

PROPOSED

SENATE AMENDMENTS TO H.B. 2124

(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 15-448, Arizona Revised Statutes, as amended by
3 Laws 2020, chapter 14, section 2, is amended to read:

4 15-448. Formation of unified school district; board
5 membership; budget

6 A. One or more common school districts and a high school district
7 with coterminous or overlapping boundaries may establish a unified school
8 district pursuant to this section. Unification of a common school district
9 and a high school district is not authorized by this section if any of the
10 high school facilities owned by the new unified school district would not
11 be located within its boundaries.

12 B. Formation of a unified school district shall be by resolutions
13 approved by the governing boards of the unifying school districts and
14 certification of approval by such governing boards to the county school
15 superintendent of the county or counties in which such individual school
16 districts are located. A common school district and high school district
17 that unify pursuant to this section shall not exclude from the same
18 unification a common school district that has overlapping boundaries with
19 the high school district and that wishes to unify. Except as provided in
20 subsection D of this section, the formation of a unified school district
21 becomes effective on July 1 of the next fiscal year following the
22 certification of the county school superintendent. An election is not
23 required to form a unified school district pursuant to this section. Notice
24 of the proposed vote of the governing boards on the resolutions prescribed
25 in this subsection shall be posted in at least three public places in each

1 of the school districts proposed to be unified at least ninety days before
2 the proposed vote. At least ninety days before the governing boards vote
3 on the resolutions prescribed in this subsection, the governing boards
4 shall mail a pamphlet to each household with one or more qualified electors
5 that lists the full cash value, the assessed valuation and the estimated
6 amount of the primary property taxes and the estimated amount of the
7 secondary property taxes under the proposed unification for each of the
8 following:

9 1. An owner-occupied residence whose assessed valuation is the
10 average assessed valuation of property classified as class three, as
11 prescribed by section 42-12003 for the current year in the school district.

12 2. An owner-occupied residence whose assessed valuation is one-half
13 of the assessed valuation of the residence in paragraph 1 of this
14 subsection.

15 3. An owner-occupied residence whose assessed valuation is twice the
16 assessed valuation of the residence in paragraph 1 of this subsection.

17 4. A business whose assessed valuation is the average of the
18 assessed valuation of property classified as class one, as prescribed by
19 section 42-12001, paragraphs 12 and 13 for the current year in the school
20 district.

21 C. The boundaries of the unified school district shall be the
22 boundaries of the former common school district or districts that unify.
23 The boundaries of the common school district or districts that are not
24 unifying remain unchanged. The county school superintendent, immediately
25 on receipt of the approved resolutions prescribed by subsection B of this
26 section, shall file with the board of supervisors, the county assessor and
27 the superintendent of public instruction a transcript of the boundaries of
28 the unified school district. The boundaries shown in the transcript shall
29 become the legal boundaries of the school districts on July 1 of the next
30 fiscal year.

31 D. On formation of the unified school district, the governing board
32 consists of the members of the former school district governing boards and

1 the members shall hold office until January 1 following the first general
2 election after formation of the district. For the purpose of all actions
3 that are necessary to operate the unified district for the next year, the
4 unified school district governing board is constituted and may conduct
5 meetings after the adoption of the unification resolutions prescribed by
6 subsection B of this section.

7 E. Beginning on January 1 following the first general election after
8 formation of the unified school district, the governing board shall have
9 five members. At the first general election after the formation of the
10 district, members shall be elected in the following manner:

11 1. The three candidates receiving the highest, the second highest
12 and the third highest number of votes shall be elected to four-year terms.

13 2. The two candidates receiving the fourth and fifth highest number
14 of votes shall be elected to two-year terms. Thereafter all offices shall
15 have four-year terms.

16 F. The new unified school district may appoint a resident of the
17 remaining common school district to serve as a nonvoting member of the
18 governing board to represent the interests of the high school pupils who
19 reside in the remaining common school district and who attend school in the
20 unified school district.

21 G. For the first year of operation, the unified school district
22 governing board shall prepare a consolidated budget based on the student
23 counts from the school districts comprising the unified school district,
24 except that for purposes of determining budget amounts and equalization
25 assistance, the student count for the former high school district shall not
26 include the prior year average daily membership attributable to high school
27 pupils from a common school district that was part of the former high
28 school district but is not part of the unified school district. The
29 unified school district shall charge the remaining common school district
30 tuition for these pupils as provided in subsection J of this section. The
31 unified school district may budget for unification assistance pursuant to
32 section 15-912.01.

1 H. The governing board of the unified school district shall prepare
2 policies, curricula and budgets for the district. These policies shall
3 require that:

4 1. The base compensation of each certificated teacher for the first
5 year of operation of the new unified school district shall not be lower
6 than the certificated teacher's base compensation for the prior year in the
7 previously existing school districts.

8 2. The certificated teacher's years of employment in the previously
9 existing school districts shall be included in determining the teacher's
10 certificated years of employment in the new unified school district.

11 I. On formation of a unified school district, any existing override
12 authorization of the former high school district and the former common
13 school district or districts shall continue until expiration based on the
14 revenue control limit of the school district or districts that had override
15 authorization before unification. The unified school district may request
16 new override authorization for the budget year as provided in section
17 15-481 based on the combined revenue control limit of the new district
18 after unification. If the unified school district's request for override
19 authorization is approved, it will replace any existing override for the
20 budget year.

21 J. The unified school district shall admit high school pupils who
22 reside in a common school district that was located within the boundaries
23 of the former high school district. Tuition shall be paid to the unified
24 school district by the common school district in which such pupils reside.
25 Such tuition amount shall be calculated in accordance with section 15-824,
26 subject to the following modifications:

27 1. If the former high school district had outstanding bonded
28 indebtedness at the time of unification, the combined tuition for the group
29 of high school pupils who reside in each common school district shall
30 include a debt service amount for the former high school district's
31 outstanding bonded indebtedness that is determined as follows:

1 (a) Divide the total net assessed valuation of the common school
2 district in which the group of pupils resides by the total net assessed
3 valuation of the former high school district. For the purposes of this
4 subdivision, "net assessed valuation" means net assessed valuation for the
5 tax year before the year when the unified school district governing board
6 is constituted pursuant to subsection D of this section and includes the
7 values used to determine voluntary contributions collected pursuant to
8 title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

9 (b) Multiply the quotient obtained in subdivision (a) of this
10 paragraph by the unified school district's annual debt service expenditure.

11 2. The debt service portion of such tuition payments calculated
12 pursuant to paragraph 1 of this subsection shall be used exclusively for
13 debt service of the outstanding bonded indebtedness of the former high
14 school district. When such indebtedness is fully extinguished, the debt
15 service portion of a pupil's tuition shall be determined in accordance with
16 paragraph 3 of this subsection.

17 3. If the former high school district had no outstanding bonded
18 indebtedness at the time of unification, the tuition calculation shall
19 include the actual school district expenditures for the portion of any debt
20 service of the unified school district that pertains to any construction or
21 renovation of high school facilities divided by the school district's
22 student count for the high school portion of the school district.

23 4. The unified school district shall not include in the tuition
24 calculation any debt service that pertains to any construction or
25 renovation of school facilities for preschool through grade eight.

26 5. ~~Notwithstanding section 15-951, subsection F,~~ The revenue control
27 limit of the common school district shall include the full amount of the
28 debt service portion of the tuition calculated pursuant to this subsection.

