

REFERENCE TITLE: schools; career ladder programs; overrides

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

HB 2805

Introduced by
Representatives Reagan, Boone

AN ACT

AMENDING SECTIONS 15-302, 15-448 AND 15-481, ARIZONA REVISED STATUTES; REPEALING SECTION 15-482, ARIZONA REVISED STATUTES; AMENDING SECTION 15-903, ARIZONA REVISED STATUTES; PROVIDING FOR THE DELAYED REPEAL OF SECTIONS 15-918, 15-918.01, 15-918.02, 15-918.03, 15-918.04, 15-918.05, 15-919, 15-919.02, 15-919.03, 15-919.04, 15-919.05 AND 15-919.06, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1.1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-918.06; AMENDING SECTIONS 15-943.01, 15-951, 15-1102 AND 15-2104, ARIZONA REVISED STATUTES; 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. Section 15-302, Arizona Revised Statutes, is amended to
3 read:
4 15-302. Powers and duties
5 A. The county school superintendent shall:
6 1. Distribute all laws, reports, circulars, instructions and forms
7 which he may receive for the use of school officers.
8 2. Record all official acts.
9 3. Appoint governing board members of school districts to fill all
10 vacancies, but the term of the appointment shall be until the next regular
11 election for governing board members, at which time a successor shall be
12 elected to serve the unexpired portion of the term. The county school
13 superintendent ~~may~~, if he deems it in the best interest of the community, **MAY**
14 call a special election to fill the vacancies. If an election is called, the
15 newly elected member shall serve for the remainder of the unexpired portion
16 of the term.
17 4. Make reports, when directed by the superintendent of public
18 instruction, showing matters relating to schools in his county as may be
19 required on the forms furnished by the superintendent of public instruction.
20 5. Have such powers and perform such duties as otherwise prescribed by
21 law.
22 6. On or before October 1 of each year, make a report to the
23 superintendent of public instruction showing the amount of monies received
24 from state school funds, special school district taxes and other sources, the
25 total expenditures for school purposes and the balance on hand to the credit
26 of each school district at the close of the school year.
27 7. Contract with the board of supervisors for the board of supervisors
28 to conduct all regular school district elections.
29 8. Be responsible, in cooperation with the governing boards and the
30 board of supervisors, for all special school district elections.
31 9. Maintain teacher and administrator certification records of
32 effective dates and expiration dates of teachers' and administrators'
33 certificates in compliance with guidelines prescribed in the uniform system
34 of financial records for those school districts for which the county school
35 superintendent is the fiscal agent. The county school superintendent shall
36 not draw a warrant in payment of a teacher's, substitute teacher's or
37 administrator's salary unless the teacher, substitute teacher or
38 administrator is legally certified during the fiscal year in which the term
39 for payment is demanded.
40 10. Notify a school district three years before the expiration of a
41 revenue control limit override that the school district's budget must be
42 adjusted in the final two years of the override pursuant to section 15-481,
43 ~~subsections~~ **SUBSECTION P- M and Q**, if the voters do not approve another
44 override.

1 11. In collaboration with the department of education and other state
2 agencies, provide assistance to school districts and charter schools on the
3 use of student data, staff development, curriculum alignment and technology
4 to improve student performance.

5 12. Assist schools in meeting yearly adequate progress goals as defined
6 by criteria established by the state board of education and implemented by
7 the department of education.

8 B. At the request of school districts and charter schools, the county
9 school superintendent may provide discretionary programs in addition to the
10 programs prescribed in subsection A.

11 C. The county school superintendent may provide the services
12 prescribed in subsections A and B in the county or jointly with two or more
13 counties pursuant to title 11, chapter 7, article 3.

14 D. Each county school superintendent may establish an advisory
15 committee to the office of the county school superintendent.

16 Sec. 2. Section 15-448, Arizona Revised Statutes, is amended to read:
17 15-448. Formation of unified school district; board membership;
18 budget

19 A. One or more common school districts and a high school district with
20 coterminous or overlapping boundaries may establish a unified school district
21 pursuant to this section. Unification of a common school district and a high
22 school district is not authorized by this section if any of the high school
23 facilities owned by the new unified school district would not be located
24 within its boundaries.

25 B. Formation of a unified school district shall be by resolutions
26 approved by the governing boards of the unifying school districts and
27 certification of approval by such governing boards to the county school
28 superintendent of the county or counties in which such individual school
29 districts are located. A common school district and high school district
30 that unify pursuant to this section shall not exclude from the same
31 unification a common school district that has overlapping boundaries with the
32 high school district and that wishes to unify. The formation of a unified
33 school district shall become effective on July 1 of the next fiscal year
34 following the certification of the county school superintendent. An election
35 shall not be required to form a unified school district pursuant to this
36 section. At least ninety days before the governing boards vote on the
37 resolutions prescribed in this subsection, the governing boards shall mail a
38 pamphlet to each household with one or more qualified electors that shall
39 list the full cash value, the assessed valuation and the estimated amount of
40 the primary property taxes and the estimated amount of the secondary property
41 taxes under the proposed unification for each of the following:

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

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

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

5 4. A business whose assessed valuation is the average of the assessed
6 valuation of property classified as class one, as prescribed by section
7 42-12001, paragraphs 12 and 13 for the current year in the school district.

8 C. The boundaries of the unified school district shall be the
9 boundaries of the former common school district or districts that unify. The
10 boundaries of the common school district or districts that are not unifying
11 remain unchanged. The county school superintendent, immediately upon receipt
12 of the approved resolutions prescribed by subsection B of this section, shall
13 file with the board of supervisors, the county assessor and the
14 superintendent of public instruction a transcript of the boundaries of the
15 unified school district. The boundaries shown in the transcript shall become
16 the legal boundaries of the school districts on July 1 of the next fiscal
17 year.

18 D. On formation of the unified school district, the governing board
19 consists of the members of the former school district governing boards and
20 the members shall hold office until January 1 following the first general
21 election after formation of the district.

22 E. Beginning on January 1 following the first general election after
23 formation of the unified school district, the governing board shall have five
24 members. At the first general election after the formation of the district,
25 members shall be elected in the following manner:

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

28 2. The two candidates receiving the fourth and fifth highest number of
29 votes shall be elected to two year terms. Thereafter all offices shall have
30 four year terms.

31 F. The new unified school district may appoint a resident of the
32 remaining common school district to serve as a nonvoting member of the
33 governing board to represent the interests of the high school pupils who
34 reside in the remaining common school district and who attend school in the
35 unified school district.

36 G. For the first year of operation, the unified school district
37 governing board shall prepare a consolidated budget based on the student
38 counts from the school districts comprising the unified school district,
39 except that for purposes of determining budget amounts and equalization
40 assistance, the student count for the former high school district shall not
41 include the prior year average daily membership attributable to high school
42 pupils from a common school district that was part of the former high school
43 district but is not part of the unified school district. The unified school
44 district shall charge the remaining common school district tuition for these
45 pupils as provided in subsection J of this section and shall not include such

1 pupils for the purpose of making any adjustment for rapid decline in student
2 count pursuant to section 15-942. The unified school district may budget for
3 unification assistance pursuant to section 15-912.01.

4 H. The governing board of the unified school district shall prepare
5 policies, curricula and budgets for the district. These policies shall
6 require that:

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

11 2. The certificated teacher's years of employment in the previously
12 existing school districts shall be included in determining the teacher's
13 certificated years of employment in the new unified school district.

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

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

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

35 (a) Divide the total secondary assessed valuation of the common school
36 district in which the group of pupils reside by the total secondary assessed
37 valuation of the former high school district. For the purposes of this
38 subdivision, "secondary assessed valuation" means secondary assessed
39 valuation for the tax year prior to the year when the unification occurs and
40 includes the values used to determine voluntary contributions collected
41 pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

42 (b) Multiply the quotient obtained in subdivision (a) by the unified
43 school district's annual debt service expenditure.

44 2. The debt service portion of such tuition payments calculated
45 pursuant to paragraph 1 of this subsection shall be used exclusively for debt

1 service of the outstanding bonded indebtedness of the former high school
2 district. When such indebtedness is fully extinguished, the debt service
3 portion of a pupil's tuition shall be determined in accordance with paragraph
4 3 of this subsection.

5 3. If the former high school district had no outstanding bonded
6 indebtedness at the time of unification, the tuition calculation shall
7 include the actual school district expenditures for the portion of any debt
8 service of the unified school district that pertains to any construction or
9 renovation of high school facilities divided by the school district's student
10 count for the high school portion of the school district.

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

14 5. Notwithstanding section 15-951, subsection H, the revenue control
15 limit of the common school district shall include the full amount of the debt
16 service portion of the tuition calculated pursuant to this subsection.

