CHAPTER 285

HOUSE BILL 2124

AN ACT

AMENDING SECTION 15-448, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2020, CHAPTER 14, SECTION 2; AMENDING SECTIONS 15-824, 15-910, 15-943.01, 15-947 AND 15-951, ARIZONA REVISED STATUTES; REPEALING SECTION 15-951, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; AMENDING SECTIONS 15-961, 15-971, 15-974 AND 15-992, ARIZONA REVISED STATUTES; RELATING TO EDUCATION FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 15-448, Arizona Revised Statutes, as amended by Laws 2020, chapter 14, section 2, is amended to read:

15-448. Formation of unified school district; board membership; budget

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

B. Formation of a unified school district shall be by resolutions approved by the governing boards of the unifying school districts and certification of approval by such governing boards to the county school superintendent of the county or counties in which such individual school districts are located. A common school district and high school district that unify pursuant to this section shall not exclude from the same unification a common school district that has overlapping boundaries with the high school district and that wishes to unify. Except as provided in subsection D of this section, the formation of a unified school district becomes effective on July 1 of the next fiscal year following the certification of the county school superintendent. An election is not required to form a unified school district pursuant to this section. Notice of the proposed vote of the governing boards on the resolutions prescribed in this subsection shall be posted in at least three public places in each of the school districts proposed to be unified at least ninety days before the proposed vote. At least ninety days before the governing boards vote on the resolutions prescribed in this subsection, the governing boards shall mail a pamphlet to each household with one or more qualified electors that lists the full cash value, the assessed valuation and the estimated amount of the primary property taxes and the estimated amount of the secondary property taxes under the proposed unification for each of the following:

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

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

3. An owner-occupied residence whose assessed valuation is twice the assessed valuation of the residence in paragraph 1 of this subsection.
4. A business whose assessed valuation is the average of the
assessed valuation of property classified as class one, as prescribed by
section 42-12001, paragraphs 12 and 13 for the current year in the school
district.

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

D. On formation of the unified school district, the governing board
consists of the members of the former school district governing boards and
the members shall hold office until January 1 following the first general
election after formation of the district. For the purpose of all actions
that are necessary to operate the unified district for the next year, the
unified school district governing board is constituted and may conduct
meetings after the adoption of the unification resolutions prescribed by
subsection B of this section.

E. Beginning on January 1 following the first general election
after formation of the unified school district, the governing board shall
have five members. At the first general election after the formation of
the district, members shall be elected in the following manner:
1. The three candidates receiving the highest, the second highest
and the third highest number of votes shall be elected to four-year terms.
2. The two candidates receiving the fourth and fifth highest number
of votes shall be elected to two-year terms. Thereafter all offices shall
have four-year terms.

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

G. For the first year of operation, the unified school district
governing board shall prepare a consolidated budget based on the student
counts from the school districts comprising the unified school
district, except that for purposes of determining budget amounts and
equalization assistance, the student count for the former high school
district shall not include the prior year average daily membership
attributable to high school pupils from a common school district that was
part of the former high school district but is not part of the unified
school district. The unified school district shall charge the remaining
common school district tuition for these pupils as provided in subsection 1 of this section. The unified school district may budget for unification assistance pursuant to section 15-912.01.

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

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

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

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

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

1. If the former high school district had outstanding bonded indebtedness at the time of unification, the combined tuition for the group of high school pupils who reside in each common school district shall include a debt service amount for the former high school district's outstanding bonded indebtedness that is determined as follows:
   (a) Divide the total net assessed valuation of the common school district in which the group of pupils resides by the total net assessed valuation of the former high school district. For the purposes of this subdivision, "net assessed valuation" means net assessed valuation for the tax year before the year when the unified school district governing board is constituted pursuant to subsection D of this section and includes the values used to determine voluntary contributions collected pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.
   (b) Multiply the quotient obtained in subdivision (a) of this paragraph by the unified school district's annual debt service expenditure.
2. The debt service portion of such tuition payments calculated pursuant to paragraph 1 of this subsection shall be used exclusively for debt service of the outstanding bonded indebtedness of the former high school district. When such indebtedness is fully extinguished, the debt service portion of a pupil's tuition shall be determined in accordance with paragraph 3 of this subsection.

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

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

5. Notwithstanding section 15-951, subsection F, the revenue control limit of the common school district shall include the full amount of the debt service portion of the tuition calculated pursuant to this subsection. FOR THE PURPOSES OF DETERMINING STUDENT COUNT AND FOR APPORTIONMENT OF STATE AID, THE SCHOOL MEMBERSHIP OF THESE PUPILS IS DEEMED TO BE ENROLLMENT IN THE UNIFIED SCHOOL DISTRICT.

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

L. If the remaining common school district had authorization for an override as provided in section 15-481 or 15-482, the override authorization continues for the remaining common school district or districts in the same manner as before the formation of the unified school district.
M. The bonding authorization and bonding limitations continue for the remaining common school district or districts in the same manner as before the formation of the unified school district.

N. This section does not relieve a school district formed pursuant to section 15-457 or 15-458 of its liability for any outstanding bonded indebtedness.

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

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

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

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

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

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

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

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

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

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

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

Sec. 2. Section 15-824, Arizona Revised Statutes, is amended to read:

15-824. Admission of pupils of other school districts; homeless children; tuition charges; definitions

A. The governing board of a school district shall admit pupils from another school district or area as follows:
1. On the presentation of a certificate of educational convenience issued by the county school superintendent pursuant to section 15-825.

2. For three hundred fifty or fewer pupils, to a high school without the presentation of such a certificate of educational convenience, if the pupil is a resident of a common school district within this state that is not within a high school district and that does not offer instruction in the pupil's grade. The three hundred fifty or fewer pupil limitation prescribed in this paragraph does not apply to a small isolated school district as defined in section 15-901. Tuition shall be charged as prescribed in subsection E of this section for each pupil admitted pursuant to this paragraph, each pupil from a school district that provides only financing for pupils who are instructed by another school district and each pupil from a unified district that does not offer instruction in the pupil's grade. The school membership of such pupils is deemed, for the purposes of determining student count and providing a free and appropriate public education pursuant to the Individuals with Disabilities Education Act (20 United States Code Chapter 33) and for apportionment of state aid, to be enrollment in the school district of the pupil's residence.

