

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

HOUSE BILL 2562

AN ACT

AMENDING SECTIONS 15-905, 15-951 AND 15-1102, 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 15-905, Arizona Revised Statutes, is amended to
3 read:

4 15-905. School district budgets; notice; adoption; aggregate
5 budget limit; summary; adjustments; impact aid fund;
6 definition

7 A. Not later than July 5 of each year or no later than the publication
8 of notice of the public hearing and board meeting as required by this
9 section, the governing board of each school district shall prepare and
10 furnish to the superintendent of public instruction and the county school
11 superintendent, unless waived by the county school superintendent, a proposed
12 budget in electronic format for the budget year, which shall contain the
13 information and be in the form as provided by the department of education.
14 The proposed budget shall include the following:

15 1. The total amount of revenues from all sources that was necessary to
16 meet the school district's budget for the current year.

17 2. The total amount of revenues by source that will be necessary to
18 meet the proposed budget of the school district, excluding property taxes.
19 The governing board shall prepare the proposed budget and a summary of the
20 proposed budget. Both documents shall be kept on file at the school district
21 office and shall be made available to the public on request. Not later than
22 July 5 of each year or not later than the publication of notice of the public
23 hearing and board meeting required by this subsection, the governing board
24 shall submit the proposed budget to the department of education, which shall
25 prominently display this information about that school district on the
26 website maintained by the department. If the school district maintains a
27 website, the school district shall post a link to the website of the
28 department of education where this information about the school district is
29 posted. The auditor general in conjunction with the department of education
30 shall prescribe the form of the summary of the proposed budget for use by
31 governing boards. School district governing boards may include in the
32 proposed budget any items or amounts that are authorized by legislation filed
33 with the secretary of state and that will become effective during the budget
34 year. If subsequent events prevent the legislation from becoming effective,
35 school district governing boards must reduce their budgets by the amounts
36 budgeted pursuant to the legislation that did not become effective.

37 B. The governing board of each school district shall prepare a notice
38 fixing a time not later than July 15 and designating a public place within
39 each school district at which a public hearing and board meeting shall be
40 held. The governing board shall present the proposed budget for
41 consideration of the residents and the taxpayers of the school district at
42 that hearing and meeting.

43 C. The governing board of each school district shall publish or mail,
44 before the hearing and meeting, a copy of the proposed budget or the summary
45 of the proposed budget and a notice of the public hearing and board meeting

1 no later than ten days before the meeting. The proposed budget and the
2 summary of the proposed budget shall contain the percentage of increase or
3 decrease in each budget category of the proposed budget as compared to each
4 category of the budget for the current year. Notification shall be either by
5 publication in a newspaper of general circulation within the school district
6 in which the size of the newspaper print shall be at least eight-point type,
7 by electronic transmission of the information to the department of education
8 for posting on the department's website or by mailing the information to each
9 household in the school district. The cost of publication, website posting
10 or mailing shall be a charge against the school district. The publisher's
11 affidavit of publication shall be filed by the governing board with the
12 superintendent of public instruction within thirty days after publication.
13 If the budget or proposed budget and notice are posted on a website
14 maintained by the department of education or mailed, the board shall file an
15 affidavit with the superintendent of public instruction within thirty days
16 after the mailing or the date that the information is posted on the
17 website. If a truth in taxation notice and hearing is required under section
18 15-905.01, the governing board may combine the notice and hearing under this
19 section with the truth in taxation notice and hearing.

20 D. At the time and place fixed in the notice, the governing board
21 shall hold the public hearing and present the proposed budget to the persons
22 attending the hearing. On request of any person, the governing board shall
23 explain the budget, and any resident or taxpayer of the school district may
24 protest the inclusion of any item. A governing board member who has a
25 substantial interest, as defined in section 38-502, in a specific item in the
26 school district budget shall refrain from voting on the specific item. A
27 governing board member may participate without creating a conflict of
28 interest in adoption of a final budget even though the member may have
29 substantial interest in specific items included in the budget.

30 E. Immediately following the public hearing the president shall call
31 to order the governing board meeting for the purpose of adopting the budget.