17 K. All assets and liabilities of the unifying school districts shall
18 be transferred and assumed by the new unified school district. Any existing
19 bonded indebtedness of a common school district or a high school district
20 unifying pursuant to this section shall be assumed by the new unified school
21 district and shall be regarded as an indebtedness of the new unified school
22 district for the purpose of determining the debt incurring authority of the
23 district. Taxes for the payment of such bonded indebtedness shall be levied
24 on all taxable property in the new unified school district, but nothing in
25 this subsection shall be construed to relieve from liability to taxation for
26 the payment of all taxable property of the former high school district if
27 necessary to prevent a default in the payment of any bonded indebtedness of
28 the former high school district. The residents of a common school district
29 that does not unify shall not vote in bond or override elections of the
30 unified school district and shall not be assessed taxes as a result of a bond
31 or override election of the unified school district.

32 L. If the remaining common school district had authorization for an
33 override as provided in section 15-481 ~~or 15-482~~, the override authorization
34 continues for the remaining common school district or districts in the same
35 manner as before the formation of the unified school district.

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

39 N. Nothing in this section shall be construed to relieve a school
40 district formed pursuant to section 15-457 or 15-458 of its liability for any
41 outstanding bonded indebtedness.

42 O. For school districts that become unified after July 1, 2004 and
43 where all of the common schools were eligible for the small school district
44 weight pursuant to section 15-943, paragraph 1, subdivision (a) when
45 computing their base support level and base revenue control limit before

1 unification, the unified school district may continue to use the small school
2 district weight as follows:

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

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

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

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

12 P. A unified school district may calculate its revenue control limit
13 and district support level by using subsection O of this section as follows:

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

16 2. Multiply the amount determined in paragraph 1 of this subsection by
17 six hundred.

18 3. Multiply the amount determined in paragraph 2 of this subsection by
19 0.80.

20 4. If the amount determined in paragraph 3 of this subsection exceeds
21 the student count of the unified school district, the unified school district
22 is eligible to use subsection O of this section.

23 Q. Subsections O and P of this section shall remain in effect until
24 the aggregate student count of the common school districts before unification
25 exceeds the aggregate number of students of the common school districts
26 before unification authorized to utilize section 15-943, paragraph 1,
27 subdivision (a).

28 Sec. 3. Section 15-481, Arizona Revised Statutes, is amended to read:

29 15-481. Override election; budget increases; notice; ballot;
30 effect

31 A. If a proposed budget of a school district exceeds the aggregate
32 budget limit for the budget year, at least ninety days before the proposed
33 election the governing board shall order an override election to be held on
34 the first Tuesday following the first Monday in November as prescribed by
35 section 16-204, subsection B, paragraph 1, subdivision (d) for the purpose of
36 presenting the proposed budget to the qualified electors of the school
37 district who shall by a majority of those voting either affirm or reject the
38 budget. In addition, the governing board shall prepare an alternate budget
39 which does not include an increase in the budget of more than the amount
40 permitted as provided in section 15-905. If the qualified electors approve
41 the proposed budget, the governing board of the school district shall follow
42 the procedures prescribed in section 15-905 for adopting a budget that
43 includes the authorized increase. If the qualified electors disapprove the
44 proposed budget, the governing board shall follow the procedures prescribed
45 in section 15-905 for adopting a budget that does not include the proposed

1 increase or the portion of the proposed increase that exceeds the amount
2 authorized by a previously approved budget increase as prescribed in
3 subsection ~~P~~ M of this section.

4 B. The county school superintendent shall prepare an informational
5 report on the proposed increase in the budget and a sample ballot and, at
6 least forty days prior to the election, shall transmit the report and the
7 sample ballot to the governing board of the school district. The governing
8 board, upon receipt of the report and the ballot, shall mail or distribute
9 the report and the ballot to the households in which qualified electors
10 reside within the school district at least thirty-five days prior to the
11 election. Any distribution of material concerning the proposed increase in
12 the budget shall not be conducted by children enrolled in the school
13 district. The report shall contain the following information:

14 1. The date of the election.

15 2. The voter's polling place and the times it is open.

16 3. The proposed total increase in the budget which exceeds the amount
17 permitted pursuant to section 15-905.

18 4. The total amount of the current year's budget, the total amount of
19 the proposed budget and the total amount of the alternate budget.

20 5. If the override is for a period of more than one year, a statement
21 indicating the number of years the proposed increase in the budget would be
22 in effect and the percentage of the school district's revenue control limit
23 that the district is requesting for the future years.

24 6. The proposed total amount of revenues which will fund the increase
25 in the budget and the amount which will be obtained from a levy of taxes upon
26 the taxable property within the school district for the first year for which
27 the budget increase was adopted.

28 7. The proposed amount of revenues which will fund the increase in the
29 budget and which will be obtained from other than a levy of taxes upon the
30 taxable property within the school district for the first year for which the
31 budget increase was adopted.

32 8. The dollar amount and the purpose for which the proposed increase
33 in the budget is to be expended for the first year for which the budget
34 increase was adopted.

35 9. At least two arguments, if submitted, but no more than ten
36 arguments for and two arguments, if submitted, but no more than ten arguments
37 against the proposed increase in the budget. The arguments shall be in a
38 form prescribed by the county school superintendent and each argument shall
39 not exceed two hundred words. Arguments for the proposed increase in the
40 budget shall be provided in writing and signed by the governing board. If
41 submitted, additional arguments in favor of the proposed increase in the
42 budget shall be provided in writing and signed by those in favor. Arguments
43 against the proposed increase in the budget shall be provided in writing and
44 signed by those in opposition. The names of those persons other than the
45 governing board or superintendent submitting written arguments shall not be

1 included in the report without their specific permission, but shall be made
2 available only upon request to the county school superintendent. The county
3 school superintendent shall review all factual statements contained in the
4 written arguments and correct any inaccurate statements of fact. The
5 superintendent shall not review and correct any portion of the written
6 arguments which are identified as statements of the author's opinion. The
7 county school superintendent shall make the written arguments available to
8 the public as provided in title 39, chapter 1, article 2. A deadline for
9 submitting arguments to be included in the informational report shall be set
10 by the county school superintendent.

11 10. A statement that the alternate budget shall be adopted by the
12 governing board if the proposed budget is not adopted by the qualified
13 electors of the school district.

14 11. The full cash value, the assessed valuation, the first year tax
15 rate for the proposed override and the estimated amount of the secondary
16 property taxes if the proposed budget is adopted for each of the following:

17 (a) An owner-occupied residence whose assessed valuation is the
18 average assessed valuation of property classified as class three, as
19 prescribed by section 42-12003 for the current year in the school district.

20 (b) An owner-occupied residence whose assessed valuation is one-half
21 of the assessed valuation of the residence in subdivision (a) of this
22 paragraph.

23 (c) An owner-occupied residence whose assessed valuation is twice the
24 assessed valuation of the residence in subdivision (a) of this paragraph.

25 (d) A business whose assessed valuation is the average of the assessed
26 valuation of property classified as class one, as prescribed by section
27 42-12001, paragraphs 12 and 13 for the current year in the school district.

28 12. If the election is conducted pursuant to subsection ~~I~~ I or ~~M~~ J of
29 this section, the following information:

30 (a) An executive summary of the school district's most recent capital
31 improvement plan submitted to the school facilities board.

32 (b) A complete list of each proposed capital improvement that will be
33 funded with the budget increase and a description of the proposed cost of
34 each improvement, including a separate aggregation of capital improvements
35 for administrative purposes as defined by the school facilities board.

36 (c) The tax rate associated with each of the proposed capital
37 improvements and the estimated cost of each capital improvement for the owner
38 of a single family home that is valued at eighty thousand dollars.

39 C. For the purpose of this section, the school district may use its
40 staff, equipment, materials, buildings or other resources only to distribute
41 the informational report at the school district office or at public hearings
42 and to produce such information as required in subsection B of this section,
43 provided that nothing in this subsection shall preclude school districts from
44 holding or participating in any public hearings at which testimony is given
45 by at least one person for the proposed increase and one person against the

1 proposed increase. Any written information provided by the district
2 pertaining to the override election shall include financial information
3 showing the estimated first year tax rate for the proposed budget override
4 amount.

5 D. If any amount of the proposed increase will be funded by a levy of
6 taxes in the district, the election prescribed in subsection A of this
7 section shall be held on the first Tuesday following the first Monday in
8 November as prescribed by section 16-204, subsection B, paragraph 1,
9 subdivision (d). If the proposed increase will be fully funded by revenues
10 from other than a levy of taxes the elections prescribed in subsection A of
11 this section shall be held on any date prescribed by section 16-204. The
12 elections shall be conducted as nearly as practicable in the manner
13 prescribed in article 1 of this chapter, sections 15-422 through 15-424 and
14 section 15-426, relating to special elections, except that:

15 1. The notices required pursuant to section 15-403 shall be posted not
16 less than twenty-five days before the election.

17 2. Ballots shall be counted pursuant to title 16, chapter 4,
18 article 10.

