

House Engrossed

large school districts; division; election

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HOUSE BILL 2546

AN ACT

AMENDING SECTIONS 15-458 AND 15-912.01, ARIZONA REVISED STATUTES; RELATING TO SCHOOL ELECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-458, Arizona Revised Statutes, is amended to
3 read:

4 15-458. Formation of new district or districts by subdivision
5 of existing district; division of assets

6 A. In a school district containing a student count of more than six
7 hundred, a new school district or districts may be formed by a subdivision
8 of the existing school district.

9 B. On the request of the governing board or on receipt of petitions
10 bearing the signatures of at least ten ~~per cent~~ PERCENT of the qualified
11 electors in the area proposed to be a new school district or the
12 signatures of at least fifty of the qualified electors in the area
13 proposed to be a new school district, whichever is more, and at least ten
14 ~~per cent~~ PERCENT of the qualified electors in the area proposed to
15 continue as the existing school district or at least fifty signatures of
16 the qualified electors in the area proposed to continue as the existing
17 school district, whichever is more, the county school superintendent,
18 ~~shall~~ within ten days, SHALL call an election to determine if the existing
19 school district should be divided and a new school district or districts
20 formed, except that if the existing school district is a union high school
21 district, the county school superintendent shall call the election only on
22 the request of the governing boards of the union high school district and
23 each of the common school districts comprising the union high school
24 district or on receipt of petitions bearing the signatures of at least ten
25 ~~per cent~~ PERCENT of the qualified electors in each of the common school
26 districts or at least fifty signatures of the qualified electors in each
27 of the common school districts, whichever is more. This subsection does
28 not require the submission of the signatures of more than fifty ~~per cent~~
29 PERCENT of the qualified electors of the existing school district to the
30 county school superintendent in order to call an election for the purposes
31 of this section. The petition shall state the proposed boundaries of the
32 school district or districts to be formed together with the student count,
33 specific reasons why it is in the best interest of the current district
34 residents to have a new district or districts formed and the amount of
35 real property valuation within the school district or districts to be
36 formed. ~~No~~ A new school district may NOT be formed unless the state board
37 of education determines that the real property valuation per student count
38 is sufficient to support the school district in a manner comparable to
39 other school districts of similar size and that a sufficient number of
40 pupils will exist in each of the new districts to ensure that educational
41 programs and services will be of similar or better quality after the
42 subdivision.

43 C. NOTWITHSTANDING SUBSECTION B OF THIS SECTION, IF A SCHOOL
44 DISTRICT HAS AN UNWEIGHTED AVERAGE DAILY MEMBERSHIP OF AT LEAST 35,000
45 DURING FISCAL YEAR 2021-2022 OR ANY FISCAL YEAR THEREAFTER, THE COUNTY

1 SCHOOL SUPERINTENDENT SHALL CALL AN ELECTION WITHIN ONE YEAR AFTER THE END
2 OF THAT FISCAL YEAR TO DETERMINE WHETHER THE EXISTING SCHOOL DISTRICT
3 SHOULD BE DIVIDED AND A NEW SCHOOL DISTRICT OR DISTRICTS FORMED. IF A
4 COUNTY SCHOOL SUPERINTENDENT CALLS AN ELECTION PURSUANT TO THIS SUBSECTION
5 AND THE DIVISION IS NOT APPROVED BY THE VOTERS, THE COUNTY SCHOOL
6 SUPERINTENDENT MAY NOT CALL AN ELECTION PURSUANT TO THIS SUBSECTION IN ANY
7 SUBSEQUENT FISCAL YEAR BUT MAY CALL AN ELECTION AS PRESCRIBED IN
8 SUBSECTION B OF THIS SECTION.

9 ~~E.~~ D. ~~The~~ AN election HELD PURSUANT TO SUBSECTION B OR C OF THIS
10 SECTION shall be held concurrently and as provided in section 15-459,
11 except that a majority of the votes cast by the qualified electors in each
12 of the areas proposed as a school district must approve the division of
13 the existing school district and the formation of the new school district.

14 ~~D.~~ E. The governing board of the existing school district shall
15 prepare a projected list of assets for the existing district ~~prior to~~
16 BEFORE the end of the fiscal year in which the election is held. The
17 governing boards of the original and new school district or districts
18 shall prepare a final statement of assets for the formerly existing school
19 district as of the end of the fiscal year in which the election was held
20 and shall have the statement of cash and bonded indebtedness certified by
21 the county treasurer by August 30 of the year in which the new school
22 district or districts become operative. The governing boards of the
23 original school district and the new school district or districts shall
24 set aside sufficient assets or provide other means to satisfy the
25 liabilities of the former existing district except for bonded indebtedness
26 and approve the final division of all assets by September 15 of the year
27 in which the new school district or districts become operative. If one or
28 more of the governing boards fail to provide for satisfying the
29 liabilities and fail to approve the division of assets by September 15,
30 the county attorney shall determine the means to satisfy the liabilities
31 and final division of assets by October 1 of the fiscal year in which the
32 new school district or districts become operative.