3. To a high school without the presentation of a certificate of educational convenience if the pupil is a resident of a transporting school district that does not offer instruction in the pupil's grade. Tuition shall be charged as prescribed in subsection E of this section for each pupil admitted pursuant to this paragraph. For the purposes of determining student count and for apportionment of state aid, the school membership of these pupils is deemed to be enrollment in the school district of the pupil's residence.

B. The residence of the person having legal custody of the pupil is considered the residence of the pupil, except as provided in subsection C of this section and in section 15-825, subsection B.

C. The current residence of a homeless pupil who does not reside with the person having legal custody of the pupil is considered to be the residence of the homeless pupil if the person having legal custody of the pupil is a resident of the United States. For the purposes of this subsection, "homeless pupil" means a pupil who has a primary residence that is:

1. A supervised publicly or privately operated shelter designed to provide temporary living accommodations.

2. An institution that provides a temporary residence for individuals intended to be institutionalized.

3. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

D. The school enrollment of a pupil who is a resident of this state or who is admitted to a school district under section 15-823, subsection B, C, E, F or H is deemed, for the purpose of determining student count
and for apportionment of state aid, to be enrollment in the school district of actual attendance, except as provided in section 15-825, subsection A, paragraph 1 and subsection A, paragraph 2–3 of this section and except for pupils for whom the superintendent of public instruction is charged tuition pursuant to section 15-825, subsections B and D and section 15-976 or for whom another school district is charged tuition as provided in subsections E and G of this section.

E. If tuition is required to be charged for pupils attending school in a school district other than that of their residence, the tuition shall be determined and paid in the following manner:

1. The number of high school pupils for which tuition may be charged to a common TRANSPORTING school district that is not within a high school district is equal to the average daily membership in the district of attendance from the common TRANSPORTING school district for the prior fiscal year, except that for the first year in which a common school district not within a high school district stops teaching high school subjects, the district of attendance may charge tuition for the number of pupils that is equal to the average daily membership for high school pupils in the common school district for the prior fiscal year. This number may be adjusted if the common TRANSPORTING school district increases its revenue control limit and district support level.

2. The tuition for pupils attending school in a school district other than that of their residence, except pupils provided for by section 15-825, subsections B and D and any pupils included in the definition of child with a disability in section 15-761, shall not exceed the cost per student count of the school district attended, as determined for the current school year. Tuition for pupils included in the definition of child with a disability in section 15-761 shall not exceed the actual cost of the school attended for each pupil as determined for the current year. The school district of attendance shall not include in the cost per student count a charge for transportation if no transportation is provided, and the charge for transportation shall not exceed the actual costs of providing transportation for the pupils served, as prescribed in the uniform system of financial records. The school district of attendance shall provide the school district of residence with the final tuition charge for the current year and with an estimate of the budget year’s tuition charge by May 1 of the current year. The school district of residence shall pay at least one-fourth of the total amount of the estimated tuition by September 30, December 31 and March 31, and it shall pay the remaining amount it owes after adjustments are made by June 30.

3. Notwithstanding paragraph 2 of this subsection and subsection G of this section, if two school districts enter into a voluntary agreement for the payment of tuition, the agreement shall specify the method for computing the tuition amount and the timing of the payments. The agreement shall not be longer than five consecutive years. If two school
districts enter into an agreement and choose to renew the agreement, each
renewal shall not be longer than five consecutive years. The agreement
shall specify that a parent or legal guardian of a pupil affected by a
tuition agreement entered pursuant to this section or section 15-816.01
may choose not to send the pupil or pupils to a school district or school
that is a party to the agreement.

4. Tuition of pupils as provided in section 15-825, subsection D
shall not exceed the excess costs for group B children with disabilities
minus the amount generated by the equalization base as determined in
section 15-971, subsection A for these pupils. A school district may
submit to the superintendent of public instruction a record of actual
excess costs to educate a group B child with a disability if the costs are
higher than the calculated excess costs or if a pupil has been placed in a
private school for special education services. The superintendent shall
determine if the additional costs will be paid, and if the costs are paid,
whether the additional costs will be paid by the state or the resident
district.

5. The amount received representing contributions to capital outlay
as provided in subsection G, paragraph 1, subdivision (b) of this section
shall be applied to the capital outlay fund or the debt service fund of
the school district.

6. The amount received representing contributions to debt service
as provided in subsection G, paragraph 1, subdivisions SUBDIVISION (c) and
of this section shall be applied to the debt service fund of the
school district if there is one. Otherwise the amount shall be credited
to the capital outlay fund of the school district.

F. A school district may submit to the superintendent of public
instruction a record of actual costs paid by the school district to
educate a pupil who qualifies for a certificate of educational convenience
under section 15-825, subsection B. If the actual costs for that pupil
exceed the costs per student count computed pursuant to subsection G of
this section, the superintendent of public instruction shall reimburse the
school district for these additional costs subject to legislative
appropriation.

G. For the purposes of this section:

1. "Costs per student count" means the sum of the following for the
common or high school portion of the school district attended, whichever
is applicable to the pupil involved, as prescribed in the uniform system
of financial records:

   a) The actual school district expenditures for the regular
education program subsection of the maintenance and operation section of
the budget divided by the school district's student count for the common
or high school portion of the school district, whichever is applicable.

   b) The actual school district expenditures for the capital outlay
section of the budget as provided in sections 15-903 and 15-905 excluding
expenditures for transportation equipment and buildings if no transportation is provided and expenditures for the acquisition of building sites, divided by the school district's student count for the common or high school portion of the school district, whichever is applicable.

