

COMMITTEE ON EDUCATION  
SENATE AMENDMENTS TO H.B. 2124  
(Reference to House engrossed bill)

1 Strike everything after the enacting clause and insert:

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

4 15-448. Formation of unified school district; board  
5 membership; budget

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

12 B. Formation of a unified school district shall be by resolutions  
13 approved by the governing boards of the unifying school districts and  
14 certification of approval by such governing boards to the county school  
15 superintendent of the county or counties in which such individual school  
16 districts are located. A common school district and high school district  
17 that unify pursuant to this section shall not exclude from the same  
18 unification a common school district that has overlapping boundaries with  
19 the high school district and that wishes to unify. Except as provided in  
20 subsection D of this section, the formation of a unified school district  
21 becomes effective on July 1 of the next fiscal year following the  
22 certification of the county school superintendent. An election is not  
23 required to form a unified school district pursuant to this section. Notice  
24 of the proposed vote of the governing boards on the resolutions prescribed  
25 in this subsection shall be posted in at least three public places in each

1 of the school districts proposed to be unified at least ninety days before  
2 the proposed vote. At least ninety days before the governing boards vote  
3 on the resolutions prescribed in this subsection, the governing boards  
4 shall mail a pamphlet to each household with one or more qualified electors  
5 that lists the full cash value, the assessed valuation and the estimated  
6 amount of the primary property taxes and the estimated amount of the  
7 secondary property taxes under the proposed unification for each of the  
8 following:

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

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

15 3. An owner-occupied residence whose assessed valuation is twice the  
16 assessed valuation of the residence in paragraph 1 of this subsection.

17 4. A business whose assessed valuation is the average of the  
18 assessed valuation of property classified as class one, as prescribed by  
19 section 42-12001, paragraphs 12 and 13 for the current year in the school  
20 district.

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

31 D. On formation of the unified school district, the governing board  
32 consists of the members of the former school district governing boards and

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

7 E. Beginning on January 1 following the first general election after  
8 formation of the unified school district, the governing board shall have  
9 five members. At the first general election after the formation of the  
10 district, members shall be elected in the following manner:

11 1. The three candidates receiving the highest, the second highest  
12 and the third highest number of votes shall be elected to four-year terms.

13 2. The two candidates receiving the fourth and fifth highest number  
14 of votes shall be elected to two-year terms. Thereafter all offices shall  
15 have four-year terms.

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

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

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

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

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

11           I. On formation of a unified school district, any existing override  
12 authorization of the former high school district and the former common  
13 school district or districts shall continue until expiration based on the  
14 revenue control limit of the school district or districts that had override  
15 authorization before unification. The unified school district may request  
16 new override authorization for the budget year as provided in section  
17 15-481 based on the combined revenue control limit of the new district  
18 after unification. If the unified school district's request for override  
19 authorization is approved, it will replace any existing override for the  
20 budget year.

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

27           1. If the former high school district had outstanding bonded  
28 indebtedness at the time of unification, the combined tuition for the group  
29 of high school pupils who reside in each common school district shall  
30 include a debt service amount for the former high school district's  
31 outstanding bonded indebtedness that is determined as follows:

1 (a) Divide the total net assessed valuation of the common school  
2 district in which the group of pupils resides by the total net assessed  
3 valuation of the former high school district. For the purposes of this  
4 subdivision, "net assessed valuation" means net assessed valuation for the  
5 tax year before the year when the unified school district governing board  
6 is constituted pursuant to subsection D of this section and includes the  
7 values used to determine voluntary contributions collected pursuant to  
8 title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

9 (b) Multiply the quotient obtained in subdivision (a) of this  
10 paragraph by the unified school district's annual debt service expenditure.

11 2. The debt service portion of such tuition payments calculated  
12 pursuant to paragraph 1 of this subsection shall be used exclusively for  
13 debt service of the outstanding bonded indebtedness of the former high  
14 school district. When such indebtedness is fully extinguished, the debt  
15 service portion of a pupil's tuition shall be determined in accordance with  
16 paragraph 3 of this subsection.

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

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

26 5. ~~Notwithstanding section 15-951, subsection F,~~ The revenue control  
27 limit of the common school district shall include the full amount of the  
28 debt service portion of the tuition calculated pursuant to this subsection.

29 K. All assets and liabilities of the unifying school districts shall  
30 be transferred and assumed by the new unified school district. Any  
31 existing bonded indebtedness of a common school district or a high school  
32 district unifying pursuant to this section shall be assumed by the new

1 unified school district and shall be regarded as an indebtedness of the new  
2 unified school district for the purpose of determining the debt incurring  
3 authority of the district. Taxes for the payment of such bonded  
4 indebtedness shall be levied on all taxable property in the new unified  
5 school district, but nothing in this subsection shall be construed to  
6 relieve from liability to taxation for the payment of all taxable property  
7 of the former high school district if necessary to prevent a default in the  
8 payment of any bonded indebtedness of the former high school district. The  
9 residents of a common school district that does not unify shall not vote in  
10 bond or override elections of the unified school district and shall not be  
11 assessed taxes as a result of a bond or override election of the unified  
12 school district.

