

PROPOSED
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2167
(Reference to printed bill)

Amendment instruction key:
[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.
[Green underlining in brackets] indicates text added to new session law or text restoring existing law.
[GREEN STRIKEOUT IN BRACKETS] indicates new text removed from statute or previously enacted session law.
[Green strikeout in brackets] indicates text removed from existing statute, previously enacted session law or new session law.
<<Green carets>> indicate a section added to the bill.
<<Green strikeout in carets>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 "Section 1. Section 15-272, Arizona Revised Statutes, is amended to
3 read:

4 15-272. Duties; department of education; state board of
5 education; sanctions for noncompliance with uniform
6 system of financial records; civil penalties

7 A. The department of education shall advise and consult with the
8 auditor general in ~~the preparation~~ PREPARING and ~~implementation of~~
9 IMPLEMENTING a uniform system of financial records.

10 B. The state board of education, on report from the auditor
11 general, shall determine whether school districts are maintaining the
12 uniform system of financial records. If the state board of education
13 determines that a school district is not in compliance with the uniform
14 system of financial records or has failed to correct a deficiency ~~within~~
15 ~~ninety days after receiving notice from the auditor general~~ FOR ONE OF THE
16 FOLLOWING PERIODS OF TIME, the state board of education shall:

17 1. IF THE SCHOOL DISTRICT FAILS TO CORRECT A DEFICIENCY WITHIN
18 NINETY DAYS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL, direct the
19 superintendent of public instruction to withhold up to ten ~~per cent~~
20 PERCENT of the portion of state monies to the school district for each
21 violation from the date of the determination until such time as the
22 auditor general reports THE SCHOOL DISTRICT'S compliance with the uniform
23 system of financial records. The auditor general and the department of
24 education shall assist the school district to achieve compliance during
25 such period.

26 2. IF THE SCHOOL DISTRICT FAILS TO CORRECT A DEFICIENCY WITHIN
27 EIGHTEEN MONTHS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL, CONSULT
28 WITH THE DEPARTMENT OF EDUCATION TO DETERMINE THE AMOUNT OF TRAINING AND

1 OTHER INTERVENTIONS NECESSARY OR APPROPRIATE TO ASSIST THE SCHOOL DISTRICT
2 TO ACHIEVE COMPLIANCE AND DIRECT THE SUPERINTENDENT OF PUBLIC INSTRUCTION
3 TO DO ALL OF THE FOLLOWING:

4 (a) PROVIDE THE TRAINING AND INTERVENTIONS WITHIN SIX MONTHS. ANY
5 TRAINING UNDER THIS SUBDIVISION MUST BE PROVIDED TO THE SCHOOL DISTRICT'S
6 SUPERINTENDENT, BUSINESS MANAGER AND CHIEF FINANCIAL OFFICER AND ANY OTHER
7 ADMINISTRATOR OR EXECUTIVE IDENTIFIED BY THE STATE BOARD OF EDUCATION OR
8 THE DEPARTMENT OF EDUCATION. THE DEPARTMENT OF EDUCATION SHALL NOTIFY THE
9 STATE BOARD OF EDUCATION WHEN THE TRAINING AND INTERVENTIONS PROVIDED
10 PURSUANT TO THIS SUBDIVISION ARE COMPLETED.

11 (b) IMPOSE A CIVIL PENALTY AGAINST THE SCHOOL DISTRICT IN AN AMOUNT
12 EQUAL TO ONE PERCENT OF THE SCHOOL DISTRICT'S ADOPTED OR REVISED BUDGET
13 FOR EACH MONTH, BEGINNING THE EIGHTEENTH MONTH, UNTIL SUCH TIME AS THE
14 AUDITOR GENERAL REPORTS THE SCHOOL DISTRICT'S COMPLIANCE WITH THE UNIFORM
15 SYSTEM OF FINANCIAL RECORDS.

16 (c) DEPOSIT, PURSUANT TO SECTIONS 35-146 AND 35-147, PENALTIES
17 COLLECTED PURSUANT TO SUBDIVISION (b) OF THIS PARAGRAPH IN THE SCHOOL
18 FINANCIAL TRANSPARENCY PORTAL FUND ESTABLISHED BY SECTION 15-747.

19 C. The general budget limit and maintenance and operations section
20 of the budget for the current year and for the budget year if the school
21 district is not in compliance before the end of the current year, shall
22 be reduced by the amount determined in subsection B, PARAGRAPH 1 OF THIS
23 SECTION until the state board of education determines that the school
24 district is in compliance.

25 D. If compliance is determined by the state board of education in
26 the same year as the determination of noncompliance or in the first year
27 after the fiscal year of the determination of noncompliance, the resulting
28 adjustment to budgeted maintenance and operations and to the general
29 budget limit may be applied to the fiscal year of the determination of
30 noncompliance equal to the amount adjusted in that fiscal year or to the
31 current year equal to the amount adjusted in the current year. Previously
32 withheld monies that resulted from the determination of noncompliance
33 shall be returned in the year compliance is determined.

34 Sec. 2. Section 15-302, Arizona Revised Statutes, is amended to
35 read:

36 15-302. Powers and duties

37 A. The county school superintendent shall:

38 1. Distribute all laws, reports, circulars, instructions and forms
39 that the county school superintendent may receive for the use of school
40 officers.

41 2. Record all official acts.

42 3. Appoint governing board members of school districts to fill all
43 vacancies, but the term of the appointment shall be until the next regular
44 election for governing board members, at which time a successor shall be
45 elected to serve the unexpired portion of the term. A person who is
46 subject to registration as a sex offender in this state or in any other
47 jurisdiction is ineligible for appointment under this paragraph. Within

1 thirty days after notification of a vacancy, the school district governing
2 board may submit up to three names to the county school superintendent for
3 consideration of an appointment to fill the vacancy. The county school
4 superintendent is not required to appoint a governing board member from
5 the list of names submitted by the governing board. The county school
6 superintendent, if the county school superintendent deems it in the best
7 interest of the community, may call a special election to fill the
8 vacancies. If an election is called, the newly elected member shall serve
9 for the remainder of the unexpired portion of the term.

10 4. Make reports, when directed by the superintendent of public
11 instruction, showing matters relating to schools in the county as may be
12 required on the forms furnished by the superintendent of public
13 instruction.

14 5. Have such powers and perform such duties as otherwise prescribed
15 by law.

16 6. On or before October 1 of each year, report to the
17 superintendent of public instruction the amount of monies received from
18 state school funds, special school district taxes and other sources, the
19 total expenditures for school purposes and the balance on hand to the
20 credit of each school district at the close of the school year.