(c) The actual school district expenditures for debt service divided by the school district's student count for the common or high school portion of the school district, whichever is applicable.

(d) The result obtained in subdivision (c) of this paragraph shall not exceed:

(i) Seven hundred fifty dollars if the pupil's school district of residence pays tuition for seven hundred fifty or fewer pupils to other school districts or one hundred fifty dollars if the state pays tuition for seven hundred fifty or fewer pupils to a school district pursuant to section 15-825, subsection D or section 15-976.

(ii) Eight hundred dollars if the pupil's school district of residence pays tuition for one thousand or fewer, but more than seven hundred fifty, pupils to other school districts or two hundred dollars if the state pays tuition for one thousand or fewer, but more than seven hundred fifty, pupils to a school district pursuant to section 15-825, subsection D or section 15-976.

(iii) The actual cost per student count if either the pupil's school district of residence or the state pays tuition for more than one thousand pupils to other school districts.

2. "Legal custody" means:

(a) Custody exercised by the natural or adoptive parents with whom a pupil resides.

(b) Custody granted by order of a court of competent jurisdiction to a person or persons with whom a pupil resides unless the primary purpose for which custody was requested was to circumvent the payment of tuition as provided in this section.

Sec. 3. Section 15-910, Arizona Revised Statutes, is amended to read:

15-910. School district budgets; excess utility costs; desegregation costs; tuition costs for bond issues; costs for registering warrants; report

A. The governing board may budget for the district's excess utility costs that are specifically exempt from the district's revenue control limit. If approved by the qualified electors voting at a statewide general election, the exemption from the revenue control limit under this subsection expires at the end of the 2008-2009 budget year. The uniform system of financial records shall specify expenditure items allowable as excess utility costs, which are limited to direct operational costs of heating, cooling, water and electricity, telephone communications and sanitation fees. The department of education and the auditor general
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1 shall include in the maintenance and operation section of the budget format, as provided in section 15-903, a separate line for utility expenditures and a special excess utility cost category. The special excess utility cost category shall contain budgeted expenditures for excess utility costs, determined as follows:

1. Determine the lesser of the total budgeted or total actual utility expenditures for fiscal year 1984-1985.

2. Multiply the amount in paragraph 1 of this subsection by the total percentage increase or decrease in the revenue control limit and the capital outlay revenue limit for the budget year over the revenue control limit and the capital outlay revenue limit for fiscal year 1984-1985 excluding monies available from a teacher compensation program provided for in section 15-952.

3. The sum of the amounts in paragraphs 1 and 2 of this subsection is the amount budgeted in the utility expenditure line.

4. Additional expenditures for utilities are budgeted in the excess utility cost category.

B. The governing board shall apply the same percentage increase or decrease allowed in the revenue control limit and the capital outlay revenue limit as provided in section 15-905, subsection E to the utility expenditure line of the budget.

C. The governing board may expend from the excess utility cost category only after it has expended for utility purposes the full amount budgeted in the utility expenditure line of the budget.

D. The governing board, after notice is given and a public meeting is held as provided in section 15-905, subsection D, may revise at any time before May 15 the amount budgeted in the excess utility cost category for the current year. Not later than May 18, the budget as revised shall be submitted electronically to the superintendent of public instruction.

E. If the revised excess utility cost category results in an expenditure of monies in excess of school district revenues for the current year, the county school superintendent shall include within the revenue estimate for the budget year monies necessary to meet the liabilities incurred by the school district in the current year in excess of revenues received for the current year.

F. If a school district receives a refund of utility expenditures or a rebate on energy saving devices or services, the refund or rebate shall be applied against utility expenditures for the current year as a reduction of the expenditures, except that the reduction of expenditures shall not exceed the amount of actual utility expenditures.

G. The governing board may budget for expenses of complying with or continuing to implement activities that were required or permitted by a court order of desegregation or administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination that are specifically
exempt in whole or in part from the revenue control limit and district
additional assistance. This exemption applies only to expenses incurred
for activities that are begun before the termination of the court order or
administrative agreement. If a district is levying a property tax on
February 23, 2006 and using those monies to administer an English language
learner program to remedy alleged or proven discrimination under title VI
of the civil rights act of 1964 (42 United States Code section 2000d), the
district may spend those monies to remedy a violation of the equal
educational opportunities act of 1974 (20 United States Code section
1703(f)). Nothing in this subsection allows a school district to levy a
property tax for violations of the equal educational opportunities act of
1974 (20 United States Code section 1703(f)) in the absence of an alleged
or proven discrimination under title VI of the civil rights act of 1964
(42 United States Code section 2000d).

H. If a governing board chooses to budget monies outside of the
revenue control limit as provided in subsection G of this section, the
governing board may do one of the following:
1. Use monies from the maintenance and operation fund equal to any
excess desegregation or compliance expenses beyond the revenue control
limit before June 30 of the current year.
2. Notify the county school superintendent to include the cost of
the excess expenses in the county school superintendent's estimate of the
additional amount needed for the school district from the secondary
property tax as provided in section 15-991.
3. Employ the provisions of both paragraphs 1 and 2 of this
subsection, provided that the total amount transferred and included in the
amount needed from property taxes does not exceed the total amount
budgeted as prescribed in subsection J, paragraph 1 of this section.
I. If a governing board chooses to budget monies outside of
district additional assistance as provided in subsection G of this
section, the governing board may notify the county school superintendent
to include the cost of the excess expenses in the county school
superintendent's estimate of the additional amount needed for the school
district from the secondary property tax as provided in section 15-991.
J. A governing board using subsections G, H and I of this section:
1. Shall prepare and employ a separate maintenance and operation
desegregation budget and capital outlay desegregation budget on a form
prescribed by the superintendent of public instruction in conjunction with
the auditor general. The budget format shall be designed to allow a
school district to plan and provide in detail for expenditures to be
incurred solely as a result of compliance with or continuing to implement
activities that were required or permitted by a court order of
desegregation or administrative agreement with the United States
department of education office for civil rights directed toward
remediating alleged or proven racial discrimination.
2. Shall prepare as a part of the annual financial report a
detailed report of expenditures incurred solely as a result of compliance
with or continuing to implement activities that were required or permitted
by a court order of desegregation or administrative agreement with the
United States department of education office for civil rights directed
toward remediating alleged or proven racial discrimination, in a format
prescribed by the auditor general in conjunction with the Arizona
department of education as provided by section 15-904.