29 K. All assets and liabilities of the unifying school districts shall
30 be transferred and assumed by the new unified school district. Any
31 existing bonded indebtedness of a common school district or a high school
32 district unifying pursuant to this section shall be assumed by the new

1 unified school district and shall be regarded as an indebtedness of the new
2 unified school district for the purpose of determining the debt incurring
3 authority of the district. Taxes for the payment of such bonded
4 indebtedness shall be levied on all taxable property in the new unified
5 school district, but nothing in this subsection shall be construed to
6 relieve from liability to taxation for the payment of all taxable property
7 of the former high school district if necessary to prevent a default in the
8 payment of any bonded indebtedness of the former high school district. The
9 residents of a common school district that does not unify shall not vote in
10 bond or override elections of the unified school district and shall not be
11 assessed taxes as a result of a bond or override election of the unified
12 school district.

13 L. If the remaining common school district had authorization for an
14 override as provided in section 15-481 or 15-482, the override
15 authorization continues for the remaining common school district or
16 districts in the same manner as before the formation of the unified school
17 district.

18 M. The bonding authorization and bonding limitations continue for
19 the remaining common school district or districts in the same manner as
20 before the formation of the unified school district.

21 N. This section does not relieve a school district formed pursuant
22 to section 15-457 or 15-458 of its liability for any outstanding bonded
23 indebtedness.

24 O. For school districts that become unified after July 1, 2004 and
25 where all of the common schools were eligible for the small school district
26 weight pursuant to section 15-943, paragraph 1, subdivision (a) when
27 computing their base support level and base revenue control limit before
28 unification, the unified school district may continue to use the small
29 school district weight as follows:

30 1. Annually determine the common school student count and the
31 weighted student count pursuant to section 15-943, paragraph 1, subdivision
32 (a) for each common school district before unification.

1 2. Calculate the sum of the common school districts' student counts
2 and weighted student counts determined in paragraph 1 of this subsection.

3 3. Divide the sum of the weighted student counts by the sum of the
4 student counts determined in paragraph 2 of this subsection.

5 4. The amount determined in paragraph 3 of this subsection shall be
6 the weight for the common schools in the unified school district.

7 P. A unified school district may calculate its revenue control limit
8 and district support level by using subsection 0 of this section as
9 follows:

10 1. Determine the number of individual school districts that existed
11 before unification into a single school district.

12 2. Multiply the amount determined in paragraph 1 of this subsection
13 by six hundred.

14 3. Multiply the amount determined in paragraph 2 of this subsection
15 by 0.80.

16 4. If the amount determined in paragraph 3 of this subsection
17 exceeds the student count of the unified school district, the unified
18 school district is eligible to use subsection 0 of this section.

19 Q. Subsections 0 and P of this section shall remain in effect until
20 the aggregate student count of the common school districts before
21 unification exceeds the aggregate number of students of the common school
22 districts before unification authorized to utilize section 15-943,
23 paragraph 1, subdivision (a).

24 Sec. 2. Section 15-823, Arizona Revised Statutes, is amended to
25 read:

26 15-823. Admission; residents of other school districts;
27 nonresidents of this state; tuition

28 A. Except as provided in subsections B, C, D, E, F, G and H of this
29 section, children of nonresidents of this state may be admitted on payment
30 of a reasonable tuition fixed by the governing board.

31 B. The governing board shall admit children of nonresident teaching
32 and research faculty of community college districts and state universities

1 and children of nonresident graduate or undergraduate students of community
2 college districts and state universities whose parent's presence at the
3 district or university is of international, national, state or local
4 benefit without payment of tuition.

5 C. The governing board shall admit children who are residents of the
6 United States but who are nonresidents of this state without payment of
7 tuition if evidence indicates that the child's physical, mental, moral or
8 emotional health is best served by placement with a grandparent, brother,
9 sister, stepbrother, stepsister, aunt or uncle who is a resident within the
10 school district, unless the governing board determines that the placement
11 is solely for the purpose of obtaining an education in this state without
12 payment of tuition.

13 D. The governing board may admit nonresident foreign students who
14 are in exchange programs without payment of tuition or as it may otherwise
15 prescribe.

16 E. Notwithstanding subsection D of this section, ~~beginning in the~~
17 ~~2016-2017 school year~~ the governing board may admit the same number of
18 nonresident foreign students who are in exchange programs and who are
19 recipients of a J-1 visa pursuant to federal law, that is equal to the
20 number of resident students enrolled in that local education agency who are
21 currently participating in a foreign exchange program, as determined by the
22 department, without the payment of tuition.

23 F. The governing board may admit children who are residents of the
24 United States without payment of tuition if evidence indicates that because
25 the parents are homeless or the child is abandoned, as defined in section
26 8-201, the child's physical, mental, moral or emotional health is best
27 served by placement with a person who does not have legal custody of the
28 child and who is a resident within the school district, unless the
29 governing board determines that the placement is solely for the purpose of
30 obtaining an education in this state without payment of tuition.

1 G. The governing board may admit children who are residents of the
2 United States, but who are nonresidents of this state, without payment of
3 tuition if all of the following conditions exist:

4 1. The child is a member of a federally recognized Indian tribe.

5 2. The child resides on Indian lands that are under the jurisdiction
6 of the tribe of which the child is a member.

7 3. The area in the boundaries of the reservation where the child
8 resides is located both in this state and in another state of the United
9 States.

10 4. The governing board enters into an intergovernmental agreement
11 with the governing board of the school district in another state in which
12 the nonresident child resides. The intergovernmental agreement shall
13 specify the number of nonresident children admitted in this state and the
14 number of resident children that are admitted by the governing board in
15 another state.

16 H. The governing board may admit children who are residents of the
17 United States, but who are nonresidents of this state, without payment of
18 tuition if all of the following conditions exist:

19 1. The child is enrolled in a year-round residential boarding
20 academy located in this state specializing in intensive instruction and
21 skill development in sports, music or acting.

22 2. The child's parents have executed a current notarized
23 guardianship agreement covering the child while enrolled at the academy,
24 which is a condition of enrollment at the academy and authorizes academy
25 representatives to act on behalf of the child's parent or legal guardian in
26 making all decisions on a daily basis as to the child's activities and
27 needs for medical, educational and other personal issues.

28 I. The governing board shall charge reasonable tuition for the
29 number of nonresident pupils who reside in another state and who are
30 admitted by a governing board in this state pursuant to subsection G of
31 this section that exceeds the number of resident pupils from this state who
32 are admitted into a school district by the other state.

1 J. The governing board of a school district shall pay reasonable
2 tuition for the number of resident pupils who reside in that school
3 district and who are admitted by a school district in another state
4 pursuant to subsection G of this section that exceeds the number of
5 nonresident pupils from that other state who are admitted by the governing
6 board into that school district in this state.

7 ~~K. Children admitted under this section shall be counted or not~~
8 ~~counted as resident pupils as prescribed in section 15-824, subsection D.~~

9 ~~L.~~ K. Except as provided in subsections E, ~~AND H~~ and ~~K~~ of this
10 section, a school district or a charter school shall not include pupils who
11 are not residents of this state in the district's or charter school's
12 student count and shall not obtain state funding for those pupils.

