

REFERENCE TITLE: schools; technology; personnel training

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

## **SB 1069**

Introduced by  
Senator Schapira

AN ACT

AMENDING SECTIONS 15-491 AND 15-962, 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 15-491, Arizona Revised Statutes, is amended to  
3 read:

4 15-491. Elections on school property; exceptions

5 A. The governing board of a school district may, and on petition of  
6 fifteen per cent of the school electors as shown by the poll list at the last  
7 preceding annual school election shall, call an election for the following  
8 purposes:

9 1. To locate or change the location of school buildings.

10 2. To purchase or sell school sites or buildings or sell school sites  
11 pursuant to section 15-342 or to build school buildings, but the  
12 authorization by vote of the school district shall not necessarily specify  
13 the site to be purchased.

14 3. To decide whether the bonds of the school district shall be issued  
15 and sold for the purpose of raising money for purchasing or leasing school  
16 lots, for building or renovating school buildings, for supplying school  
17 buildings with furniture, equipment and technology, **FOR PERSONNEL TRAINING  
18 COSTS FOR EQUIPMENT AND TECHNOLOGY**, for improving school grounds, for  
19 purchasing pupil transportation vehicles or for liquidating any indebtedness  
20 already incurred for such purposes. Bonds issued for furniture, equipment  
21 and technology, other than fixtures, **AND FOR PERSONNEL TRAINING COSTS FOR  
22 EQUIPMENT AND TECHNOLOGY** shall mature no later than the July 1 that follows  
23 the fifth year after the bonds were issued. A school district shall not  
24 issue class B bonds until the school district has obligated in contract the  
25 entire proceeds of any class A bonds issued by the school district. **NO MORE  
26 THAN TEN PER CENT OF THE BOND PROCEEDS MAY BE USED FOR PERSONNEL TRAINING.**  
27 The total amount of class A and class B bonds issued by a school district  
28 shall not exceed the debt limitations prescribed in article IX, sections 8  
29 and 8.1, Constitution of Arizona.

30 4. To lease for five or more years, as lessor or as lessee, school  
31 buildings or grounds. Approval by a majority of the school district electors  
32 voting authorizes the governing board to negotiate for and enter into a  
33 lease. The ballot shall list the school buildings or grounds for which a  
34 lease is sought. If the governing board does not enter into a lease of five  
35 or more years of the school buildings or grounds listed on the ballot within  
36 five years of the date of the election and the board continues to seek such a  
37 lease, the governing board shall call a special election to reauthorize the  
38 board to negotiate for and to enter into a lease of five or more years.

39 B. No petition shall be required for the holding of the first election  
40 to be held in a joint common school district for any of the purposes  
41 specified in subsection A of this section. The notice of election required  
42 by section 15-492 shall be published in each of the counties that comprise  
43 the joint common school district. The certification of election results  
44 required by section 15-493 shall be made to the board of supervisors of the  
45 jurisdictional county.

1 C. When the election is called to determine whether or not bonds of  
2 the school district shall be issued and sold for the purposes enumerated in  
3 the call for the election, the question shall be submitted to the vote of the  
4 qualified electors of the school district as defined in section 15-401 and  
5 subject to section 15-402.

6 D. The governing board shall order the election to be held in the  
7 manner prescribed in title 35, chapter 3, article 3. If a petition for an  
8 election has been filed with the governing board as provided in subsection A  
9 of this section, the board shall act on the petition within sixty days by  
10 ordering the election to be held as provided in this subsection. If a school  
11 district bond election is scheduled for the same date a school district will  
12 hold an override election, the governing body shall deliver a copy of the  
13 notice of election and ballot to the county school superintendent who shall  
14 include the notice of election and ballot with the information report and  
15 ballot prepared for the override election. Mailing of the information  
16 required for both the override and bond elections shall constitute compliance  
17 with the notice provisions of this section.