13 L. If the remaining common school district had authorization for an  
14 override as provided in section 15-481 or 15-482, the override  
15 authorization continues for the remaining common school district or  
16 districts in the same manner as before the formation of the unified school  
17 district.

18 M. The bonding authorization and bonding limitations continue for  
19 the remaining common school district or districts in the same manner as  
20 before the formation of the unified school district.

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

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

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

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

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

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

7           P. A unified school district may calculate its revenue control limit  
8 and district support level by using subsection 0 of this section as  
9 follows:

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

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

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

16           4. If the amount determined in paragraph 3 of this subsection  
17 exceeds the student count of the unified school district, the unified  
18 school district is eligible to use subsection 0 of this section.

19           Q. Subsections 0 and P of this section shall remain in effect until  
20 the aggregate student count of the common school districts before  
21 unification exceeds the aggregate number of students of the common school  
22 districts before unification authorized to utilize section 15-943,  
23 paragraph 1, subdivision (a).

24           Sec. 2. Section 15-823, Arizona Revised Statutes, is amended to  
25 read:

26           15-823. Admission; residents of other school districts;  
27                                   nonresidents of this state; tuition

28           A. Except as provided in subsections B, C, D, E, F, G and H of this  
29 section, children of nonresidents of this state may be admitted on payment  
30 of a reasonable tuition fixed by the governing board.

31           B. The governing board shall admit children of nonresident teaching  
32 and research faculty of community college districts and state universities

1 and children of nonresident graduate or undergraduate students of community  
2 college districts and state universities whose parent's presence at the  
3 district or university is of international, national, state or local  
4 benefit without payment of tuition.

5 C. The governing board shall admit children who are residents of the  
6 United States but who are nonresidents of this state without payment of  
7 tuition if evidence indicates that the child's physical, mental, moral or  
8 emotional health is best served by placement with a grandparent, brother,  
9 sister, stepbrother, stepsister, aunt or uncle who is a resident within the  
10 school district, unless the governing board determines that the placement  
11 is solely for the purpose of obtaining an education in this state without  
12 payment of tuition.

13 D. The governing board may admit nonresident foreign students who  
14 are in exchange programs without payment of tuition or as it may otherwise  
15 prescribe.

16 E. Notwithstanding subsection D of this section, ~~beginning in the~~  
17 ~~2016-2017 school year~~ the governing board may admit the same number of  
18 nonresident foreign students who are in exchange programs and who are  
19 recipients of a J-1 visa pursuant to federal law, that is equal to the  
20 number of resident students enrolled in that local education agency who are  
21 currently participating in a foreign exchange program, as determined by the  
22 department, without the payment of tuition.

23 F. The governing board may admit children who are residents of the  
24 United States without payment of tuition if evidence indicates that because  
25 the parents are homeless or the child is abandoned, as defined in section  
26 8-201, the child's physical, mental, moral or emotional health is best  
27 served by placement with a person who does not have legal custody of the  
28 child and who is a resident within the school district, unless the  
29 governing board determines that the placement is solely for the purpose of  
30 obtaining an education in this state without payment of tuition.



1           G. The governing board may admit children who are residents of the  
2 United States, but who are nonresidents of this state, without payment of  
3 tuition if all of the following conditions exist:

4           1. The child is a member of a federally recognized Indian tribe.

5           2. The child resides on Indian lands that are under the jurisdiction  
6 of the tribe of which the child is a member.

7           3. The area in the boundaries of the reservation where the child  
8 resides is located both in this state and in another state of the United  
9 States.

10          4. The governing board enters into an intergovernmental agreement  
11 with the governing board of the school district in another state in which  
12 the nonresident child resides. The intergovernmental agreement shall  
13 specify the number of nonresident children admitted in this state and the  
14 number of resident children that are admitted by the governing board in  
15 another state.

16          H. The governing board may admit children who are residents of the  
17 United States, but who are nonresidents of this state, without payment of  
18 tuition if all of the following conditions exist:

19          1. The child is enrolled in a year-round residential boarding  
20 academy located in this state specializing in intensive instruction and  
21 skill development in sports, music or acting.

22          2. The child's parents have executed a current notarized  
23 guardianship agreement covering the child while enrolled at the academy,  
24 which is a condition of enrollment at the academy and authorizes academy  
25 representatives to act on behalf of the child's parent or legal guardian in  
26 making all decisions on a daily basis as to the child's activities and  
27 needs for medical, educational and other personal issues.

