

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 20
SENATE BILL 1057

AN ACT

AMENDING SECTION 15-904, 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 15-904, Arizona Revised Statutes, is amended to
3 read:

4 15-904. School district annual financial report; publication;
5 summary

6 A. The governing board of each school district shall publish an
7 annual financial report for the prior fiscal year by November 15. The
8 auditor general in conjunction with the department of education shall
9 prescribe the format of the financial report to be used by school
10 districts. The financial report shall contain budgeted and actual
11 expenditures for the preceding fiscal year and shall be prepared and
12 distributed by October 15 by the school district with a copy to the county
13 school superintendent. A copy of the annual financial report shall be
14 submitted electronically by the school district to the superintendent of
15 public instruction by October 15. ~~The annual financial report shall be
16 approved by the county school superintendent in an electronic procedure as
17 prescribed by the department of education.~~ On or before October 15, the
18 governing board shall submit the annual financial report for the previous
19 fiscal year to the department of education, which shall prominently
20 display this information about that school district on the website
21 maintained by the department. If the school district maintains a website,
22 the school district shall post a link to the website of the department of
23 education where this information about the school district is posted.
24 ~~School districts that are subject to section 15-914.01 are not required to
25 send a copy to the county school superintendent.~~

26 B. In addition to the information required in subsection A of this
27 section, the annual financial report shall contain detailed information on
28 the school district budgeted and actual expenditures from the bond
29 building fund, the unrestricted capital fund, the adjacent ways fund, the
30 deficiencies correction fund and the new school facilities fund, including
31 ~~but not limited to~~ information on classified salaries, employee benefits,
32 interest and fiscal charges, capital lease agreements, land and
33 improvements, buildings and improvements, furniture and equipment,
34 technology and vehicles and transportation equipment for pupils. The
35 information shall specify whether the expenditures are for school district
36 renovation or for new construction, the cost per square foot and land
37 acquisition costs, as appropriate.

38 C. Except as provided in subsection D of this section, the
39 governing board shall publish, by November 15, the annual financial report
40 for the school district either in a newspaper of general circulation
41 within the school district, by electronic transmission of the information
42 to the department of education for posting on the department's website or
43 in the official newspaper of the county as prescribed in section 11-255,
44 or the governing board may mail the annual financial report for the school
45 district to each household in the school district. If the governing board

1 chooses to transmit the report electronically to the department of
2 education, the school district shall provide a link on the school
3 district's website to the report on the department's website. If the
4 governing board chooses to publish the report in a newspaper, the size of
5 the newspaper print shall be at least eight-point type. The cost of
6 publication or mailing shall be a charge against the school district. The
7 publisher's affidavit of publication shall be filed by the governing board
8 of the school district with the superintendent of public instruction
9 within thirty days after publication.

10 D. The governing board may publish or mail a summary of the annual
11 financial report in the same manner as provided in subsection C of this
12 section. The auditor general in conjunction with the department of
13 education shall prescribe the form of the summary of the annual financial
14 report for use by the governing boards.

15 E. The superintendent of public instruction shall compile the
16 financial reports of the school districts, including expenditure data for
17 federal and state projects, and shall report to the governor and the
18 legislature on or before January 15 of each year as provided in section
19 15-255.

20 F. Beginning in fiscal year 2020-2021, the annual financial report
21 prescribed by this section shall include the school level data for charter
22 schools and schools operated by school districts prescribed in section
23 15-746, subsection E.

APPROVED BY THE GOVERNOR MARCH 16, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 16, 2018.