

REFERENCE TITLE: schools; certificates of educational convenience

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SB 1361

Introduced by
Senator Boyer

AN ACT

AMENDING SECTIONS 15-824, 15-825, 15-825.01 AND 15-947, ARIZONA REVISED STATUTES; RELATING TO SCHOOL ADMISSION REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-824, Arizona Revised Statutes, is amended to
3 read:

4 **15-824. Admission of pupils of other school districts;**
5 **homeless children; tuition charges; definitions**

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

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

10 2. For three hundred fifty or fewer pupils, to a high school
11 without the presentation of such a certificate, if the pupil is a resident
12 of a common school district within this state that is not within a high
13 school district and that does not offer instruction in the pupil's
14 grade. The three hundred fifty or fewer pupil limitation prescribed in
15 this paragraph does not apply to a small isolated school district as
16 defined in section 15-901. Tuition shall be charged as prescribed in
17 subsection E of this section for each pupil admitted pursuant to this
18 paragraph, each pupil from a school district that provides only financing
19 for pupils who are instructed by another school district and each pupil
20 from a unified district that does not offer instruction in the pupil's
21 grade. The school membership of such pupils is deemed, for the purpose of
22 determining student count and for apportionment of state aid, to be
23 enrollment in the school district of the pupil's residence.

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

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

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

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

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

39 D. The school enrollment of a pupil who is a resident of this state
40 or who is admitted to a school district under section 15-823, subsection
41 B, C, E, F or H is deemed, for the purpose of determining student count
42 and for apportionment of state aid, to be enrollment in the school
43 district of actual attendance, except as provided in section 15-825,
44 subsection A, ~~paragraph 1~~ and subsection A, paragraph 2 of this section
45 and except for pupils for whom the superintendent of public instruction is

1 charged tuition pursuant to section 15-825, subsections B and D and
2 section 15-976 or for whom another school district is charged tuition as
3 provided in subsections E and G of this section.

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

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

18 2. The tuition for pupils attending school in a school district
19 other than that of their residence, except pupils provided for by section
20 15-825, subsections B and D and any pupils included in the definition of
21 child with a disability in section 15-761, shall not exceed the cost per
22 student count of the school district attended, as determined for the
23 current school year. Tuition for pupils included in the definition of
24 child with a disability in section 15-761 shall not exceed the actual cost
25 of the school attended for each pupil as determined for the current
26 year. The school district of attendance shall not include in the cost per
27 student count a charge for transportation if no transportation is
28 provided, and the charge for transportation shall not exceed the actual
29 costs of providing transportation for the pupils served, as prescribed in
30 the uniform system of financial records. The school district of
31 attendance shall provide the school district of residence with the final
32 tuition charge for the current year and with an estimate of the budget
33 year's tuition charge by May 1 of the current year. The school district of
34 residence shall pay at least one-fourth of the total amount of the
35 estimated tuition by September 30, December 31 and March 31, and it shall
36 pay the remaining amount it owes after adjustments are made by June 30.

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

1 may choose not to send the pupil or pupils to a school district or school
2 that is a party to the agreement.

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

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

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

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

31 G. For the purposes of this section:

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

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

40 (b) The actual school district expenditures for the capital outlay
41 section of the budget as provided in sections 15-903 and 15-905 excluding
42 expenditures for transportation equipment and buildings if no
43 transportation is provided and expenditures for the acquisition of
44 building sites, divided by the school district's student count for the

1 common or high school portion of the school district, whichever is
2 applicable.

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

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

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

13 (ii) ~~Eight hundred dollars~~ \$800 if the pupil's school district of
14 residence pays tuition for one thousand or fewer, but more than seven
15 hundred fifty, pupils to other school districts or ~~two hundred dollars~~
16 \$200 if the state pays tuition for one thousand or fewer, but more than
17 seven hundred fifty, pupils to a school district pursuant to section
18 15-825, subsection D or section 15-976.