21 7. Contract with the board of supervisors for the board of
22 supervisors to conduct all regular school district elections.

23 8. Be responsible, in cooperation with the school district
24 governing boards and the board of supervisors, for all special school
25 district elections.

26 9. Maintain teacher and administrator certification records of
27 effective dates and expiration dates of teachers' and administrators'
28 certificates in compliance with guidelines prescribed in the uniform
29 system of financial records for those school districts for which the
30 county school superintendent is the fiscal agent. The county school
31 superintendent shall not draw a warrant in payment of a teacher's,
32 substitute teacher's or administrator's salary unless the teacher,
33 substitute teacher or administrator is legally certified during the fiscal
34 year in which the term for payment is demanded.

35 10. Notify a school district three years before the expiration of a
36 revenue control limit override that the school district's budget must be
37 adjusted in the final two years of the override pursuant to section
38 15-481, subsections ~~P~~ Q and ~~R~~ R, if the voters do not approve another
39 override.

40 11. In collaboration with the department of education and other
41 state agencies, assist school districts, charter schools, county free
42 library districts, municipal libraries, nonprofit and public libraries,
43 tribal libraries, private schools and tribal schools on using student
44 data, staff development, curriculum alignment and technology to improve
45 student performance.

1 12. Assist schools in meeting yearly adequate progress goals as
2 defined by criteria established by the state board of education and
3 implemented by the department of education.

4 B. At the request of school districts and charter schools, the
5 county school superintendent may provide discretionary programs in
6 addition to the programs prescribed in subsection A of this section.

7 C. The county school superintendent may provide the services
8 prescribed in subsections A and B of this section in the county or jointly
9 with two or more counties pursuant to title 11, chapter 7, article 3.

10 D. Each county school superintendent may establish an advisory
11 committee to the office of the county school superintendent.

12 Sec. 3. Section 15-481, Arizona Revised Statutes, is amended to
13 read:

14 15-481. Override election; budget increases; eligibility;
15 informational pamphlet; notice; ballot; effect

16 A. If a proposed budget of a school district exceeds the aggregate
17 budget limit for the budget year, at least ninety days before the proposed
18 election the governing board shall order an override election to be held
19 on the first Tuesday following the first Monday in November as prescribed
20 by section 16-204, subsection F for the purpose of presenting the proposed
21 budget to the qualified electors of the school district who by a majority
22 of those voting either shall affirm or reject the budget. At the same
23 time as the order of the election, the governing board shall publicly
24 declare the deadline for submitting arguments, as set by the county school
25 superintendent pursuant to subsection B, paragraph 9 of this section, to
26 be submitted in the informational pamphlet and shall immediately post the
27 deadline in a prominent location on the district's website. In addition,
28 the governing board shall prepare an alternate budget that does not
29 include an increase in the budget of more than the amount allowed as
30 provided in section 15-905. If the qualified electors approve the
31 proposed budget, the governing board of the school district shall follow
32 the procedures prescribed in section 15-905 for adopting a budget that
33 includes the authorized increase. If the qualified electors disapprove
34 the proposed budget, the governing board shall follow the procedures
35 prescribed in section 15-905 for adopting a budget that does not include
36 the proposed increase or the portion of the proposed increase that exceeds
37 the amount authorized by a previously approved budget increase as
38 prescribed in subsection ~~P~~ Q of this section.

39 B. The county school superintendent shall prepare an informational
40 pamphlet on the proposed increase in the budget and a sample ballot and,
41 at least forty days before the election, shall transmit the informational
42 pamphlet and the sample ballot to the governing board of the school
43 district. The governing board, on receipt of the informational pamphlet
44 and the ballot, shall mail or distribute the informational pamphlet and
45 the ballot to the households in which qualified electors reside within the
46 school district at least thirty-five days before the election. Any
47 distribution of material concerning the proposed increase in the budget

1 shall not be conducted by children enrolled in the school district. The
2 informational pamphlet shall contain the following information:

3 1. The date of the election.

4 2. The voter's polling place and the times it is open.

5 3. The proposed total increase in the budget that exceeds the
6 amount allowed pursuant to section 15-905.

7 4. The total amount of the current year's budget, the total amount
8 of the proposed budget and the total amount of the alternate budget.

9 5. If the override is for a period of more than one year, a
10 statement indicating the number of years the proposed increase in the
11 budget would be in effect and the percentage of the school district's
12 revenue control limit that the district is requesting for the future
13 years.

14 6. The proposed total amount of revenues that will fund the
15 increase in the budget and the amount that will be obtained from a levy of
16 taxes on the taxable property within the school district for the first
17 year for which the budget increase was adopted.

18 7. The proposed amount of revenues that will fund the increase in
19 the budget and that will be obtained from other than a levy of taxes on
20 the taxable property within the school district for the first year for
21 which the budget increase was adopted.

22 8. The dollar amount and the purpose for which the proposed
23 increase in the budget is to be expended for the first year for which the
24 budget increase was adopted. The purpose statement shall only present
25 factual information in a neutral manner. Advocacy for the expenditures is
26 strictly limited to the arguments submitted pursuant to paragraph 9 of
27 this subsection.

28 9. At least two arguments, if submitted, but not more than ten
29 arguments for and two arguments, if submitted, but not more than ten
30 arguments against the proposed increase in the budget. The arguments
31 shall be in a form prescribed by the county school superintendent, and
32 each argument shall not exceed two hundred words. Arguments for the
33 proposed increase in the budget shall be provided in writing and signed by
34 the governing board. The ballot arguments for the proposed increase in
35 the budget shall be signed as the governing board of the school district
36 without listing any member's individual name for the arguments for the
37 proposed increase. If submitted, additional arguments in favor of the
38 proposed increase in the budget shall be provided in writing with a
39 signed, sworn statement by those in favor. Arguments against the proposed
40 increase in the budget shall be provided in writing with a signed, sworn
41 statement by those in opposition. If the argument is submitted by an
42 organization, it shall contain the sworn statement of two executive
43 officers of the organization. If the argument is submitted by a political
44 committee, it shall contain the sworn statement of the committee's
45 chairperson or treasurer. If the argument is submitted by an individual
46 and not on behalf of an organization, a political committee or any other
47 group, the ~~person~~ INDIVIDUAL shall submit the argument with a sworn,

1 notarized statement. The names of persons and entities submitting written
2 arguments shall be included in the informational pamphlet. Persons
3 signing the argument shall identify themselves by giving their residence
4 address and telephone number, which may not appear in the informational
5 pamphlet, except that the person's city or town and state of residence
6 shall appear in the pamphlet. Any argument that is submitted and that
7 does not comply with this paragraph may not be included in the pamphlet.
8 The county school superintendent shall review all factual statements
9 contained in the written arguments and correct any inaccurate statements
10 of fact. The superintendent shall not review and correct any portion of
11 the written arguments that are identified as statements of the author's
12 opinion. The county school superintendent shall make the written
13 arguments available to the public as provided in title 39, chapter 1,
14 article 2. A deadline for submitting arguments to be included in the
15 informational pamphlet shall be set by the county school superintendent.