32 The governing board shall adopt the budget, which shall not exceed the
33 general budget limit or the unrestricted capital budget limit, making such
34 deductions as it sees fit but making no additions to the proposed budget
35 total for maintenance and operations or capital outlay, and shall enter the
36 budget as adopted in its minutes. Not later than July 18, the budget as
37 finally adopted shall be filed by the governing board with the county school
38 superintendent who shall immediately transmit a copy to the board of
39 supervisors. Not later than July 18, the budget as finally adopted shall be
40 submitted electronically to the superintendent of public instruction. Not
41 later than July 18, the governing board shall submit the budget as finally
42 adopted to the department of education, which shall prominently display this
43 information about that school district on the website maintained by the
44 department. If the school district maintains a website, the school district
45 shall post a link to the website of the department of education where this

1 information about the school district is posted. On or before October 30,
2 the superintendent of public instruction shall review the budget and notify
3 the governing board if the budget is in excess of the general budget limit or
4 the unrestricted capital budget limit. The governing board shall revise the
5 budget as follows:

6 1. If the governing board receives notification that the budget
7 exceeds the general budget limit or the unrestricted capital budget limit by
8 one ~~per cent~~ PERCENT of the general budget limit or one hundred thousand
9 dollars, whichever is less, it shall adopt on or before December 15, after it
10 gives notice and holds a public meeting in a similar manner as provided in
11 subsections C and D of this section, a revised budget for the current year,
12 which shall not exceed the general budget limit or the unrestricted capital
13 budget limit.

14 2. If the governing board receives notification that the budget
15 exceeds the general budget limit or the unrestricted capital budget limit by
16 less than the amount prescribed in paragraph 1 of this subsection, the
17 governing board shall adjust the budget and expenditures so as not to exceed
18 the general budget limit or the unrestricted capital budget limit for the
19 current year.

20 3. On or before December 18, the governing board shall file the
21 revised budget it adopts with the county school superintendent who shall
22 immediately transmit a copy to the board of supervisors. Not later than
23 December 18, the budget as revised shall be submitted electronically to the
24 superintendent of public instruction. School districts that are subject to
25 section 15-914.01 are not required to send a copy of revised budgets to the
26 county school superintendent. Procedures for adjusting expenditures or
27 revising the budget shall be as prescribed in the uniform system of financial
28 records.

29 F. The governing board of each school district may budget for
30 expenditures within the school district budget as follows:

31 1. Amounts within the general budget limit, as provided in section
32 15-947, subsection C, may only be budgeted in the following sections of the
33 budget:

34 (a) The maintenance and operation section.

35 (b) The capital outlay section.

36 2. Amounts within the unrestricted capital budget limit, as provided
37 in section 15-947, subsection D, may only be budgeted in the unrestricted
38 capital outlay subsection of the budget. Monies received pursuant to the
39 unrestricted capital budget limit shall be placed in the unrestricted capital
40 outlay fund. The monies in the fund are not subject to reversion.

41 G. The governing board may authorize the expenditure of monies
42 budgeted within the maintenance and operation section of the budget for any
43 subsection within the section in excess of amounts specified in the adopted
44 budget only by action taken at a public meeting of the governing board and if

1 the expenditures for all subsections of the section do not exceed the amount
2 budgeted as provided in this section.

3 H. The aggregate budget limit is the sum of the following:

4 1. The general budget limit as determined in section 15-947 for the
5 budget year.

6 2. The unrestricted capital budget limit as determined in section
7 15-947 for the budget year.

8 3. Federal assistance, excluding title VIII of the elementary and
9 secondary education act of 1965 monies.

10 I. School districts that overestimated tuition revenues as provided in
11 section 15-947, subsection C, paragraph 2 shall adjust the general budget
12 limit and expenditures based on tuition revenues for attendance of
13 nonresident pupils during the current fiscal year. School districts that
14 underestimated tuition revenues may adjust their budgets before May 15 based
15 on tuition revenues for attendance of nonresident pupils during the current
16 fiscal year. School districts that overestimated revenues as provided in
17 section 15-947, subsection C, paragraph 2, subdivision (a), items (iii), (iv)
18 and (v) and subdivision (c) shall adjust the general budget limit and
19 expenditures based on actual revenues during the current fiscal year. School
20 districts that underestimated such revenues may adjust their budgets before
21 May 15 based on actual revenues during the current fiscal year. Procedures
22 for completing adjustments shall be as prescribed in the uniform system of
23 financial records. Not later than May 18, the budget as adjusted shall be
24 submitted electronically to the superintendent of public instruction.