13 Sec. 3. Section 15-824, Arizona Revised Statutes, is amended to
14 read:

15 15-824. Admission of pupils of other school districts;
16 homeless children; tuition charges; definitions

17 A. The governing board of a school district shall admit pupils from
18 another school district or area as follows:

19 1. On the presentation of a certificate of educational convenience
20 issued by the county school superintendent pursuant to section 15-825.

21 2. For three hundred fifty or fewer pupils, to a high school without
22 the presentation of such a certificate, if the pupil is a resident of a
23 common school district within this state that is not within a high school
24 district and that does not offer instruction in the pupil's grade. The
25 three hundred fifty or fewer pupil limitation prescribed in this paragraph
26 does not apply to a small isolated school district as defined in section
27 15-901. ~~Tuition shall be charged as prescribed in subsection E of this~~
28 ~~section for each pupil admitted pursuant to this paragraph, each pupil from~~
29 ~~a school district that provides only financing for pupils who are~~
30 ~~instructed by another school district and each pupil from a unified~~
31 ~~district that does not offer instruction in the pupil's grade.~~ The school
32 membership of such pupils is deemed, for the purpose of determining student

1 count and for apportionment of state aid, to be enrollment in the school
2 district of the pupil's ~~residence~~ ATTENDANCE.

3 B. The residence of the person having legal custody of the pupil is
4 considered the residence of the pupil, except as provided in subsection C
5 of this section and in section 15-825, subsection B.

6 C. The current residence of a homeless pupil who does not reside
7 with the person having legal custody of the pupil is considered to be the
8 residence of the homeless pupil if the person having legal custody of the
9 pupil is a resident of the United States. For the purposes of this
10 subsection, "homeless pupil" means a pupil who has a primary residence that
11 is:

12 1. A supervised publicly or privately operated shelter designed to
13 provide temporary living accommodations.

14 2. An institution that provides a temporary residence for
15 individuals intended to be institutionalized.

16 3. A public or private place not designed for, or ordinarily used
17 as, a regular sleeping accommodation for human beings.

18 D. The school enrollment of a pupil who is a resident of this state
19 or who is admitted to a school district under section 15-823, subsection B,
20 C, E, F or H is deemed, for the purpose of determining student count and
21 for apportionment of state aid, to be enrollment in the school district of
22 actual attendance, except as provided in section 15-825, subsection A,
23 paragraph 1 ~~and subsection A, paragraph 2 of this section~~ and except for
24 pupils for whom the superintendent of public instruction is charged tuition
25 pursuant to section 15-825, subsections B and D and section 15-976 or for
26 whom another school district is charged tuition as provided in subsections
27 E and G of this section.

28 E. If tuition is required to be charged for pupils attending school
29 in a school district other than that of their residence, the tuition shall
30 be determined and paid in the following manner:

31 ~~1. The number of high school pupils for which tuition may be charged~~
32 ~~to a common school district that is not within a high school district is~~

~~equal to the average daily membership in the district of attendance from the common school district for the prior fiscal year, except that for the first year in which a common school district not within a high school district stops teaching high school subjects, the district of attendance may charge tuition for the number of pupils that is equal to the average daily membership for high school pupils in the common school district for the prior fiscal year. This number may be adjusted if the common school district increases its revenue control limit and district support level.~~

~~2.~~ 1. The tuition for pupils attending school in a school district other than that of their residence, except pupils provided for by section 15-825, subsections B and D and any pupils included in the definition of child with a disability in section 15-761, shall not exceed the cost per student count of the school district attended, as determined for the current school year. Tuition for pupils included in the definition of child with a disability in section 15-761 shall not exceed the actual cost of the school attended for each pupil as determined for the current year. The school district of attendance shall not include in the cost per student count a charge for transportation if no transportation is provided, and the charge for transportation shall not exceed the actual costs of providing transportation for the pupils served, as prescribed in the uniform system of financial records. The school district of attendance shall provide the school district of residence with the final tuition charge for the current year and with an estimate of the budget year's tuition charge by May 1 of the current year. The school district of residence shall pay at least one-fourth of the total amount of the estimated tuition by September 30, December 31 and March 31, and it shall pay the remaining amount it owes after adjustments are made by June 30.

~~3.~~ 2. Notwithstanding paragraph ~~2~~ 1 of this subsection and subsection G of this section, if two school districts enter into a voluntary agreement for the payment of tuition, the agreement shall specify the method for computing the tuition amount and the timing of the payments. The agreement shall not be longer than five consecutive years. If two

1 school districts enter into an agreement and choose to renew the agreement,
2 each renewal shall not be longer than five consecutive years. The
3 agreement shall specify that a parent or legal guardian of a pupil affected
4 by a tuition agreement entered pursuant to this section or section
5 15-816.01 may choose not to send the pupil or pupils to a school district
6 or school that is a party to the agreement.

7 ~~4.~~ 3. Tuition of pupils as provided in section 15-825, subsection D
8 shall not exceed the excess costs for group B children with disabilities
9 minus the amount generated by the equalization base as determined in
10 section 15-971, subsection A for these pupils. A school district may
11 submit to the superintendent of public instruction a record of actual
12 excess costs to educate a group B child with a disability if the costs are
13 higher than the calculated excess costs or if a pupil has been placed in a
14 private school for special education services. The superintendent shall
15 determine if the additional costs will be paid, and if the costs are paid,
16 whether the additional costs will be paid by the state or the resident
17 district.

18 ~~5.~~ 4. The amount received representing contributions to capital
19 outlay as provided in subsection G, paragraph 1, subdivision (b) of this
20 section shall be applied to the capital outlay fund or the debt service
21 fund of the school district.

22 ~~6.~~ 5. The amount received representing contributions to debt
23 service as provided in subsection G, paragraph 1, subdivisions (c) and (d)
24 of this section shall be applied to the debt service fund of the school
25 district if there is one. Otherwise the amount shall be credited to the
26 capital outlay fund of the school district.

27 F. A school district may submit to the superintendent of public
28 instruction a record of actual costs paid by the school district to educate
29 a pupil who qualifies for a certificate of educational convenience under
30 section 15-825, subsection B. If the actual costs for that pupil exceed
31 the costs per student count computed pursuant to subsection G of this
32 section, the superintendent of public instruction shall reimburse the

1 school district for these additional costs subject to legislative
2 appropriation.

3 G. For the purposes of this section:

4 1. "Costs per student count" means the sum of the following for the
5 common or high school portion of the school district attended, whichever is
6 applicable to the pupil involved, as prescribed in the uniform system of
7 financial records:

8 (a) The actual school district expenditures for the regular
9 education program subsection of the maintenance and operation section of
10 the budget divided by the school district's student count for the common or
11 high school portion of the school district, whichever is applicable.

12 (b) The actual school district expenditures for the capital outlay
13 section of the budget as provided in sections 15-903 and 15-905 excluding
14 expenditures for transportation equipment and buildings if no
15 transportation is provided and expenditures for the acquisition of building
16 sites, divided by the school district's student count for the common or
17 high school portion of the school district, whichever is applicable.

18 (c) The actual school district expenditures for debt service divided
19 by the school district's student count for the common or high school
20 portion of the school district, whichever is applicable.

21 (d) The result obtained in subdivision (c) of this paragraph shall
22 not exceed:

23 (i) ~~Seven hundred fifty dollars~~ \$750 if the pupil's school district
24 of residence pays tuition for seven hundred fifty or fewer pupils to other
25 school districts or ~~one hundred fifty dollars~~ \$150 if the state pays
26 tuition for seven hundred fifty or fewer pupils to a school district
27 pursuant to section 15-825, subsection D or section 15-976.