16 10. A statement that the alternate budget shall be adopted by the
17 governing board if the proposed budget is not adopted by the qualified
18 electors of the school district.

19 11. The current limited property value and the net assessed
20 valuation provided by the department of revenue, the first year tax rate
21 for the proposed override and the estimated amount of the secondary
22 property taxes if the proposed budget is adopted for each of the
23 following:

24 (a) An owner-occupied residence whose assessed valuation is the
25 average assessed valuation of property classified as class three, as
26 prescribed by section 42-12003 for the current year in the school
27 district.

28 (b) An owner-occupied residence whose assessed valuation is
29 one-half of the assessed valuation of the residence in subdivision (a) of
30 this paragraph.

31 (c) An owner-occupied residence whose assessed valuation is twice
32 the assessed valuation of the residence in subdivision (a) of this
33 paragraph.

34 (d) A business whose assessed valuation is the average of the
35 assessed valuation of property classified as class one, as prescribed by
36 section 42-12001, paragraphs 12 and 13 for the current year in the school
37 district.

38 12. If the election is conducted pursuant to subsection L or M of
39 this section, the following information:

40 (a) An executive summary of the school district's most recent
41 capital improvement plan submitted to the school facilities oversight
42 board.

43 (b) A complete list of each proposed capital improvement that will
44 be funded with the budget increase and a description of the proposed cost
45 of each improvement, including a separate aggregation of capital
46 improvements for administrative purposes as defined by the school
47 facilities oversight board.

1 (c) The tax rate associated with each of the proposed capital
2 improvements and the estimated cost of each capital improvement for the
3 owner of a single family home that is valued at \$80,000.

4 C. For the purpose of this section, the school district may use its
5 staff, equipment, materials, buildings or other resources only to
6 distribute the informational pamphlet at the school district office or at
7 public hearings and to produce such information as required in subsection
8 B of this section. This subsection does not preclude school districts from
9 holding or participating in any public hearings at which testimony is
10 given by at least one person for the proposed increase and one person
11 against the proposed increase. Any written information provided by the
12 district pertaining to the override election shall include financial
13 information showing the estimated first year tax rate for the proposed
14 budget override amount.

15 D. If any amount of the proposed increase will be funded by a levy
16 of taxes in the district, the election prescribed in subsection A of this
17 section shall be held on the first Tuesday following the first Monday in
18 November as prescribed by section 16-204, subsection F. If the proposed
19 increase will be fully funded by revenues from other than a levy of taxes,
20 the elections prescribed in subsection A of this section shall be held on
21 any date prescribed by section 16-204. The elections shall be conducted
22 as nearly as practicable in the manner prescribed in article 1 of this
23 chapter, sections 15-422, ~~through 15-423~~, 15-424 and ~~section~~ 15-426,
24 relating to special elections, except that:

25 1. The notices required pursuant to section 15-403 shall be posted
26 not less than twenty-five days before the election.

27 2. Ballots shall be counted pursuant to title 16, chapter 4,
28 article 10.

29 E. If the election is to exceed the revenue control limit and if
30 the proposed increase will be fully funded by a levy of taxes on the
31 taxable property within the school district, the ballot shall contain the
32 words "budget increase, yes" and "budget increase, no", and the voter
33 shall signify the voter's desired choice. The ballot shall also contain
34 the amount of the proposed increase of the proposed budget over the
35 alternate budget, a statement that the amount of the proposed increase
36 will be based on a percentage of the school district's revenue control
37 limit in future years, if applicable, as provided in subsection ~~P~~ Q of
38 this section and the following statement:

39 Any budget increase authorized by this election shall be
40 entirely funded by a levy of taxes on the taxable property
41 within this school district for the year for which adopted and
42 for ___ subsequent years, shall not be realized from monies
43 furnished by the state and shall not be subject to the
44 limitation on taxes specified in article IX, section 18,
45 Constitution of Arizona. Based on the current net assessed
46 valuation used for secondary property tax purposes, to fund
47 the proposed increase in the school district's budget would

1 require an estimated tax rate of \$_____ per \$100 of
2 net assessed valuation used for secondary property tax
3 purposes and is in addition to the school district's tax rate
4 that will be levied to fund the school district's revenue
5 control limit allowed by law.

6 F. If the election is to exceed the revenue control limit and if
7 the proposed increase will be fully funded by revenues from other than a
8 levy of taxes on the taxable property within the school district, the
9 ballot shall contain the words "budget increase, yes" and "budget
10 increase, no", and the voter shall signify the voter's desired choice.
11 The ballot shall also contain:

12 1. The amount of the proposed increase of the proposed budget over
13 the alternate budget.

14 2. A statement that the amount of the proposed increase will be
15 based on a percentage of the school district's revenue control limit in
16 future years, if applicable, as provided in subsection ~~P~~ Q of this
17 section.

18 3. The following statement:

19 Any budget increase authorized by this election shall be
20 entirely funded by this school district with revenues from
21 other than a levy of taxes on the taxable property within the
22 school district for the year for which adopted and for _____
23 subsequent years and shall not be realized from monies
24 furnished by the state.

25 G. Except as provided in subsection H of this section, the maximum
26 budget increase that may be requested and authorized as provided in
27 subsection E or F of this section or the combination of subsections E and
28 F of this section is fifteen percent of the revenue control limit as
29 provided in section 15-947, subsection A for the budget year. If a school
30 district requests an override pursuant to section 15-482 or to continue
31 with a budget override pursuant to section 15-482 for pupils in
32 kindergarten programs and grades one through three that was authorized
33 before December 31, 2008, the maximum budget increase that may be
34 requested and authorized as provided in subsection E or F of this section
35 or the combination of subsections E and F of this section is ten percent
36 of the revenue control limit as provided in section 15-947, subsection A
37 for the budget year.