28          I. The governing board shall charge reasonable tuition for the  
29 number of nonresident pupils who reside in another state and who are  
30 admitted by a governing board in this state pursuant to subsection G of  
31 this section that exceeds the number of resident pupils from this state who  
32 are admitted into a school district by the other state.

1 J. The governing board of a school district shall pay reasonable  
2 tuition for the number of resident pupils who reside in that school  
3 district and who are admitted by a school district in another state  
4 pursuant to subsection G of this section that exceeds the number of  
5 nonresident pupils from that other state who are admitted by the governing  
6 board into that school district in this state.

7 ~~K. Children admitted under this section shall be counted or not~~  
8 ~~counted as resident pupils as prescribed in section 15-824, subsection D.~~

9 ~~L.~~ K. Except as provided in subsections E, ~~AND H~~ and ~~K~~ of this  
10 section, a school district or a charter school shall not include pupils who  
11 are not residents of this state in the district's or charter school's  
12 student count and shall not obtain state funding for those pupils.

13 Sec. 3. Section 15-824, Arizona Revised Statutes, is amended to  
14 read:

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

17 A. The governing board of a school district shall admit pupils from  
18 another school district or area as follows:

19 1. On the presentation of a certificate of educational convenience  
20 issued by the county school superintendent pursuant to section 15-825.

21 2. For three hundred fifty or fewer pupils, to a high school without  
22 the presentation of such a certificate, if the pupil is a resident of a  
23 common school district within this state that is not within a high school  
24 district and that does not offer instruction in the pupil's grade. The  
25 three hundred fifty or fewer pupil limitation prescribed in this paragraph  
26 does not apply to a small isolated school district as defined in section  
27 15-901. ~~Tuition shall be charged as prescribed in subsection E of this~~  
28 ~~section for each pupil admitted pursuant to this paragraph, each pupil from~~  
29 ~~a school district that provides only financing for pupils who are~~  
30 ~~instructed by another school district and each pupil from a unified~~  
31 ~~district that does not offer instruction in the pupil's grade.~~ The school  
32 membership of such pupils is deemed, for the purpose of determining student

1 count and for apportionment of state aid, to be enrollment in the school  
2 district of the pupil's ~~residence~~ ATTENDANCE.

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

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

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

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

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

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

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

31 ~~1. The number of high school pupils for which tuition may be charged~~  
32 ~~to a common 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 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 school district increases its revenue control limit and district support level.~~

~~2.~~ 1. 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.~~ 2. Notwithstanding paragraph ~~2~~ 1 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

1 school districts enter into an agreement and choose to renew the agreement,  
2 each renewal shall not be longer than five consecutive years. The  
3 agreement shall specify that a parent or legal guardian of a pupil affected  
4 by a tuition agreement entered pursuant to this section or section  
5 15-816.01 may choose not to send the pupil or pupils to a school district  
6 or school that is a party to the agreement.

7 ~~4.~~ 3. Tuition of pupils as provided in section 15-825, subsection D  
8 shall not exceed the excess costs for group B children with disabilities  
9 minus the amount generated by the equalization base as determined in  
10 section 15-971, subsection A for these pupils. A school district may  
11 submit to the superintendent of public instruction a record of actual  
12 excess costs to educate a group B child with a disability if the costs are  
13 higher than the calculated excess costs or if a pupil has been placed in a  
14 private school for special education services. The superintendent shall  
15 determine if the additional costs will be paid, and if the costs are paid,  
16 whether the additional costs will be paid by the state or the resident  
17 district.

18 ~~5.~~ 4. The amount received representing contributions to capital  
19 outlay as provided in subsection G, paragraph 1, subdivision (b) of this  
20 section shall be applied to the capital outlay fund or the debt service  
21 fund of the school district.

22 ~~6.~~ 5. The amount received representing contributions to debt  
23 service as provided in subsection G, paragraph 1, subdivisions (c) and (d)  
24 of this section shall be applied to the debt service fund of the school  
25 district if there is one. Otherwise the amount shall be credited to the  
26 capital outlay fund of the school district.

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

1 school district for these additional costs subject to legislative  
2 appropriation.

3 G. For the purposes of this section:

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

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

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

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

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

23 (i) ~~Seven hundred fifty dollars~~ \$750 if the pupil's school district  
24 of residence pays tuition for seven hundred fifty or fewer pupils to other  
25 school districts or ~~one hundred fifty dollars~~ \$150 if the state pays  
26 tuition for seven hundred fifty or fewer pupils to a school district  
27 pursuant to section 15-825, subsection D or section 15-976.

28 (ii) ~~Eight hundred dollars~~ \$800 if the pupil's school district of  
29 residence pays tuition for one thousand or fewer, but more than seven  
30 hundred fifty, pupils to other school districts or ~~two hundred dollars~~ \$200  
31 if the state pays tuition for one thousand or fewer, but more than seven

1 hundred fifty, pupils to a school district pursuant to section 15-825,  
2 subsection D or section 15-976.

