State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
First Regular Session  
2021

HCR 2004

Introduced by  
Representative Fillmore

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING TO SCHOOL DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it resolved by the House of Representatives of the State of Arizona, the Senate concurring:

1. Under the power of the referendum, as vested in the Legislature, the following measure, relating to school districts, is enacted to become valid as a law if approved by the voters and on proclamation of the Governor:

   AN ACT

AMENDING TITLE 15, CHAPTER 4, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-446; AMENDING TITLE 15, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-908.01; REPEALING SECTION 15-949, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO SCHOOL DISTRICTS.

Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 15, chapter 4, article 3, Arizona Revised Statutes, is amended by adding section 15-446, to read:

15-446. School districts; unification required

NOTWITHSTANDING ANY OTHER LAW, EACH SCHOOL DISTRICT IN THIS STATE SHALL BE A UNIFIED SCHOOL DISTRICT ON OR BEFORE JULY 1, 2028.

Sec. 2. Title 15, chapter 9, article 1, Arizona Revised Statutes, is amended by adding section 15-908.01, to read:

15-908.01. Savings from consolidation or unification; use of monies

A. EACH SCHOOL DISTRICT GOVERNING BOARD SHALL ANNUALLY DETERMINE THE COST SAVINGS THAT RESULT FROM ANY CONSOLIDATION WITH OTHER SCHOOL DISTRICTS.

B. EACH SCHOOL DISTRICT GOVERNING BOARD SHALL ANNUALLY DETERMINE THE COST SAVINGS THAT RESULT FROM ANY UNIFICATION WITH OTHER SCHOOL DISTRICTS.

C. THE RESULTING COST SAVINGS DETERMINED PURSUANT TO SUBSECTION A OR B OF THIS SECTION SHALL BE RETAINED BY THE SCHOOL DISTRICT AND USED FOR CLASSROOM EXPENDITURES AS DETERMINED BY THE SCHOOL DISTRICT GOVERNING BOARD, WITH AT LEAST TWENTY-FIVE PERCENT OF THESE MONIES TO BE USED FOR TEACHER SALARIES.

Sec. 3. Delayed repeal

Section 15-949, Arizona Revised Statutes, is repealed from and after June 30, 2031.

Sec. 4. Unification and consolidation of school districts; feasibility study

On or before September 15, 2023, each county school superintendent shall commence a feasibility study on the unification, consolidation or unification and consolidation of the school districts within that county. The county school
superintendent may contract with another person or entity to
conduct the feasibility study. The feasibility study shall be
completed on or before September 15, 2024. On or before
September 30, 2024, each county school superintendent shall
provide a copy of its feasibility study to the governing board
of each school district within that county. The county school
superintendent shall ensure that the feasibility study
includes all of the following components:

1. Relevant academic and scientific research regarding
school size, school district size, fiscal implications and
legal issues that may include the following:
   (a) Use by any of the affected districts of section
15-910 or 15-910.01, Arizona Revised Statutes.
   (b) Application of overrides authorized under title 15,
chapter 4, article 4, Arizona Revised Statutes.
   (c) Estimated potential savings and efficiencies to be
achieved.
   (d) Application of teacher experience indexes and
existing salary schedules of affected districts.
   (e) A proposed salary schedule for the affected
districts based on the average median of existing teacher
salaries.
   (f) Potential impact on facilities needs.
   (g) Curriculum alignment.
   (h) Evaluations of materials and textbooks.
   (i) Examination of special education programs.
   (j) Examination of English language learner programs.
   (k) Examination of school year and attendance policies.
   (l) Examination of personnel compensation systems.

2. Consideration of geographic boundaries, communities
of interest and pupil travel time. The county school
superintendent may recommend enlarging or diminishing the size
of affected school districts if all of the following
requirements are met:
   (a) Any school districts that are combined must have
contiguous boundaries or must be adjacent to each other, or
both.
   (b) A county with three members on the county board of
supervisors may not have more than three school districts.
   (c) A county with five members on the county board of
supervisors and with a population of less than two million
persons may not have more than seven school districts.
   (d) A county with five members on the county board of
supervisors and with a population of two million persons or
more may not have more than twenty school districts.
3. The inclusion of unorganized territory in which at least one percent of the population attends a public school within the boundaries of a unified school district.

4. The provision of regional or statewide services for administration, instructional and noninstructional support services to rural or isolated schools and school districts or any other school district that wishes to participate in the service plans.

5. Ensuring a smooth and efficient transition from the current number of school districts in the county to the proposed number of school districts, including an examination of the following:
   (a) Mechanisms to allow the elected members of existing school district governing boards to serve out the remainder of their terms.
   (b) Assimilation by the proposed unified school districts of the legal liabilities and other financial and contractual obligations of the school districts being combined into a unified school district.

6. Preserving local control while maximizing an efficient and cost-effective delivery of educational services.

7. Specific mechanisms for paying legal liabilities, contractual obligations, capital debt and overrides previously accumulated by school districts before consolidation or unification, which remain the responsibility of the previously existing school districts. Existing employment contracts remain in effect until the expiration of those contracts.

8. Specific mechanisms for acquiring legal liabilities, contractual obligations, capital debt and overrides by school districts after consolidation or unification.