38 H. Special budget override provisions for school districts with a
39 student count of less than one hundred fifty-four in kindergarten programs
40 and grades one through eight or with a student count of less than one
41 hundred seventy-six in grades nine through twelve are as follows:

42 1. The maximum budget increase that may be requested and authorized
43 as provided in subsections E and F of this section is the greater of the
44 amount prescribed in subsection G of this section or a limit computed as
45 follows:

46 (a) For common or unified districts with a student count of less
47 than one hundred fifty-four in kindergarten programs and grades one

1 through eight, the limit computed as prescribed in item (i) or (ii) of
 2 this subdivision, whichever is appropriate:

3 (i)

4	Small School	Support Level Weight	Phase Down
5	Student	for Small Isolated	Reduction
6	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>
7	_____ - <u>125</u>	x 1.358 + (0.0005 x	x \$ _____ = \$ _____
8		(500 - Student Count))	
9			Small Isolated
10	Phase Down	Phase Down	School District
11	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>
12	\$150,000 - \$ _____		= \$ _____

13 (ii)

14	Small School	Support Level Weight	Phase Down
15	Student	for Small	Reduction
16	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>
17	_____ - <u>125</u>	x 1.278 + (0.0003 x	x \$ _____ = \$ _____
18		(500 - Student Count))	
19			Small
20	Phase Down	Phase Down	School District
21	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>
22	\$150,000 - \$ _____		= \$ _____

23 (b) For unified or union high school districts with a student count
 24 of less than one hundred seventy-six in grades nine through twelve, the
 25 limit computed as prescribed in item (i) or (ii) of this subdivision,
 26 whichever is appropriate:

27 (i)

28	Small School	Support Level Weight	Phase Down
29	Student	for Small Isolated	Reduction
30	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>
31	_____ - <u>100</u>	x 1.468 + (0.0005 x	x \$ _____ = \$ _____
32		(500 - Student Count))	
33			Small Isolated
34	Phase Down	Phase Down	District
35	<u>Base</u>	<u>Reduction Factor</u>	<u>Secondary Limit</u>
36	\$350,000 - \$ _____		= \$ _____

37 (ii)

38	Small School	Support Level Weight	Phase Down
39	Student	for Small	Reduction
40	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>
41	_____ - <u>100</u>	x 1.398 + (0.0004 x	x \$ _____ = \$ _____
42		(500 - Student Count))	
43			Small
44	Phase Down	Phase Down	School District
45	<u>Base</u>	<u>Reduction Factor</u>	<u>Secondary Limit</u>
46	\$350,000 - \$ _____		= \$ _____

1 (c) If both subdivisions (a) and (b) of this paragraph apply to a
2 unified school district, its limit for the purposes of this paragraph is
3 the combination of its elementary limit and its secondary limit.

4 (d) If only subdivision (a) or (b) of this paragraph applies to a
5 unified school district, the district's limit for the purposes of this
6 paragraph is the sum of the limit computed as provided in subdivision (a)
7 or (b) of this paragraph plus ten percent of the revenue control limit
8 attributable to those grade levels that do not meet the eligibility
9 requirements of this subsection. If a school district budgets monies
10 outside the revenue control limit pursuant to section 15-949, subsection
11 E, the district's limit for the purposes of this paragraph is only the ten
12 percent of the revenue control limit attributable to those grade levels
13 that are not included under section 15-949, subsection E. For the
14 purposes of this subdivision, the revenue control limit is separated into
15 elementary and secondary components based on the weighted student count as
16 provided in section 15-971, subsection B, paragraph 2, subdivision (a).

17 2. If a school district utilizes this subsection to request an
18 override of more than one year, the ballot shall include an estimate of
19 the amount of the proposed increase in the future years in place of the
20 statement that the amount of the proposed increase will be based on a
21 percentage of the school district's revenue control limit in future years,
22 as prescribed in subsections E and F of this section.

23 3. Notwithstanding subsection ~~P~~ Q of this section, the maximum
24 period of an override authorized pursuant to this subsection is five
25 years.

26 4. Subsection ~~P~~ Q, paragraphs 1 and 2 of this section do not apply
27 to overrides authorized pursuant to this subsection.

28 I. If the election is to exceed the revenue control limit as
29 provided in section 15-482 and if the proposed increase will be fully
30 funded by a levy of taxes on the taxable property within the school
31 district, the ballot shall contain the words "budget increase, yes" and
32 "budget increase, no", and the voter shall signify the voter's desired
33 choice. The ballot shall also contain the amount of the proposed increase
34 of the budget over the alternate budget, a statement that the amount of
35 the proposed increase will be based on a percentage of the school
36 district's revenue control limit in future years, if applicable, as
37 provided in subsection ~~Q~~ R of this section, and the following statement:

38 Any budget increase authorized by this election shall be
39 entirely funded by a levy of taxes on the taxable property
40 within this school district for the year for which adopted and
41 for _____ subsequent years, shall not be realized from monies
42 furnished by the state and shall not be subject to the
43 limitation on taxes specified in article IX, section 18,
44 Constitution of Arizona. Based on the current net assessed
45 valuation used for secondary property tax purposes, to fund
46 the proposed increase in the school district's budget that
47 will be funded by a levy of taxes on the taxable property

1 within this school district would require an estimated tax
2 rate of \$_____ per \$100 of net assessed valuation used
3 for secondary property tax purposes and is in addition to the
4 school district's tax rate that will be levied to fund the
5 school district's revenue control limit allowed by law.

6 J. If the election is to exceed the revenue control limit as
7 provided in section 15-482 and if the proposed increase will be fully
8 funded by revenues other than a levy of taxes on the taxable property
9 within the school district, the ballot shall contain the words "budget
10 increase, yes" and "budget increase, no", and the voter shall signify the
11 voter's desired choice. The ballot shall also contain the amount of the
12 proposed increase of the proposed budget over the alternate budget, a
13 statement that the amount of the proposed increase will be based on a
14 percentage of the school district's revenue control limit in future years,
15 if applicable, as provided in subsection ~~R~~ R of this section and the
16 following statement:

17 Any budget increase authorized by this election shall be
18 entirely funded by this school district with revenues from
19 other than a levy of taxes on the taxable property within the
20 school district for the year for which adopted and for _____
21 subsequent years and shall not be realized from monies
22 furnished by the state.