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

6 2. "Legal custody" means:

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

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

13 Sec. 4. Section 15-825, Arizona Revised Statutes, is amended to  
14 read:

15 15-825. Certificate of educational convenience; issuance;  
16 effect on enrollment records

17 A. A pupil who is precluded by distance or lack of adequate  
18 transportation facilities from attending a school in the school district or  
19 county of the pupil's residence or who resides in unorganized territory may  
20 apply to the county school superintendent for a certificate of educational  
21 convenience. If it appears to the county school superintendent that it is  
22 not feasible for the pupil to attend a school in the school district or  
23 county of residence, the county school superintendent shall issue a  
24 certificate OF EDUCATIONAL CONVENIENCE authorizing the pupil to attend a  
25 school in an adjoining school district or county, whether within or without  
26 this state. If a certificate of educational convenience is issued as  
27 provided in this subsection, the school enrollment of a pupil is as  
28 follows:

29 1. The school enrollment of a pupil who is precluded from attending  
30 a school in this state and who must attend school in another state, when  
31 certified to the county school superintendent by the official in charge of  
32 the school attended, is deemed for the purpose of determining student count

1 to be enrollment in the school of the county or school district of the  
2 student's residence.

3 2. The school enrollment of a pupil from unorganized territory or  
4 from another school district is deemed for the purpose of determining  
5 student count to be enrollment in the school district of actual attendance.

6 B. The county school superintendent of any county in which a pupil  
7 is placed as described in this subsection shall issue a certificate of  
8 educational convenience for the pupil to attend school in the school  
9 district or adjoining school district to that in which the pupil is placed  
10 by an agency of this state or a state or federal court of competent  
11 jurisdiction in one of the following:

12 1. A state rehabilitation or corrective institution.

13 2. A foster home or child care agency or institution ~~which~~ THAT is  
14 licensed and supervised by the department of child safety or the department  
15 of health services.

16 3. A residential facility THAT IS operated or supported by the  
17 department of economic security or the department of health services.

18 4. Under the supervision of the department of juvenile corrections,  
19 ~~in~~ a residence pursuant to the interstate compact on juveniles.  
20 Notwithstanding section 41-1959, the placing agency, department or  
21 institution shall provide the school district of attendance with the  
22 necessary information to enable the district to obtain a certificate of  
23 educational convenience pursuant to this subsection.

24 C. A pupil attending school under a certificate of educational  
25 convenience issued pursuant to subsection B of this section is deemed for  
26 the purpose of determining student count to be enrolled in the school  
27 district of attendance. The county school superintendent of any county  
28 shall not issue a certificate of educational convenience as provided in  
29 subsection B of this section if the pupil is placed in the same district of  
30 the pupil's parents' or legal guardians' residence or if the pupil is  
31 placed without a court order and the pupil's parents or legal guardians are  
32 not residents of this state.



1           D. If a certificate of educational convenience is issued as provided  
2 in subsection B of this section, or for a pupil whose parent or guardian is  
3 employed and domiciled by a state institution as prescribed by section  
4 15-976, tuition may be charged as follows:

5           1. For group B children with disabilities:

6           (a) Who are from unorganized territory, whose parent or guardian is  
7 employed by a state institution as prescribed by section 15-976 or who have  
8 been issued a certificate of educational convenience pursuant to subsection  
9 B of this section, the superintendent of public instruction shall reimburse  
10 the district of attendance for the excess costs as provided in section  
11 15-824, subsection E, paragraph ~~4~~ 3.

12           (b) Who are from another school district, the school district of  
13 residence shall reimburse the district of attendance for the excess costs  
14 as provided in section 15-824, subsection E, paragraph ~~4~~ 3.

15           2. For pupils who are precluded from attending a school in this  
16 state and who must attend a school in another state:

17           (a) If the pupil resides in a school district in this state, the  
18 district of residence shall pay the amount charged by the district of  
19 attendance.

20           (b) If the pupil resides in unorganized territory, the  
21 superintendent of public instruction shall pay the amount charged by the  
22 district of attendance.

23           E. The county school superintendent who issues a certificate of  
24 educational convenience shall notify the superintendent of public  
25 instruction of the issuance of the certificate. The superintendent of  
26 public instruction shall draw a warrant in favor of the school district of  
27 actual attendance for the amount charged, whether for common or high school  
28 attendance, as provided in section 15-824.

