

REFERENCE TITLE: schools; teacher performance pay programs

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1488

Introduced by
Senator Bee

AN ACT

AMENDING SECTION 15-901, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-901.05; MAKING AN APPROPRIATION; RELATING TO TEACHER PERFORMANCE PAY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-901, Arizona Revised Statutes, is amended to
3 read:

4 15-901. Definitions

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

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

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13 withdrawn from schools and students absent for ten consecutive school days,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

17 (a) "Fractional student" means:

18 (i) For common schools, until fiscal year 2001-2002, a preschool child
19 who is enrolled in a program for preschool children with disabilities of at
20 least three hundred sixty minutes each week or a kindergarten student at
21 least five years of age prior to January 1 of the school year and enrolled in
22 a school kindergarten program that meets at least three hundred forty-six
23 instructional hours during the minimum number of days required in a school
24 year as provided in section 15-341. In fiscal year 2001-2002, the
25 kindergarten program shall meet at least three hundred forty-eight hours. In
26 fiscal year 2002-2003, the kindergarten program shall meet at least three
27 hundred fifty hours. In fiscal year 2003-2004, the kindergarten program
28 shall meet at least three hundred fifty-two hours. In fiscal year 2004-2005,
29 the kindergarten program shall meet at least three hundred fifty-four hours.
30 In fiscal year 2005-2006 and each fiscal year thereafter, the kindergarten
31 program shall meet at least three hundred fifty-six hours. Lunch periods and
32 recess periods may not be included as part of the instructional hours unless
33 the child's individualized education program requires instruction during
34 those periods and the specific reasons for such instruction are fully
35 documented. In computing the average daily membership, preschool children
36 with disabilities and kindergarten students shall be counted as one-half of a
37 full-time student. For common schools, a part-time student is a student
38 enrolled for less than the total time for a full-time student as defined in
39 this section. A part-time common school student shall be counted as
40 one-fourth, one-half or three-fourths of a full-time student if the student
41 is enrolled in an instructional program that is at least one-fourth, one-half
42 or three-fourths of the time a full-time student is enrolled as defined in
43 subdivision (b) of this paragraph.

44 (ii) For high schools, a part-time student who is enrolled in less
45 than four subjects that count toward graduation as defined by the state board

1 of education in a recognized high school and who is taught in less than
2 twenty instructional hours per week prorated for any week with fewer than
3 five school days. A part-time high school student shall be counted as
4 one-fourth, one-half or three-fourths of a full-time student if the student
5 is enrolled in an instructional program that is at least one-fourth, one-half
6 or three-fourths of a full-time instructional program as defined in
7 subdivision (c) of this paragraph.

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

9 (i) For common schools, a student who is at least six years of age
10 prior to January 1 of a school year, who has not graduated from the highest
11 grade taught in the school district and who is regularly enrolled in a course
12 of study required by the state board of education. Until fiscal year
13 2001-2002, first, second and third grade students, ungraded students at least
14 six, but under nine, years of age by September 1 or ungraded group B children
15 with disabilities who are at least five, but under six, years of age by
16 September 1 must be enrolled in an instructional program that meets for a
17 total of at least six hundred ninety-two hours during the minimum number of
18 days required in a school year as provided in section 15-341. In fiscal year
19 2001-2002, the program shall meet at least six hundred ninety-six hours. In
20 fiscal year 2002-2003, the program shall meet at least seven hundred hours.
21 In fiscal year 2003-2004, the program shall meet at least seven hundred four
22 hours. In fiscal year 2004-2005, the program shall meet at least seven
23 hundred eight hours. In fiscal year 2005-2006 and in each fiscal year
24 thereafter, the program shall meet at least seven hundred twelve hours.
25 Until fiscal year 2001-2002, fourth, fifth and sixth grade students or
26 ungraded students at least nine, but under twelve, years of age by September
27 1 must be enrolled in an instructional program that meets for a total of at
28 least eight hundred sixty-five hours during the minimum number of school days
29 required in a school year as provided in section 15-341. In fiscal year
30 2001-2002, the program shall meet at least eight hundred seventy hours. In
31 fiscal year 2002-2003, the program shall meet at least eight hundred
32 seventy-five hours. In fiscal year 2003-2004, the program shall meet at least
33 eight hundred eighty hours. In fiscal year 2004-2005, the program shall meet
34 at least eight hundred eighty-five hours. In fiscal year 2005-2006 and each
35 fiscal year thereafter, the program shall meet at least eight hundred ninety
36 hours. Until fiscal year 2001-2002, seventh and eighth grade students or
37 ungraded students at least twelve, but under fourteen, years of age by
38 September 1 must be enrolled in an instructional program that meets for a
39 total of at least one thousand thirty-eight hours during the minimum number
40 of days required in a school year as provided in section 15-341. In fiscal
41 year 2001-2002, the program shall meet at least one thousand forty-four
42 hours. In fiscal year 2002-2003, the program shall meet at least one
43 thousand fifty hours. In fiscal year 2003-2004, the program shall meet at
44 least one thousand fifty-six hours. In fiscal year 2004-2005, the program
45 shall meet at least one thousand sixty-two hours. In fiscal year 2005-2006