23 K. The maximum budget increase that may be requested and authorized
24 as provided in subsection I or J of this section, or a combination of both
25 of these subsections, is five percent of the revenue control limit as
26 provided in section 15-947, subsection A for the budget year. For a
27 common school district not within a high school district or a common
28 school district within a high school district that offers instruction in
29 high school subjects as provided in section 15-447, five percent of the
30 revenue control limit means five percent of the revenue control limit
31 attributable to the weighted student count in preschool programs for
32 children with disabilities, kindergarten programs and grades one through
33 eight as provided in section 15-971, subsection B. For a unified school
34 district, five percent of the revenue control limit means five percent of
35 the revenue control limit attributable to the weighted student count in
36 preschool programs for children with disabilities, kindergarten programs
37 and grades one through twelve. For a union high school district, five
38 percent of the revenue control limit means five percent of the revenue
39 control limit attributable to the weighted student count in grades nine
40 through twelve.

41 L. If the election is to exceed district additional assistance and
42 if the proposed increase will be fully funded by a levy of taxes on the
43 taxable property within the school district, the ballot shall contain the
44 words "budget increase, yes" and "budget increase, no", and the voter
45 shall signify the voter's desired choice. An election held pursuant to
46 this subsection shall be held on the first Tuesday after the first Monday
47 of November. The ballot shall also contain the amount of the proposed

1 increase of the proposed budget over the alternate budget and the
2 following statement:

3 Any budget increase authorized by this election shall be
4 entirely funded by a levy of taxes on the taxable property
5 within this school district for the year in which adopted and
6 for _____ subsequent years, shall not be realized from monies
7 furnished by the state and shall not be subject to the
8 limitation on taxes specified in article IX, section 18,
9 Constitution of Arizona. Based on the current net assessed
10 valuation used for secondary property tax purposes, to fund
11 the proposed increase in the school district's budget would
12 require an estimated tax rate of \$_____ per \$100 of net
13 assessed valuation used for secondary property tax purposes
14 and is in addition to the school district's tax rate that will
15 be levied to fund the school district's district additional
16 assistance allowed by law.

17 M. If the election is to exceed district additional assistance and
18 if the proposed increase will be fully funded by revenues from other than
19 a levy of taxes on the taxable property within the school district, the
20 ballot shall contain the words "budget increase, yes" and "budget
21 increase, no", and the voter shall signify the voter's desired choice. An
22 election held pursuant to this subsection shall be held on the first
23 Tuesday after the first Monday of November. The ballot shall also contain
24 the amount of the proposed increase of the proposed budget over the
25 alternate budget and the following statement:

26 Any budget increase authorized by this election shall be
27 entirely funded by this school district with revenues from
28 other than a levy of taxes on the taxable property within the
29 school district for the year in which adopted and for _____
30 subsequent years and shall not be realized from monies
31 furnished by the state.

32 N. If the election is to exceed a combination of the revenue
33 control limit as provided in subsection E or F of this section, the
34 revenue control limit as provided in subsection I or J of this section or
35 district additional assistance as provided in subsection L or M of this
36 section, the ballot shall be prepared so that the voters may vote on each
37 proposed increase separately and shall contain statements required in the
38 same manner as if each proposed increase were submitted separately.

39 O. IF A SCHOOL DISTRICT FAILS TO CORRECT A DEFICIENCY WITHIN NINETY
40 DAYS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL PURSUANT TO SECTION
41 15-271, THE SCHOOL DISTRICT GOVERNING BOARD MAY NOT ORDER AN OVERRIDE
42 ELECTION AS PROVIDED IN SUBSECTION L OR M OF THIS SECTION UNTIL THE SCHOOL
43 DISTRICT HAS CORRECTED ANY DEFICIENCIES AND COMPLIED WITH THE UNIFORM
44 SYSTEM OF FINANCIAL RECORDS FOR AT LEAST TWELVE MONTHS. FOR THE PURPOSES
45 OF THIS SUBSECTION, THE SCHOOL DISTRICT HAS CORRECTED ANY DEFICIENCIES
46 FROM AND AFTER THE DATE THAT THE AUDITOR GENERAL REPORTS THAT THE SCHOOL
47 DISTRICT IS IN COMPLIANCE WITH THE UNIFORM SYSTEM OF FINANCIAL RECORDS.

1 ~~P.~~ P. If the election provides for a levy of taxes on the taxable
2 property within the school district, at least thirty days before the
3 election, the department of revenue shall provide the school district
4 governing board and the county school superintendent with the current net
5 assessed valuation of the school district. The governing board and the
6 county school superintendent shall use the current net assessed valuation
7 of the school district to translate the amount of the proposed dollar
8 increase in the budget of the school district over that allowed by law
9 into a tax rate figure.

10 ~~P.~~ Q. If the voters in a school district vote to adopt a budget in
11 excess of the revenue control limit as provided in subsection E or F of
12 this section, any additional increase shall be included in the aggregate
13 budget limit for each of the years authorized. Any additional increase
14 shall be excluded from the determination of equalization assistance. The
15 school district governing board, however, may levy on the net assessed
16 valuation used for secondary property tax purposes of the property in the
17 school district the additional increase if adopted under subsection E of
18 this section for the period of one year, two years or five through seven
19 years as authorized. If an additional increase is approved as provided in
20 subsection F of this section, the school district governing board may only
21 use revenues derived from the school district's prior year's maintenance
22 and operation fund ending cash balance to fund the additional increase.
23 If a budget increase was previously authorized and will be in effect for
24 the budget year or budget year and subsequent years, as provided in
25 subsection E or F of this section, the governing board may request a new
26 budget increase as provided in the same subsection under which the prior
27 budget increase was adopted, which shall not exceed the maximum amount
28 allowed under subsection G of this section. If the voters in the school
29 district authorize the new budget increase amount, the existing budget
30 increase no longer is in effect. If the voters in the school district do
31 not authorize the budget increase amount, the existing budget increase
32 remains in effect for the time period for which it was authorized. The
33 maximum additional increase authorized as provided in subsection E or F of
34 this section and the additional increase that is included in the aggregate
35 budget limit is based on a percentage of a school district's revenue
36 control limit in future years, if the budget increase is authorized for
37 more than one year. If the additional increase:

38 1. Is for two years, the proposed increase in the second year is
39 equal to the initial proposed percentage increase.

40 2. Is for five years or more, the proposed increase is equal to the
41 initial proposed percentage increase in the following years of the
42 proposed increase, except that in the next to last year it is two-thirds
43 of the initial proposed percentage increase and it is one-third of the
44 initial proposed percentage increase in the last year of the proposed
45 increase.