3. On or before July 15 each year, shall collect and report data
regarding activities related to a court order of desegregation or an
administrative agreement with the United States department of education
office for civil rights directed toward remediating alleged or proven
racial discrimination in a format prescribed by the Arizona department of
education. The Arizona department of education shall compile and submit
copies of the reports to the governor, the president of the senate, the
speaker of the house of representatives and the chairpersons of the
education committees of the senate and the house of representatives and
shall submit a copy to the secretary of state. A school district that
becomes subject to a new court order of desegregation or a party to an
administrative agreement with the United States department of education
office for civil rights directed toward remediating alleged or proven
racial discrimination shall submit these reports on or before July 15 or
within ninety days of the date of the court order or administrative
agreement, whichever occurs first. The Arizona department of education,
in consultation with the auditor general, shall develop reporting
requirements to ensure that school districts submit at least the following
information and documentation to the Arizona department of education:

(a) A district-wide budget summary and a budget summary on a
school-by-school basis for each school in the school district that lists
the sources and uses of monies that are designated for desegregation
purposes.

(b) A detailed list of desegregation activities on a district-wide
basis and on a school-by-school basis for each school in the school
district.

(c) The date that the school district was determined to be out of
compliance with title VI of the civil rights act of 1964 (42 United States
Code section 2000d) and the basis for that determination.

(d) The initial date that the school district began to levy
property taxes to provide funding for desegregation expenses and any dates
that these property tax levies were increased.

(e) If applicable, a current and accurate description of all magnet
type programs that are in operation pursuant to the court order during the
current school year on a district-wide basis and on a school-by-school
basis. This information shall contain the eligibility and attendance
criteria of each magnet type program, the capacity of each magnet type
program, the ethnic composition goals of each magnet type program, the
actual attending ethnic composition of each magnet type program and the
specific activities offered in each magnet type program.

(f) The number of pupils who participate in desegregation
activities on a district-wide basis and on a school-by-school basis for
each school in the school district.

(g) A detailed summary of the academic achievement of pupils on a
district-wide basis and on a school-by-school basis for each school in the
school district.

(h) The number of employees, including teachers and administrative
personnel, on a district-wide basis and on a school-by-school basis for
each school in the school district that is necessary to conduct
desegregation activities.

(i) The number of employees, including teachers and administrative
personnel, on a district-wide basis and on a school-by-school basis for
each school in the school district and the number of employees at school
district administrative offices that are funded in whole or in part with
desegregation monies received pursuant to this section.

(j) The amount of monies that is not derived through a primary or
secondary property tax levy and that is budgeted and spent on
desegregation activities on a district-wide basis and on a
school-by-school basis for each school in the school district.

(k) Verification that the desegregation funding will supplement and
not supplant funding for other academic and extracurricular activities.

(l) Verification that the desegregation funding is educationally
justifiable.

(m) Any documentation that supports the proposition that the
requested desegregation funding is intended to result in equal education
opportunities for all pupils in the school district.

(n) Verification that the desegregation funding will be used to
promote systemic and organizational changes within the school district.

(o) Verification that the desegregation funding will be used in
accordance with the academic standards adopted by the state board of
education pursuant to sections 15-701 and 15-701.01.

(p) Verification that the desegregation funding will be used to
accomplish specific actions to remediate proven discrimination pursuant to
title VI of the civil rights act of 1964 (42 United States Code section
2000d) as specified in the court order or administrative agreement.

(q) An evaluation by the school district of the effectiveness of
the school district's desegregation measures.

(r) An estimate of when the school district will be in compliance
with the court order or administrative agreement and a detailed account of
the steps that the school district will take to achieve compliance.
(s) Any other information that the Arizona department of education deems necessary to carry out the purposes of this paragraph.

K. If a school district governing board budgets for expenses of complying with a court order of desegregation or an administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination, the governing board shall ensure that the desegregation expenses will:

1. Be educationally justifiable.
2. Result in equal education opportunities for all pupils in the school district.
3. Be used to promote systemic and organizational changes within the school district.
4. Be used in accordance with the academic standards adopted by the state board of education pursuant to sections 15-701 and 15-701.01.
5. Be used to accomplish specific actions to remediate proven discrimination pursuant to title VI of the civil rights act of 1964 (42 United States Code section 2000d) as specified in the court order or administrative agreement.
6. Be used in accordance with a plan submitted to the department of education that includes an estimate of the amount of monies that will be required to bring the school district into compliance with the court order or administrative agreement and an estimate of when the school district will be in compliance with the court order or administrative agreement.
7. Each fiscal year, not exceed the amount budgeted by the school district for desegregation expenses in fiscal year 2008-2009.

L. Beginning in fiscal year 2018-2019, Subsections G through K of this section apply only if the governing board uses revenues from secondary property taxes rather than primary property taxes to fund expenses of complying with or continuing to implement activities that were required or allowed by a court order of desegregation or administrative agreement with the United States department of education office for civil rights directed toward remediating alleged or proven racial discrimination that are specifically exempt in whole or in part from the revenue control limit and district additional assistance. Secondary property taxes levied pursuant to this subsection do not require voter approval, but shall be separately delineated on a property owner’s property tax statement.