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

22 2. "Legal custody" means:

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

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

29 Sec. 2. Section 15-825, Arizona Revised Statutes, is amended to
30 read:

31 15-825. Certificate of educational convenience: issuance;
32 effect on enrollment records

33 A. A pupil who is precluded by distance, ~~or~~ A lack of adequate
34 transportation facilities ~~OR A PARENT'S OR GUARDIAN'S EMPLOYMENT~~ from
35 attending a school in the school district ~~or county~~ of the pupil's
36 residence ~~or AND~~ who resides ~~WITHIN A SCHOOL DISTRICT THAT IS PROXIMATE TO~~
37 ~~A SCHOOL DISTRICT IN AN ADJACENT STATE OR~~ in unorganized territory ~~may~~
38 ~~THAT IS PROXIMATE TO A SCHOOL DISTRICT IN AN ADJACENT STATE SHALL~~ apply to
39 the ~~county school superintendent~~ PUPIL'S SCHOOL DISTRICT OF RESIDENCE, OR
40 FOR A PUPIL WHO RESIDES IN UNORGANIZED TERRITORY THE SCHOOL DISTRICT THAT
41 SERVES THAT UNORGANIZED TERRITORY, for a certificate of educational
42 convenience. A SCHOOL DISTRICT THAT RECEIVES AN APPLICATION PURSUANT TO
43 THIS SUBSECTION SHALL SUBMIT THE COMPLETED APPLICATION TO THE COUNTY
44 SCHOOL SUPERINTENDENT ELECTRONICALLY, IN PERSON OR BY REGULAR MAIL. If it
45 appears to the county school superintendent that it is not feasible for

1 the pupil to attend a school in the school district ~~or county~~ of residence
2 OR THE SCHOOL DISTRICT THAT SERVES PUPILS IN THE UNORGANIZED TERRITORY, AS
3 APPLICABLE, the county school superintendent shall issue a certificate OF
4 EDUCATIONAL CONVENIENCE authorizing the pupil to attend a school in an
5 adjoining school district ~~or county, whether within or without~~ OUTSIDE OF
6 this state. If a certificate of educational convenience is issued as
7 provided in this subsection, ~~the school enrollment of a pupil is as~~
8 ~~follows:~~

9 ~~1. the school enrollment of a THE pupil who is precluded from~~
10 ~~attending a school in this state and who must attend school in another~~
11 ~~state, when certified to the county school superintendent by the official~~
12 ~~in charge of the school attended, is deemed for the purpose of determining~~
13 ~~student count to be enrollment in the school of the county or~~
14 ~~district of the student's PUPIL'S residence OR, FOR A PUPIL WHO RESIDES IN~~
15 ~~UNORGANIZED TERRITORY, THE SCHOOL DISTRICT THAT SERVES THAT UNORGANIZED~~
16 ~~TERRITORY.~~

17 ~~2. The school enrollment of a pupil from unorganized territory or~~
18 ~~from another school district is deemed for the purpose of determining~~
19 ~~student count to be enrollment in the school district of actual~~
20 ~~attendance. BEFORE THE CERTIFICATE OF EDUCATIONAL CONVENIENCE IS ISSUED,~~
21 ~~THE SCHOOL DISTRICT OF ACTUAL ATTENDANCE SHALL BOTH:~~

22 1. ENTER INTO AN AGREEMENT TO SHARE PUPIL ATTENDANCE RECORDS WITH
23 THE SCHOOL DISTRICT OF THE PUPIL'S RESIDENCE OR, FOR A PUPIL WHO RESIDES
24 IN UNORGANIZED TERRITORY, THE SCHOOL DISTRICT THAT SERVES THAT UNORGANIZED
25 TERRITORY.

26 2. ENTER INTO AN AGREEMENT WITH THE SCHOOL DISTRICT OF THE PUPIL'S
27 RESIDENCE, OR FOR A PUPIL WHO RESIDES IN UNORGANIZED TERRITORY THE SCHOOL
28 DISTRICT THAT SERVES THE UNORGANIZED TERRITORY, THAT PROVIDES THAT THE
29 SCHOOL DISTRICT OF ACTUAL ATTENDANCE WILL PROVIDE FUNDING FOR ANY PUPIL
30 WHO RESIDES WITHIN THE SCHOOL DISTRICT OF ACTUAL ATTENDANCE AND WHO
31 ATTENDS A SCHOOL IN THIS STATE THAT IS IN THE SCHOOL DISTRICT WITH WHICH
32 THE SCHOOL DISTRICT OF ACTUAL ATTENDANCE IS ENTERING AN AGREEMENT.