19 E. If the election is to exceed the revenue control limit and if the
20 proposed increase will be fully funded by a levy of taxes upon the taxable
21 property within the school district, the ballot shall contain the words
22 "budget increase, yes" and "budget increase, no", and the voter shall signify
23 his desired choice. The ballot shall also contain the amount of the proposed
24 increase of the proposed budget over the alternate budget, a statement that
25 the amount of the proposed increase will be based on a percentage of the
26 school district's revenue control limit in future years, if applicable, as
27 provided in subsection ~~P~~ M of this section and the following statement:

28 Any budget increase authorized by this election shall be
29 entirely funded by a levy of taxes upon the taxable property
30 within this school district for the year for which adopted and
31 for ___ subsequent years, shall not be realized from monies
32 furnished by the state and shall not be subject to the
33 limitation on taxes specified in article IX, section 18,
34 Constitution of Arizona. Based on an estimate of assessed
35 valuation used for secondary property tax purposes, to fund the
36 proposed increase in the school district's budget would require
37 an estimated tax rate of _____ dollar per one hundred
38 dollars of assessed valuation used for secondary property tax
39 purposes and is in addition to the school district's tax rate
40 which will be levied to fund the school district's revenue
41 control limit allowed by law.

1 F. If the election is to exceed the revenue control limit and if the
 2 proposed increase will be fully funded by revenues from other than a levy of
 3 taxes upon the taxable property within the school district, the ballot shall
 4 contain the words "budget increase, yes" and "budget increase, no", and the
 5 voter shall signify the voter's desired choice. The ballot shall also
 6 contain:

7 1. The amount of the proposed increase of the proposed budget over the
 8 alternate budget.

9 2. A statement that the amount of the proposed increase will be based
 10 on a percentage of the school district's revenue control limit in future
 11 years, if applicable, as provided in subsection ~~P~~ M of this section.

12 3. The following statement:
 13 Any budget increase authorized by this election shall be
 14 entirely funded by this school district with revenues from other
 15 than a levy of taxes on the taxable property within the school
 16 district for the year for which adopted and for _____
 17 subsequent years and shall not be realized from monies furnished
 18 by the state.

19 G. Except as provided in subsection H of this section, the maximum
 20 budget increase which may be requested and authorized as provided in
 21 subsection E or F of this section or the combination of subsections E and F
 22 of this section is ten per cent of the revenue control limit as provided in
 23 section 15-947, subsection A for the budget year.

24 H. Special budget override provisions for school districts with a
 25 student count of less than one hundred fifty-four in kindergarten programs
 26 and grades one through eight or with a student count of less than one hundred
 27 seventy-six in grades nine through twelve are as follows:

28 1. The maximum budget increase that may be requested and authorized as
 29 provided in subsections E and F of this section is the greater of the amount
 30 prescribed in subsection G of this section or a limit computed as follows:

31 (a) For common or unified districts with a student count of less than
 32 one hundred fifty-four in kindergarten programs and grades one through eight,
 33 the limit computed as prescribed in item (i) or (ii) of this subdivision,
 34 whichever is appropriate:

35 (i)

	Small School		Support Level Weight		Phase Down
Student	Student		for Small Isolated		Reduction
<u>Count</u>	<u>Count Limit</u>		<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
_____	125	x	1.358 + (0.0005 x	x \$ _____	= \$ _____
			(500 - Student Count))		
	Phase Down		Phase Down		Small Isolated
	<u>Base</u>		<u>Reduction Factor</u>		School District
	\$150,000	-	\$ _____	=	<u>Elementary Limit</u>
					\$ _____

1 (ii)

2 Small School Support Level Weight Phase Down

3 Student Student for Small Reduction

4 Count Count Limit School Districts Base Level Factor

5 _____ - 125 x 1.278 + (0.0003 x x \$ _____ = \$ _____

6 (500 - Student Count))

7 Small

8 Phase Down Phase Down School District

9 Base Reduction Factor Elementary Limit

10 \$150,000 - \$ _____ = \$ _____

11 (b) For unified or union high school districts with a student count of

12 less than one hundred seventy-six in grades nine through twelve, the limit

13 computed as prescribed in item (i) or (ii) of this subdivision, whichever is

14 appropriate:

15 (i)

16 Small School Support Level Weight Phase Down

17 Student Student for Small Isolated Reduction

18 Count Count Limit School Districts Base Level Factor

19 _____ - 100 x 1.468 + (0.0005 x x \$ _____ = \$ _____

20 (500 - Student Count))

21 Small Isolated

22 Phase Down Phase Down District

23 Base Reduction Factor Secondary Limit

24 \$350,000 - \$ _____ = \$ _____

25 (ii)

26 Small School Support Level Weight Phase Down

27 Student Student for Small Reduction

28 Count Count Limit School Districts Base Level Factor

29 _____ - 100 x 1.398 + (0.0004 x x \$ _____ = \$ _____

30 (500 - Student Count))

31 Small

32 Phase Down Phase Down School District

33 Base Reduction Factor Secondary Limit

34 \$350,000 - \$ _____ = \$ _____

35 (c) If both subdivisions (a) and (b) of this paragraph apply to a

36 unified school district, its limit for the purposes of this paragraph is the

37 combination of its elementary limit and its secondary limit.

38 (d) If only subdivision (a) or (b) of this paragraph applies to a

39 unified school district, the district's limit for the purposes of this

40 paragraph is the sum of the limit computed as provided in subdivision (a) or

41 (b) of this paragraph plus ten per cent of the revenue control limit

42 attributable to those grade levels that do not meet the eligibility

43 requirements of this subsection. If a school district budgets monies outside

44 the revenue control limit pursuant to section 15-949, subsection E, the

45 district's limit for the purposes of this paragraph is only the ~~ten~~ TWELVE

1 per cent of the revenue control limit attributable to those grade levels that
2 are not included under section 15-949, subsection E. For the purposes of
3 this subdivision, the revenue control limit is separated into elementary and
4 secondary components based on the weighted student count as provided in
5 section 15-971, subsection B, paragraph 2, subdivision (a).

6 2. If a school district utilizes the provisions of this subsection to
7 request an override of more than one year, the ballot shall include an
8 estimate of the amount of the proposed increase in the future years in place
9 of the statement that the amount of the proposed increase will be based on a
10 percentage of the school district's revenue control limit in future years, as
11 prescribed in subsections E and F of this section.

12 3. Notwithstanding subsection ~~P- M~~ of this section, the maximum period
13 of an override authorized pursuant to this subsection is five years.

14 4. Subsection ~~P- M~~, paragraphs 1 and 2 of this section do not apply to
15 overrides authorized pursuant to this subsection.

16 ~~I. If the election is to exceed the revenue control limit as provided
17 in section 15-482 and if the proposed increase will be fully funded by a levy
18 of taxes on the taxable property within the school district, the ballot shall
19 contain the words "budget increase, yes" and "budget increase, no", and the
20 voter shall signify the voter's desired choice. The ballot shall also
21 contain the amount of the proposed increase of the budget over the alternate
22 budget, a statement that the amount of the proposed increase will be based on
23 a percentage of the school district's revenue control limit in future years,
24 if applicable, as provided in subsection Q of this section, and the following
25 statement:~~

26 ~~Any budget increase authorized by this election shall be
27 entirely funded by a levy of taxes on the taxable property
28 within this school district for the year for which adopted and
29 for _____ subsequent years, shall not be realized from monies
30 furnished by the state and shall not be subject to the
31 limitation on taxes specified in article IX, section 18,
32 Constitution of Arizona. Based on an estimate of assessed
33 valuation used for secondary property tax purposes, to fund the
34 proposed increase in the school district's budget which will be
35 funded by a levy of taxes upon the taxable property within this
36 school district would require an estimated tax rate of
37 _____ dollar per one hundred dollars of assessed valuation
38 used for secondary property tax purposes and is in addition to
39 the school district's tax rate that will be levied to fund the
40 school district's revenue control limit allowed by law.~~

41 ~~J. If the election is to exceed the revenue control limit as provided
42 in section 15-482 and if the proposed increase will be fully funded by
43 revenues other than a levy of taxes on the taxable property within the school
44 district, the ballot shall contain the words "budget increase, yes" and
45 "budget increase, no", and the voter shall signify the voter's desired~~

1 ~~choice. The ballot shall also contain the amount of the proposed increase of~~
2 ~~the proposed budget over the alternate budget, a statement that the amount of~~
3 ~~the proposed increase will be based on a percentage of the school district's~~
4 ~~revenue control limit in future years, if applicable, as provided in~~
5 ~~subsection Q of this section and the following statement:~~

6 ~~Any budget increase authorized by this election shall be~~
7 ~~entirely funded by this school district with revenues from other~~
8 ~~than a levy of taxes on the taxable property within the school~~
9 ~~district for the year for which adopted and for _____ subsequent~~
10 ~~years and shall not be realized from monies furnished by the~~
11 ~~state.~~

12 ~~K. The maximum budget increase that may be requested and authorized as~~
13 ~~provided in subsection I or J of this section, or a combination of both of~~
14 ~~these subsections, is five per cent of the revenue control limit as provided~~
15 ~~in section 15-947, subsection A for the budget year. For a unified school~~
16 ~~district, a common school district not within a high school district or a~~
17 ~~common school district within a high school district that offers instruction~~
18 ~~in high school subjects as provided in section 15-447, five per cent of the~~
19 ~~revenue control limit means five per cent of the revenue control limit~~
20 ~~attributable to the weighted student count in preschool programs for children~~
21 ~~with disabilities, kindergarten programs and grades one through eight as~~
22 ~~provided in section 15-971, subsection B.~~

23 ~~I.~~ I. If the election is to exceed the capital outlay revenue limit
24 and if the proposed increase will be fully funded by a levy of taxes upon the
25 taxable property within the school district, the ballot shall contain the
26 words "budget increase, yes" and "budget increase, no", and the voter shall
27 signify the voter's desired choice. An election held pursuant to this
28 subsection shall be held on the first Tuesday after the first Monday of
29 November. The ballot shall also contain the amount of the proposed increase
30 of the proposed budget over the alternate budget and the following statement:

31 Any budget increase authorized by this election shall be
32 entirely funded by a levy of taxes upon the taxable property
33 within this school district for the year in which adopted and
34 for _____ subsequent years, shall not be realized from monies
35 furnished by the state and shall not be subject to the
36 limitation on taxes specified in article IX, section 18,
37 Constitution of Arizona. Based on an estimate of assessed
38 valuation used for secondary property tax purposes, to fund the
39 proposed increase in the school district's budget would require
40 an estimated tax rate of _____ dollar per one hundred
41 dollars of assessed valuation used for secondary property tax
42 purposes and is in addition to the school district's tax rate
43 which will be levied to fund the school district's capital
44 outlay revenue limit allowed by law.