M. The governing board may budget for the bond issues portion of the cost of tuition charged the district as provided in section 15-824 for the pupils attending school in another school district, except that if the district is a common school district not within a high school district, the district may only include that part of tuition that is excluded from the revenue control limit and district support level as provided in section 15-951. The bond issues portion of the cost of tuition charged is specifically exempt from the revenue control limit of the school district
of residence, and the primary property tax rate set to fund this amount
shall not be included in the computation of additional state aid for
education as provided in section 15-972, except as provided in section
15-972, subsection E. The department of education and the auditor general
shall include in the maintenance and operation section of the budget
format, as provided in section 15-903, a separate category for the bond
issues portion of the cost of tuition.

N. M. The governing board may budget for interest expenses it
incurred for registering warrants drawn against a fund of the school
district or net interest expense on tax anticipation notes as prescribed
in section 35-465.05, subsection C for the fiscal year preceding the
current year if the county treasurer pooled all school district monies for
investment as provided in section 15-996 for the fiscal year preceding the
current year and, in those school districts that receive state aid, the
school districts applied for an apportionment of state aid before the date
set for the apportionment as provided in section 15-973 for the fiscal
year preceding the current year. The governing board may budget an amount
for interest expenses for registering warrants or issuing tax anticipation
notes equal to or less than the amount of the warrant interest expense or
net interest expense on tax anticipation notes as prescribed in section
35-465.05, subsection C for the fiscal year preceding the current year as
provided in this subsection that is specifically exempt from the revenue
control limit. For the purposes of this subsection, "state aid" means
state aid as determined in sections 15-971 and 15-972.

Sec. 4. Section 15-943.01, Arizona Revised Statutes, is amended to
read:

15-943.01. Maintenance and operation budget balance; definition
A. The governing board of a school district may budget any budget
balance in the maintenance and operation section of the budget, as
provided in section 15-903, from the current fiscal year for use in the
maintenance and operation section of the budget in the budget year. The
amount that may be budgeted as the budget balance carryforward in any one
fiscal year shall not include any budget balance attributable to any
reduction in the district's general budget limit, including reductions for
items that are exempt from the revenue control limit and for which
expenditures are limited to a designated purpose such as monies levied
pursuant to section 15-910, subsection G or for the bond issues portion of
the cost of tuition. The amount budgeted as the budget balance
carryforward is specifically exempt from the revenue control limit.

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

C. If the governing board is eligible to budget for a budget
balance carryforward as provided in subsection A of this section, the
governing board may transfer an amount from the district's ending cash
balance of the maintenance and operations fund to the school opening
fund. The school opening fund is a cash controlled fund as provided in
section 15-905, subsection N, and may only be expended SPENT ONLY for the
additional maintenance and operations expenses incurred in the first year
of operation of a new school within the school district. The monies in
the school opening fund are not subject to reversion, except that at the
end of five years of no activity in the fund, any remaining monies shall
be-reverted REVERT to the maintenance and operations fund. Any monies so
reverted may be considered additional budget balance for that fiscal year.

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

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

Sec. 5. Section 15-947, Arizona Revised Statutes, is amended to
read:

15-947. Revenue control limit; district support level;
general budget limit; unrestricted total capital
budget limit; district additional assistance limit

A. The revenue control limit for a school district is equal to the
sum of the base revenue control limit determined in section 15-944 and the
transportation revenue control limit determined in section 15-946.

B. The district support level for a school district is equal to the
sum of the base support level determined in section 15-943 and the
transportation support level determined in section 15-945.

C. The general budget limit for each school district, for each
fiscal year, is the sum of the following:

1. The maintenance and operations portion of the revenue control
   limit for the budget year.

2. The maintenance and operation portion of the following amounts:

   (a) Amounts that are fully funded by revenues other than a levy of
taxes UPON ON the taxable property within the school district, as listed
   below:

   (i) Amounts budgeted as the budget balance carryforward as provided
   in section 15-943.01.
(ii) Tuition revenues for attendance of nonresident pupils.

(iii) State assistance as provided in section 15-976.

(iv) Special education revenues as provided in section 15-825, subsection D and section 15-1204.

(v) Title VIII of the elementary and secondary education act of 1965 assistance determined for children with disabilities, children with specific learning disabilities, children residing on Indian lands and children residing within the boundaries of an accommodation school that is located on a military reservation and that is classified as a heavily impacted local educational agency pursuant to 20 United States Code section 7703 as provided in section 15-905, subsections K and O.

(vi) Title VIII of the elementary and secondary education act of 1965 administrative costs as provided in section 15-905, subsection P.

(vii) State assistance for excess tuition as provided in section 15-825.01.

(viii) Transportation revenues for attendance of nonresident pupils.

(b) Amounts approved pursuant to an override election as provided in section 15-481 for the applicable fiscal year.

(c) Amounts authorized by the county school superintendent pursuant to section 15-974, subsection B.

(d) Expenditures for complying with a court order of desegregation as provided in section 15-910.

(e) Expenditures for the bond issues portion of the cost of tuition as provided in section 15-910.

(f) Interest on registered warrants or tax anticipation notes as provided in section 15-910.

(f) Amounts budgeted for a jointly owned and operated career and technical education and vocational education center as provided in section 15-910.01.

3. The maintenance and operations portion of district additional assistance for the budget year.

4. Any other budget item that is budgeted in the maintenance and operation section of the budget and that is specifically exempt from the revenue control limit or district additional assistance.

D. The unrestricted capital budget limit, for each school district for each fiscal year, is the sum of the following:

1. The federal impact adjustment as determined in section 15-964 for the budget year.

2. Any other budget item that is budgeted in the capital outlay section of the budget and that is specifically exempt from district additional assistance.

3. The unrestricted capital portion of the amounts contained in subsection C of this section.
4. The unexpended budget balance in the unrestricted capital outlay fund from the previous fiscal year.