33 B. The county school superintendent of any county in which a pupil
34 is placed as described in this subsection shall issue a certificate of
35 educational convenience for the pupil to attend school in the school
36 district or adjoining school district to that in which the pupil is placed
37 by an agency of this state or a state or federal court of competent
38 jurisdiction, ~~IF THAT SCHOOL DISTRICT OR ADJOINING SCHOOL DISTRICT IS IN~~
39 ~~THIS STATE~~, in one of the following:

40 1. A state rehabilitation or corrective institution.
41 2. A foster home or child care agency or institution ~~which~~ THAT is
42 licensed and supervised by the department of child safety or the
43 department of health services.
44 3. A residential facility operated or supported by the department
45 of economic security or the department of health services.

1 4. Under the supervision of the department of juvenile corrections
2 in a residence pursuant to the interstate compact on juveniles.
3 Notwithstanding section 41-1959, the placing agency, department or
4 institution shall provide the school district of attendance with the
5 necessary information to enable the district to obtain a certificate of
6 educational convenience pursuant to this subsection.

7 C. A pupil attending school under a certificate of educational
8 convenience issued pursuant to subsection B of this section is deemed for
9 the purpose of determining student count to be enrolled in the school
10 district of attendance. The county school superintendent of any county
11 shall not issue a certificate of educational convenience as provided in
12 subsection B of this section if the pupil is placed in the same district
13 of the pupil's parents' or legal guardians' residence or if the pupil is
14 placed without a court order and the pupil's parents or legal guardians
15 are not residents of this state.

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

20 1. For group B children with disabilities:

21 (a) Who are from unorganized territory, whose parent or guardian is
22 employed by a state institution as prescribed by section 15-976 or who
23 have been issued a certificate of educational convenience pursuant to
24 subsection B of this section, the superintendent of public instruction
25 shall reimburse the district of attendance for the excess costs as
26 provided in section 15-824, subsection E, paragraph 4.

27 (b) Who are from another school district, the school district of
28 residence shall reimburse the district of attendance for the excess costs
29 as provided in section 15-824, subsection E, paragraph 4.

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

32 (a) If the pupil resides in a school district in this state, the
33 district of residence shall pay the amount charged by the district of
34 attendance.

35 (b) If the pupil resides in unorganized territory, the
36 superintendent of public instruction shall pay the amount charged by the
37 district of attendance.

38 E. The county school superintendent who issues a certificate of
39 educational convenience shall notify the superintendent of public
40 instruction of the issuance of the certificate. **IF A CERTIFICATE OF
41 EDUCATIONAL CONVENIENCE IS ISSUED AS PROVIDED IN SUBSECTION B OF THIS
42 SECTION**, the superintendent of public instruction shall draw a warrant in
43 favor of the school district of actual attendance for the amount charged,
44 whether for common or high school attendance, as provided in section
45 15-824.

1 F. The total amount of state monies that may be spent in any fiscal
2 year by the superintendent of public instruction for certificates of
3 educational convenience shall not exceed the amount appropriated or
4 authorized by section 35-173 for that purpose. This section does not
5 impose a duty on an officer, agent or employee of this state to discharge
6 a responsibility or ~~to~~ create any right in a person or group if the
7 discharge or right would require an expenditure of state monies in excess
8 of the expenditure authorized by legislative appropriation for that
9 specific purpose.

10 Sec. 3. Section 15-825.01, Arizona Revised Statutes, is amended to
11 read:

12 15-825.01. Certificates of educational convenience; pupils
13 attending out-of-state schools

14 A. A school district is eligible to receive payment from state
15 school monies ~~for excess tuition, INCLUDING GROUP B FUNDING FOR CHILDREN~~
16 ~~WITH DISABILITIES~~, if the following conditions are met:

17 1. The county school superintendent issues a certificate of
18 educational convenience pursuant to section 15-825, subsection A, ~~for one~~
19 ~~or more pupils who reside in the district to attend a school in an~~
20 ~~adjacent state which is proximate to the school district when the pupils~~
21 ~~are precluded by distance or lack of adequate transportation facilities~~
22 ~~from attending a school in the school district or county of the pupils'~~
23 ~~residence.~~

24 2. The superintendent of public instruction determines that the
25 development of an interstate compact with another state or an
26 intergovernmental agreement between the sending and receiving school
27 districts, which provides for tuition-free attendance in the receiving
28 district, is impracticable or not in the best interests of this state.