1 and each fiscal year thereafter, the program shall meet at least one thousand
2 sixty-eight hours. Lunch periods and recess periods may not be included as
3 part of the instructional hours unless the student is a child with a
4 disability and the child's individualized education program requires
5 instruction during those periods and the specific reasons for such
6 instruction are fully documented.

7 (ii) For high schools, except as provided in section 15-105, a student
8 not graduated from the highest grade taught in the school district, or an
9 ungraded student at least fourteen years of age by September 1, and enrolled
10 in at least a full-time instructional program of subjects that count toward
11 graduation as defined by the state board of education in a recognized high
12 school. A full-time student shall not be counted more than once for
13 computation of average daily membership.

14 (iii) For homebound or hospitalized, a student receiving at least four
15 hours of instruction per week.

16 (c) "Full-time instructional program" means:

17 (i) Through fiscal year 2000-2001, at least four subjects, each of
18 which, if taught each school day for the minimum number of days required in a
19 school year, would meet a minimum of one hundred twenty hours a year, or the
20 equivalent, or one or more subjects taught in amounts of time totaling at
21 least twenty hours per week prorated for any week with fewer than five school
22 days.

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

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

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

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

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

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

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

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

24 6. "Daily attendance" means:

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

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

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

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

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

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

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

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

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

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

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

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

42 (g) For school districts which maintain school for an approved
43 year-round school year operation, attendance shall be based on a computation,
44 as prescribed by the superintendent of public instruction, of the one hundred
45 eighty days' equivalency or two hundred days' equivalency, as applicable, of

1 instructional time as approved by the superintendent of public instruction
2 during which each pupil is enrolled.

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

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

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

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

19 9. "Eligible students" means:

20 (a) Students who are transported by or for a school district and who
21 qualify as full-time students or fractional students, except students for
22 whom transportation is paid by another school district or a county school
23 superintendent, and:

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

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

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

43 (c) Children with disabilities, as defined by section 15-761, who are
44 transported by or for the school district or who are admitted pursuant to
45 chapter 8, article 1.1 of this title and who qualify as full-time students or

1 fractional students regardless of location or residence within the school
2 district or children with disabilities whose transportation is required by
3 the pupil's individualized education program.

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

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

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

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

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

19 14. "Student count" means average daily membership as prescribed in
20 this subsection for the fiscal year prior to the current year, except that
21 for the purpose of budget preparation student count means average daily
22 membership as prescribed in this subsection for the current year.

23 15. "Submit electronically" means submitted in a format and in a manner
24 prescribed by the department of education.

25 16. "Total bus mileage" means the total number of miles driven by all
26 buses of a school district during the school year.

27 17. "Total students transported" means all eligible students
28 transported from their place of residence to a school transportation pickup
29 point or to the school of attendance and from the school of attendance or
30 from the school transportation scheduled return point to their place of
31 residence.

32 18. "Unified school district" means a political subdivision of the
33 state offering instruction to students in programs for preschool children
34 with disabilities and kindergarten programs and grades one through twelve.