46 ~~P.~~ R. If the voters in a school district vote to adopt a budget in
47 excess of the revenue control limit as provided in subsection I or J of

1 this section, any additional increase shall be included in the aggregate
2 budget limit for each of the years authorized. Any additional increase
3 shall be excluded from the determination of equalization assistance. The
4 school district governing board, however, may levy on the net assessed
5 valuation used for secondary property tax purposes of the property in the
6 school district the additional increase if adopted under subsection I of
7 this section for the period of one year, two years or five through seven
8 years as authorized. If an additional increase is approved as provided in
9 subsection J of this section, the increase may only be budgeted and
10 expended if sufficient monies are available in the maintenance and
11 operation fund of the school district. If a budget increase was
12 previously authorized and will be in effect for the budget year or budget
13 year and subsequent years, as provided in subsection I or J of this
14 section, the governing board may request a new budget increase as provided
15 in the same subsection under which the prior budget increase was adopted
16 that does not exceed the maximum amount permitted under subsection K of
17 this section. If the voters in the school district authorize the new
18 budget increase amount, the existing budget increase no longer is in
19 effect. If the voters in the school district do not authorize the budget
20 increase amount, the existing budget increase remains in effect for the
21 time period for which it was authorized. The maximum additional increase
22 authorized as provided in subsection I or J of this section and the
23 additional increase that is included in the aggregate budget limit is
24 based on a percentage of a school district's revenue control limit in
25 future years, if the budget increase is authorized for more than one year.
26 If the additional increase:

27 1. Is for two years, the proposed increase in the second year is
28 equal to the initial proposed percentage increase.

29 2. Is for five years or more, the proposed increase is equal to the
30 initial proposed percentage increase in the following years of the
31 proposed increase, except that in the next to last year it is two-thirds
32 of the initial proposed percentage increase and it is one-third of the
33 initial proposed percentage increase in the last year of the proposed
34 increase.

35 ~~R.~~ S. If the voters in a school district vote to adopt a budget in
36 excess of district additional assistance as provided in subsection L of
37 this section, any additional increase shall be included in the aggregate
38 budget limit for each of the years authorized. The additional increase
39 shall be excluded from the determination of equalization assistance. The
40 school district governing board, however, may levy on the net assessed
41 valuation used for secondary property tax purposes of the property in the
42 school district the additional increase for the period authorized but not
43 to exceed ten years. For overrides approved by a vote of the qualified
44 electors of the school district at an election held from and after
45 October 31, 1998, the period of the additional increase prescribed in this
46 subsection shall not exceed seven years for any capital override election.

1 ~~S~~. T. If the voters in a school district vote to adopt a budget in
2 excess of district additional assistance as provided in subsection M of
3 this section, any additional increase shall be included in the aggregate
4 budget limit for each of the years authorized. The additional increase
5 shall be excluded from the determination of equalization assistance. The
6 school district governing board may only use revenues derived from the
7 school district's prior year's maintenance and operation fund ending cash
8 balance and capital outlay fund ending cash balance to fund the additional
9 increase for the period authorized but not to exceed ten years. For
10 overrides approved by a vote of the qualified electors of the school
11 district at an election held from and after October 31, 1998, the period
12 of the additional increase prescribed in this subsection shall not exceed
13 seven years for any capital override election.

14 ~~F~~. U. In addition to subsections ~~P~~ Q and ~~S~~ T of this section,
15 from the maintenance and operation fund and capital outlay fund ending
16 cash balances, the school district governing board shall first use any
17 available revenues to reduce its primary tax rate to zero and shall use
18 any remaining revenues to fund the additional increase authorized as
19 provided in subsections F and M of this section.

20 ~~H~~. V. If the voters in a school district disapprove the proposed
21 budget, the alternate budget that, except for any budget increase
22 authorized by a prior election, does not include an increase in the budget
23 in excess of the amount provided in section 15-905 shall be adopted by the
24 governing board as provided in section 15-905.

25 ~~V~~. W. The governing board may request that any override election
26 be cancelled if any change in chapter 9 of this title changes the amount
27 of the aggregate budget limit as provided in section 15-905. The request
28 to cancel the override election shall be made to the county school
29 superintendent at least eighty days before the date of the scheduled
30 override election.

31 ~~W~~. X. For any election conducted pursuant to subsection L or M of
32 this section:

33 1. The ballot shall include the following statement in addition to
34 any other statement required by this section:

35 The capital improvements that are proposed to be funded
36 through this override election are to exceed the state
37 standards and are in addition to monies provided by the state.

38 _____ school district is proposing to increase its
39 budget by \$_____ to fund capital improvements over and
40 above those funded by the state. Under the students first
41 capital funding system, _____ school district is entitled
42 to state monies for new construction and renovation of school
43 buildings in accordance with state law.

44 2. The ballot shall contain the words "budget increase, yes" and
45 "budget increase, no", and the voter shall signify the voter's desired
46 choice.

1 3. At least eighty-five days before the election, the school
2 district shall submit proposed ballot language to the director of the
3 Arizona legislative council. The director of the Arizona legislative
4 council shall review the proposed ballot language to determine whether the
5 proposed ballot language complies with this section. If the director of
6 the Arizona legislative council determines that the proposed ballot
7 language does not comply with this section, the director, within ten
8 calendar days after receiving the proposed ballot language, shall notify
9 the school district of the director's objections, and the school district
10 shall resubmit revised ballot language to the director for approval.

11 ~~Y.~~ Y. If the voters approve the budget increase pursuant to
12 subsection L or M of this section, the school district shall not use the
13 override proceeds for any purposes other than the proposed capital
14 improvements listed in the informational pamphlet, except that up to ten
15 percent of the override proceeds may be used for general capital expenses,
16 including cost overruns of proposed capital improvements.

17 ~~Z.~~ Z. Each school district that currently increases its budget
18 pursuant to this section shall hold a public meeting each year between
19 September 1 and October 31 at which an update of the programs or capital
20 improvements financed through the override is discussed and at which the
21 public is allowed an opportunity to comment and:

22 1. If the increase is pursuant to subsection L or M of this
23 section, at a minimum, the update shall include the progress of capital
24 improvements financed through the override, a comparison of the current
25 status and the original projections on the construction of capital
26 improvements, the costs of capital improvements and the costs of capital
27 improvements in progress or completed since the prior meeting and the
28 future capital plans of the school district. The school district shall
29 include in the public meeting a discussion of the school district's use of
30 state capital aid and voter-approved bonding in funding capital
31 improvements, if any.

32 2. If the increase is pursuant to subsection E, F, I or J of this
33 section, the update shall include at a minimum the amount expended in the
34 previous fiscal year and the amount included in the current budget for
35 each of the purposes listed in the informational pamphlet prescribed by
36 subsection B of this section.