25 J. A common school district not within a high school district whose
26 estimated tuition charge for high school pupils exceeds the actual tuition
27 charge for high school pupils shall adjust the general budget limit and
28 expenditures based on the actual tuition charge. Not later than May 18, the
29 budget as adjusted shall be submitted electronically to the superintendent of
30 public instruction. A common school district not within a high school
31 district whose estimated tuition charge for high school pupils is less than
32 the actual tuition charge for high school pupils may adjust its budget before
33 May 15 based on the actual tuition charge. Procedures for completing
34 adjustments shall be as prescribed in the uniform system of financial
35 records. If the adjusted general budget limit requires an adjustment of
36 state aid and if the adjustment to state aid is not made in the current year,
37 the superintendent of public instruction shall adjust by August 15 of the
38 succeeding fiscal year the apportionment of state aid to the school district
39 to correct any overpayment or underpayment of state aid received during the
40 current year.

41 K. The governing board may include title VIII of the elementary and
42 secondary education act of 1965 assistance allocated for children with
43 disabilities, children with specific learning disabilities, children residing
44 on Indian lands and children residing within the boundaries of an
45 accommodation school that is located on a military reservation and that is

1 classified as a heavily impacted local educational agency pursuant to 20
2 United States Code section 7703, which is in addition to basic assistance
3 when determining the general budget limit as prescribed in section 15-947,
4 subsection C. The increase in the general budget limit for children residing
5 within the boundaries of an accommodation school that is located on a
6 military reservation and that is classified as a heavily impacted local
7 education agency shall equal the dollar amount calculated pursuant to 20
8 United States Code section 7703(b)(2). The governing board may adjust before
9 May 15 the budget for the current year based on any adjustments that result
10 in increases over the amount estimated by the superintendent of public
11 instruction for title VIII of the elementary and secondary education act of
12 1965 assistance for such pupils for the fiscal year preceding the current
13 year. The governing board shall adjust before May 15 the budget for the
14 current year based on any adjustments that result in decreases in the amount
15 estimated by the superintendent of public instruction for title VIII of the
16 elementary and secondary education act of 1965 assistance for such pupils for
17 the fiscal year preceding the current year. Not later than May 18, the
18 budget as adjusted shall be submitted electronically to the superintendent of
19 public instruction. Procedures for complying with this subsection shall be
20 as prescribed in the uniform system of financial records.

21 L. The department of education shall notify the state board of
22 education if expenditures by any school district exceed the general budget
23 limit prescribed in section 15-947, subsection C, the unrestricted capital
24 budget limit, ~~the school plant fund limits prescribed in section 15-1102,~~
25 ~~subsection B,~~ the maintenance and operation section of the budget or the
26 capital outlay section of the budget. If the expenditures of any school
27 district exceed these limits or sections of the budget without authorization
28 as provided in section 15-907, and if the state board of education determines
29 that the equalization assistance for education received by the school
30 district as provided in section 15-971 does not conform with statutory
31 requirements, the state board of education shall reduce the state aid for
32 equalization assistance for education for the school district computed as
33 provided in section 15-971 during the fiscal year subsequent to the fiscal
34 year in which the excess equalization assistance for education was received
35 by an amount equal to the excess equalization assistance for education,
36 except that in case of hardship to the school district, the superintendent of
37 public instruction may approve reductions partly in the first subsequent year
38 and partly in the second subsequent year. If the state board of education
39 determines that the equalization assistance for education received by the
40 school district conforms with statutory requirements, the state board of
41 education shall not reduce the district's equalization assistance for
42 education pursuant to this subsection but the district shall reduce the
43 budget limits as required in subsection M of this section. A school district
44 that disagrees with the department of education's determination regarding an

1 excess expenditure under this subsection may request a hearing before the
2 state board of education.