29           F. The total amount of state monies that may be spent in any fiscal  
30 year by the superintendent of public instruction for certificates of  
31 educational convenience shall not exceed the amount appropriated or  
32 authorized by section 35-173 for that purpose. This section does not

1 impose a duty on an officer, agent or employee of this state to discharge a  
2 responsibility or to create any right in a person or group if the discharge  
3 or right would require an expenditure of state monies in excess of the  
4 expenditure authorized by legislative appropriation for that specific  
5 purpose.

6 Sec. 5. Section 15-910, Arizona Revised Statutes, is amended to  
7 read:

8 15-910. School district budgets; excess utility costs;  
9 desegregation costs; tuition costs for bond issues;  
10 costs for registering warrants; report

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

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

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

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

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

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

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

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

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

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

28           G. The governing board may budget for expenses of complying with or  
29 continuing to implement activities that were required or permitted by a  
30 court order of desegregation or administrative agreement with the United  
31 States department of education office for civil rights directed toward  
32 remediating alleged or proven racial discrimination that are specifically

1 exempt in whole or in part from the revenue control limit and district  
2 additional assistance. This exemption applies only to expenses incurred  
3 for activities that are begun before the termination of the court order or  
4 administrative agreement. If a district is levying a property tax on  
5 February 23, 2006 and using those monies to administer an English language  
6 learner program to remedy alleged or proven discrimination under title VI  
7 of the civil rights act of 1964 (42 United States Code section 2000d), the  
8 district may spend those monies to remedy a violation of the equal  
9 educational opportunities act of 1974 (20 United States Code section  
10 1703(f)). Nothing in this subsection allows a school district to levy a  
11 property tax for violations of the equal educational opportunities act of  
12 1974 (20 United States Code section 1703(f)) in the absence of an alleged  
13 or proven discrimination under title VI of the civil rights act of 1964 (42  
14 United States Code section 2000d).

15 H. If a governing board chooses to budget monies outside of the  
16 revenue control limit as provided in subsection G of this section, the  
17 governing board may do one of the following:

18 1. Use monies from the maintenance and operation fund equal to any  
19 excess desegregation or compliance expenses beyond the revenue control  
20 limit before June 30 of the current year.

21 2. Notify the county school superintendent to include the cost of  
22 the excess expenses in the county school superintendent's estimate of the  
23 additional amount needed for the school district from the secondary  
24 property tax as provided in section 15-991.

25 3. Employ the provisions of both paragraphs 1 and 2 of this  
26 subsection, provided that the total amount transferred and included in the  
27 amount needed from property taxes does not exceed the total amount budgeted  
28 as prescribed in subsection J, paragraph 1 of this section.

29 I. If a governing board chooses to budget monies outside of district  
30 additional assistance as provided in subsection G of this section, the  
31 governing board may notify the county school superintendent to include the  
32 cost of the excess expenses in the county school superintendent's estimate

1 of the additional amount needed for the school district from the secondary  
2 property tax as provided in section 15-991.

3 J. A governing board using subsections G, H and I of this section:

4 1. Shall prepare and employ a separate maintenance and operation  
5 desegregation budget and capital outlay desegregation budget on a form  
6 prescribed by the superintendent of public instruction in conjunction with  
7 the auditor general. The budget format shall be designed to allow a school  
8 district to plan and provide in detail for expenditures to be incurred  
9 solely as a result of compliance with or continuing to implement activities  
10 that were required or permitted by a court order of desegregation or  
11 administrative agreement with the United States department of education  
12 office for civil rights directed toward remediating alleged or proven  
13 racial discrimination.

14 2. Shall prepare as a part of the annual financial report a detailed  
15 report of expenditures incurred solely as a result of compliance with or  
16 continuing to implement activities that were required or permitted by a  
17 court order of desegregation or administrative agreement with the United  
18 States department of education office for civil rights directed toward  
19 remediating alleged or proven racial discrimination, in a format prescribed  
20 by the auditor general in conjunction with the Arizona department of  
21 education as provided by section 15-904.

22 3. On or before July 15 each year, shall collect and report data  
23 regarding activities related to a court order of desegregation or an  
24 administrative agreement with the United States department of education  
25 office for civil rights directed toward remediating alleged or proven  
26 racial discrimination in a format prescribed by the Arizona department of  
27 education. The Arizona department of education shall compile and submit  
28 copies of the reports to the governor, the president of the senate, the  
29 speaker of the house of representatives and the chairpersons of the  
30 education committees of the senate and the house of representatives and  
31 shall submit a copy to the secretary of state. A school district that  
32 becomes subject to a new court order of desegregation or a party to an

1 administrative agreement with the United States department of education  
2 office for civil rights directed toward remediating alleged or proven  
3 racial discrimination shall submit these reports on or before July 15 or  
4 within ninety days of the date of the court order or administrative  
5 agreement, whichever occurs first. The Arizona department of education, in  
6 consultation with the auditor general, shall develop reporting requirements  
7 to ensure that school districts submit at least the following information  
8 and documentation to the Arizona department of education:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

29 (p) Verification that the desegregation funding will be used to  
30 accomplish specific actions to remediate proven discrimination pursuant to  
31 title VI of the civil rights act of 1964 (42 United States Code section  
32 2000d) as specified in the court order or administrative agreement.