37 ~~AA.~~ AA. **SUBJECT TO THE REQUIREMENTS PRESCRIBED BY SUBSECTION O OF**
38 **THIS SECTION,** if a budget in excess of district additional assistance was
39 previously adopted by the voters in a school district and will be in
40 effect for the budget year or budget year and subsequent years, as
41 provided in subsection L or M of this section, the governing board may
42 request an additional budget in excess of district additional assistance.
43 If the voters in a school district authorize the additional budget in
44 excess of district additional assistance, the existing district additional
45 assistance budget increase remains in effect.

1 ~~AA.~~ BB. Notwithstanding any other law, the maximum budget increase
2 that may be authorized pursuant to subsection L or M of this section is
3 ten percent of the school district's revenue control limit.

4 ~~BB.~~ CC. If the election is to continue to exceed the revenue
5 control limit and if the proposed override will be fully funded by a
6 continuation of a levy of taxes on the taxable property in the school
7 district, the ballot shall contain the words "budget override
8 continuation, yes" and "budget override continuation, no", and the voter
9 shall signify the voter's desired choice. The ballot shall also contain
10 the amount of the proposed continuation of the budget increase of the
11 proposed budget over the alternate budget, a statement that the amount of
12 the proposed increase will be based on a percentage of the school
13 district's revenue control limit in future years, if applicable, as
14 provided in subsection ~~P~~ Q of this section and the following statement:

15 Any budget increase continuation authorized by this
16 election shall be entirely funded by a levy of taxes on the
17 taxable property in this school district for the year for
18 which adopted and for _____ subsequent years, shall not be
19 realized from monies furnished by the state and shall not be
20 subject to the limitation on taxes specified in article IX,
21 section 18, Constitution of Arizona. Based on the current net
22 assessed valuation used for secondary property tax purposes,
23 to fund the proposed continuation of the increase in the
24 school district's budget would require an estimated
25 continuation of a tax rate of \$_____ per \$100 of
26 assessed valuation used for secondary property tax purposes
27 and is in addition to the school district's tax rate that will
28 be levied to fund the school district's revenue control limit
29 allowed by law.

30 ~~CC.~~ DD. If the election is to continue to exceed the revenue
31 control limit as provided in section 15-482 and if the proposed override
32 will be fully funded by a continuation of a levy of taxes on the taxable
33 property in the school district, the ballot shall contain the words
34 "budget override continuation, yes" and "budget override continuation,
35 no", and the voter shall signify the voter's desired choice. The ballot
36 shall also contain the amount of the proposed continuation of the budget
37 increase of the proposed budget over the alternate budget, a statement
38 that the amount of the proposed increase will be based on a percentage of
39 the school district's revenue control limit in future years, if
40 applicable, as provided in subsection ~~P~~ Q of this section and the
41 following statement:

42 Any budget increase continuation authorized by this
43 election shall be entirely funded by a levy of taxes on the
44 taxable property in this school district for the year for which
45 adopted and for _____ subsequent years, shall not be realized
46 from monies furnished by the state and shall not be subject to
47 the limitation on taxes specified in article IX, section 18,

1 Constitution of Arizona. Based on the current net assessed
2 valuation used for secondary property tax purposes, to fund the
3 proposed continuation of the increase in the school district's
4 budget would require an estimated continuation of a tax rate of
5 \$_____ per \$100 of net assessed valuation used for
6 secondary property tax purposes and is in addition to the
7 school district's tax rate that will be levied to fund the
8 school district's revenue control limit allowed by law.
9 Sec. 4. Section 15-491, Arizona Revised Statutes, is amended to
10 read:

11 15-491. Elections on school property; exceptions

12 A. The governing board of a school district may, and on petition of
13 fifteen percent of the school electors as shown by the poll list at the
14 last preceding annual school election shall, call an election for the
15 following purposes:

- 16 1. To locate or change the location of school buildings.
- 17 2. To purchase or sell school sites or buildings or sell school
18 sites pursuant to section 15-342 or to build school buildings, but the
19 authorization by vote of the school district shall not necessarily specify
20 the site to be purchased.
- 21 3. To decide whether the bonds of the school district shall be
22 issued and sold for the purpose of raising monies for purchasing or
23 leasing school lots, for building or renovating school buildings, for
24 supplying school buildings with furniture, equipment and technology, for
25 improving school grounds, for purchasing pupil transportation vehicles or
26 for liquidating any indebtedness already incurred for such purposes.
27 Bonds issued for furniture, equipment and technology, other than fixtures,
28 shall mature not later than the July 1 that follows the fifth year after
29 the bonds were issued. A school district shall not issue class B bonds
30 until the school district has obligated in contract the entire proceeds of
31 any class A bonds issued by the school district. The total amount of
32 class A and class B bonds issued by a school district shall not exceed the
33 debt limitations prescribed in article IX, sections 8 and 8.1,
34 Constitution of Arizona.
- 35 4. To lease for twenty or more years, as lessor or as lessee,
36 school buildings or grounds. Approval by a majority of the school
37 district electors voting authorizes the governing board to negotiate for
38 and enter into a lease. The ballot shall list the school buildings or
39 grounds for which a lease is sought. If the governing board does not
40 enter into a lease of twenty or more years of the school buildings or
41 grounds listed on the ballot within twenty years after the date of the
42 election and the board continues to seek such a lease, the governing board
43 shall call a special election to reauthorize the board to negotiate for
44 and to enter into a lease of twenty or more years.
- 45 5. To change the list of capital projects or the purposes
46 authorized by prior voter approval to issue bonds.

1 6. To extend from six to ten years the time period to issue class B
2 bonds authorized in 2009 or earlier. Elections pursuant to this paragraph
3 may not be held later than the sixth November after the election approving
4 the issuance of the bonds.

5 B. A petition is not required for holding the first election to be
6 held in a joint common school district for any of the purposes specified
7 in subsection A of this section. The certification of election results
8 required by section 15-493 shall be made to the board of supervisors of
9 the jurisdictional county.

10 C. When the election is called to determine whether or not bonds
11 of the school district shall be issued and sold for the purposes
12 enumerated in the call for the election, the question shall be submitted
13 to the vote of the qualified electors of the school district as defined in
14 section 15-401 and subject to section 15-402.

15 D. The governing board shall order the election to be held and the
16 election notice and procedures to be conducted in the manner prescribed in
17 title 35, chapter 3, article 3. If a petition for an election has been
18 filed with the governing board as provided in subsection A of this
19 section, the board shall act on the petition within sixty days by ordering
20 the election to be held as provided in this subsection. If a school
21 district bond election is scheduled for the same date a school district
22 will hold an override election, the governing body shall deliver a copy of
23 the notice of election and ballot to the county school superintendent who
24 shall include the notice of election and ballot with the informational
25 pamphlet and ballot prepared for the override election. Mailing of the
26 information required for both the override and bond elections shall
27 constitute compliance with the notice provisions of this section.