3 M. The governing board of a school district shall reduce the general
4 budget limit or the unrestricted capital budget limit for the year subsequent
5 to the year in which the expenditures were in excess of the applicable limit
6 or section of the budget by the amount determined in subsection L of this
7 section, except that in case of hardship to the school district, the
8 superintendent of public instruction may approve reductions partly in the
9 first subsequent year and partly in the second subsequent year. The
10 reduction in the limit is applicable to each school district that has
11 exceeded the general budget limit, the unrestricted capital budget limit or a
12 section of the budget even if the reduction exceeds the state aid for
13 equalization assistance for education for the school district.

14 N. Except as provided in section 15-916, no expenditure shall be made
15 by any school district for a purpose not included in the budget or in excess
16 of the aggregate budget limit prescribed in this section, except that if no
17 budget has been adopted, from July 1 to July 15 the governing board may make
18 expenditures if the total of the expenditures does not exceed ten ~~per cent~~
19 PERCENT of the prior year's aggregate budget limit. Any expenditures made
20 from July 1 to July 15 and before the adoption of the budget shall be
21 included in the total expenditures for the current year. No expenditure
22 shall be made and no debt, obligation or liability shall be incurred or
23 created in any year for any purpose itemized in the budget in excess of the
24 amount specified for the item irrespective of whether the school district at
25 any time has received or has on hand funds in excess of those required to
26 meet the expenditures, debts, obligations and liabilities provided for under
27 the budget except expenditures from cash controlled funds as defined by the
28 uniform system of financial records and except as provided in section 15-907
29 and subsection G of this section. This subsection does not prohibit any
30 school district from prepaying insurance premiums, magazine subscriptions or
31 officiating services, or from prepaying any item that is normally prepaid in
32 order to procure the service or to receive a discounted price for the
33 service, as prescribed by the uniform system of financial records.

34 O. The governing board of a school district that is classified as a
35 heavily impacted school district having twenty ~~per cent~~ PERCENT or more
36 pupils pursuant to 20 United States Code section 238(d)1(A) may determine its
37 eligibility to increase the amount that may be included in determining the
38 general budget limit as provided in subsection K of this section and may
39 increase the amount as follows:

40 1. For fiscal year 1988-1989:

41 (a) Multiply one thousand ninety-four dollars by the number of
42 children with disabilities or children with specific learning disabilities,
43 excluding children who also reside on Indian lands, reported to the division
44 of impact aid, United States department of education in the district's
45 application for fiscal year 1987-1988.

1 (b) Multiply five hundred forty-seven dollars by the number of
2 children residing on Indian lands, excluding children who have disabilities
3 or also have specific learning disabilities, reported to the division of
4 impact aid, United States department of education in the district's
5 application for fiscal year 1987-1988.

6 (c) Multiply one thousand nine hundred fourteen dollars by the number
7 of children residing on Indian lands who have disabilities or also have
8 specific learning disabilities reported to the division of impact aid, United
9 States department of education in the district's application for fiscal year
10 1987-1988.

11 (d) Add the amounts determined in subdivisions (a) through (c) of this
12 paragraph.

13 (e) If the amount of title VIII of the elementary and secondary
14 education act of 1965 assistance as provided in subsection K of this section
15 is less than the sum determined in subdivision (d) of this paragraph, the
16 district is eligible to use the provisions of this subsection.

17 2. For budget years after 1988-1989, use the provisions of paragraph 1
18 of this subsection, but increase each dollar amount by the growth rate for
19 that year as prescribed by law, subject to appropriation and use the number
20 of children reported in the appropriate category for the current fiscal year.

21 3. If the district is eligible to use the provisions of this
22 subsection, subtract the amount of title VIII of the elementary and secondary
23 education act of 1965 assistance determined in subsection K of this section
24 from the sum determined in paragraph 1, subdivision (d) of this subsection.
25 The difference is the increase in the amount that may be included in
26 determining the general budget limit as provided in subsection K of this
27 section, if including this amount does not increase the district's primary
28 tax rate for the budget year. If the amount of title VIII of the elementary
29 and secondary education act of 1965 assistance determined in subsection K of
30 this section is adjusted for the current year, the increase determined in
31 this paragraph shall be recomputed using the adjusted amount and the
32 recomputed increase shall be reported to the department of education by May
33 15 on a form prescribed by the department of education.