5. The net interest earned in the unrestricted capital outlay fund FROM the previous fiscal year.

Sec. 6. Section 15-951, Arizona Revised Statutes, is amended to read:

15-951. District additional assistance, district support level and student count for a common school district not within a high school district

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

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

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

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

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

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

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

C. Notwithstanding section 15-961, district additional assistance for a common school district not within a high school district is district additional assistance as prescribed in section 15-961 but excluding pupils who are admitted to another school district as provided in section 15-824, subsection A, paragraph 2, except that if the school district transports high school pupils, the district additional assistance amount prescribed in section 15-961 shall be increased by an amount equal to fifty percent of the district additional assistance per pupil amount prescribed for the school district pursuant to section 15-961 multiplied by the number of high school pupils transported.
D. Notwithstanding section 15-947, the district support level for a common school district not within a high school district is the sum of the following:

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

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

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

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

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

1. $150 if the pupil's school district of residence pays tuition for seven hundred fifty or fewer pupils to other school districts.

2. $200 if the pupil's school district of residence pays tuition for one thousand or fewer, but more than seven hundred fifty pupils to other school districts.

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

G. A common school district that is not within the boundaries of a high school district and that was authorized by the qualified electors to establish a unified school district with boundaries coterminous with the boundaries of the common school district may continue calculating its budget and equalization assistance pursuant to this section for fifteen years after the election or until a high school is built, whichever occurs first.

H. A newly formed unified school district that meets the requirements of subsection G of this section and that phases in instruction for pupils in grades nine through twelve may continue calculating its budget and equalization assistance pursuant to this section for a maximum of five years after the first year of the operation of the new high school in the newly formed unified school district.
I. Notwithstanding any other law, a school district may retroactively adjust its budget for fiscal year 2020-2021 OR 2021-2022 pursuant to subsection G or H of this section but may not retroactively adjust its budget for any other fiscal year pursuant to subsection G or H of this section.

Sec. 7. Delayed repeal

Section 15-951, Arizona Revised Statutes, as amended by this act, is repealed from and after June 30, 2023.

Sec. 8. Section 15-961, Arizona Revised Statutes, is amended to read:

15-961. District additional assistance; growth rate

A. District additional assistance per student count is established as follows:

1. For school districts with a student count of less than one hundred for kindergarten programs and grades one through eight, five hundred forty-four dollars fifty-eight cents $544.58. For school districts with a student count of one hundred or more and less than six hundred for kindergarten programs and grades one through eight, multiply three hundred eighty-nine dollars twenty-five cents $389.25 by the weight that corresponds to the student count for kindergarten programs and grades one through eight for the school district as provided in section 15-943, paragraph 1, subdivision (a), column 3. For a school district with a student count of six hundred or more in kindergarten programs and grades one through eight, the limit is four hundred fifty dollars seventy-six cents $450.76.

2. For school districts with a student count of less than one hundred for grades nine through twelve, six hundred one dollars twenty-four cents $601.24. For school districts with a student count of one hundred or more and less than six hundred for grades nine through twelve, multiply four hundred five dollars fifty-nine cents $405.59 by the weight that corresponds to the student count for grades nine through twelve for the school district as provided in section 15-943, paragraph 1, subdivision (b), column 3. For a school district with a student count of six hundred or more in grades nine through twelve, the limit is four hundred ninety-two dollars ninety-four cents $492.94.

3. For programs for preschool children with disabilities, four hundred fifty dollars seventy-six cents $450.76.

B. District additional assistance for a school district shall be computed as follows:

1. Select the applicable district additional assistance per student count for the school district.

2. Multiply the amount or amounts selected in paragraph 1 of this subsection by the appropriate student count of the school district.

3. If a school district’s student count used for the budget year is greater than one hundred five percent of the student count used for the
current year's budget, increase the adjusted district additional assistance determined in paragraph 2 of this subsection by fifty percent of the actual percentage increase in the school district's student count.

C. An amount for the purchase of required textbooks and related printed subject matter materials shall be used to increase the district additional assistance for a school district as determined in subsection B, paragraph 2 or 3 of this section, whichever is applicable. This amount shall equal the student count in grades nine through twelve multiplied by sixty nine dollars sixty eight cents $69.68.

D. NOTWITHSTANDING SUBSECTIONS A, B AND C OF THIS SECTION, DISTRICT ADDITIONAL ASSISTANCE FOR A COMMON SCHOOL DISTRICT THAT IS NOT WITHIN A HIGH SCHOOL DISTRICT OR FOR A TRANSPORTING SCHOOL DISTRICT IS DISTRICT ADDITIONAL ASSISTANCE AS PRESCRIBED IN THIS SECTION BUT EXCLUDING PUPILS WHO ARE ADMITTED TO ANOTHER SCHOOL DISTRICT AS PROVIDED IN SECTION 15-824, SUBSECTION A, PARAGRAPH 2 OR 3, EXCEPT THAT IF THE SCHOOL DISTRICT TRANSPORTS HIGH SCHOOL PUPILS, THE DISTRICT ADDITIONAL ASSISTANCE AMOUNT PRESCRIBED IN THIS SECTION SHALL BE INCREASED BY AN AMOUNT EQUAL TO FIFTY PERCENT OF THE DISTRICT ADDITIONAL ASSISTANCE PER PUPIL AMOUNT PRESCRIBED FOR THE SCHOOL DISTRICT PURSUANT TO THIS SECTION MULTIPLIED BY THE NUMBER OF HIGH SCHOOL PUPILS TRANSPORTED.

Sec. 9. Section 15-971, Arizona Revised Statutes, is amended to read:

15-971. Determination of equalization assistance payments from county and state funds for school districts

A. Equalization assistance for education is computed by determining the total of the following:

1. The lesser of a school district's revenue control limit or district support level as determined in section 15-947 or 15-951.

2. District additional assistance of a school district as determined in section 15-951 or 15-961.

B. From the total of the amounts determined in subsection A of this section subtract:

1. The amount that would be produced by levying the applicable qualifying tax rate determined pursuant to section 41-1276 for a high school district or a common school district within a high school district that does not offer instruction in high school subjects as provided in section 15-447.