1 ~~M.~~ J. If the election is to exceed the capital outlay revenue limit
 2 and if the proposed increase will be fully funded by revenues from other than
 3 a levy of taxes upon the taxable property within the school district, the
 4 ballot shall contain the words "budget increase, yes" and "budget increase,
 5 no", and the voter shall signify the voter's desired choice. An election
 6 held pursuant to this subsection shall be held on the first Tuesday after the
 7 first Monday of November. The ballot shall also contain the amount of the
 8 proposed increase of the proposed budget over the alternate budget and the
 9 following statement:

10 Any budget increase authorized by this election shall be
 11 entirely funded by this school district with revenues from other
 12 than a levy of taxes on the taxable property within the school
 13 district for the year in which adopted and for _____ subsequent
 14 years and shall not be realized from monies furnished by the
 15 state.

16 ~~N.~~ K. If the election is to exceed a combination of the revenue
 17 control limit as provided in subsection E or F of this section, ~~the revenue~~
 18 ~~control limit as provided in subsection I or J of this section~~ or the capital
 19 outlay revenue limit as provided in subsection ~~I~~ or ~~M.~~ J of this section,
 20 the ballot shall be prepared so that the voters may vote on each proposed
 21 increase separately and shall contain statements required in the same manner
 22 as if each proposed increase were submitted separately.

23 ~~O.~~ L. If the election provides for a levy of taxes on the taxable
 24 property within the school district, at least thirty days prior to the
 25 election, the department of revenue shall provide the school district
 26 governing board and the county school superintendent with an estimate of the
 27 school district's assessed valuation used for secondary property tax purposes
 28 for the ensuing fiscal year. The governing board and the county school
 29 superintendent shall use this estimate to translate the amount of the
 30 proposed dollar increase in the budget of the school district over that
 31 allowed by law into a tax rate figure.

32 ~~P.~~ M. If the voters in a school district vote to adopt a budget in
 33 excess of the revenue control limit as provided in subsection E or F of this
 34 section, any additional increase shall be included in the aggregate budget
 35 limit for each of the years authorized. Any additional increase shall be
 36 excluded from the determination of equalization assistance. The school
 37 district governing board ~~may~~, however, MAY levy on the assessed valuation
 38 used for secondary property tax purposes of the property in the school
 39 district the additional increase if adopted under subsection E of this
 40 section for the period of one year, two years or five through seven years as
 41 authorized. If an additional increase is approved as provided in subsection
 42 F of this section, the school district governing board may only use revenues
 43 derived from the school district's prior year's maintenance and operation
 44 fund ending cash balance to fund the additional increase. If a budget
 45 increase was previously authorized and will be in effect for the budget year

1 or budget year and subsequent years, as provided in subsection E or F of this
2 section, the governing board may request a new budget increase as provided in
3 the same subsection under which the prior budget increase was adopted which
4 shall not exceed the maximum amount permitted under subsection G of this
5 section. If the voters in the school district authorize the new budget
6 increase amount, the existing budget increase no longer is in effect. If the
7 voters in the school district do not authorize the budget increase amount,
8 the existing budget increase remains in effect for the time period for which
9 it was authorized. The maximum additional increase authorized as provided in
10 subsection E or F of this section and the additional increase which is
11 included in the aggregate budget limit is based on a percentage of a school
12 district's revenue control limit in future years, if the budget increase is
13 authorized for more than one year. If the additional increase:

14 1. Is for two years, the proposed increase in the second year is equal
15 to the initial proposed percentage increase.

16 2. Is for five years or more, the proposed increase is equal to the
17 initial proposed percentage increase in the following years of the proposed
18 increase, except that in the next to last year it is two-thirds of the
19 initial proposed percentage increase and it is one-third of the initial
20 proposed percentage increase in the last year of the proposed increase.

21 ~~Q. If the voters in a school district vote to adopt a budget in excess
22 of the revenue control limit as provided in subsection I or J of this
23 section, any additional increase shall be included in the aggregate budget
24 limit for each of the years authorized. Any additional increase shall be
25 excluded from the determination of equalization assistance. The school
26 district governing board, however, may levy on the assessed valuation used
27 for secondary property tax purposes of the property in the school district
28 the additional increase if adopted under subsection I of this section for the
29 period of one year, two years or five through seven years as authorized. If
30 an additional increase is approved as provided in subsection J of this
31 section, the increase may only be budgeted and expended if sufficient monies
32 are available in the maintenance and operation fund of the school district.
33 If a budget increase was previously authorized and will be in effect for the
34 budget year or budget year and subsequent years, as provided in subsection I
35 or J of this section, the governing board may request a new budget increase
36 as provided in the same subsection under which the prior budget increase was
37 adopted that does not exceed the maximum amount permitted under subsection K
38 of this section. If the voters in the school district authorize the new
39 budget increase amount, the existing budget increase no longer is in effect.
40 If the voters in the school district do not authorize the budget increase
41 amount, the existing budget increase remains in effect for the time period
42 for which it was authorized. The maximum additional increase authorized as
43 provided in subsection I or J of this section and the additional increase
44 that is included in the aggregate budget limit is based on a percentage of a~~

~~school district's revenue control limit in future years, if the budget increase is authorized for more than one year. If the additional increase:~~

~~1. Is for two years, the proposed increase in the second year is equal to the initial proposed percentage increase.~~

~~2. Is for five years or more, the proposed increase is equal to the initial proposed percentage increase in the following years of the proposed increase, except that in the next to last year it is two thirds of the initial proposed percentage increase and it is one third of the initial proposed percentage increase in the last year of the proposed increase.~~

~~R.~~ N. If the voters in a school district vote to adopt a budget in excess of the capital outlay revenue limit as provided in subsection ~~L~~ I of this section, any additional increase shall be included in the aggregate budget limit for each of the years authorized. **THE MAXIMUM BUDGET INCREASE THAT MAY BE REQUESTED AND AUTHORIZED AS PROVIDED IN SUBSECTION I OF THIS SECTION IS ONE HUNDRED TWENTY-FIVE PER CENT OF THE CAPITAL OUTLAY REVENUE LIMIT FOR THE BUDGET YEAR AS PROVIDED IN SECTION 15-961.** The additional increase shall be excluded from the determination of equalization assistance. The school district governing board ~~may~~, however, **MAY** levy on the assessed valuation used for secondary property tax purposes of the property in the school district the additional increase for the period authorized but not to exceed ten years. For overrides approved by a vote of the qualified electors of the school district at an election held from and after October 31, 1998, the period of the additional increase prescribed in this subsection shall not exceed seven years for any capital override election.

~~S.~~ O. If the voters in a school district vote to adopt a budget in excess of the capital outlay revenue limit as provided in subsection ~~M~~ J of this section, any additional increase shall be included in the aggregate budget limit for each of the years authorized. **THE MAXIMUM BUDGET INCREASE THAT MAY BE REQUESTED AND AUTHORIZED AS PROVIDED IN SUBSECTION J OF THIS SECTION IS ONE HUNDRED TWENTY-FIVE PER CENT OF THE CAPITAL OUTLAY REVENUE LIMIT FOR THE BUDGET YEAR AS PROVIDED IN SECTION 15-961.** The additional increase shall be excluded from the determination of equalization assistance. The school district governing board may only use revenues derived from the school district's prior year's maintenance and operation fund ending cash balance and capital outlay fund ending cash balance to fund the additional increase for the period authorized but not to exceed ten years. For overrides approved by a vote of the qualified electors of the school district at an election held from and after October 31, 1998, the period of the additional increase prescribed in this subsection shall not exceed seven years for any capital override election.

~~T.~~ P. In addition to subsections ~~P~~ M and ~~S~~ O of this section, from the maintenance and operation fund and capital outlay fund ending cash balances, the school district governing board shall first use any available revenues to reduce its primary tax rate to zero and shall use any remaining

1 revenues to fund the additional increase authorized as provided in
2 subsections F and ~~M~~- J of this section.