34 4. If a district uses the provisions of this subsection, the district
35 is not required to adjust its budget for the current year based on
36 adjustments in the estimated amount of title VIII of the elementary and
37 secondary education act of 1965 assistance as provided in subsection K of
38 this section.

39 P. A school district, except for an accommodation school, that applies
40 for title VIII of the elementary and secondary education act of 1965
41 assistance during the current year may budget an amount for title VIII of the
42 elementary and secondary education act of 1965 administrative costs for the
43 budget year. The amount budgeted for title VIII of the elementary and
44 secondary education act of 1965 administrative costs is exempt from the

1 revenue control limit and may not exceed an amount determined for the
2 budgeted year as follows:

3 1. Determine the minimum cost. The minimum cost for fiscal year
4 1990-1991 is two thousand three hundred forty-three dollars. For fiscal year
5 1991-1992 and thereafter, the minimum cost is the minimum cost for the prior
6 year increased by the growth rate as prescribed by law, subject to
7 appropriation.

8 2. Determine the hourly rate. The hourly rate for fiscal year
9 1990-1991 is nine dollars thirty-eight cents. For fiscal year 1991-1992 and
10 thereafter, the hourly rate is the hourly rate for the prior year increased
11 by the growth rate as prescribed by law, subject to appropriation.

12 3. Determine the title VIII of the elementary and secondary education
13 act of 1965 revenues available by subtracting the amount of title VIII of the
14 elementary and secondary education act of 1965 assistance used to increase
15 the general budget limit as provided in subsections K and O of this section
16 for the current fiscal year from the total amount of title VIII of the
17 elementary and secondary education act of 1965 revenues received in the
18 current fiscal year.

19 4. Determine the total number of administrative hours as follows:

20 (a) Determine the sum of the following:

21 (i) 1.00 hours for each high impact pupil who is not a person with a
22 disability or does not have specific learning disabilities.

23 (ii) 1.25 hours for each high impact pupil who is a person with a
24 disability or has specific learning disabilities.

25 (iii) 0.25 hours for each low impact pupil who is not a person with a
26 disability or does not have specific learning disabilities.

27 (iv) 0.31 hours for each low impact pupil who is a person with a
28 disability or has specific learning disabilities.

29 (b) For the purposes of this paragraph:

30 (i) "High impact pupil" means a pupil who resides on Indian lands or a
31 pupil who resides on federal property or in low rent housing and whose parent
32 is employed on federal property or low rent housing property or is on active
33 duty in uniformed service, as provided in title VIII of the elementary and
34 secondary education act of 1965, section 8003(a) (20 United States Code
35 section 7703) and as reported in the application for title VIII of the
36 elementary and secondary education act of 1965 assistance in the current
37 year.

38 (ii) "Low impact pupil" means a pupil who resides on nonfederal
39 property and has a parent who is employed on federal property or low rent
40 housing property or is on active duty in a uniformed service or a pupil who
41 resides on federal property or in low rent housing and who does not have a
42 parent who is employed on federal property or low rent housing property or is
43 on active duty in uniformed service, as provided in title VIII of the
44 elementary and secondary education act of 1965, section 8003(a) (20 United
45 States Code section 7703) and as reported in the application for title VIII

1 of the elementary and secondary education act of 1965 assistance in the
2 current year.

3 5. Multiply the total number of administrative hours determined in
4 paragraph 4 of this subsection by the hourly rate determined in paragraph 2
5 of this subsection.

6 6. Determine the greater of the minimum cost determined in paragraph 1
7 of this subsection or the product determined in paragraph 5 of this
8 subsection.

9 7. Add to the amount determined in paragraph 6 of this subsection the
10 amount, if any, to be expended by the school district in the budget year
11 through an intergovernmental agreement with other school districts or the
12 department of education to provide title VIII of the elementary and secondary
13 education act of 1965 technical assistance to participating districts.

14 8. Determine the lesser of the amount determined in paragraph 7 of
15 this subsection or the revenues available as determined in paragraph 3 of
16 this subsection.

