

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HOUSE BILL 2560

AN ACT

AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING
SECTION 15-901.05; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 15-901.05. School district noncompliance; withholding of monies

5 A. IF THE DEPARTMENT OF EDUCATION, THE AUDITOR GENERAL OR THE ATTORNEY
6 GENERAL DETERMINES THAT A SCHOOL DISTRICT IS SUBSTANTIALLY AND DELIBERATELY
7 NOT IN COMPLIANCE WITH SECTION 15-341, CHAPTERS 5 OR 7 OF THIS TITLE AND IF
8 THE SCHOOL DISTRICT HAS FAILED TO CORRECT THE DEFICIENCY WITHIN NINETY DAYS
9 AFTER RECEIVING NOTICE FROM THE DEPARTMENT OF EDUCATION, THE STATE BOARD OF
10 EDUCATION MAY DIRECT THE SUPERINTENDENT OF PUBLIC INSTRUCTION, PURSUANT TO
11 RULES ADOPTED BY THE STATE BOARD OF EDUCATION, TO WITHHOLD TEN PER CENT OF
12 THE MONIES THAT THE SCHOOL DISTRICT WOULD OTHERWISE BE ENTITLED TO RECEIVE
13 FROM THE DATE OF THE DETERMINATION OF NONCOMPLIANCE UNTIL THE STATE BOARD OF
14 EDUCATION DETERMINES THAT THE SCHOOL DISTRICT IS IN COMPLIANCE WITH SECTION
15 15-341, CHAPTERS 5 OR 7 OF THIS TITLE.

16 B. THE GENERAL BUDGET LIMIT AND MAINTENANCE AND OPERATIONS SECTION OF
17 THE BUDGET FOR THE CURRENT YEAR AND FOR THE BUDGET YEAR IF NOT RESOLVED,
18 SHALL BE REDUCED BY THE AMOUNT DETERMINED IN SUBSECTION A OF THIS SECTION
19 UNTIL THE STATE BOARD OF EDUCATION DETERMINES THAT THE SCHOOL DISTRICT IS IN
20 COMPLIANCE.

21 C. IF COMPLIANCE IS DETERMINED BY THE STATE BOARD OF EDUCATION IN THE
22 SAME YEAR AS THE DETERMINATION OF NONCOMPLIANCE OR IN THE FIRST YEAR AFTER
23 THE FISCAL YEAR OF THE DETERMINATION OF NONCOMPLIANCE, THE RESULTING
24 ADJUSTMENT TO BUDGETED MAINTENANCE AND OPERATIONS AND TO THE GENERAL BUDGET
25 LIMIT MAY BE APPLIED TO THE FISCAL YEAR OF THE DETERMINATION OF NONCOMPLIANCE
26 OR TO THE CURRENT YEAR. PREVIOUSLY WITHHELD MONIES THAT RESULTED FROM THE
27 DETERMINATION OF NONCOMPLIANCE SHALL BE RETURNED IN THE YEAR COMPLIANCE IS
28 DETERMINED.