3 ~~U~~- Q. If the voters in a school district disapprove the proposed
4 budget, the alternate budget which, except for any budget increase authorized
5 by a prior election, does not include an increase in the budget in excess of
6 the amount provided in section 15-905 shall be adopted by the governing board
7 as provided in section 15-905.

8 ~~V~~- R. The governing board may request that any override election be
9 cancelled if any change in chapter 9 of this title changes the amount of the
10 aggregate budget limit as provided in section 15-905. The request to cancel
11 the override election shall be made to the county school superintendent at
12 least ten days prior to the date of the scheduled override election.

13 ~~W~~- S. For any election conducted pursuant to subsection ~~I~~- I or ~~M~~- J
14 of this section:

15 1. The ballot shall include the following statement in addition to any
16 other statement required by this section:

17 The capital improvements that are proposed to be funded
18 through this override election are to exceed the state standards
19 and are in addition to monies provided by the state.

20 _____ school district is proposing to increase its
21 budget by \$_____ to fund capital improvements over and
22 above those funded by the state. Under the students first
23 capital funding system, _____ school district is entitled to
24 state monies for building renewal, new construction and
25 renovation of school buildings in accordance with state law.

26 2. The ballot shall contain the words "budget increase, yes" and
27 "budget increase, no", and the voter shall signify the voter's desired
28 choice.

29 3. At least eighty-five days before the election, the school district
30 shall submit proposed ballot language to the director of the Arizona
31 legislative council. The director of the Arizona legislative council shall
32 review the proposed ballot language to determine whether the proposed ballot
33 language complies with this section. If the director of the Arizona
34 legislative council determines that the proposed ballot language does not
35 comply with this section, the director, within ten calendar days of the
36 receipt of the proposed ballot language, shall notify the school district of
37 the director's objections and the school district shall resubmit revised
38 ballot language to the director for approval.

39 ~~X~~- T. If the voters approve the budget increase pursuant to
40 subsection ~~I~~- I or ~~M~~- J of this section, the school district shall not use
41 the override proceeds for any purposes other than the proposed capital
42 improvements listed in the publicity pamphlet, except that up to ten per cent
43 of the override proceeds may be used for general capital expenses, including
44 cost overruns of proposed capital improvements.

1 ~~Y~~ U. Each school district that currently increases its budget
2 pursuant to subsection ~~I~~ I or ~~M~~ J of this section is required to hold a
3 public meeting each year between September 1 and October 31 at which an
4 update of the progress of capital improvements financed through the override
5 is discussed and at which the public is permitted an opportunity to comment.
6 At a minimum, the update shall include a comparison of the current status and
7 the original projections on the construction of capital improvements, the
8 costs of capital improvements and the costs of capital improvements in
9 progress or completed since the prior meeting and the future capital plans of
10 the school district. The school district shall include in the public meeting
11 a discussion of the school district's use of state capital aid and
12 voter-approved bonding in funding capital improvements, if any.

13 ~~Z~~ V. If a budget in excess of the capital outlay revenue limit was
14 previously adopted by the voters in a school district and will be in effect
15 for the budget year or budget year and subsequent years, as provided in
16 subsection ~~I~~ I or ~~M~~ J of this section, the governing board may request an
17 additional budget in excess of the capital outlay revenue limit. If the
18 voters in a school district authorize the additional budget in excess of the
19 capital outlay revenue limit, the existing capital outlay revenue limit
20 budget increase remains in effect.

21 W. IF THE ELECTION IS TO EXCEED THE REVENUE CONTROL LIMIT AS PROVIDED
22 IN SECTION 15-918.06 AND IF THE PROPOSED INCREASE WILL BE FULLY FUNDED BY A
23 LEVY OF TAXES ON THE TAXABLE PROPERTY WITHIN THE SCHOOL DISTRICT, THE BALLOT
24 SHALL CONTAIN THE WORDS "BUDGET INCREASE, YES" AND "BUDGET INCREASE, NO", AND
25 THE VOTER SHALL SIGNIFY THE VOTER'S DESIRED CHOICE. THE BALLOT SHALL ALSO
26 CONTAIN THE AMOUNT OF THE PROPOSED INCREASE OF THE BUDGET OVER THE ALTERNATE
27 BUDGET, A STATEMENT THAT THE AMOUNT OF THE PROPOSED INCREASE WILL BE BASED ON
28 A PERCENTAGE OF THE SCHOOL DISTRICT'S REVENUE CONTROL LIMIT IN FUTURE YEARS,
29 IF APPLICABLE, AS PROVIDED IN SUBSECTION Z OF THIS SECTION, AND THE FOLLOWING
30 STATEMENT:

31 ANY BUDGET INCREASE AUTHORIZED BY THIS ELECTION SHALL BE
32 ENTIRELY FUNDED BY A LEVY OF TAXES ON THE TAXABLE PROPERTY
33 WITHIN THIS SCHOOL DISTRICT FOR THE YEAR FOR WHICH ADOPTED AND
34 FOR _____ SUBSEQUENT YEARS, SHALL NOT BE REALIZED FROM MONIES
35 FURNISHED BY THE STATE AND SHALL NOT BE SUBJECT TO THE
36 LIMITATION ON TAXES SPECIFIED IN ARTICLE IX, SECTION 18,
37 CONSTITUTION OF ARIZONA. BASED ON AN ESTIMATE OF ASSESSED
38 VALUATION USED FOR SECONDARY PROPERTY TAX PURPOSES, TO FUND THE
39 PROPOSED INCREASE IN THE SCHOOL DISTRICT'S BUDGET THAT WILL BE
40 FUNDED BY A LEVY OF TAXES ON THE TAXABLE PROPERTY WITHIN THIS
41 SCHOOL DISTRICT WOULD REQUIRE AN ESTIMATED TAX RATE OF
42 _____ DOLLAR PER ONE HUNDRED DOLLARS OF ASSESSED VALUATION
43 USED FOR SECONDARY PROPERTY TAX PURPOSES AND IS IN ADDITION TO
44 THE SCHOOL DISTRICT'S TAX RATE THAT WILL BE LEVIED TO FUND THE
45 SCHOOL DISTRICT'S REVENUE CONTROL LIMIT ALLOWED BY LAW.

1 X. IF THE ELECTION IS TO EXCEED THE REVENUE CONTROL LIMIT AS PROVIDED
2 IN SECTION 15-918.06 AND IF THE PROPOSED INCREASE WILL BE FULLY FUNDED BY
3 REVENUES OTHER THAN A LEVY OF TAXES ON THE TAXABLE PROPERTY WITHIN THE SCHOOL
4 DISTRICT, THE BALLOT SHALL CONTAIN THE WORDS "BUDGET INCREASE, YES" AND
5 "BUDGET INCREASE, NO", AND THE VOTER SHALL SIGNIFY THE VOTER'S DESIRED
6 CHOICE. THE BALLOT SHALL ALSO CONTAIN THE AMOUNT OF THE PROPOSED INCREASE OF
7 THE PROPOSED BUDGET OVER THE ALTERNATE BUDGET, A STATEMENT THAT THE AMOUNT OF
8 THE PROPOSED INCREASE WILL BE BASED ON A PERCENTAGE OF THE SCHOOL DISTRICT'S
9 REVENUE CONTROL LIMIT IN FUTURE YEARS, IF APPLICABLE, AS PROVIDED IN
10 SUBSECTION Z OF THIS SECTION AND THE FOLLOWING STATEMENT:

11 ANY BUDGET INCREASE AUTHORIZED BY THIS ELECTION SHALL BE
12 ENTIRELY FUNDED BY THIS SCHOOL DISTRICT WITH REVENUES FROM OTHER
13 THAN A LEVY OF TAXES ON THE TAXABLE PROPERTY WITHIN THE SCHOOL
14 DISTRICT FOR THE YEAR FOR WHICH ADOPTED AND FOR _____ SUBSEQUENT
15 YEARS AND SHALL NOT BE REALIZED FROM MONIES FURNISHED BY THE
16 STATE.

17 Y. THE MAXIMUM BUDGET INCREASE THAT MAY BE REQUESTED AND AUTHORIZED AS
18 PROVIDED IN SUBSECTION W OR X OF THIS SECTION, OR A COMBINATION OF BOTH OF
19 THESE SUBSECTIONS, IS THE AMOUNT GENERATED BY A SEVEN AND ONE-HALF PER CENT
20 OF THE REVENUE CONTROL LIMIT. THE MAXIMUM PERIOD OF AN OVERRIDE AUTHORIZED
21 PURSUANT TO SUBSECTION W OR X IS SEVEN YEARS.