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

3 (r) An estimate of when the school district will be in compliance  
4 with the court order or administrative agreement and a detailed account of  
5 the steps that the school district will take to achieve compliance.

6 (s) Any other information that the Arizona department of education  
7 deems necessary to carry out the purposes of this paragraph.

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

- 13 1. Be educationally justifiable.
- 14 2. Result in equal education opportunities for all pupils in the  
15 school district.
- 16 3. Be used to promote systemic and organizational changes within the  
17 school district.
- 18 4. Be used in accordance with the academic standards adopted by the  
19 state board of education pursuant to sections 15-701 and 15-701.01.
- 20 5. Be used to accomplish specific actions to remediate proven  
21 discrimination pursuant to title VI of the civil rights act of 1964  
22 (42 United States Code section 2000d) as specified in the court order or  
23 administrative agreement.
- 24 6. Be used in accordance with a plan submitted to the department of  
25 education that includes an estimate of the amount of monies that will be  
26 required to bring the school district into compliance with the court order  
27 or administrative agreement and an estimate of when the school district  
28 will be in compliance with the court order or administrative agreement.
- 29 7. Each fiscal year, not exceed the amount budgeted by the school  
30 district for desegregation expenses in fiscal year 2008-2009.

31 L. ~~Beginning in fiscal year 2018-2019,~~ Subsections G through K of  
32 this section apply only if the governing board uses revenues from secondary



1 property taxes rather than primary property taxes to fund expenses of  
2 complying with or continuing to implement activities that were required or  
3 allowed by a court order of desegregation or administrative agreement with  
4 the United States department of education office for civil rights directed  
5 toward remediating alleged or proven racial discrimination that are  
6 specifically exempt in whole or in part from the revenue control limit and  
7 district additional assistance. Secondary property taxes levied pursuant  
8 to this subsection do not require voter approval, but shall be separately  
9 delineated on a property owner's property tax statement.

10 ~~M. The governing board may budget for the bond issues portion of the~~  
11 ~~cost of tuition charged the district as provided in section 15-824 for the~~  
12 ~~pupils attending school in another school district, except that if the~~  
13 ~~district is a common school district not within a high school district, the~~  
14 ~~district may only include that part of tuition that is excluded from the~~  
15 ~~revenue control limit and district support level as provided in section~~  
16 ~~15-951. The bond issues portion of the cost of tuition charged is~~  
17 ~~specifically exempt from the revenue control limit of the school district~~  
18 ~~of residence, and the primary property tax rate set to fund this amount~~  
19 ~~shall not be included in the computation of additional state aid for~~  
20 ~~education as provided in section 15-972, except as provided in section~~  
21 ~~15-972, subsection E. The department of education and the auditor general~~  
22 ~~shall include in the maintenance and operation section of the budget~~  
23 ~~format, as provided in section 15-903, a separate category for the bond~~  
24 ~~issues portion of the cost of tuition.~~

25 ~~N.~~ M. The governing board may budget for interest expenses it  
26 incurred for registering warrants drawn against a fund of the school  
27 district or net interest expense on tax anticipation notes as prescribed in  
28 section 35-465.05, subsection C for the fiscal year preceding the current  
29 year if the county treasurer pooled all school district monies for  
30 investment as provided in section 15-996 for the fiscal year preceding the  
31 current year and, in those school districts that receive state aid, the  
32 school districts applied for an apportionment of state aid before the date

1 set for the apportionment as provided in section 15-973 for the fiscal year  
2 preceding the current year. The governing board may budget an amount for  
3 interest expenses for registering warrants or issuing tax anticipation  
4 notes equal to or less than the amount of the warrant interest expense or  
5 net interest expense on tax anticipation notes as prescribed in section  
6 35-465.05, subsection C for the fiscal year preceding the current year as  
7 provided in this subsection that is specifically exempt from the revenue  
8 control limit. For the purposes of this subsection, "state aid" means  
9 state aid as determined in sections 15-971 and 15-972.

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

12 15-951. District additional assistance, district support level  
13 and student count for a common school district not  
14 within a high school district

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

18 1. The base revenue control limit computed as prescribed in section  
19 15-944 but excluding pupils admitted to another school district as provided  
20 in section 15-824, subsection A, paragraph 2.

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

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

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

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

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

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

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

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

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

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

30           E. For the purpose of determining eligibility to increase the  
31 revenue control limit and district support level, the student count for a  
32 common school district not within a high school district is the student

1 count for pupils in kindergarten programs and grades one through twelve,  
2 including pupils enrolled in another school district as provided in section  
3 15-824, subsection A, paragraph 2.

