

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~~ school  
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.~~ B. ~~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.