9. Identifying costs attributable to consolidation or unification.

Sec. 5. Unification and consolidation plans; deadlines

A. On or before June 30, 2026, the governing board of each school district, in cooperation with other school districts in that county, shall develop, adopt and publish a plan to unify, consolidate or unify and consolidate the school district with other school districts within that county. The plan shall be submitted to the county school superintendent and shall be based on the feasibility study prescribed in section 4 of this act. Notwithstanding title 15, chapter 4, article 3, Arizona Revised Statutes, any consolidation or unification plan adopted pursuant to this section shall include a process to unify or consolidate without an election if all affected governing boards approve resolutions approving
the unification or consolidation and certify their approval of
the unification or consolidation to the county school
superintendent of the county or counties in which the
individual school districts are located. A school district
that is unified or consolidated without an election pursuant
to this subsection may increase the revenue control limit and
district support level for the first three years of operation
by an amount determined as follows:
1. In the first year for which a budget is computed,
seven percent of the revenue control limit.
2. In the second year for which a budget is computed,
five percent of the revenue control limit.
3. In the third year for which a budget is computed,
three percent of the revenue control limit.
B. Each county school superintendent shall provide
assistance, resources and technical support to the school
districts within that county that are developing the plan to
unify, consolidate or unify and consolidate.
C. Unless the deadline is adjusted pursuant to
subsection D of this section, if the governing boards of the
school districts within the county do not adopt a plan on or
before June 30, 2026 to unify, consolidate or unify and
consolidate, the county school superintendent shall develop
and publish a plan to unify, consolidate or unify and
consolidate the school districts within that county.
Notwithstanding title 15, chapter 4, article 3, Arizona
Revised Statutes, any consolidation or unification plan
adopted pursuant to this subsection shall be executed without
an election.
D. The county school superintendent may shorten or
extend the deadline prescribed in subsection C of this section
for school districts to adopt a plan to unify, consolidate or
unify and consolidate, except that the deadline shall not
extend beyond June 30, 2027. If the governing boards of the
school districts within the county do not adopt a plan by the
extended deadline, the county school superintendent shall
develop and publish a plan to unify, consolidate or unify and
consolidate the school districts within that county.
Notwithstanding title 15, chapter 4, article 3, Arizona
Revised Statutes, any consolidation or unification plan
adopted pursuant to this subsection shall be executed without
an election.
E. The proposed plans adopted by school district
governing boards or the county school superintendent shall
include the components identified in section 4 of this act.
Sec. 6. Union high school districts; elimination; retention of governing board members

A. Notwithstanding any other law, unless an extension is granted pursuant to section 5 of this act, the authority to form and operate union high school districts in this state ends on June 30, 2028.

B. Notwithstanding title 15, chapter 4, article 3, Arizona Revised Statutes, on or before January 1, 2027, unless an extension is granted pursuant to section 5 of this act, the governing board of a union high school district shall either:

1. Consolidate two or more of the common school districts within the boundaries of the union high school district into one common school district and dissolve the union high school district.

2. Consolidate two or more of the common school districts into one common school district and unify the consolidated district with the union high school district to form one unified school district and dissolve the union high school district.

3. Dissolve the union high school district and convert the common school districts that were within the boundaries of the union high school district into common school districts that are no longer within the boundaries of a union high school district.

4. Convert the union high school district into a high school district.

C. Unless an extension is granted pursuant to section 5 of this act, if a union high school district does not comply with subsection B of this section on or before January 1, 2027, the county school superintendent, on or before June 30, 2027, shall either:

1. Consolidate two or more of the common school districts within the boundaries of the union high school district into one common school district and dissolve the union high school district.

2. Consolidate two or more of the common school districts into one common school district and unify the consolidated district with the union high school district to form one unified school district and dissolve the union high school district.

3. Dissolve the union high school district and convert the common school districts that were within the boundaries of the union high school district into common school districts that are no longer within the boundaries of a union high school district.
4. Convert the union high school district into a high school district.

D. If an extension is granted pursuant to section 5 of this act, the authority for the union high school district to operate ends on June 30, 2029.

E. All persons serving as members of the governing board of a union high school district may continue to serve on the governing board of the resulting common school district or common school districts, unified school district or high school district until expiration of their normal terms.

Sec. 7. Small school districts; budget revisions for fiscal years 2028-2029, 2029-2030, and 2030-2031

The budget revisions that are allowed pursuant to section 15-949, Arizona Revised Statutes, shall be reduced by the following amounts in each of the following fiscal years:

1. In fiscal year 2028-2029, the amount calculated by a school district pursuant to section 15-949, Arizona Revised Statutes, shall be reduced by twenty-five percent.

2. In fiscal year 2029-2030, the amount calculated by a school district pursuant to section 15-949, Arizona Revised Statutes, shall be reduced by fifty percent.

3. In fiscal year 2030-2031, the amount calculated by a school district pursuant to section 15-949, Arizona Revised Statutes, shall be reduced by seventy-five percent.

Sec. 8. Unification of existing school districts; transition plan

The governing board of each school district that is not a unified school district on the effective date of this act shall develop a transition plan within ninety days after the effective date of this act to comply with the requirements of this act on or before July 1, 2028.

Sec. 9. Appropriations; counties; school district unification and consolidation costs

A. The sum of $250,000 is appropriated from the state general fund in fiscal year 2023-2024 to each board of supervisors of a county with a population of five hundred thousand persons or less for costs associated with implementing this act, including feasibility studies.

B. The sum of $750,000 is appropriated from the state general fund in fiscal year 2023-2024 to each board of supervisors of a county with a population of more than five hundred thousand persons for costs associated with implementing this act, including feasibility studies.
Sec. 10. **Conforming legislation**

The legislative council staff shall prepare proposed legislation conforming the Arizona Revised Statutes to the provisions of this act for consideration in the fifty-sixth legislature, first regular session.

2. The Secretary of State shall submit this proposition to the voters at the next general election as provided by article IV, part 1, section 1, Constitution of Arizona.