18 E. The elections to be held pursuant to this section shall only be  
19 held on dates prescribed by section 16-204, except that elections held  
20 pursuant to this section to decide whether class B bonds shall be issued, or  
21 any other obligation incurred that will require the assessment of secondary  
22 property taxes, shall only be held on the first Tuesday after the first  
23 Monday of November.

24 F. Subsection A, paragraph 2 of this section does not apply to the  
25 sale of school property if the market value of the school property is less  
26 than fifty thousand dollars.

27 G. Bond counsel fees, financial advisory fees, printing costs and  
28 paying agent and registrar fees for bonds issued pursuant to an election  
29 under this section shall be paid from either the amount authorized by the  
30 qualified electors of the school district or current operating funds. Bond  
31 election expenses shall be paid from current operating funds only.

32 H. For any election conducted to decide whether class B bonds will be  
33 issued pursuant to this section:

34 1. Except as provided in paragraph 2 of this subsection, the ballot  
35 shall include the following statement:

36 The capital improvements that are proposed to be funded  
37 through this bond issuance are to exceed the state standards and  
38 are in addition to monies provided by the state.

39 \_\_\_\_\_ school district is proposing to issue class B  
40 general obligation bonds totaling \$\_\_\_\_\_ to fund capital  
41 improvements over and above those funded by the state. Under  
42 the students first capital funding system, \_\_\_\_\_ school  
43 district is entitled to state monies for building renewal, new  
44 construction and renovation of school buildings in accordance  
45 with state law.

1           2. For a school district that is a joint technical education district,  
2 the ballot shall include the following statement:

3                           \_\_\_\_\_, a joint technical education district, is  
4 proposing to issue class B general obligation bonds totaling  
5 \$\_\_\_\_\_ to fund capital improvements at a campus owned or  
6 operated and maintained by the joint technical education  
7 district.

8           3. The ballot shall contain the words "bond approval, yes" and "bond  
9 approval, no", and the voter shall signify the voter's desired choice.

10           4. The ballot shall also contain the phrase "the issuance of these  
11 bonds will result in an annual levy of property taxes sufficient to pay the  
12 debt on the bonds".

13           5. At least eighty-five days before the election, the school district  
14 shall submit proposed ballot language to the director of the Arizona  
15 legislative council. The director of the Arizona legislative council shall  
16 review the proposed ballot language to determine whether the proposed ballot  
17 language complies with this section. If the director of the Arizona  
18 legislative council determines that the proposed ballot language does not  
19 comply with this section, the director, within ten calendar days of the  
20 receipt of the proposed ballot language, shall notify the school district of  
21 the director's objections and the school district shall resubmit revised  
22 ballot language to the director for approval.

23           6. No later than thirty-five days before a class B bond election  
24 conducted pursuant to this section, the school district shall mail a  
25 publicity pamphlet to each household that contains a qualified elector in the  
26 school district. The publicity pamphlet shall contain, at a minimum, the  
27 following information:

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

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

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

37           I. For any election conducted to decide whether impact aid revenue  
38 bonds shall be issued pursuant to this section:

39           1. The ballot shall include the following statement:

40                           The capital improvements that are proposed to be funded  
41 through this bond issuance are to exceed the state standards and  
42 are in addition to monies provided by the state.

43                           \_\_\_\_\_ school district is proposing to issue impact  
44 aid revenue bonds totaling \$\_\_\_\_\_ to fund capital  
45 improvements over and above those funded by the state. Under

1 the students first capital funding system, \_\_\_\_\_ school  
2 district is entitled to state monies for building renewal, new  
3 construction and renovation of school buildings in accordance  
4 with state law.

5 2. The ballot shall contain the words "bond approval, yes" and "bond  
6 approval, no", and the voter shall signify the voter's desired choice.