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

36 1. "Base" means the revenue level per student count specified by the
37 legislature.

38 2. "Base level" means:

39 (a) For fiscal year 2006-2007, three thousand one hundred thirty-three
40 dollars fifty-three cents.

41 (b) For fiscal year 2007-2008, three thousand two hundred twenty-six
42 dollars eighty-eight cents.

43 (c) FOR EACH OF THE FIRST FIVE FISCAL YEARS THAT SUFFICIENT MONIES ARE
44 APPROPRIATED FOR A TEACHER PERFORMANCE PAY PROGRAM PURSUANT TO SECTION

1 15-901.05, THE BASE LEVEL PRESCRIBED BY LAW SHALL BE INCREASED BY AN
2 ADDITIONAL ONE PER CENT EACH FISCAL YEAR.

3 (d) FOR THE SIXTH FISCAL YEAR THAT SUFFICIENT MONIES ARE APPROPRIATED
4 FOR A TEACHER PERFORMANCE PAY PROGRAM PURSUANT TO SECTION 15-901.05, THE BASE
5 LEVEL PRESCRIBED BY LAW SHALL BE INCREASED BY AN ADDITIONAL ONE-HALF OF ONE
6 PER CENT.

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

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

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

16 6. "ED, MIMR, SLD, SLI and OHI" means programs for children with
17 emotional disabilities, mild mental retardation, a specific learning
18 disability, a speech/language impairment and other health impairments.

19 7. "ED-P" means programs for children with emotional disabilities who
20 are enrolled in private special education programs as prescribed in section
21 15-765, subsection D, paragraph 1 or in an intensive school district program
22 as provided in section 15-765, subsection D, paragraph 2.

23 8. "ELL" means English learners who do not speak English or whose
24 native language is not English, who are not currently able to perform
25 ordinary classroom work in English and who are enrolled in an English
26 language education program pursuant to sections 15-751, 15-752 and 15-753.

27 9. "Full-time equivalent certified teacher" or "FTE certified teacher"
28 means for a certified teacher the following:

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

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

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

39 11. "Group B" means educational improvements for pupils in kindergarten
40 programs and grades one through three, educational programs for autism, a
41 hearing impairment, moderate mental retardation, multiple disabilities,
42 multiple disabilities with severe sensory impairment, orthopedic impairments,
43 preschool severe delay, severe mental retardation and emotional disabilities
44 for school age pupils enrolled in private special education programs or in
45 school district programs for children with severe disabilities or visual

1 impairment and English learners enrolled in a program to promote English
2 language proficiency pursuant to section 15-752.

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

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

21 14. "K" means kindergarten programs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 Sec. 2. Title 15, chapter 9, article 1, Arizona Revised Statutes, is
25 amended by adding section 15-901.05, to read:

26 15-901.05. Base level; performance pay; teacher performance pay
27 monies

28 A. EACH SCHOOL DISTRICT AND CHARTER SCHOOL THAT CALCULATES ITS BUDGET
29 USING AN INCREASE IN THE BASE LEVEL FOR A TEACHER PERFORMANCE PAY PROGRAM
30 PURSUANT TO SECTION 15-901, SUBSECTION B, PARAGRAPH 2, SUBDIVISIONS (c) AND
31 (d) SHALL UTILIZE A SEPARATE PORTION OF THE BUDGET FOR THE TEACHER
32 PERFORMANCE PAY PROGRAM ON A FORM PRESCRIBED BY THE AUDITOR GENERAL IN
33 CONJUNCTION WITH THE DEPARTMENT OF EDUCATION AND SHALL ALLOCATE MONIES IN
34 THAT PORTION OF THE BUDGET SOLELY FOR PERFORMANCE-BASED PAY FOR TEACHERS.

35 B. MONIES ALLOCATED FROM THE TEACHER PERFORMANCE PAY PORTION OF THE
36 BUDGET SHALL SUPPLEMENT AND NOT SUPPLANT MONIES ALLOCATED TO TEACHERS UNDER
37 REGULAR SALARY AND BENEFITS SCHEDULES. PERFORMANCE PAY PROGRAMS THAT ARE
38 FUNDED WITH MONIES ALLOCATED PURSUANT TO THIS SECTION SHALL CONTAIN THE SAME
39 ELEMENTS PRESCRIBED IN SECTION 15-977, SUBSECTION C.