17 9. The amount determined in paragraph 8 of this subsection is the
18 maximum amount that may be budgeted for title VIII of the elementary and
19 secondary education act of 1965 administrative costs for the budget year as
20 provided in this subsection.

21 10. If the governing board underestimated the amount that may be
22 budgeted for title VIII of the elementary and secondary education act of
23 1965, section 8007 administrative costs for the current year, the board may
24 adjust the general budget limit and the budget before May 15. If the
25 governing board overestimated the amount that may be budgeted for title VIII
26 of the elementary and secondary education act of 1965 administrative costs
27 for the current year, the board shall adjust the general budget limit and the
28 budget before May 15.

29 Q. If a school district governing board has adopted a budget for a
30 fiscal year based on forms and instructions provided by the auditor general
31 and the department of education for that fiscal year and if, as a result of
32 the enactment or nonenactment of proposed legislation after May 1 of the
33 previous fiscal year, the budget is based on incorrect limits, does not
34 include items authorized by law or does not otherwise conform with law, the
35 governing board may revise its budget at a public hearing on or before
36 September 15 to conform with the law. Not later than September 18, the
37 budget as adjusted shall be submitted electronically to the superintendent of
38 public instruction. If the governing board does not revise the budget on or
39 before September 15 and if the budget includes any items not authorized by
40 law or if the budget exceeds any limits, the governing board shall adjust or
41 revise the budget as provided in subsection E of this section.

42 R. Notwithstanding any other law, if a school district receives
43 assistance pursuant to title VIII of the elementary and secondary education
44 act of 1965, the school district shall establish a local level fund
45 designated as the impact aid fund and deposit the impact aid monies received

1 in the fund. The school district shall separately account for monies in the
2 fund and shall not combine monies in the fund with any other source of local,
3 state or federal assistance. Monies in the fund shall be expended pursuant
4 to federal law only for the purposes allowed by this title. The school
5 district shall account for monies in the fund according to the uniform system
6 of financial records as prescribed by the auditor general. The
7 superintendent of public instruction shall separately account for monies in
8 each school district's impact aid fund, if an impact aid fund is established,
9 in the annual report required by section 15-255. Monies in the fund are
10 considered federal monies and are not subject to legislative appropriation.

11 S. For the purposes of this section, "title VIII of the elementary and
12 secondary education act of 1965 assistance" means, for the current year, an
13 amount equal to the final determination of title VIII of the elementary and
14 secondary education act of 1965 assistance for the fiscal year preceding the
15 current year as confirmed by the division of impact aid, United States
16 department of education or, if a final determination has not been made, the
17 amount estimated by the superintendent of public instruction as confirmed by
18 the division of impact aid, United States department of education and, for
19 the budget year, an amount equal to the determination of title VIII of the
20 elementary and secondary education act of 1965 assistance for the fiscal year
21 preceding the budget year as estimated by the superintendent of public
22 instruction.

23 Sec. 2. Section 15-951, Arizona Revised Statutes, is amended to read:
24 15-951. District additional assistance, district support level
25 and student count for a common school district not
26 within a high school district

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

30 1. The base revenue control limit computed as prescribed in section
31 15-944 but excluding pupils admitted to another school district as provided
32 in section 15-824, subsection A, paragraph 2.

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

37 3. The transportation revenue control limit for all pupils who reside
38 in the district except those high school pupils transported by another
39 district.

40 B. Notwithstanding subsection A of this section, for the purposes of
41 sections 15-481, ~~AND 15-482 and 15-1102,~~ the revenue control limit for a
42 common school district not within a high school district is the sum of the
43 following:

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

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

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

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

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

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

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

30 E. For the purpose of determining eligibility to increase the revenue
31 control limit and district support level or recompute the revenue control
32 limit as provided in section 15-948, the student count for a common school
33 district not within a high school district is the student count for pupils in
34 kindergarten programs and grades one through twelve, including pupils
35 enrolled in another school district as provided in section 15-824, subsection
36 A, paragraph 2.