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

8 1. \$150 if the pupil's school district of residence pays tuition for  
9 seven hundred fifty or fewer pupils to other school districts.

10 2. \$200 if the pupil's school district of residence pays tuition for  
11 one thousand or fewer, but more than seven hundred fifty pupils to other  
12 school districts.

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

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

23 H. A newly formed unified school district that meets the  
24 requirements of subsection G of this section and that phases in instruction  
25 for pupils in grades nine through twelve may continue calculating its  
26 budget and equalization assistance pursuant to this section for a maximum  
27 of five years after the first year of the operation of the new high school  
28 in the newly formed unified school district.

29 I. Notwithstanding any other law, a school district may  
30 retroactively adjust its budget for fiscal year 2020-2021 ~~OR 2021-2022~~  
31 pursuant to subsection G or H of this section but may not retroactively

1 adjust its budget for any other fiscal year pursuant to subsection G or H  
2 of this section.

3 Sec. 7. Delayed repeal

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

6 Sec. 8. Section 15-971, Arizona Revised Statutes, is amended to  
7 read:

8 ~~15-971.~~ Determination of equalization assistance payments from  
9 county and state funds for school districts

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

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

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

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

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

23 2. The amount that would be produced by levying the applicable  
24 qualifying tax rate determined pursuant to section 41-1276 for a unified  
25 school district, a common school district not within a high school district  
26 or a common school district within a high school district that offers  
27 instruction in high school subjects as provided in section 15-447. The  
28 qualifying tax rate shall be applied in the following manner:

29 (a) For the purposes of the amount determined in subsection A,  
30 paragraph 1 of this section:

31 (i) Determine separately the percentage that the weighted student  
32 count in preschool programs for children with disabilities, kindergarten

1 programs and grades one through eight and the weighted student count in  
2 grades nine through twelve is to the weighted student count determined in  
3 subtotal A as provided in section 15-943, paragraph 2, subdivision (a).

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

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

12 (c) From the amounts determined in subdivisions (a) and (b) of this  
13 paragraph, subtract the levy that would be produced by the current  
14 qualifying tax rate for a high school district or a common school district  
15 within a high school district that does not offer instruction in high  
16 school subjects as provided in section 15-447. If the qualifying tax rate  
17 generates a levy that is in excess of the total determined in subsection A  
18 of this section, the school district ~~shall~~ IS not ~~be~~ eligible for  
19 equalization assistance. For the purposes of this subsection, "assessed  
20 valuation" includes the values used to determine voluntary contributions  
21 collected pursuant to title 9, chapter 4, article 3 and title 48, chapter  
22 1, article 8 and the assessed value of all property subject to the  
23 government property lease excise tax pursuant to title 42, chapter 6,  
24 article 5.

25 3. The amount that would be produced by levying a qualifying tax  
26 rate in a career technical education district, which shall be ~~five cents~~  
27 ~~\$.05~~ per ~~one hundred dollars~~ \$100 assessed valuation unless the legislature  
28 sets a lower rate by law.

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

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

1           2. Determine the total amount of state equalization assistance  
2 collected for all school districts in the county as provided in section  
3 15-994 **AND THE MONIES COLLECTED PURSUANT TO SECTION 15-992, SUBSECTION F.**

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

6           4. Multiply the amount determined in subsections A and B of this  
7 section by the quotient determined in paragraph 3 of this subsection for  
8 each school district.

9           5. The amount determined in paragraph 4 of this subsection shall be  
10 the county aid for equalization assistance for education for a school  
11 district.

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

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

16           2. For each county, determine the levy that would be produced by the  
17 state equalization assistance property tax rate prescribed in section  
18 15-994, subsection A.

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

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

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

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

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

7           H. In addition to state general fund appropriations, all amounts  
8 received pursuant to section 37-521, subsection B, paragraph 3, section  
9 42-5029, subsection E, paragraph 5 and SECTION 42-5029.02, subsection A,  
10 paragraph 5 and from any other source for the purposes of this section are  
11 appropriated for state aid to schools as provided in this section.

12           I. The total amount of state monies that may be spent in any fiscal  
13 year for state equalization assistance shall not exceed the amount  
14 appropriated or authorized by section 35-173 for that purpose. This  
15 section does not impose a duty on an officer, agent or employee of this  
16 state to discharge a responsibility or create any right in a person or  
17 group if the discharge or right would require an expenditure of state  
18 monies in excess of the expenditure authorized by legislative appropriation  
19 for that specific purpose.