2. The amount that would be produced by levying the applicable qualifying tax rate determined pursuant to section 41-1276 for a unified school district, a common school district not within a high school district or a common school district within a high school district that offers instruction in high school subjects as provided in section 15-447.

The qualifying tax rate shall be applied in the following manner:

(a) For the purposes of the amount determined in subsection A, paragraph 1 of this section:
(i) Determine separately the percentage that the weighted student count in preschool programs for children with disabilities, kindergarten programs and grades one through eight and the weighted student count in grades nine through twelve is to the weighted student count determined in subtotal A as provided in section 15-943, paragraph 2, subdivision (a).

(ii) Apply the percentages determined in item (i) of this subdivision to the amount determined in subsection A, paragraph 1 of this section.

(b) For the purposes of the amounts determined in subsection A, paragraph 2 of this section, determine separately the amount of the district additional assistance attributable to the student count in preschool programs for children with disabilities, kindergarten programs and grades one through eight and grades nine through twelve.

(c) From the amounts determined in subdivisions (a) and (b) of this paragraph, subtract the levy that would be produced by the current qualifying tax rate for a high school district or a common school district within a high school district that does not offer instruction in high school subjects as provided in section 15-447. If the qualifying tax rate generates a levy that is in excess of the total determined in subsection A of this section, the school district shall not be eligible for equalization assistance. For the purposes of this subsection, "assessed valuation" includes the values used to determine voluntary contributions collected pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8 and the assessed value of all property subject to the government property lease excise tax pursuant to title 42, chapter 6, article 5.

3. The amount that would be produced by levying a qualifying tax rate in a career technical education district, which shall be five-cents $.05 per one-hundred-dollars $100 assessed valuation unless the legislature sets a lower rate by law.

C. County aid for equalization assistance for education shall be computed as follows:

1. Determine the total equalization assistance for all school districts in the county as provided in subsections A and B of this section.

2. Determine the total amount of state equalization assistance collected for all school districts in the county as provided in section 15-994 AND THE MONIES COLLECTED PURSUANT TO SECTION 15-992, SUBSECTION F.

3. Divide the amount determined in paragraph 2 of this subsection by the amount determined in paragraph 1 of this subsection.

4. Multiply the amount determined in subsections A and B of this section by the quotient determined in paragraph 3 of this subsection for each school district.
5. The amount determined in paragraph 4 of this subsection shall be
the county aid for equalization assistance for education for a school
district.

D. State aid for equalization assistance for education for a school
district shall be computed as follows:

1. Determine the equalization assistance for education for a school
district as provided in subsections A and B of this section.

2. For each county, determine the levy that would be produced by
the state equalization assistance property tax rate prescribed in section
15-994, subsection A.

3. Prorate the amount determined in paragraph 2 of this subsection
to each school district in the county as prescribed by subsection C of
this section.

4. Subtract the amount determined in paragraph 3 of this subsection
from the amount determined in paragraph 1 of this subsection.

E. Equalization assistance for education shall be paid from
appropriations for that purpose to the school districts as provided in
section 15-973.

F. A school district shall report expenditures on approved career
and technical education and vocational education programs in the annual
financial report according to uniform guidelines prescribed by the uniform
system of financial records and in order to facilitate compliance with
sections 15-255 and 15-904.

G. The additional weight for state aid purposes given to special
education as provided in section 15-943 shall be given to school districts
only if special education programs comply with chapter 7, article 4 of
this title and the conditions and standards prescribed by the
superintendent of public instruction pursuant to rules of the state board
of education for pupil identification and placement pursuant to sections
15-766 and 15-767.

H. In addition to state general fund appropriations, all amounts
received pursuant to section 37-521, subsection B, paragraph 3, section
42-5029, subsection E, paragraph 5 and SECTION 42-5029.02, subsection A,
paragraph 5 and from any other source for the purposes of this section are
appropriated for state aid to schools as provided in this section.

I. The total amount of state monies that may be spent in any fiscal
year for state equalization assistance shall not exceed the amount
appropriated or authorized by section 35-173 for that purpose. This
section does not impose a duty on an officer, agent or employee of this
state to discharge a responsibility or create any right in a person or
group if the discharge or right would require an expenditure of state
monies in excess of the expenditure authorized by legislative
appropriation for that specific purpose.
Sec. 10. Section 15-974, Arizona Revised Statutes, is amended to read:

15-974. Equalization assistance for education for accommodation schools

A. Equalization assistance for education for accommodation schools shall be paid from appropriations for that purpose to the school districts as provided in section 15-973.

B. When an accommodation school has a positive total cash balance at the end of a fiscal year in its maintenance and operation fund, the county school superintendent of the county in which the accommodation school is located may authorize an addition to the accommodation school's revenue control limit as provided in section 15-947, subsection A for the following fiscal year. The county school superintendent may not authorize an addition that exceeds the lesser of the ending cash balance less the amount budgeted for the budget balance carryforward as provided in section 15-943.01 or ten per cent of the revenue control limit of the accommodation school and five per cent of the revenue control limit pursuant to section 15-482, without the necessity of an election pursuant to section 15-481. If an accommodation school has a cash balance in excess of the amount needed to fund the budget balance carryforward AND the addition authorized pursuant to this subsection and the items listed in section 15-947, subsection C, paragraph 2, subdivision e for the following fiscal year, the remaining cash balance may be used for capital expenditures.

C. Subsection B of this section shall not apply to an accommodation school with a student count of one hundred twenty-five or less in kindergarten programs and grades one through eight or to an accommodation school which offers instruction in grades nine, ten, eleven or twelve and which has a student count of one hundred or less in grades nine through twelve.