22 Z. IF THE VOTERS IN A SCHOOL DISTRICT VOTE TO ADOPT A BUDGET IN EXCESS
23 OF THE REVENUE CONTROL LIMIT AS PROVIDED IN SUBSECTION W OR X OF THIS
24 SECTION, ANY ADDITIONAL INCREASE SHALL BE INCLUDED IN THE AGGREGATE BUDGET
25 LIMIT FOR EACH OF THE YEARS AUTHORIZED. ANY ADDITIONAL INCREASE SHALL BE
26 EXCLUDED FROM THE DETERMINATION OF EQUALIZATION ASSISTANCE. THE SCHOOL
27 DISTRICT GOVERNING BOARD, HOWEVER, MAY LEVY ON THE ASSESSED VALUATION USED
28 FOR SECONDARY PROPERTY TAX PURPOSES OF THE PROPERTY IN THE SCHOOL DISTRICT
29 THE ADDITIONAL INCREASE IF ADOPTED UNDER SUBSECTION W OF THIS SECTION FOR THE
30 PERIOD OF ONE YEAR, TWO YEARS OR FIVE THROUGH SEVEN YEARS AS AUTHORIZED. IF
31 AN ADDITIONAL INCREASE IS APPROVED AS PROVIDED IN SUBSECTION X OF THIS
32 SECTION, THE INCREASE MAY ONLY BE BUDGETED AND EXPENDED IF SUFFICIENT MONIES
33 ARE AVAILABLE IN THE MAINTENANCE AND OPERATION FUND OF THE SCHOOL DISTRICT.
34 IF A BUDGET INCREASE WAS PREVIOUSLY AUTHORIZED AND WILL BE IN EFFECT FOR THE
35 BUDGET YEAR OR BUDGET YEAR AND SUBSEQUENT YEARS, AS PROVIDED IN SUBSECTION W
36 OR X OF THIS SECTION, THE GOVERNING BOARD MAY REQUEST A NEW BUDGET INCREASE
37 AS PROVIDED IN THE SAME SUBSECTION UNDER WHICH THE PRIOR BUDGET INCREASE WAS
38 ADOPTED THAT DOES NOT EXCEED THE MAXIMUM AMOUNT PERMITTED UNDER SUBSECTION Y
39 OF THIS SECTION. IF THE VOTERS IN THE SCHOOL DISTRICT AUTHORIZE THE NEW
40 BUDGET INCREASE AMOUNT, THE EXISTING BUDGET INCREASE NO LONGER IS IN EFFECT.
41 IF THE VOTERS IN THE SCHOOL DISTRICT DO NOT AUTHORIZE THE BUDGET INCREASE
42 AMOUNT, THE EXISTING BUDGET INCREASE REMAINS IN EFFECT FOR THE TIME PERIOD
43 FOR WHICH IT WAS AUTHORIZED. THE MAXIMUM ADDITIONAL INCREASE AUTHORIZED AS
44 PROVIDED IN SUBSECTION W OR X OF THIS SECTION AND THE ADDITIONAL INCREASE
45 THAT IS INCLUDED IN THE AGGREGATE BUDGET LIMIT IS BASED ON A PERCENTAGE OF A

1 SCHOOL DISTRICT'S REVENUE CONTROL LIMIT IN FUTURE YEARS, IF THE BUDGET
2 INCREASE IS AUTHORIZED FOR MORE THAN ONE YEAR. IF THE ADDITIONAL INCREASE:

3 1. IS FOR TWO YEARS, THE PROPOSED INCREASE IN THE SECOND YEAR IS EQUAL
4 TO THE INITIAL PROPOSED PERCENTAGE INCREASE.

5 2. IS FOR FIVE YEARS OR MORE, THE PROPOSED INCREASE IS EQUAL TO THE
6 INITIAL PROPOSED PERCENTAGE INCREASE IN THE FOLLOWING YEARS OF THE PROPOSED
7 INCREASE, EXCEPT THAT IN THE NEXT TO LAST YEAR IT IS TWO-THIRDS OF THE
8 INITIAL PROPOSED PERCENTAGE INCREASE AND IT IS ONE-THIRD OF THE INITIAL
9 PROPOSED PERCENTAGE INCREASE IN THE LAST YEAR OF THE PROPOSED INCREASE.

10 Sec. 4. Repeal

11 Section 15-482, Arizona Revised Statutes, is repealed.

12 Sec. 5. Section 15-903, Arizona Revised Statutes, is amended to read:
13 15-903. Budget format; prohibited expenditures

14 A. The superintendent of public instruction in conjunction with the
15 auditor general shall prepare and prescribe a budget format to be utilized by
16 all school districts.

17 B. The budget format shall be designed to allow all school districts
18 to plan and provide in detail for the use of available funds. The budget
19 format shall contain distinct sections for, but need not be limited to,
20 maintenance and operation, debt service, special projects, capital outlay,
21 adjacent ways and classroom site fund. The maintenance and operation section
22 shall include, but need not be limited to, separate subsections for regular
23 education programs, special education programs and operational expenditures
24 for pupil transportation. Each subsection shall clearly distinguish
25 classroom instruction expenditures. The special education program subsection
26 shall include, but is not limited to, programs for each disability
27 classification as defined in section 15-761 and programs for gifted,
28 vocational and technological education, remedial education and bilingual
29 students. The total expenditures for each of these programs shall be
30 included on the budget form. The pupil transportation subsection shall
31 include all operational expenditures relating to the transportation of
32 pupils, including all operational expenditures within a contract if the
33 school district contracts for pupil transportation.

34 C. The capital outlay section of the budget shall include separate
35 subsections for unrestricted capital outlay and soft capital allocation. The
36 soft capital allocation subsection shall include budgeted expenditures as
37 prescribed in section 15-962. The unrestricted capital outlay subsection
38 shall include budgeted expenditures for acquisitions by purchase,
39 lease-purchase or lease of capital items as defined in the uniform system of
40 financial records. These sections and subsections shall include:

41 1. Land, buildings and improvements to land and buildings, including
42 labor and related employee benefits costs and material costs if work is
43 performed by school district employees.

44 2. Furniture, furnishings, athletic equipment and other equipment,
45 including computer software.

- 1 3. Pupil and nonpupil transportation vehicles and equipment, including
2 all capital expenditures within a contract if the school district contracts
3 for pupil transportation.
- 4 4. Textbooks and related printed subject matter materials adopted by
5 the governing board.
- 6 5. Instructional aids.
- 7 6. Library books.
- 8 7. Payment of principal and interest on bonds.
- 9 8. School district administration emergency needs that are directly
10 related to pupils.
- 11 D. The budget format shall contain distinct subsections for the
12 following:
- 13 ~~1. Special programs to improve academic achievement of pupils in~~
14 ~~kindergarten programs and grades one through three as provided in section~~
15 ~~15-482.~~
- 16 ~~2.~~ 1. School plant funds.
- 17 ~~3.~~ 2. Capital outlay budget increases as provided in section 15-481.
- 18 ~~4.~~ 3. Property taxation including the following:
- 19 (a) The primary tax rates for the school district for the current year
20 and the budget year.
- 21 (b) The secondary tax rates for maintenance and operation, K-3 and
22 capital overrides for the school district for the current year and the budget
23 year.
- 24 (c) The secondary tax rates for class A bonds for the school district
25 for the current year and the budget year.
- 26 (d) The secondary tax rates for class B bonds for the school district
27 for the current year and the budget year.
- 28 ~~5.~~ 4. A description of any corrections or adjustments made to the
29 budget pursuant to section 15-915.
- 30 E. The budget format shall also contain:
- 31 1. A statement identifying proposed pupil-teacher ratios and
32 pupil-staff ratios relating to the provision of special education services
33 for the budget year.
- 34 2. A statement identifying the number of full-time equivalent
35 certified employees.
- 36 3. If a governing board uses section 15-942 relating to the adjustment
37 for rapid decline in student count, a statement identifying the actual per
38 cent decline in student count and a statement identifying the additional
39 allowable expenditures attributable to using the rapid decline provisions as
40 provided in section 15-942.
- 41 F. The special projects section shall include budgeted expenditures
42 for state special projects, including special adult projects, career
43 education, deficiencies correction fund projects, building renewal fund
44 projects and new school facilities fund projects, such federal special

1 projects as ESEA title programs, vocational education and title IV Indian
2 education, and other special projects.

3 G. A school district shall not make expenditures for campaign
4 literature associated with school district or charter school officials. If
5 the superintendent of public instruction determines that a school district
6 has violated this subsection, the superintendent of public instruction may
7 withhold any portion of the school district's apportionment of state aid.

8 H. The budget format shall include an electronic format that shall be
9 submitted for each proposed, adopted and revised budget.

10 Sec. 6. Delayed repeal

11 Sections 15-918, 15-918.01, 15-918.02, 15-918.03, 15-918.04, 15-918.05,
12 15-919, 15-919.02, 15-919.03, 15-919.04, 15-919.05 and 15-919.06, Arizona
13 Revised Statutes, are repealed from and after June 30, 2013.