37 F. The tuition amount in subsections A and D of this section shall not
38 include amounts per student count for bond issues as prescribed by section
39 15-824, subsection G, paragraph 1, subdivision (c) in excess of the
40 following:

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

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

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

5 ~~C. A common school district or high school district which has an~~
6 ~~outstanding bonded indebtedness of greater than seven per cent of the current~~
7 ~~year's assessed valuation or a unified school district which has an~~
8 ~~outstanding bonded indebtedness of greater than fourteen per cent of the~~
9 ~~current year's assessed valuation may expend the proceeds from the lease or~~
10 ~~sale of school property as follows:~~

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

14 ~~2. For capital outlay, the expenditure of the proceeds:~~

15 ~~(a) From the sale of school property may not exceed the amount of the~~
16 ~~proceeds multiplied by .62.~~

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

18 ~~D. C.~~ C. The governing board, or the superintendent or chief
19 administrative officer with the approval of the governing board, shall
20 promptly deposit monies received for and derived from the sale or lease of
21 school property with the county treasurer who shall establish ~~three~~ A school
22 plant funds, ~~one fund for monies received from the sale before July 1, 1998~~
23 ~~or lease of school property for more than one year, one fund for monies~~
24 ~~received from the sale of school property from and after June 30, 1998 and~~
25 ~~one fund for monies received from the lease of school property for one year~~
26 ~~or less. The county treasurer shall credit the deposits to the respective~~
27 ~~school plant fund of the respective school district~~ FUND. Monies placed to
28 the credit of the school plant funds FUND may be expended as provided in this
29 section. The school plant funds are FUND IS A continuing funds FUND not
30 subject to reversion.

31 ~~E. Notwithstanding subsection C of this section, the governing board,~~
32 ~~or the superintendent or chief administrative officer with the approval of~~
33 ~~the governing board, may expend the proceeds from the sale before July 1,~~
34 ~~1998 or lease of school property for the additional maintenance and~~
35 ~~operations expenses incurred as the result of operating on a year-round~~
36 ~~school year operation basis pursuant to section 15-855. The amount that the~~
37 ~~governing board, superintendent or chief administrative officer may expend~~
38 ~~for a year-round school year operation, as provided in this subsection, is~~
39 ~~limited to the actual maintenance and operations costs incurred as the result~~
40 ~~of the year-round school year operation as documented in the school~~
41 ~~district's budget as provided in section 15-855. A governing board,~~
42 ~~superintendent or chief administrative officer that utilizes this subsection~~
43 ~~is subject to all other limitations prescribed in this section regarding the~~
44 ~~expenditure of proceeds from the sale before July 1, 1998 or lease of school~~
45 ~~property.~~

1 ~~F. Notwithstanding subsections B and D of this section, if the school~~
2 ~~district electors approve the sale of school property and the use of the~~
3 ~~proceeds for the purchase of school sites or the construction, improvement or~~
4 ~~furnishing of school facilities, the proceeds from the sale shall be put in a~~
5 ~~separate fund for use for the approved purpose as prescribed by the uniform~~
6 ~~system of financial records. This fund is a continuing fund not subject to~~
7 ~~reversion, except that after ten years any unexpended monies shall be put in~~
8 ~~the school plant fund for use as prescribed in this section.~~

9 ~~G.~~ D. Proceeds from sales by condemnation or sales under threat of
10 condemnation may be deposited with the county treasurer for deposit in the
11 condemnation fund or the school plant fund of the school district. The
12 condemnation fund is a continuing fund not subject to reversion, except that
13 after ten years any unspent monies shall be placed in the school plant fund
14 to be used as prescribed in this section. The governing board, or the
15 superintendent or chief administrative officer with the approval of the
16 governing board, may apply the proceeds in the condemnation fund to:

17 1. The payment of any outstanding bonded indebtedness of the school
18 district which is payable from the levy of taxes upon property within the
19 school district.

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

22 ~~H.~~ E. Proceeds from a right-of-way settlement shall be deposited with
23 the county treasurer for deposit in the condemnation fund of the school
24 district. The governing board, or the superintendent or chief administrative
25 officer with the approval of the governing board, shall apply such proceeds
26 in the condemnation fund to construct, acquire, improve, repair or furnish
27 school facilities or sites after notice and a hearing.

28 ~~I.~~ F. For the purposes of this section, "capital outlay" means
29 unrestricted capital outlay as prescribed in section 15-903, subsection C.