28 (ii) ~~Eight hundred dollars~~ \$800 if the pupil's school district of
29 residence pays tuition for one thousand or fewer, but more than seven
30 hundred fifty, pupils to other school districts or ~~two hundred dollars~~ \$200
31 if the state pays tuition for one thousand or fewer, but more than seven

1 hundred fifty, pupils to a school district pursuant to section 15-825,
2 subsection D or section 15-976.

3 (iii) The actual cost per student count if either the pupil's school
4 district of residence or the state pays tuition for more than one thousand
5 pupils to other school districts.

6 2. "Legal custody" means:

7 (a) Custody exercised by the natural or adoptive parents with whom a
8 pupil resides.

9 (b) Custody granted by order of a court of competent jurisdiction to
10 a person or persons with whom a pupil resides unless the primary purpose
11 for which custody was requested was to circumvent the payment of tuition as
12 provided in this section.

13 Sec. 4. Section 15-825, Arizona Revised Statutes, is amended to
14 read:

15 15-825. Certificate of educational convenience; issuance;
16 effect on enrollment records

17 A. A pupil who is precluded by distance or lack of adequate
18 transportation facilities from attending a school in the school district or
19 county of the pupil's residence or who resides in unorganized territory may
20 apply to the county school superintendent for a certificate of educational
21 convenience. If it appears to the county school superintendent that it is
22 not feasible for the pupil to attend a school in the school district or
23 county of residence, the county school superintendent shall issue a
24 certificate **OF EDUCATIONAL CONVENIENCE** authorizing the pupil to attend a
25 school in an adjoining school district or county, whether within or without
26 this state. If a certificate of educational convenience is issued as
27 provided in this subsection, the school enrollment of a pupil is as
28 follows:

29 1. The school enrollment of a pupil who is precluded from attending
30 a school in this state and who must attend school in another state, when
31 certified to the county school superintendent by the official in charge of
32 the school attended, is deemed for the purpose of determining student count

1 to be enrollment in the school of the county or school district of the
2 student's residence.

3 2. The school enrollment of a pupil from unorganized territory or
4 from another school district is deemed for the purpose of determining
5 student count to be enrollment in the school district of actual attendance.

6 B. The county school superintendent of any county in which a pupil
7 is placed as described in this subsection shall issue a certificate of
8 educational convenience for the pupil to attend school in the school
9 district or adjoining school district to that in which the pupil is placed
10 by an agency of this state or a state or federal court of competent
11 jurisdiction in one of the following:

12 1. A state rehabilitation or corrective institution.

13 2. A foster home or child care agency or institution ~~which~~ THAT is
14 licensed and supervised by the department of child safety or the department
15 of health services.

16 3. A residential facility THAT IS operated or supported by the
17 department of economic security or the department of health services.

18 4. Under the supervision of the department of juvenile corrections,
19 ~~in~~ a residence pursuant to the interstate compact on juveniles.
20 Notwithstanding section 41-1959, the placing agency, department or
21 institution shall provide the school district of attendance with the
22 necessary information to enable the district to obtain a certificate of
23 educational convenience pursuant to this subsection.

24 C. A pupil attending school under a certificate of educational
25 convenience issued pursuant to subsection B of this section is deemed for
26 the purpose of determining student count to be enrolled in the school
27 district of attendance. The county school superintendent of any county
28 shall not issue a certificate of educational convenience as provided in
29 subsection B of this section if the pupil is placed in the same district of
30 the pupil's parents' or legal guardians' residence or if the pupil is
31 placed without a court order and the pupil's parents or legal guardians are
32 not residents of this state.

1 D. If a certificate of educational convenience is issued as provided
2 in subsection B of this section, or for a pupil whose parent or guardian is
3 employed and domiciled by a state institution as prescribed by section
4 15-976, tuition may be charged as follows:

5 1. For group B children with disabilities:

6 (a) Who are from unorganized territory, whose parent or guardian is
7 employed by a state institution as prescribed by section 15-976 or who have
8 been issued a certificate of educational convenience pursuant to subsection
9 B of this section, the superintendent of public instruction shall reimburse
10 the district of attendance for the excess costs as provided in section
11 15-824, subsection E, paragraph ~~4~~ 3.

12 (b) Who are from another school district, the school district of
13 residence shall reimburse the district of attendance for the excess costs
14 as provided in section 15-824, subsection E, paragraph ~~4~~ 3.

15 2. For pupils who are precluded from attending a school in this
16 state and who must attend a school in another state:

17 (a) If the pupil resides in a school district in this state, the
18 district of residence shall pay the amount charged by the district of
19 attendance.

20 (b) If the pupil resides in unorganized territory, the
21 superintendent of public instruction shall pay the amount charged by the
22 district of attendance.

23 E. The county school superintendent who issues a certificate of
24 educational convenience shall notify the superintendent of public
25 instruction of the issuance of the certificate. The superintendent of
26 public instruction shall draw a warrant in favor of the school district of
27 actual attendance for the amount charged, whether for common or high school
28 attendance, as provided in section 15-824.

29 F. The total amount of state monies that may be spent in any fiscal
30 year by the superintendent of public instruction for certificates of
31 educational convenience shall not exceed the amount appropriated or
32 authorized by section 35-173 for that purpose. This section does not

1 impose a duty on an officer, agent or employee of this state to discharge a
2 responsibility or ~~to~~ create any right in a person or group if the discharge
3 or right would require an expenditure of state monies in excess of the
4 expenditure authorized by legislative appropriation for that specific
5 purpose.

6 Sec. 5. Section 15-910, Arizona Revised Statutes, is amended to
7 read:

8 15-910. School district budgets; excess utility costs;
9 desegregation costs; tuition costs for bond issues;
10 costs for registering warrants; report

11 A. The governing board may budget for the district's excess utility
12 costs that are specifically exempt from the district's revenue control
13 limit. If approved by the qualified electors voting at a statewide general
14 election, the exemption from the revenue control limit under this
15 subsection expires at the end of the 2008-2009 budget year. The uniform
16 system of financial records shall specify expenditure items allowable as
17 excess utility costs, which are limited to direct operational costs of
18 heating, cooling, water and electricity, telephone communications and
19 sanitation fees. The department of education and the auditor general shall
20 include in the maintenance and operation section of the budget format, as
21 provided in section 15-903, a separate line for utility expenditures and a
22 special excess utility cost category. The special excess utility cost
23 category shall contain budgeted expenditures for excess utility costs,
24 determined as follows:

25 1. Determine the lesser of the total budgeted or total actual
26 utility expenditures for fiscal year 1984-1985.

27 2. Multiply the amount in paragraph 1 of this subsection by the
28 total percentage increase or decrease in the revenue control limit and the
29 capital outlay revenue limit for the budget year over the revenue control
30 limit and the capital outlay revenue limit for fiscal year 1984-1985
31 excluding monies available from a teacher compensation program provided for
32 in section 15-952.

1 3. The sum of the amounts in paragraphs 1 and 2 of this subsection
2 is the amount budgeted in the utility expenditure line.

3 4. Additional expenditures for utilities are budgeted in the excess
4 utility cost category.