33 ~~E.~~ F. The division of the bonded indebtedness of the original
34 school district shall be in accordance with ~~the provisions of~~ section
35 15-457, subsection B.

36 ~~F.~~ G. An original or new school district formed by a subdivision
37 of an existing school district or districts after June 30, 1992 is not
38 eligible to determine its budget using ~~the provisions of~~ section 15-949 or
39 the support level weights prescribed in section 15-943, paragraph 1.
40 These districts are also not eligible to participate in a small district
41 service program as prescribed in section 15-365 or to apply to the state
42 board of education for a capital levy adjustment as prescribed in section
43 15-963.

1 ~~G.~~ H. If two or more common school districts are within the
2 boundaries of a union high school district, two or more unified school
3 districts may be formed by a subdivision of the existing union high school
4 district and by unification with the common school districts as provided
5 in this section, subject to the following provisions:

6 1. Formation of a unified school district pursuant to this
7 subsection shall be initiated if a majority of the governing board members
8 of each of the districts affected unites in a petition to the county
9 school superintendent ~~for the establishment of~~ TO ESTABLISH a unified
10 school district or if ten ~~per cent~~ PERCENT of the number of qualified
11 electors who voted in whichever of the last two general elections
12 resulted in the higher number of ballots cast and who reside in each of
13 the areas proposed to be the new unified school districts unite in a
14 petition to the county school superintendent ~~for the establishment of~~ TO
15 ESTABLISH a unified school district. The petition shall include a
16 statement of the proposed boundaries of the new unified school districts
17 and shall request that the subdivision of the union high school district
18 and formation of the unified districts be submitted to the qualified
19 electors who reside within the proposed districts. The petition shall
20 also include a detailed description of desegregation funding and expenses
21 for the resulting school district as set forth in paragraph 7 of this
22 subsection and may include the new school district name and other
23 information as desirable. On receipt of the petitions, the county school
24 superintendent shall examine the petitions within fifteen days ~~of~~ AFTER
25 receipt to determine their sufficiency, including the adequacy of the
26 signatures of electors. If the petitions are found sufficient, the county
27 school superintendent shall call an election to be held to determine the
28 question. The county school superintendent shall prepare and the
29 governing board shall distribute a subdivision and unification plan that
30 includes:

31 (a) The proposed boundary changes.

32 (b) The impact of the proposed boundary changes, including where
33 pupils will attend school, changes in pupil transportation services,
34 changes in availability of special education services, changes in
35 pupil-teacher ratio and operational costs.

36 (c) If paragraph 7 of this subsection applies to one or more of the
37 existing school districts, a detailed description of desegregation funding
38 and expenses for the resulting school districts as set forth in paragraph
39 7 of this subsection.

40 (d) Any other information the county school superintendent deems
41 appropriate to include.

42 2. If the governing boards or the petitioners wish the new
43 districts to receive unification assistance as provided in section
44 15-912.01, they shall notify the department of education and the joint
45 legislative budget committee by August 1 of the fiscal year before the new

1 districts would begin operation and provide the department and the joint
2 legislative budget committee with information required to project the
3 costs of unification assistance to the new districts for the first year of
4 operation. The department shall include sufficient monies to cover these
5 unification costs in its budget request for state aid for the following
6 fiscal year.

7 3. The election shall be held as provided in section 15-459, except
8 that the ballot shall contain the words "subdivision and unification, yes"
9 and "subdivision and unification, no", and there shall be one of the
10 following two ballot questions, whichever is applicable, stated as
11 follows:

12 (a) Should (insert the name of the district) union
13 high school district be subdivided with boundaries identical
14 to the boundaries of (insert the name of the districts) common
15 school districts and simultaneously creating (insert the
16 number of the districts) unified school districts with the
17 respective common school districts as specified in the
18 subdivision and unification plan?

19 (b) Should (insert the name of the district) union
20 high school district be subdivided simultaneously with the
21 subdivision of (insert the name of the districts) common
22 school districts and simultaneously creating (insert the
23 number of the districts) unified school districts with the
24 subdivided common school districts as specified in the
25 subdivision and unification plan?