20           Sec. 9. Section 15-992, Arizona Revised Statutes, is amended to  
21 read:

22           15-992. School district tax levy; additional tax in districts  
23                           ineligible for equalization assistance; definition

24           A. The board of supervisors of each county, at the time of levying  
25 other taxes, shall annually levy school district taxes on the property in  
26 any school district in which additional amounts are required, which shall  
27 be at rates prescribed in this section. A delinquency factor for estimated  
28 uncollected taxes may not be included in the computation of the primary tax  
29 rate for school district taxes. Local property taxes may not be levied for  
30 any deficit in the classroom site fund. The taxes shall be added to and  
31 collected in the same manner as other county taxes on the property within  
32 the school district. The amount of the school district taxes levied on the



1 property in a particular school district shall be paid into the school fund  
2 of that school district.

3 B. At the same time of levying taxes as provided in subsection A of  
4 this section, the county board of supervisors shall annually levy an  
5 additional tax in each school district that is not eligible for  
6 equalization assistance as provided in section 15-971 in an amount  
7 determined as follows:

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

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

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

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

23 E. The tax levy prescribed in subsection A of this section shall be  
24 a rate equal to the applicable qualifying tax rate or rates as prescribed  
25 in section 15-971, subsection B or a rate that would result in a levy that  
26 equals the school district equalization assistance base prescribed in  
27 section 15-971 subtracted by any amount received pursuant to section  
28 15-905, subsections K, O and P per ~~one hundred dollars~~ \$100 of assessed  
29 valuation used for primary property taxes, whichever is less.

30 F. AT THE SAME TIME OF LEVYING TAXES AS PROVIDED IN SUBSECTION A OF  
31 THIS SECTION, THE COUNTY BOARD OF SUPERVISORS SHALL ANNUALLY LEVY AN  
32 ADDITIONAL TAX IN EACH COMMON SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL

1 DISTRICT THAT IS EQUAL TO THE COUNTYWIDE AVERAGE PER PUPIL EQUALIZATION  
2 BASE FOR HIGH SCHOOL PUPILS MULTIPLIED BY THE NUMBER OF RESIDENT HIGH  
3 SCHOOL PUPILS IN THE COMMON SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL  
4 DISTRICT DURING THE PRIOR SCHOOL YEAR. THE MONIES COLLECTED PURSUANT TO  
5 THIS SUBSECTION SHALL BE ADDED TO COUNTY AID FOR EQUALIZATION ASSISTANCE  
6 FOR EDUCATION PURSUANT TO SECTION 15-971, SUBSECTION C. ON OR BEFORE JULY  
7 1 OF EACH YEAR, THE DEPARTMENT OF EDUCATION SHALL PROVIDE EACH COUNTY BOARD  
8 OF SUPERVISORS WITH THE COUNTYWIDE AVERAGE PER PUPIL EQUALIZATION BASE FOR  
9 HIGH SCHOOL PUPILS, THE NUMBER OF RESIDENT HIGH SCHOOL PUPILS IN THE COMMON  
10 SCHOOL DISTRICT NOT WITHIN A HIGH SCHOOL DISTRICT DURING THE PRIOR SCHOOL  
11 YEAR AND ANY OTHER INFORMATION REQUESTED BY THE COUNTY BOARD OF SUPERVISORS  
12 FOR THE PURPOSES OF LEVYING THE TAX PRESCRIBED IN THIS SUBSECTION.

13 ~~F.~~ G. At the time of levying taxes as provided in subsection E of  
14 this section, the county school superintendent shall annually validate any  
15 additional primary school district tax levy amount requests from each  
16 school district and levy the sum of the following amounts:

17 1. A rate that would result in a levy that equals the difference  
18 between the transportation revenue control limit as determined in section  
19 15-946 and the transportation support level as determined in section 15-945  
20 or a lesser amount.

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

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

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

27 5. A rate that would result in a levy that equals any amount for  
28 liabilities in excess of the school district budget pursuant to section  
29 15-907.

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

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

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

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

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

21           ~~H.~~ H. For the purposes of this section, "assessed valuation"  
22 includes the values used to determine voluntary contributions collected  
23 pursuant to title 9, chapter 4, article 3 and title 48, chapter 1,  
24 article 8.

25           Sec. 10. Extraordinary special education needs fund;  
26                           department of education; grants

27           Notwithstanding section 15-774, Arizona Revised Statutes, in fiscal  
28 years 2023-2024, 2024-2025 and 2025-2026, the department of education shall  
29 accept and review requests for grant monies from the extraordinary special  
30 education needs fund established by section 15-774, Arizona Revised  
31 Statutes, by school districts that offer high school services and that  
32 demonstrate a substantial and negative financial impact associated with

1 accepting students with special education needs who previously had been  
2 paid through tuition and now are accepted via open enrollment. The  
3 department of education shall award grant monies to school districts that  
4 satisfy the requirements of this section.

5 Sec. 11. Effective date

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

8 Amend title to conform

2124ED  
03/10/2022  
01:37 PM  
C: HN