5 B. The governing board shall apply the same percentage increase or
6 decrease allowed in the revenue control limit and the capital outlay
7 revenue limit as provided in section 15-905, subsection E to the utility
8 expenditure line of the budget.

9 C. The governing board may expend from the excess utility cost
10 category only after it has expended for utility purposes the full amount
11 budgeted in the utility expenditure line of the budget.

12 D. The governing board, after notice is given and a public meeting
13 is held as provided in section 15-905, subsection D, may revise at any time
14 before May 15 the amount budgeted in the excess utility cost category for
15 the current year. Not later than May 18, the budget as revised shall be
16 submitted electronically to the superintendent of public instruction.

17 E. If the revised excess utility cost category results in an
18 expenditure of monies in excess of school district revenues for the current
19 year, the county school superintendent shall include within the revenue
20 estimate for the budget year monies necessary to meet the liabilities
21 incurred by the school district in the current year in excess of revenues
22 received for the current year.

23 F. If a school district receives a refund of utility expenditures or
24 a rebate on energy saving devices or services, the refund or rebate shall
25 be applied against utility expenditures for the current year as a reduction
26 of the expenditures, except that the reduction of expenditures shall not
27 exceed the amount of actual utility expenditures.

28 G. The governing board may budget for expenses of complying with or
29 continuing to implement activities that were required or permitted by a
30 court order of desegregation or administrative agreement with the United
31 States department of education office for civil rights directed toward
32 remediating alleged or proven racial discrimination that are specifically

1 exempt in whole or in part from the revenue control limit and district
2 additional assistance. This exemption applies only to expenses incurred
3 for activities that are begun before the termination of the court order or
4 administrative agreement. If a district is levying a property tax on
5 February 23, 2006 and using those monies to administer an English language
6 learner program to remedy alleged or proven discrimination under title VI
7 of the civil rights act of 1964 (42 United States Code section 2000d), the
8 district may spend those monies to remedy a violation of the equal
9 educational opportunities act of 1974 (20 United States Code section
10 1703(f)). Nothing in this subsection allows a school district to levy a
11 property tax for violations of the equal educational opportunities act of
12 1974 (20 United States Code section 1703(f)) in the absence of an alleged
13 or proven discrimination under title VI of the civil rights act of 1964 (42
14 United States Code section 2000d).

15 H. If a governing board chooses to budget monies outside of the
16 revenue control limit as provided in subsection G of this section, the
17 governing board may do one of the following:

18 1. Use monies from the maintenance and operation fund equal to any
19 excess desegregation or compliance expenses beyond the revenue control
20 limit before June 30 of the current year.

21 2. Notify the county school superintendent to include the cost of
22 the excess expenses in the county school superintendent's estimate of the
23 additional amount needed for the school district from the secondary
24 property tax as provided in section 15-991.

25 3. Employ the provisions of both paragraphs 1 and 2 of this
26 subsection, provided that the total amount transferred and included in the
27 amount needed from property taxes does not exceed the total amount budgeted
28 as prescribed in subsection J, paragraph 1 of this section.

29 I. If a governing board chooses to budget monies outside of district
30 additional assistance as provided in subsection G of this section, the
31 governing board may notify the county school superintendent to include the
32 cost of the excess expenses in the county school superintendent's estimate

1 of the additional amount needed for the school district from the secondary
2 property tax as provided in section 15-991.

3 J. A governing board using subsections G, H and I of this section:

4 1. Shall prepare and employ a separate maintenance and operation
5 desegregation budget and capital outlay desegregation budget on a form
6 prescribed by the superintendent of public instruction in conjunction with
7 the auditor general. The budget format shall be designed to allow a school
8 district to plan and provide in detail for expenditures to be incurred
9 solely as a result of compliance with or continuing to implement activities
10 that were required or permitted by a court order of desegregation or
11 administrative agreement with the United States department of education
12 office for civil rights directed toward remediating alleged or proven
13 racial discrimination.

14 2. Shall prepare as a part of the annual financial report a detailed
15 report of expenditures incurred solely as a result of compliance with or
16 continuing to implement activities that were required or permitted by a
17 court order of desegregation or administrative agreement with the United
18 States department of education office for civil rights directed toward
19 remediating alleged or proven racial discrimination, in a format prescribed
20 by the auditor general in conjunction with the Arizona department of
21 education as provided by section 15-904.

22 3. On or before July 15 each year, shall collect and report data
23 regarding activities related to a court order of desegregation or an
24 administrative agreement with the United States department of education
25 office for civil rights directed toward remediating alleged or proven
26 racial discrimination in a format prescribed by the Arizona department of
27 education. The Arizona department of education shall compile and submit
28 copies of the reports to the governor, the president of the senate, the
29 speaker of the house of representatives and the chairpersons of the
30 education committees of the senate and the house of representatives and
31 shall submit a copy to the secretary of state. A school district that
32 becomes subject to a new court order of desegregation or a party to an

1 administrative agreement with the United States department of education
2 office for civil rights directed toward remediating alleged or proven
3 racial discrimination shall submit these reports on or before July 15 or
4 within ninety days of the date of the court order or administrative
5 agreement, whichever occurs first. The Arizona department of education, in
6 consultation with the auditor general, shall develop reporting requirements
7 to ensure that school districts submit at least the following information
8 and documentation to the Arizona department of education:

9 (a) A district-wide budget summary and a budget summary on a
10 school-by-school basis for each school in the school district that lists
11 the sources and uses of monies that are designated for desegregation
12 purposes.

13 (b) A detailed list of desegregation activities on a district-wide
14 basis and on a school-by-school basis for each school in the school
15 district.

16 (c) The date that the school district was determined to be out of
17 compliance with title VI of the civil rights act of 1964 (42 United States
18 Code section 2000d) and the basis for that determination.

19 (d) The initial date that the school district began to levy property
20 taxes to provide funding for desegregation expenses and any dates that
21 these property tax levies were increased.

22 (e) If applicable, a current and accurate description of all magnet
23 type programs that are in operation pursuant to the court order during the
24 current school year on a district-wide basis and on a school-by-school
25 basis. This information shall contain the eligibility and attendance
26 criteria of each magnet type program, the capacity of each magnet type
27 program, the ethnic composition goals of each magnet type program, the
28 actual attending ethnic composition of each magnet type program and the
29 specific activities offered in each magnet type program.

30 (f) The number of pupils who participate in desegregation activities
31 on a district-wide basis and on a school-by-school basis for each school in
32 the school district.

1 (g) A detailed summary of the academic achievement of pupils on a
2 district-wide basis and on a school-by-school basis for each school in the
3 school district.

4 (h) The number of employees, including teachers and administrative
5 personnel, on a district-wide basis and on a school-by-school basis for
6 each school in the school district that is necessary to conduct
7 desegregation activities.

8 (i) The number of employees, including teachers and administrative
9 personnel, on a district-wide basis and on a school-by-school basis for
10 each school in the school district and the number of employees at school
11 district administrative offices that are funded in whole or in part with
12 desegregation monies received pursuant to this section.

13 (j) The amount of monies that is not derived through a primary or
14 secondary property tax levy and that is budgeted and spent on desegregation
15 activities on a district-wide basis and on a school-by-school basis for
16 each school in the school district.

17 (k) Verification that the desegregation funding will supplement and
18 not supplant funding for other academic and extracurricular activities.

19 (l) Verification that the desegregation funding is educationally
20 justifiable.