40 C. MONIES IN THE TEACHER PERFORMANCE PAY PORTION OF A SCHOOL
41 DISTRICT'S BUDGET SHALL BE INCLUDED IN THE ALLOWABLE BUDGET BALANCE
42 CARRYFORWARD PURSUANT TO SECTION 15-920.

43 D. IF A SCHOOL DISTRICT THAT BUDGETS FOR A CAREER LADDER PROGRAM OR AN
44 OPTIONAL PERFORMANCE INCENTIVE PROGRAM ALSO CALCULATES ITS BUDGET USING AN
45 INCREASE IN THE BASE LEVEL FOR A TEACHER PERFORMANCE PAY PROGRAM AS

1 PRESCRIBED IN THIS SECTION, THAT SCHOOL DISTRICT SHALL REDUCE THE PERCENTAGE
2 INCREASE IN THE BASE LEVEL IT MAY USE IN CALCULATING ITS BUDGET FOR THE
3 CAREER LADDER PROGRAM OR THE OPTIONAL PERFORMANCE INCENTIVE PROGRAM BY THE
4 PERCENTAGE INCREASE IN THE BASE LEVEL AUTHORIZED FOR THE TEACHER PERFORMANCE
5 PAY PROGRAM FOR THAT FISCAL YEAR.

6 E. NOTWITHSTANDING SECTIONS 15-918.05 AND 15-919.05, IF A SCHOOL
7 DISTRICT BUDGETS FOR A CAREER LADDER PROGRAM OR AN OPTIONAL PERFORMANCE
8 INCENTIVE PROGRAM AND DOES NOT CALCULATE ITS BUDGET USING AN INCREASE IN THE
9 BASE LEVEL FOR A TEACHER PERFORMANCE PAY PROGRAM, THE PERCENTAGE INCREASE IN
10 THE BASE LEVEL USED TO COMPUTE THE ADJUSTMENT IN THE QUALIFYING TAX RATE
11 PRESCRIBED BY SECTIONS 15-918.05 AND 15-919.05 SHALL BE REDUCED BY THE
12 PERCENTAGE INCREASE IN THE BASE LEVEL FOR TEACHER PERFORMANCE PAY PRESCRIBED
13 BY SECTION 15-901, SUBSECTION B, PARAGRAPH 2, SUBDIVISIONS (c) AND (d) THAT
14 IS IN EFFECT FOR THAT FISCAL YEAR.

15 F. PROCEDURES FOR COMPLYING WITH THIS SECTION SHALL BE AS PRESCRIBED
16 BY THE AUDITOR GENERAL IN THE UNIFORM SYSTEM OF FINANCIAL RECORDS.

17 Sec. 3. Appropriation; department of education; exemption

18 A. The sum of \$_____ is appropriated from the state general fund
19 in fiscal year 2008-2009 to the department of education to fund the increase
20 in the base level authorized in section 15-901, subsection B, paragraph 2,
21 Arizona Revised Statutes, as amended by this act.

22 B. The appropriation made in subsection A of this section is exempt
23 from the provisions of section 35-190, Arizona Revised Statutes, relating to
24 lapsing of appropriations.

25 Sec. 4. Intent

26 A. It is the intent of the legislature to continue to provide
27 additional increases in base level funding after fiscal year 2008-2009 for
28 school districts and charter schools, if sufficient monies are available and
29 if sufficient monies are appropriated for this purpose, to provide
30 alternatives to career ladder programs and optional performance incentive
31 programs with the intent of eventually phasing out the need for career ladder
32 programs and optional performance incentive programs.

33 B. It is the intent of the legislature that the base level increase
34 provided in this act for fiscal year 2008-2009 and in all subsequent fiscal
35 years be used by school districts and charter schools to enhance student
36 achievement by providing performance-based pay to teachers.

37 C. It is the intent of the legislature by this act to reduce local
38 property taxes and to reduce local property tax burdens of the taxpayers of
39 this state.