7 3. At least eighty-five days before the election, the school district  
8 shall submit proposed ballot language to the director of the legislative  
9 council. The director of the legislative council shall review the proposed  
10 ballot language to determine whether the proposed ballot language complies  
11 with this section. If the director of the legislative council determines  
12 that the proposed ballot language does not comply with this section, the  
13 director, within ten calendar days of the receipt of the proposed ballot  
14 language, shall notify the school district of the director's objections and  
15 the school district shall resubmit revised ballot language to the director  
16 for approval.

17 4. No later than thirty-five days before an impact aid revenue bond  
18 election conducted pursuant to this section, the school district shall mail a  
19 publicity pamphlet to each household that contains a qualified elector in the  
20 school district. The publicity pamphlet shall contain, at a minimum, the  
21 following information:

22 (a) The date of the election.

23 (b) The voter's polling place and the times it is open.

24 (c) An executive summary of the school district's most recent capital  
25 plan submitted to the school facilities board.

26 (d) A complete list of each proposed capital improvement that will be  
27 funded with the proceeds of the bonds and a description of the proposed cost  
28 of each improvement, including a separate aggregation of capital improvements  
29 for administrative purposes as defined by the school facilities board.

30 (e) A statement that impact aid revenue bonds will be fully funded by  
31 aid that the school district receives from the federal government and do not  
32 require a levy of taxes in the district.

33 (f) A statement that if the bonds are approved, the first priority for  
34 the impact aid will be to pay the debt service for the bonds and that other  
35 uses of the monies are prohibited until the debt service obligation is met.

36 (g) A statement that if the impact aid revenue bonds are approved, the  
37 school district shall not issue or sell class B bonds while the district has  
38 existing indebtedness from impact aid revenue bonds, except for bonds issued  
39 to refund any bonds issued by the board.

40 J. If the voters approve the issuance of school district class B bonds  
41 or impact aid revenue bonds, the school district shall not use the bond  
42 proceeds for any purposes other than the proposed capital improvements listed  
43 in the publicity pamphlet, except that up to ten per cent of the bond  
44 proceeds may be used for general capital expenses, including cost overruns of  
45 proposed capital improvements.

1 K. Each school district that issues bonds under this section is  
2 required to hold a public meeting each year between September 1 and October  
3 31, until the bond proceeds are spent, at which an update of the progress of  
4 capital improvements financed through bonding is discussed and at which the  
5 public is permitted an opportunity to comment. At a minimum, the update  
6 shall include a comparison of the current status and the original projections  
7 on the construction of capital improvements, the costs of capital  
8 improvements and the costs of capital improvements in progress or completed  
9 since the prior meeting and the future capital bonding plans of the school  
10 district. The school district shall include in the public meeting a  
11 discussion of the school district's use of state capital aid and  
12 voter-approved capital overrides in funding capital improvements, if any.

13 Sec. 2. Section 15-962, Arizona Revised Statutes, is amended to read:

14 15-962. Soft capital allocation

15 A. A soft capital allocation per student count is established for  
16 fiscal year 1999-2000, as follows:

17 1. For kindergarten programs and grades one through eight, multiply  
18 one hundred ninety-four dollars thirty cents by the weight ~~which~~ THAT  
19 corresponds to the student count for kindergarten programs and grades one  
20 through eight for the school district as provided in section 15-943,  
21 paragraph 1, subdivision (a), column 3.

22 2. For grades nine through twelve, multiply one hundred ninety-four  
23 dollars thirty cents by the weight ~~which~~ THAT corresponds to the student  
24 count as provided in section 15-943, paragraph 1, subdivision (a), column 3.

25 3. For a school district with a student count of six hundred or more  
26 in kindergarten programs and grades one through eight or grades nine through  
27 twelve, multiply one hundred ninety-four dollars thirty cents by 1.158.

28 4. For programs for preschool children with disabilities, multiply one  
29 hundred ninety-four dollars thirty cents by 1.158.

30 B. Beginning with fiscal year 1999-2000, the soft capital allocation  
31 prescribed in subsection A of this section shall be adjusted by the growth  
32 rate prescribed by law, subject to appropriation.

