~~ H. A student who fails to receive a baccalaureate degree within a five year period of receipt of the program award shall reimburse the postsecondary education grant fund for all awards received pursuant to subsection A of this section.

~~F.~~ I. The commission shall submit an annual report to the governor, the president of the senate, the speaker of the house of representatives and the joint legislative budget committee that includes a detailed description of the amount of monies distributed under the postsecondary education grant program during the previous fiscal year and that includes the total number of qualified applicants for grants, the total number of grants awarded, the qualifying schools attended by grant recipients and the total number of qualified applicants who were placed on the waiting list. The commission shall provide a copy of this report to the secretary of state and the director of the Arizona state library, archives and public records.

~~G.~~ J. If the commission is notified by a qualifying school that a student who has received a postsecondary education grant is no longer in good academic standing at the qualifying school, the commission shall immediately discontinue the grant and the student shall reimburse the postsecondary

education grant fund for any unused portion or any unlawfully used portion of a grant received pursuant to subsection A of this section.

~~H.~~ K. The commission shall develop a marketing strategy that is designed to provide information about the postsecondary education grant program to all high school students in this state.

~~I.~~ L. The program established by this section ends on July 1, 2016 pursuant to section 41-3102.

~~J.~~ M. For the purposes of this section, "qualifying school" means a nationally or regionally accredited private postsecondary educational institution in this state that offers four year baccalaureate degrees.

APPROVED BY THE GOVERNOR JULY 2, 2007.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 2, 2007.