Sec. 11. Section 15-992, Arizona Revised Statutes, is amended to read:

15-992. School district tax levy; additional tax in districts ineligible for equalization assistance; definition

A. The board of supervisors of each county, at the time of levying other taxes, shall annually levy school district taxes on the property in any school district in which additional amounts are required, which shall be at rates prescribed in this section. A delinquency factor for estimated uncollected taxes may not be included in the computation of the primary tax rate for school district taxes. Local property taxes may not be levied for any deficit in the classroom site fund. The taxes shall be added to and collected in the same manner as other county taxes on the property within the school district. The amount of the school district taxes levied on the property in a particular school district shall be paid into the school fund of that school district.
B. At the same time of levying taxes as provided in subsection A of this section, the county board of supervisors shall annually levy an additional tax in each school district that is not eligible for equalization assistance as provided in section 15-971 in an amount determined as follows:

1. Determine the levy that would be produced by fifty percent of the applicable qualifying tax rate, prescribed in section 15-971, subsection B, per one-hundred-dollars $100 assessed valuation.

2. Subtract the amount determined in section 15-971, subsection A from the levy determined in paragraph 1 of this subsection. This difference is the additional amount levied or collected as voluntary contributions pursuant to title 48, chapter 1, article 8, except that if the difference is zero or is a negative number, there shall be no levy.

C. Monies collected pursuant to subsection B of this section shall be transmitted to the state treasurer for deposit in the state general fund to aid in school financial assistance.

D. The additional tax prescribed in subsection B of this section is considered to be primary property tax for purposes of section 15-972, subsection B, except that this state is not required to make the payments prescribed in section 15-972, subsection H for these reductions in taxes.

E. The tax levy prescribed in subsection A of this section shall be a rate equal to the applicable qualifying tax rate or rates as prescribed in section 15-971, subsection B or a rate that would result in a levy that equals the school district equalization assistance base prescribed in section 15-971 subtracted by any amount received pursuant to section 15-905, subsections K, O and P per one-hundred-dollars $100 of assessed valuation used for primary property taxes, whichever is less.

F. AT THE SAME TIME OF LEVYING TAXES AS PROVIDED IN SUBSECTION A OF THIS SECTION, THE COUNTY BOARD OF SUPERVISORS SHALL ANNUALLY LEVY AN ADDITIONAL TAX IN EACH COMMON SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL DISTRICT THAT IS EQUAL TO THE COUNTYWIDE AVERAGE PER PUPIL EQUALIZATION BASE FOR HIGH SCHOOL PUPILS MULTIPLIED BY THE NUMBER OF RESIDENT HIGH SCHOOL PUPILS IN THE COMMON SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL DISTRICT DURING THE PRIOR SCHOOL YEAR. THE MONIES COLLECTED PURSUANT TO THIS SUBSECTION SHALL BE ADDED TO COUNTY AID FOR EQUALIZATION ASSISTANCE FOR EDUCATION PURSUANT TO SECTION 15-971, SUBSECTION C. ON OR BEFORE JULY 1 OF EACH YEAR, THE DEPARTMENT OF EDUCATION SHALL PROVIDE EACH COUNTY BOARD OF SUPERVISORS WITH THE COUNTYWIDE AVERAGE PER PUPIL EQUALIZATION BASE FOR HIGH SCHOOL PUPILS, THE NUMBER OF RESIDENT HIGH SCHOOL PUPILS IN THE COMMON SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL DISTRICT DURING THE PRIOR SCHOOL YEAR AND ANY OTHER INFORMATION REQUESTED BY THE COUNTY BOARD OF SUPERVISORS FOR THE PURPOSES OF LEVYING THE TAX PRESCRIBED IN THIS SUBSECTION.
At the time of levying taxes as provided in subsection E of this section, the county school superintendent shall annually validate any additional primary school district tax levy amount requests from each school district and levy the sum of the following amounts:

1. A rate that would result in a levy that equals the difference between the transportation revenue control limit as determined in section 15-946 and the transportation support level as determined in section 15-945 or a lesser amount.

2. A rate that would result in a levy that equals any amount pursuant to section 15-910.

3. A rate that would result in a levy that equals any amount for tuition loss as determined in section 15-954.

4. A rate that would result in a levy that equals any amount for the small school adjustment as determined in section 15-949.

5. A rate that would result in a levy that equals any amount for liabilities in excess of the school district budget pursuant to section 15-907.

6. A rate that would result in a levy that equals any amount for adjacent ways pursuant to section 15-995.

7. A rate that would result in a levy that equals the amount not captured by the qualifying tax rate as a result of property subject to the government property lease excise tax pursuant to title 42, chapter 6, article 5 as calculated in section 15-971, subsection B, paragraph 2.

8. Following the recommendation of the county school superintendent and on approval by the county board of supervisors, for a school district that is not eligible for state aid, a rate that would result in a levy that equals any legal amount not levied in the current year as a result of underestimated average daily membership in the current year or as a result of a judgment in accordance with section 42-16213.

9. A rate that would result in a levy that equals any amount pursuant to a qualifying dropout prevention program that was originally established by law in 1987.

10. On the recommendation of the county school superintendent and on approval by the county board of supervisors before adoption of tax rates pursuant to section 42-17151, a rate that would result in a levy that equals any separately stated cash deficit from the prior fiscal year resulting from an anticipated or actual deviation in the property tax roll, including resolutions or judgments pursuant to title 42, chapter 16, articles 5 and 6.

For the purposes of this section, “assessed valuation” includes the values used to determine voluntary contributions collected pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.
Sec. 12. Extraordinary special education needs fund; department of education; grants

Notwithstanding section 15-774, Arizona Revised Statutes, in fiscal years 2023-2024, 2024-2025 and 2025-2026, the department of education shall accept and review requests for grant monies from the extraordinary special education needs fund established by section 15-774, Arizona Revised Statutes, by school districts that offer high school services and that demonstrate a substantial and negative financial impact associated with accepting students with special education needs who previously had been paid through tuition and now are accepted via open enrollment. The department of education shall award grant monies to school districts that satisfy the requirements of this section.

Sec. 13. Effective date

Except for section 15-951, Arizona Revised Statutes, as amended by this act, this act is effective from and after June 30, 2023.