29 3. ~~The total amount of tuition charged by the receiving district is~~
30 ~~greater than the equalization base amount as determined by section 15-971,~~
31 ~~subsection A, for all of the pupils for whom tuition is being paid~~
32 ~~pursuant to paragraph 1 of this subsection.~~

33 B. ~~The excess tuition payment shall be calculated as follows:~~

34 1. ~~Determine the amount of tuition being charged by the receiving~~
35 ~~district for pupils attending the district pursuant to subsection A,~~
36 ~~paragraph 1 of this section.~~

37 2. ~~Determine the lesser of the amount determined in paragraph 1 of~~
38 ~~this subsection or the guaranteed tuition level. The guaranteed tuition~~
39 ~~level for the receiving district shall be determined for the tuitioned~~
40 ~~pupils by the department of education based upon the receiving state's~~
41 ~~school finance formula or the actual costs of educating pupils in the~~
42 ~~receiving district, whichever is appropriate.~~

43 3. ~~Subtract the equalization base amount as provided in subsection~~
44 ~~A, paragraph 3 of this section, from the amount determined in paragraph 2~~
45 ~~of this subsection.~~

1 3. THE SCHOOL DISTRICT OF THE PUPIL'S RESIDENCE, OR FOR A PUPIL WHO
2 RESIDES IN UNORGANIZED TERRITORY THE SCHOOL DISTRICT THAT SERVES THAT
3 UNORGANIZED TERRITORY, HAS AGREED TO PASS ALONG TO THE SCHOOL DISTRICT OF
4 ACTUAL ATTENDANCE ANY FUNDING THAT THE SCHOOL DISTRICT RECEIVES FOR ANY
5 PUPIL WHO ATTENDS SCHOOL IN AN ADJACENT STATE UNDER A CERTIFICATE OF
6 EDUCATIONAL CONVENIENCE PURSUANT TO SECTION 15-825, SUBSECTION A. THE
7 SCHOOL DISTRICT OF THE PUPIL'S RESIDENCE, OR FOR A PUPIL WHO RESIDES IN
8 UNORGANIZED TERRITORY THE SCHOOL DISTRICT THAT SERVES THAT UNORGANIZED
9 TERRITORY, MAY CHARGE THE SCHOOL DISTRICT OF ACTUAL ATTENDANCE FOR ANY
10 INDIRECT COSTS ASSOCIATED WITH EDUCATING PUPILS ATTENDING SCHOOL UNDER A
11 CERTIFICATE OF EDUCATIONAL CONVENIENCE PURSUANT TO SECTION 15-825,
12 SUBSECTION A. SECTION 15-825, SUBSECTION F APPLIES TO THIS PARAGRAPH.

13 C. ~~The excess tuition payment~~ FUNDING FOR PUPILS ATTENDING
14 SCHOOL UNDER A CERTIFICATE OF EDUCATIONAL CONVENIENCE PURSUANT TO SECTION
15 15-825, SUBSECTION A is exempt from the revenue control limit as provided
16 in section 15-947.

17 Sec. 4. Section 15-947, Arizona Revised Statutes, is amended to
18 read:

19 15-947. Revenue control limit: district support level;
20 general budget limit; unrestricted total capital
21 budget limit; district additional assistance limit

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

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

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

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

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

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

36 (i) Amounts budgeted as the budget balance carryforward as provided
37 in section 15-943.01.

38 (ii) Tuition revenues for attendance of nonresident pupils.

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

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

42 (v) Title VIII of the elementary and secondary education act of
43 1965 assistance determined for children with disabilities, children with
44 specific learning disabilities, children residing on Indian lands and
45 children residing within the boundaries of an accommodation school that is

1 located on a military reservation and that is classified as a heavily
2 impacted local educational agency pursuant to 20 United States Code
3 section 7703 as provided in section 15-905, subsections K and O.

4 (vi) Title VIII of the elementary and secondary education act of
5 1965 administrative costs as provided in section 15-905, subsection P.

6 (vii) State assistance for ~~excess tuition~~ FUNDING FOR PUPILS
7 ATTENDING SCHOOL UNDER A CERTIFICATE OF EDUCATIONAL CONVENIENCE PURSUANT
8 TO SECTION 15-825, SUBSECTION A as provided in section 15-825.01.

9 (viii) Transportation revenues for attendance of nonresident
10 pupils.

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

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

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

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

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

21 (g) Amounts budgeted for a jointly owned and operated career and
22 technical education and vocational education center as provided in section
23 15-910.01.

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

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

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

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

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

36 3. The unrestricted capital portion of the amounts contained in
37 subsection C of this section.

38 4. The unexpended budget balance in the unrestricted capital outlay
39 fund from the previous fiscal year.

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