14 Sec. 7. Title 15, chapter 9, article 1.1, Arizona Revised Statutes, is
15 amended by adding section 15-918.06, to read:

16 15-918.06. Performance pay programs; definition

17 A. IF THE QUALIFIED ELECTORS IN A SCHOOL DISTRICT APPROVE A BUDGET TO
18 EXCEED THE REVENUE CONTROL LIMIT PURSUANT TO SECTION 15-481, SUBSECTION W OR
19 X, A SCHOOL DISTRICT GOVERNING BOARD MAY BUDGET FOR A PERFORMANCE PAY PROGRAM
20 AS PRESCRIBED BY AND UNDER THE PROVISIONS ESTABLISHED IN THIS SECTION MAY
21 AUTHORIZE A BUDGET INCREASE IN THE AMOUNT GENERATED BY AN INCREASE OF UP TO
22 SEVEN AND ONE-HALF PER CENT IN THE BASE LEVEL AS DEFINED IN SECTION 15-901.
23 THE FIRST FIVE AND ONE-HALF PER CENT INCREASE IN THE BASE LEVEL PRESCRIBED IN
24 THIS SECTION SHALL BE USED FOR THE PERFORMANCE-BASED COMPENSATION SYSTEM AND
25 THE REMAINING PERCENTAGE INCREASE IN THE BASE LEVEL PRESCRIBED IN THIS
26 SECTION SHALL BE DEPOSITED IN THE MAINTENANCE AND OPERATION SECTION OF THE
27 SCHOOL DISTRICT'S BUDGET.

28 B. IF THE QUALIFIED ELECTORS APPROVE A BUDGET TO EXCEED THE REVENUE
29 CONTROL LIMIT PURSUANT TO SECTION 15-481, SUBSECTION W OR X AND IF THAT
30 SCHOOL DISTRICT HAD PREVIOUSLY BUDGETED FOR A CAREER LADDER PROGRAM PURSUANT
31 TO SECTION 15-918 OR HAD PREVIOUSLY BUDGETED FOR AN OPTIONAL PERFORMANCE
32 INCENTIVE PROGRAM PURSUANT TO SECTION 15-919, THE SCHOOL DISTRICT SHALL
33 IMMEDIATELY DISCONTINUE BUDGETING FOR A CAREER LADDER PROGRAM PURSUANT TO
34 SECTION 15-918 OR AN OPTIONAL PERFORMANCE INCENTIVE PROGRAM PURSUANT TO
35 SECTION 15-919.

36 C. FOR THE PURPOSES OF THIS SECTION, "PERFORMANCE PAY PROGRAM" MEANS A
37 PERFORMANCE BASED COMPENSATION SYSTEM THAT ESTABLISHES A MULTILEVEL SYSTEM OF
38 TEACHING POSITIONS AND THAT IS ESTABLISHED PURSUANT TO SECTION 15-977.

39 Sec. 8. Section 15-943.01, Arizona Revised Statutes, is amended to
40 read:

41 15-943.01. Maintenance and operation budget balance; definition

42 A. The governing board of a school district may budget any budget
43 balance in the maintenance and operation section of the budget, as provided
44 in section 15-903, from the current fiscal year for use in the maintenance
45 and operation section of the budget in the budget year. The amount which may

1 be budgeted as the budget balance carryforward in any one fiscal year shall
2 not exceed four per cent of the school district's revenue control limit, as
3 provided in section 15-947, subsection A, for the current year and shall not
4 include any budget balance attributable to any reduction in the district's
5 general budget limit including reductions for items which are exempt from the
6 revenue control limit and for which expenditures are limited to a designated
7 purpose such as excess insurance costs or excess utility costs or for the
8 bond issues portion of the cost of tuition. ~~A school district may include in~~
9 ~~the budget balance carryforward in any fiscal year up to fifty per cent of~~
10 ~~the unspent proceeds of an override election conducted pursuant to section~~
11 ~~15-482.~~ The amount budgeted as the budget balance carryforward is
12 specifically exempt from the revenue control limit.

13 B. If the actual amount of the allowable budget balance carryforward
14 is less than the amount budgeted for the budget balance carryforward, the
15 governing board shall adjust the general budget limit and expenditures before
16 May 15 based on the actual allowable budget balance carryforward. If the
17 actual amount of the allowable budget balance carryforward is more than the
18 amount budgeted for the budget balance carryforward, the governing board may
19 adjust its budget before May 15 based on the actual amount of the allowable
20 fund balance carryforward. Not later than May 18, the budget as revised
21 shall be submitted electronically to the superintendent of public
22 instruction.

23 C. If the governing board is eligible to budget for a budget balance
24 carryforward as provided in subsection A of this section, the governing board
25 may transfer an amount from the district's ending cash balance of the
26 maintenance and operations fund to the school opening fund. The maximum
27 amount that may be transferred is the lesser of the district's ending cash
28 balance in the maintenance and operations fund or the amount the district is
29 eligible to budget as a budget balance carryforward. The school opening fund
30 is a cash controlled fund as provided in section 15-905, subsection N, and
31 may only be expended for the additional maintenance and operations expenses
32 incurred in the first year of operation of a new school within the school
33 district. The monies in the school opening fund are not subject to
34 reversion, except that at the end of five years of no activity in the fund,
35 any remaining monies shall be reverted to the maintenance and operations
36 fund. Any monies so reverted may be considered additional budget balance for
37 that fiscal year.

38 D. If a governing board transfers monies as provided in subsection C
39 of this section, the amount so transferred in a fiscal year shall be
40 subtracted from the amount the district would otherwise be eligible to budget
41 for that fiscal year as provided in subsection A of this section. The
42 difference, if any, is the maximum amount that may be budgeted for that
43 fiscal year as a budget balance carryforward.

44 E. For the purposes of this section, "budget balance" means the
45 difference between actual and budgeted expenditures.

1 Sec. 9. Section 15-951, Arizona Revised Statutes, is amended to read:
2 15-951. Revenue control limit, capital outlay revenue limit,
3 soft capital allocation, district support level and
4 student count for a common school district not within
5 a high school district

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

9 1. The base revenue control limit computed as prescribed in section
10 15-944 but excluding pupils admitted to another school district as provided
11 in section 15-824, subsection A, paragraph 2.

12 2. The tuition payable for high school pupils who attend school in
13 another school district as provided in section 15-824, subsection A,
14 paragraph 2, including any transportation charge, except as provided in
15 subsection H of this section.

16 3. The transportation revenue control limit for all pupils who reside
17 in the district except those high school pupils transported by another
18 district.

19 B. Notwithstanding subsection A of this section, for the purposes of
20 sections 15-481, ~~15-482~~ and 15-1102, the revenue control limit for a common
21 school district not within a high school district is the sum of the
22 following:

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

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

29 C. Notwithstanding section 15-961, the capital outlay revenue limit
30 for a common school district not within a high school district is the capital
31 outlay revenue limit computed as prescribed in section 15-961 but excluding
32 pupils who are admitted to another school district as provided in section
33 15-824, subsection A, paragraph 2.

34 D. Notwithstanding section 15-962, the soft capital allocation for a
35 common school district not within a high school district is the soft capital
36 allocation computed as prescribed in section 15-962 but excluding pupils who
37 are both admitted to another school district as provided in section 15-824,
38 subsection A, paragraph 2 and not transported by the common school district.

39 E. Notwithstanding section 15-947, the district support level for a
40 common school district not within a high school district is the sum of the
41 following:

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

1 2. The tuition payable for high school pupils who are admitted to
2 another school district as provided in section 15-824, subsection A,
3 paragraph 2, including any transportation charge, except as provided in
4 subsection H of this section.

5 3. The transportation support level for all pupils who reside in the
6 school district except those high school pupils transported by another school
7 district.

8 F. For the purpose of determining eligibility to adjust the student
9 count as provided in section 15-942, the student count for a common school
10 district not within a high school district is the student count for pupils in
11 the school district less the student count for pupils enrolled in another
12 school district as provided in section 15-824, subsection A, paragraph 2.

13 G. For the purpose of determining eligibility to increase the revenue
14 control limit and district support level or recompute the revenue control
15 limit as provided in section 15-948, the student count for a common school
16 district not within a high school district is the student count for pupils in
17 kindergarten programs and grades one through twelve, including pupils
18 enrolled in another school district as provided in section 15-824, subsection
19 A, paragraph 2.

20 H. The tuition amount in subsections A and E of this section shall not
21 include amounts per student count for bond issues as prescribed by section
22 15-824, subsection G, paragraph 1, subdivision (c) in excess of the
23 following:

24 1. One hundred fifty dollars if the pupil's school district of
25 residence pays tuition for seven hundred fifty or fewer pupils to other
26 school districts.

27 2. Two hundred dollars if the pupil's school district of residence
28 pays tuition for one thousand or fewer, but more than seven hundred fifty
29 pupils to other school districts.

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

33 Sec. 10. Section 15-1102, Arizona Revised Statutes, is amended to
34 read:

35 15-1102. Disposition of proceeds from sale or lease of school
36 property; school plant monies; payment of bonded
37 indebtedness; definition

38 A. The governing board, or the superintendent or chief administrative
39 officer with the approval of the governing board, may expend the proceeds
40 from the sale or lease of school property for the payment of any outstanding
41 bonded indebtedness of the school district or for the reduction of school
42 district taxes.