21 (m) Any documentation that supports the proposition that the
22 requested desegregation funding is intended to result in equal education
23 opportunities for all pupils in the school district.

24 (n) Verification that the desegregation funding will be used to
25 promote systemic and organizational changes within the school district.

26 (o) Verification that the desegregation funding will be used in
27 accordance with the academic standards adopted by the state board of
28 education pursuant to sections 15-701 and 15-701.01.

29 (p) Verification that the desegregation funding will be used to
30 accomplish specific actions to remediate proven discrimination pursuant to
31 title VI of the civil rights act of 1964 (42 United States Code section
32 2000d) as specified in the court order or administrative agreement.

1 (q) An evaluation by the school district of the effectiveness of the
2 school district's desegregation measures.

3 (r) An estimate of when the school district will be in compliance
4 with the court order or administrative agreement and a detailed account of
5 the steps that the school district will take to achieve compliance.

6 (s) Any other information that the Arizona department of education
7 deems necessary to carry out the purposes of this paragraph.

8 K. If a school district governing board budgets for expenses of
9 complying with a court order of desegregation or an administrative
10 agreement with the United States department of education office for civil
11 rights directed toward remediating alleged or proven racial discrimination,
12 the governing board shall ensure that the desegregation expenses will:

13 1. Be educationally justifiable.

14 2. Result in equal education opportunities for all pupils in the
15 school district.

16 3. Be used to promote systemic and organizational changes within the
17 school district.

18 4. Be used in accordance with the academic standards adopted by the
19 state board of education pursuant to sections 15-701 and 15-701.01.

20 5. Be used to accomplish specific actions to remediate proven
21 discrimination pursuant to title VI of the civil rights act of 1964
22 (42 United States Code section 2000d) as specified in the court order or
23 administrative agreement.

24 6. Be used in accordance with a plan submitted to the department of
25 education that includes an estimate of the amount of monies that will be
26 required to bring the school district into compliance with the court order
27 or administrative agreement and an estimate of when the school district
28 will be in compliance with the court order or administrative agreement.

29 7. Each fiscal year, not exceed the amount budgeted by the school
30 district for desegregation expenses in fiscal year 2008-2009.

31 L. ~~Beginning in fiscal year 2018-2019,~~ Subsections G through K of
32 this section apply only if the governing board uses revenues from secondary

1 property taxes rather than primary property taxes to fund expenses of
2 complying with or continuing to implement activities that were required or
3 allowed by a court order of desegregation or administrative agreement with
4 the United States department of education office for civil rights directed
5 toward remediating alleged or proven racial discrimination that are
6 specifically exempt in whole or in part from the revenue control limit and
7 district additional assistance. Secondary property taxes levied pursuant
8 to this subsection do not require voter approval, but shall be separately
9 delineated on a property owner's property tax statement.

10 ~~M. The governing board may budget for the bond issues portion of the~~
11 ~~cost of tuition charged the district as provided in section 15-824 for the~~
12 ~~pupils attending school in another school district, except that if the~~
13 ~~district is a common school district not within a high school district, the~~
14 ~~district may only include that part of tuition that is excluded from the~~
15 ~~revenue control limit and district support level as provided in section~~
16 ~~15-951. The bond issues portion of the cost of tuition charged is~~
17 ~~specifically exempt from the revenue control limit of the school district~~
18 ~~of residence, and the primary property tax rate set to fund this amount~~
19 ~~shall not be included in the computation of additional state aid for~~
20 ~~education as provided in section 15-972, except as provided in section~~
21 ~~15-972, subsection E. The department of education and the auditor general~~
22 ~~shall include in the maintenance and operation section of the budget~~
23 ~~format, as provided in section 15-903, a separate category for the bond~~
24 ~~issues portion of the cost of tuition.~~

25 ~~N.~~ M. The governing board may budget for interest expenses it
26 incurred for registering warrants drawn against a fund of the school
27 district or net interest expense on tax anticipation notes as prescribed in
28 section 35-465.05, subsection C for the fiscal year preceding the current
29 year if the county treasurer pooled all school district monies for
30 investment as provided in section 15-996 for the fiscal year preceding the
31 current year and, in those school districts that receive state aid, the
32 school districts applied for an apportionment of state aid before the date

1 set for the apportionment as provided in section 15-973 for the fiscal year
2 preceding the current year. The governing board may budget an amount for
3 interest expenses for registering warrants or issuing tax anticipation
4 notes equal to or less than the amount of the warrant interest expense or
5 net interest expense on tax anticipation notes as prescribed in section
6 35-465.05, subsection C for the fiscal year preceding the current year as
7 provided in this subsection that is specifically exempt from the revenue
8 control limit. For the purposes of this subsection, "state aid" means
9 state aid as determined in sections 15-971 and 15-972.

10 Sec. 6. Section 15-951, Arizona Revised Statutes, is amended to
11 read:

12 15-951. District additional assistance, district support level
13 and student count for a common school district not
14 within a high school district

15 A. Notwithstanding section 15-947, the revenue control limit for a
16 common school district not within a high school district is the sum of the
17 following:

18 1. The base revenue control limit computed as prescribed in section
19 15-944 but excluding pupils admitted to another school district as provided
20 in section 15-824, subsection A, paragraph 2.

21 2. The tuition payable for high school pupils who attend school in
22 another school district as provided in section 15-824, subsection A,
23 paragraph 2, including any transportation charge, except as provided in
24 subsection F of this section.

25 3. The transportation revenue control limit for all pupils who
26 reside in the district except those high school pupils transported by
27 another district.

28 B. Notwithstanding subsection A of this section, for the purposes of
29 sections 15-481, 15-482 and 15-1102, the revenue control limit for a common
30 school district not within a high school district is the sum of the
31 following:

1 1. The base revenue control limit for pupils computed as prescribed
2 in section 15-944 but excluding pupils admitted to another school district
3 as provided in section 15-824, subsection A, paragraph 2.

4 2. The transportation revenue control limit for all pupils who
5 reside in the district except those high school pupils transported by
6 another district.

7 C. Notwithstanding section 15-961, district additional assistance
8 for a common school district not within a high school district is district
9 additional assistance as prescribed in section 15-961 but excluding pupils
10 who are admitted to another school district as provided in section 15-824,
11 subsection A, paragraph 2, except that if the school district transports
12 highschool pupils, the district additional assistance amount prescribed in
13 section 15-961 shall be increased by an amount equal to fifty percent of
14 the district additional assistance per pupil amount prescribed for the
15 school district pursuant to section 15-961 multiplied by the number of high
16 school pupils transported.

17 D. Notwithstanding section 15-947, the district support level for a
18 common school district not within a high school district is the sum of the
19 following:

20 1. The base support level computed as prescribed in section 15-943
21 but excluding pupils who are admitted to another school district as
22 provided in section 15-824, subsection A, paragraph 2.

23 2. The tuition payable for high school pupils who are admitted to
24 another school district as provided in section 15-824, subsection A,
25 paragraph 2, including any transportation charge, except as provided in
26 subsection F of this section.

27 3. The transportation support level for all pupils who reside in the
28 school district except those high school pupils transported by another
29 school district.

30 E. For the purpose of determining eligibility to increase the
31 revenue control limit and district support level, the student count for a
32 common school district not within a high school district is the student

1 count for pupils in kindergarten programs and grades one through twelve,
2 including pupils enrolled in another school district as provided in section
3 15-824, subsection A, paragraph 2.