33 C. Beginning in fiscal year 1999-2000, the soft capital allocation for  
34 a school district is computed as follows:

35 1. Select the applicable soft capital allocation per student count for  
36 the school district as provided in subsection A of this section.

37 2. Multiply the amount selected in paragraph 1 of this subsection by  
38 the appropriate student count of the school district. The student count of  
39 the school district shall not include any pupils in a charter school  
40 sponsored by the school district pursuant to section 15-185, subsection A,  
41 paragraph 3.

42 D. A school district shall receive its soft capital allocation in the  
43 amount determined in this section from monies appropriated for this purpose  
44 to the department of education. Soft capital allocation monies shall only be  
45 used for short-term capital items that are required to meet academic adequacy

1 standards such as technology, PERSONNEL TRAINING COSTS FOR EQUIPMENT AND  
2 TECHNOLOGY, textbooks, library resources, instructional aids, pupil  
3 transportation vehicles, furniture and equipment. School districts shall not  
4 use any portion of soft capital allocation monies for maintenance and  
5 operation expenses, EXCEPT FOR PERSONNEL TRAINING COSTS ASSOCIATED WITH  
6 EQUIPMENT AND TECHNOLOGY ACQUIRED WITH SOFT CAPITAL ALLOCATION MONIES. NO  
7 MORE THAN TEN PER CENT OF THE SOFT CAPITAL ALLOCATION MAY BE USED FOR TEACHER  
8 TRAINING. School districts may use soft capital allocation monies to meet  
9 administrative soft capital purposes after complying with the adequacy  
10 standards prescribed in section 15-2011.

11 E. School districts shall establish a district soft capital allocation  
12 fund and shall use the monies only for the purposes prescribed in subsection  
13 D of this section. The ending unexpended budget balance in the school  
14 district's soft capital allocation fund may be used in following fiscal years  
15 for short-term capital items. School districts shall provide to the  
16 superintendent of public instruction an itemized accounting on forms provided  
17 by the department of education that details the expenditures of soft capital  
18 allocation monies at each school in the district. The superintendent of  
19 public instruction shall forward a copy of the report to the school  
20 facilities board established by section 15-2001.

21 F. A school district governing board may petition the state board of  
22 education for authority to budget and accumulate for school construction,  
23 building renovation or soft capital purposes a portion of the prior year's  
24 ending cash balance, not to exceed the amount of title VIII of the elementary  
25 and secondary education act of 1965 monies ~~which~~ THAT the school district was  
26 entitled to receive in the prior year, as computed by the superintendent of  
27 public instruction, if:

28 1. The governing board filed with the United States department of  
29 education division of impact aid an approved application for federal  
30 assistance for construction under ~~P.L.~~ PUBLIC LAW 81-815 for the current or  
31 budget year and has been advised by the division of impact aid that no  
32 federal monies are available to fund its application.

33 2. The school district has a computed assessed valuation per pupil  
34 ~~which~~ THAT is below the median amount computed by the superintendent of  
35 public instruction for all school districts.

36 3. The governing board has used any available revenues to reduce its  
37 primary tax rate to zero for any year in which it petitions to budget and  
38 accumulate monies received under title VIII of the elementary and secondary  
39 education act of 1965 for school construction purposes.

40 The state board of education may grant approval to a school district  
41 governing board to annually budget in the unrestricted capital outlay section  
42 of the budget a portion of the cash balance, not to exceed the amount of  
43 title VIII of the elementary and secondary education act of 1965 monies ~~which~~  
44 THAT the school district was entitled to receive in the prior year as  
45 computed by the superintendent of public instruction.

1           G. The state board of education shall not include in the aggregate  
2 expenditures of local revenues as determined in section 15-911 the amount of  
3 revenues collected pursuant to the soft capital allocation limit. The amount  
4 of revenues collected for the soft capital allocation limit is the capital  
5 levy as authorized by law.