26 4. If the formation of the new unified school districts is
27 authorized, the terms of the governing board members of the common and
28 union high school districts do not expire on the effective date of
29 unification but continue until January 1 following the next general
30 election, during which time the members of the governing boards of the
31 previously existing school districts shall serve as the governing board of
32 the new school district in which they reside. At the next general
33 election held after the formation and thereafter, members shall be elected
34 as prescribed in section 15-448, subsection E. The governing boards of
35 the new unified school districts shall prepare policies, curricula and
36 budgets for the new unified school districts. The policies prepared by
37 the governing boards shall include the provisions of section 15-459,
38 subsection M.

39 5. If the common school district is not subdivided, the new unified
40 school district that includes the boundaries of the previously existing
41 common school district shall assume the bonded indebtedness of that
42 previously existing common school district. If the common school district
43 is subdivided, ~~the provisions of~~ subsection ~~E~~ F of this section ~~shall~~
44 ~~apply~~ APPLIES.

1 6. If the common school district is not subdivided, existing bond
2 authorization of the common school districts automatically continues for
3 the original purpose authorized. If the common school district is
4 subdivided, the existing bond authorization of the common school district
5 will expire unless it is divided between the new unified school districts
6 as specified in the subdivision and unification plan.

7 7. If any of the school districts were authorized to budget for
8 expenses of complying with or continuing to implement activities that were
9 required or ~~permitted~~ ALLOWED by A court order of desegregation or
10 administrative agreement with the United States department of education
11 office for civil rights directed towards remediating alleged or proven
12 racial discrimination pursuant to section 15-910, this authorization does
13 not expire on the effective date of the subdivision and unification but
14 only applies to schools included in the court order or administrative
15 agreement.

16 8. If the union high school district and the common school district
17 or districts with which it is unified all have authorization for an
18 override as provided in section 15-481 that would have continued after the
19 subdivision and unification, the override authorization continues for the
20 new district and expires at the time that the earliest override would have
21 expired.

22 ~~9. If one or more of the previously existing school districts were
23 participating in a career ladder program pursuant to chapter 9, article
24 1.1 of this title before subdivision and unification, notwithstanding any
25 other law the state board shall expedite the processing of and may approve
26 an updated application for program reapproval for the new school district
27 that includes the existing school district that was participating in the
28 program.~~

29 ~~10.~~ 9. The employee's years of employment in the previously
30 existing school district shall be included in determining the employee's
31 years of employment in the new school district after a subdivision and
32 unification. An employee who was entitled to continuing contract status in
33 the previously existing school district is entitled to continuing
34 employment contract status in the new school district.

35 ~~11.~~ 10. The base salary and benefits of each employee for the
36 first year of operation of the new school district after a subdivision and
37 unification shall not be lower than the employee's base salary and
38 benefits for the prior year in the previously existing school district.

39 ~~12.~~ 11. Notwithstanding paragraphs ~~10~~ 9 and ~~11~~ 10 of this
40 subsection and pursuant to section 15-544, ~~nothing in~~ this section ~~shall~~
41 ~~be construed to~~ DOES NOT restrict the ability of the governing board to
42 implement a reduction in force or to scale back salaries of certified
43 teachers, administrators or noncertificated employees for reasons of
44 economy or to improve the efficient conduct of schools within the district
45 following a subdivision and unification.

1 Sec. 2. Section 15-912.01, Arizona Revised Statutes, is amended to
2 read:

3 15-912.01. Unification assistance

4 A. New unified school districts formed after a subdivision and
5 unification as provided in section 15-458, subsection ~~G~~ H or section
6 15-459, subsection B, paragraph 5 ~~or~~ AND new unified school districts
7 formed from a common school district and a high school district pursuant
8 to section 15-448 may budget for unification assistance as provided in
9 subsection B of this section.

10 B. The eligible school district may increase the revenue control
11 limit and the district support level for the first year of operation by ~~an~~
12 ~~amount determined as follows:~~

13 ~~1. Through December 31, 2006, five per cent of the revenue control~~
14 ~~limit.~~

15 ~~2. Beginning January 1, 2007,~~ the amount of any transitional costs
16 that are directly associated with routine formalities that are necessary
17 as a result of unification, such as changing ~~of~~ signs, letterhead, ~~AND~~
18 stationery and similar issues.

19 C. A school district ~~which~~ THAT budgets for unification assistance
20 pursuant to this section may not budget for consolidation assistance
21 pursuant to section 15-912 during the ~~one year~~ ONE-YEAR period for which
22 the unification assistance is in effect.

23 Sec. 3. Election to divide school districts with large
24 enrollments in fiscal year 2021-2022; date

25 Notwithstanding section 15-458, subsection C, Arizona Revised
26 Statutes, as added by this act, if a school district had an unweighted
27 average daily membership of at least 35,000 during fiscal year 2021-2022,
28 the county school superintendent shall call an election within one year
29 after the end of fiscal year 2022-2023 to determine whether the existing
30 school district should be divided and a new school district or districts
31 formed.