4 F. The tuition amount in subsections A and D of this section shall
5 not include amounts per student count for bond issues as prescribed by
6 section 15-824, subsection G, paragraph 1, subdivision (c) in excess of the
7 following:

8 1. \$150 if the pupil's school district of residence pays tuition for
9 seven hundred fifty or fewer pupils to other school districts.

10 2. \$200 if the pupil's school district of residence pays tuition for
11 one thousand or fewer, but more than seven hundred fifty pupils to other
12 school districts.

13 3. The actual cost per student count if the pupil's school district
14 of residence pays tuition for more than one thousand pupils to other school
15 districts.

16 G. A common school district that is not within the boundaries of a
17 high school district and that was authorized by the qualified electors to
18 establish a unified school district with boundaries coterminous with the
19 boundaries of the common school district may continue calculating its
20 budget and equalization assistance pursuant to this section ~~for fifteen~~
21 ~~years after the election or~~ until a high school is built, ~~whichever occurs~~
22 ~~first~~.

23 H. A newly formed unified school district that meets the
24 requirements of subsection G of this section and that phases in instruction
25 for pupils in grades nine through twelve may continue calculating its
26 budget and equalization assistance pursuant to this section for a maximum
27 of five years after the first year of the operation of the new high school
28 in the newly formed unified school district.

29 I. Notwithstanding any other law, a school district may
30 retroactively adjust its budget for fiscal year 2020-2021 ~~OR 2021-2022~~
31 pursuant to subsection G or H of this section but may not retroactively

1 adjust its budget for any other fiscal year pursuant to subsection G or H
2 of this section.

3 Sec. 7. Delayed repeal

4 Section 15-951, Arizona Revised Statutes, as amended by this act, is
5 repealed from and after June 30, 2023.

6 Sec. 8. Section 15-971, Arizona Revised Statutes, is amended to
7 read:

8 15-971. Determination of equalization assistance payments from
9 county and state funds for school districts

10 A. Equalization assistance for education is computed by determining
11 the total of the following:

12 1. The lesser of a school district's revenue control limit or
13 district support level as determined in section 15-947 ~~or 15-951~~.

14 2. District additional assistance of a school district as determined
15 in section ~~15-951 or~~ 15-961.

16 B. From the total of the amounts determined in subsection A of this
17 section subtract:

18 1. The amount that would be produced by levying the applicable
19 qualifying tax rate determined pursuant to section 41-1276 for a high
20 school district or a common school district within a high school district
21 that does not offer instruction in high school subjects as provided in
22 section 15-447.

23 2. The amount that would be produced by levying the applicable
24 qualifying tax rate determined pursuant to section 41-1276 for a unified
25 school district, a common school district not within a high school district
26 or a common school district within a high school district that offers
27 instruction in high school subjects as provided in section 15-447. The
28 qualifying tax rate shall be applied in the following manner:

29 (a) For the purposes of the amount determined in subsection A,
30 paragraph 1 of this section:

31 (i) Determine separately the percentage that the weighted student
32 count in preschool programs for children with disabilities, kindergarten

1 programs and grades one through eight and the weighted student count in
2 grades nine through twelve is to the weighted student count determined in
3 subtotal A as provided in section 15-943, paragraph 2, subdivision (a).

4 (ii) Apply the percentages determined in item (i) of this
5 subdivision to the amount determined in subsection A, paragraph 1 of this
6 section.

7 (b) For the purposes of the amounts determined in subsection A,
8 paragraph 2 of this section, determine separately the amount of the
9 district additional assistance attributable to the student count in
10 preschool programs for children with disabilities, kindergarten programs
11 and grades one through eight and grades nine through twelve.

12 (c) From the amounts determined in subdivisions (a) and (b) of this
13 paragraph, subtract the levy that would be produced by the current
14 qualifying tax rate for a high school district or a common school district
15 within a high school district that does not offer instruction in high
16 school subjects as provided in section 15-447. If the qualifying tax rate
17 generates a levy that is in excess of the total determined in subsection A
18 of this section, the school district ~~shall~~ IS not ~~be~~ eligible for
19 equalization assistance. For the purposes of this subsection, "assessed
20 valuation" includes the values used to determine voluntary contributions
21 collected pursuant to title 9, chapter 4, article 3 and title 48, chapter
22 1, article 8 and the assessed value of all property subject to the
23 government property lease excise tax pursuant to title 42, chapter 6,
24 article 5.

25 3. The amount that would be produced by levying a qualifying tax
26 rate in a career technical education district, which shall be ~~five cents~~
27 ~~\$.05~~ per ~~one hundred dollars~~ \$100 assessed valuation unless the legislature
28 sets a lower rate by law.

29 C. County aid for equalization assistance for education shall be
30 computed as follows:

31 1. Determine the total equalization assistance for all school
32 districts in the county as provided in subsections A and B of this section.

1 2. Determine the total amount of state equalization assistance
2 collected for all school districts in the county as provided in section
3 15-994 **AND THE MONIES COLLECTED PURSUANT TO SECTION 15-992, SUBSECTION F.**

4 3. Divide the amount determined in paragraph 2 of this subsection by
5 the amount determined in paragraph 1 of this subsection.

6 4. Multiply the amount determined in subsections A and B of this
7 section by the quotient determined in paragraph 3 of this subsection for
8 each school district.

9 5. The amount determined in paragraph 4 of this subsection shall be
10 the county aid for equalization assistance for education for a school
11 district.

12 D. State aid for equalization assistance for education for a school
13 district shall be computed as follows:

14 1. Determine the equalization assistance for education for a school
15 district as provided in subsections A and B of this section.

16 2. For each county, determine the levy that would be produced by the
17 state equalization assistance property tax rate prescribed in section
18 15-994, subsection A.

19 3. Prorate the amount determined in paragraph 2 of this subsection
20 to each school district in the county as prescribed by subsection C of this
21 section.

22 4. Subtract the amount determined in paragraph 3 of this subsection
23 from the amount determined in paragraph 1 of this subsection.

24 E. Equalization assistance for education shall be paid from
25 appropriations for that purpose to the school districts as provided in
26 section 15-973.

27 F. A school district shall report expenditures on approved career
28 and technical education and vocational education programs in the annual
29 financial report according to uniform guidelines prescribed by the uniform
30 system of financial records and in order to facilitate compliance with
31 sections 15-255 and 15-904.

1 G. The additional weight for state aid purposes given to special
2 education as provided in section 15-943 shall be given to school districts
3 only if special education programs comply with chapter 7, article 4 of this
4 title and the conditions and standards prescribed by the superintendent of
5 public instruction pursuant to rules of the state board of education for
6 pupil identification and placement pursuant to sections 15-766 and 15-767.

7 H. In addition to state general fund appropriations, all amounts
8 received pursuant to section 37-521, subsection B, paragraph 3, section
9 42-5029, subsection E, paragraph 5 and SECTION 42-5029.02, subsection A,
10 paragraph 5 and from any other source for the purposes of this section are
11 appropriated for state aid to schools as provided in this section.

12 I. The total amount of state monies that may be spent in any fiscal
13 year for state equalization assistance shall not exceed the amount
14 appropriated or authorized by section 35-173 for that purpose. This
15 section does not impose a duty on an officer, agent or employee of this
16 state to discharge a responsibility or create any right in a person or
17 group if the discharge or right would require an expenditure of state
18 monies in excess of the expenditure authorized by legislative appropriation
19 for that specific purpose.