43 B. A common school district or high school district which has an
44 outstanding bonded indebtedness of seven per cent of the current year's
45 assessed valuation or less or a unified school district which has an

1 outstanding bonded indebtedness of fourteen per cent of the current year's
2 assessed valuation or less may expend the proceeds from the sale or lease of
3 school property for maintenance and operation or capital outlay, subject to
4 the following limitations:

5 1. During the period that proceeds from the sale or lease of school
6 property are used for capital outlay, the school district shall not call an
7 override election to exceed the capital outlay revenue limit, except that
8 during the last year of that period the school district may authorize an
9 override election to exceed the capital outlay revenue limit beginning with
10 the following year.

11 2. The total sum of the proceeds from the sale of school property
12 before July 1, 1998 or the lease of school property for more than one year
13 expended for maintenance and operation shall not exceed fifteen per cent of
14 the revenue control limit as provided in section 15-947, subsection A in any
15 year of which ten per cent may be used without voter approval and an
16 additional five per cent may be used if the additional amount is approved by
17 a majority of the qualified electors voting in an election called for such
18 purposes. The election shall be conducted and notice and ballots shall be
19 prepared as provided in section 15-481. Proceeds from the sale of school
20 property from and after June 30, 1998 shall not be expended for maintenance
21 and operation.

22 3. In any fiscal year in which a district utilizes budget increases as
23 authorized in section 15-481, subsection E or F ~~or section 15-482~~ or utilizes
24 the proceeds from the sale of school property before July 1, 1998 or the
25 lease of school property for more than one year for maintenance and operation
26 or any combination of these provisions, the total amount of these increases
27 which may be expended is equal to fifteen per cent of the revenue control
28 limit for that year as provided in section 15-947, subsection A, provided
29 that the following maximum amount is attributable to the use of any one
30 provision:

31 (a) Fifteen per cent of the revenue control limit when using the
32 proceeds from the sale before July 1, 1998 or lease of school property for
33 maintenance and operation as provided in this section.

34 (b) Ten per cent of the revenue control limit when using a budget
35 increase as provided in section 15-481, subsection E or F, or both.

36 ~~(c) Five per cent of the revenue control limit when using a budget~~
37 ~~increase as provided in section 15-482.~~

38 C. A common school district or high school district which has an
39 outstanding bonded indebtedness of greater than seven per cent of the current
40 year's assessed valuation or a unified school district which has an
41 outstanding bonded indebtedness of greater than fourteen per cent of the
42 current year's assessed valuation may expend the proceeds from the lease or
43 sale of school property as follows:

1 1. For maintenance and operation the expenditure may not exceed the
2 lesser of the limit in subsection B, paragraph 2 or 3 of this section or the
3 amount of the proceeds from the lease of school property multiplied by .25.

4 2. For capital outlay, the expenditure of the proceeds:

5 (a) From the sale of school property may not exceed the amount of the
6 proceeds multiplied by .62.

7 (b) From the lease of school property is not limited.

8 D. The governing board, or the superintendent or chief administrative
9 officer with the approval of the governing board, shall promptly deposit
10 monies received for and derived from the sale or lease of school property
11 with the county treasurer who shall establish three school plant funds, one
12 fund for monies received from the sale before July 1, 1998 or lease of school
13 property for more than one year, one fund for monies received from the sale
14 of school property from and after June 30, 1998 and one fund for monies
15 received from the lease of school property for one year or less. The county
16 treasurer shall credit the deposits to the respective school plant fund of
17 the respective school district. Monies placed to the credit of the school
18 plant funds may be expended as provided in this section. The school plant
19 funds are continuing funds not subject to reversion.

20 E. Notwithstanding subsection C of this section, the governing board,
21 or the superintendent or chief administrative officer with the approval of
22 the governing board, may expend the proceeds from the sale before July 1,
23 1998 or lease of school property for the additional maintenance and
24 operations expenses incurred as the result of operating on a year-round
25 school year operation basis pursuant to section 15-855. The amount that
26 the governing board, superintendent or chief administrative officer may
27 expend for a year-round school year operation, as provided in this
28 subsection, is limited to the actual maintenance and operations costs
29 incurred as the result of the year-round school year operation as documented
30 in the school district's budget as provided in section 15-855. A governing
31 board, superintendent or chief administrative officer that utilizes the
32 provisions of this subsection is subject to all other limitations prescribed
33 in this section regarding the expenditure of proceeds from the sale before
34 July 1, 1998 or lease of school property.

35 F. Notwithstanding subsections B and D of this section, if the school
36 district electors approve the sale of school property and the use of the
37 proceeds for the purchase of school sites or the construction, improvement or
38 furnishing of school facilities, the proceeds from the sale shall be put in a
39 separate fund for use for the approved purpose as prescribed by the uniform
40 system of financial records. This fund is a continuing fund not subject to
41 reversion, except that after ten years any unexpended monies shall be put in
42 the school plant fund for use as prescribed in this section.

43 G. Proceeds from sales by condemnation or sales under threat of
44 condemnation may be deposited with the county treasurer for deposit in the
45 condemnation fund or the school plant fund of the school district. The

1 condemnation fund is a continuing fund not subject to reversion, except that
2 after ten years any unspent monies shall be placed in the school plant fund
3 to be used as prescribed in this section. The governing board, or the
4 superintendent or chief administrative officer with the approval of the
5 governing board, may apply the proceeds in the condemnation fund to:

6 1. The payment of any outstanding bonded indebtedness of the school
7 district which is payable from the levy of taxes upon property within the
8 school district.

9 2. Construct, acquire, improve, repair or furnish school facilities or
10 sites after notice and a hearing.

11 H. Proceeds from a right-of-way settlement shall be deposited with the
12 county treasurer for deposit in the condemnation fund of the school district.
13 The governing board, or the superintendent or chief administrative officer
14 with the approval of the governing board, shall apply such proceeds in the
15 condemnation fund to construct, acquire, improve, repair or furnish school
16 facilities or sites after notice and a hearing.

17 I. For purposes of this section, "capital outlay" means unrestricted
18 capital outlay as prescribed in section 15-903, subsection C.

19 Sec. 11. Section 15-2104, Arizona Revised Statutes, is amended to
20 read:

21 15-2104. Impact aid revenue bond building and debt service
22 funds

23 A. If a school district issues impact aid revenue bonds under this
24 article, the governing board shall establish:

25 1. An impact aid revenue bond building fund consisting of the net
26 proceeds received from the sale of the bonds. The fund shall be a continuing
27 fund that is not subject to reversion.

28 2. An impact aid revenue bond debt service fund consisting of monies
29 received by the school district from impact aid revenues.

30 B. Monies in the impact aid revenue bond building fund and the impact
31 aid revenue bond debt service fund may be used only for the purposes
32 authorized by this article.

33 C. The school district shall provide the county treasurer with an
34 impact aid revenue bond debt service schedule. The county treasurer shall
35 keep an account of all school district debt service funds that shows the
36 school district to which each fund belongs. The county treasurer shall
37 credit to the impact aid revenue bond debt service fund an amount from impact
38 aid revenues equal to the principal and interest that will become due on the
39 impact aid revenue bonds during the current year. The treasurer shall
40 receive and credit any interest or income earned by the debt service fund.

41 D. Notwithstanding any other provision in this article, the annual
42 payment of principal and interest on impact aid revenue bonds each year shall
43 not exceed seventy-five per cent of the net impact aid revenues of the school
44 district for the current year. For the purposes of this subsection, "net

1 impact aid revenues" ~~mean~~ MEANS impact aid revenues for the year after
2 deducting the sum of the following amounts:

3 1. The amount of any increase in the school district's general budget
4 limit pursuant to section 15-905, subsections K, O and P.

5 2. The amount necessary to fund any budget override adopted pursuant
6 to section 15-481, subsection F, ~~J~~ or ~~M~~ J.

7 3. The amount that would be produced by levying the applicable
8 qualifying tax rate as provided in section 15-971, subsection B, minus the
9 amount levied for primary school district taxes for the year pursuant to
10 section 15-992, except that if the result is a negative number, ~~use~~ THE
11 AMOUNT IS zero.

12 Sec. 12. Savings clause

13 A. This act does not affect any special budget overrides pursuant to
14 section 15-482, Arizona Revised Statutes, as repealed by this act, that were
15 approved by the qualified electors of a school district before the effective
16 date of this act. Special budget overrides pursuant to section 15-482,
17 Arizona Revised Statutes, as repealed by this act, that were approved by the
18 qualified electors of a school district before the effective date of this act
19 shall continue for the duration previously authorized by the qualified
20 electors.

21 B. Beginning on the effective date of this act, no school district
22 shall submit a request to the qualified electors of a school district to
23 approve a special budget override pursuant to section 15-482, Arizona Revised
24 Statutes, as repealed by this act, or submit a request to the qualified
25 electors of a school district to approve the extension of a previously
26 authorized special budget override pursuant to section 15-482, Arizona
27 Revised Statutes, as repealed by this act.

28 Sec. 13. Previously approved career ladder programs and
29 previously approved optional performance incentive
30 programs; discontinuation on July 1, 2013

31 Beginning July 1, 2013, no school district in this state may budget for
32 a career ladder program or an optional performance incentive program.