20 Sec. 9. Section 15-992, Arizona Revised Statutes, is amended to
21 read:

22 15-992. School district tax levy; additional tax in districts
23 ineligible for equalization assistance; definition

24 A. The board of supervisors of each county, at the time of levying
25 other taxes, shall annually levy school district taxes on the property in
26 any school district in which additional amounts are required, which shall
27 be at rates prescribed in this section. A delinquency factor for estimated
28 uncollected taxes may not be included in the computation of the primary tax
29 rate for school district taxes. Local property taxes may not be levied for
30 any deficit in the classroom site fund. The taxes shall be added to and
31 collected in the same manner as other county taxes on the property within
32 the school district. The amount of the school district taxes levied on the

1 property in a particular school district shall be paid into the school fund
2 of that school district.

3 B. At the same time of levying taxes as provided in subsection A of
4 this section, the county board of supervisors shall annually levy an
5 additional tax in each school district that is not eligible for
6 equalization assistance as provided in section 15-971 in an amount
7 determined as follows:

8 1. Determine the levy that would be produced by fifty percent of the
9 applicable qualifying tax rate, prescribed in section 15-971, subsection B,
10 per ~~one hundred dollars~~ \$100 assessed valuation.

11 2. Subtract the amount determined in section 15-971, subsection A
12 from the levy determined in paragraph 1 of this subsection. This
13 difference is the additional amount levied or collected as voluntary
14 contributions pursuant to title 48, chapter 1, article 8, except that if
15 the difference is zero or is a negative number, there shall be no levy.

16 C. Monies collected pursuant to subsection B of this section shall
17 be transmitted to the state treasurer for deposit in the state general fund
18 to aid in school financial assistance.

19 D. The additional tax prescribed in subsection B of this section is
20 considered to be primary property tax for purposes of section 15-972,
21 subsection B, except that this state is not required to make the payments
22 prescribed in section 15-972, subsection H for these reductions in taxes.

23 E. The tax levy prescribed in subsection A of this section shall be
24 a rate equal to the applicable qualifying tax rate or rates as prescribed
25 in section 15-971, subsection B or a rate that would result in a levy that
26 equals the school district equalization assistance base prescribed in
27 section 15-971 subtracted by any amount received pursuant to section
28 15-905, subsections K, O and P per ~~one hundred dollars~~ \$100 of assessed
29 valuation used for primary property taxes, whichever is less.

30 F. AT THE SAME TIME OF LEVYING TAXES AS PROVIDED IN SUBSECTION A OF
31 THIS SECTION, THE COUNTY BOARD OF SUPERVISORS SHALL ANNUALLY LEVY AN
32 ADDITIONAL TAX IN EACH COMMON SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL

1 DISTRICT THAT IS EQUAL TO THE COUNTYWIDE AVERAGE PER PUPIL EQUALIZATION
2 BASE FOR HIGH SCHOOL PUPILS MULTIPLIED BY THE NUMBER OF RESIDENT HIGH
3 SCHOOL PUPILS IN THE COMMON SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL
4 DISTRICT DURING THE PRIOR SCHOOL YEAR. THE MONIES COLLECTED PURSUANT TO
5 THIS SUBSECTION SHALL BE ADDED TO COUNTY AID FOR EQUALIZATION ASSISTANCE
6 FOR EDUCATION PURSUANT TO SECTION 15-971, SUBSECTION C. ON OR BEFORE JULY
7 1 OF EACH YEAR, THE DEPARTMENT OF EDUCATION SHALL PROVIDE EACH COUNTY BOARD
8 OF SUPERVISORS WITH THE COUNTYWIDE AVERAGE PER PUPIL EQUALIZATION BASE FOR
9 HIGH SCHOOL PUPILS, THE NUMBER OF RESIDENT HIGH SCHOOL PUPILS IN THE COMMON
10 SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL DISTRICT DURING THE PRIOR SCHOOL
11 YEAR AND ANY OTHER INFORMATION REQUESTED BY THE COUNTY BOARD OF SUPERVISORS
12 FOR THE PURPOSES OF LEVYING THE TAX PRESCRIBED IN THIS SUBSECTION.

13 ~~F.~~ G. At the time of levying taxes as provided in subsection E of
14 this section, the county school superintendent shall annually validate any
15 additional primary school district tax levy amount requests from each
16 school district and levy the sum of the following amounts:

17 1. A rate that would result in a levy that equals the difference
18 between the transportation revenue control limit as determined in section
19 15-946 and the transportation support level as determined in section 15-945
20 or a lesser amount.

21 2. A rate that would result in a levy that equals any amount
22 pursuant to section 15-910.

23 3. A rate that would result in a levy that equals any amount for
24 tuition loss as determined in section 15-954.

25 4. A rate that would result in a levy that equals any amount for the
26 small school adjustment as determined in section 15-949.

27 5. A rate that would result in a levy that equals any amount for
28 liabilities in excess of the school district budget pursuant to section
29 15-907.

30 6. A rate that would result in a levy that equals any amount for
31 adjacent ways pursuant to section 15-995.

1 7. A rate that would result in a levy that equals the amount not
2 captured by the qualifying tax rate as a result of property subject to the
3 government property lease excise tax pursuant to title 42, chapter 6,
4 article 5 as calculated in section 15-971, subsection B, paragraph 2.

5 8. Following the recommendation of the county school superintendent
6 and on approval by the county board of supervisors, for a school district
7 that is not eligible for state aid, a rate that would result in a levy that
8 equals any legal amount not levied in the current year as a result of
9 underestimated average daily membership in the current year or as a result
10 of a judgment in accordance with section 42-16213.

11 9. A rate that would result in a levy that equals any amount
12 pursuant to a qualifying dropout prevention program that was originally
13 established by law in 1987.

14 10. On the recommendation of the county school superintendent and on
15 approval by the county board of supervisors before adoption of tax rates
16 pursuant to section 42-17151, a rate that would result in a levy that
17 equals any separately stated cash deficit from the prior fiscal year
18 resulting from an anticipated or actual deviation in the property tax roll,
19 including resolutions or judgments pursuant to title 42, chapter 16,
20 articles 5 and 6.

21 ~~H.~~ H. For the purposes of this section, "assessed valuation"
22 includes the values used to determine voluntary contributions collected
23 pursuant to title 9, chapter 4, article 3 and title 48, chapter 1,
24 article 8.

25 Sec. 10. Extraordinary special education needs fund;
26 department of education; grants

27 Notwithstanding section 15-774, Arizona Revised Statutes, in fiscal
28 years 2023-2024, 2024-2025 and 2025-2026, the department of education shall
29 accept and review requests for grant monies from the extraordinary special
30 education needs fund established by section 15-774, Arizona Revised
31 Statutes, by school districts that offer high school services and that
32 demonstrate a substantial and negative financial impact associated with

1 accepting students with special education needs who previously had been
2 paid through tuition and now are accepted via open enrollment. The
3 department of education shall award grant monies to school districts that
4 satisfy the requirements of this section.

5 Sec. 11. Effective date

6 Except for section 15-951, Arizona Revised Statutes, as amended by
7 this act, this act is effective from and after June 30, 2023."

8 Amend title to conform

PAUL BOYER

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