28 E. The elections to be held pursuant to this section shall only be
29 held on dates prescribed by section 16-204, except that elections held
30 pursuant to this section to decide whether class B bonds shall be issued,
31 or any other obligation incurred that will require the assessment of
32 secondary property taxes, shall only be held on the first Tuesday after
33 the first Monday of November.

34 F. Subsection A, paragraph 2 of this section does not apply to the
35 sale of school property if the market value of the school property is less
36 than \$50,000.

37 G. Bond counsel fees, financial advisory fees, printing costs and
38 paying agent and registrar fees for bonds issued pursuant to an election
39 under this section shall be paid from either the amount authorized by the
40 qualified electors of the school district or current operating funds.
41 Bond election expenses shall be paid from current operating funds only.

42 H. For any election conducted to decide whether class B bonds will
43 be issued pursuant to this section:

44 1. Except as provided in paragraph 2 of this subsection, the ballot
45 shall include the following statement:

1 The capital improvements that are proposed to be funded
2 through this bond issuance are to exceed the state standards
3 and are in addition to monies provided by the state.

4 _____ school district is proposing to issue class B
5 general obligation bonds totaling \$_____ to fund capital
6 improvements over and above those funded by the state. Under
7 the students first capital funding system, _____ school
8 district is entitled to state monies for new construction and
9 renovation of school buildings in accordance with state law.

10 2. For a school district that is a career technical education
11 district, the ballot shall include the following statement:

12 _____, a career technical education district, is
13 proposing to issue class B general obligation bonds totaling
14 \$_____ to fund capital improvements at a campus owned or
15 operated and maintained by the career technical education
16 district.

17 3. The ballot shall conform to the requirements of title 35,
18 chapter 3, article 3.

19 4. At least eighty-five days before the election, the school
20 district shall submit proposed ballot language to the county school
21 superintendent and the director of the Arizona legislative council. The
22 director of the Arizona legislative council shall review the proposed
23 ballot language to determine whether the proposed ballot language complies
24 with this section. If the director of the Arizona legislative council
25 determines that the proposed ballot language does not comply with this
26 section, the director, within ten calendar days after receiving the
27 proposed ballot language, shall notify the school district and the county
28 school superintendent of the director's objections, and the school
29 district shall resubmit revised ballot language to the director for
30 approval.

31 5. Not later than thirty-five days before a class B bond election
32 conducted pursuant to this section, the school district shall mail an
33 informational pamphlet prepared by the county school superintendent to
34 each household that contains a qualified elector in the school district.
35 The informational pamphlet shall contain, at a minimum, the following
36 information:

37 (a) An executive summary of the school district's most recent
38 capital plan submitted to the school facilities oversight board.

39 (b) A complete list of each proposed capital improvement that will
40 be funded with the proceeds of the bonds and a description of the proposed
41 cost of each improvement, including a separate aggregation of capital
42 improvements for administrative purposes as defined by the school
43 facilities oversight board.

44 (c) The tax rate associated with each of the proposed capital
45 improvements and the estimated cost of each capital improvement for the
46 owner of a single family home that is valued at \$100,000.

1 I. For any election conducted to decide whether impact aid revenue
2 bonds shall be issued pursuant to this section:

3 1. The ballot shall include the following statement:
4 The capital improvements that are proposed to be funded
5 through this bond issuance are to exceed the state standards
6 and are in addition to monies provided by the state.
7 _____ school district is proposing to issue impact
8 aid revenue bonds totaling \$_____ to fund capital
9 improvements over and above those funded by the state. Under
10 the students first capital funding system, _____ school
11 district is entitled to state monies for new construction and
12 renovation of school buildings in accordance with state law.

13 2. The ballot shall contain the words "bond approval, yes" and
14 "bond approval, no", and the voter shall signify the voter's desired
15 choice.

16 3. At least eighty-five days before the election, the school
17 district shall submit proposed ballot language to the director of the
18 legislative council. The director of the legislative council shall review
19 the proposed ballot language to determine whether the proposed ballot
20 language complies with this section. If the director of the legislative
21 council determines that the proposed ballot language does not comply with
22 this section, the director, within ten calendar days after receiving the
23 proposed ballot language, shall notify the school district of the
24 director's objections, and the school district shall resubmit revised
25 ballot language to the director for approval.

26 4. Not later than thirty-five days before an impact aid revenue
27 bond election conducted pursuant to this section, the school district
28 shall mail an informational pamphlet prepared by the county school
29 superintendent to each household that contains a qualified elector in the
30 school district. The informational pamphlet shall contain, at a minimum,
31 the following information:

32 (a) The date of the election.
33 (b) The voter's polling place and the times it is open.
34 (c) An executive summary of the school district's most recent
35 capital plan submitted to the school facilities oversight board.
36 (d) A complete list of each proposed capital improvement that will
37 be funded with the proceeds of the bonds and a description of the proposed
38 cost of each improvement, including a separate aggregation of capital
39 improvements for administrative purposes as defined by the school
40 facilities oversight board.
41 (e) A statement that impact aid revenue bonds will be fully funded
42 by aid that the school district receives from the federal government and
43 do not require a levy of taxes in the district.
44 (f) A statement that if the bonds are approved, the first priority
45 for the impact aid will be to pay the debt service for the bonds and that
46 other uses of the monies are prohibited until the debt service obligation
47 is met.

1 (g) A statement that if the impact aid revenue bonds are approved,
2 the school district shall not issue or sell class B bonds while the
3 district has existing indebtedness from impact aid revenue bonds, except
4 for bonds issued to refund any bonds issued by the board.

5 J. If the voters approve the issuance of school district class B
6 bonds or impact aid revenue bonds, the school district shall not use the
7 bond proceeds for any purposes other than the proposed capital
8 improvements listed in the informational pamphlet, except that up to ten
9 percent of the bond proceeds may be used for general capital expenses,
10 including cost overruns of proposed capital improvements. The proposed
11 capital improvements may be changed by a subsequent election as provided
12 by this section.

13 K. Each school district that issues bonds under this section shall
14 hold a public meeting each year between September 1 and October 31, until
15 the bond proceeds are spent, at which an update of the progress of capital
16 improvements financed through bonding is discussed and at which the public
17 is allowed an opportunity to comment. At a minimum, the update shall
18 include a comparison of the current status and the original projections on
19 the construction of capital improvements, the costs of capital
20 improvements and the costs of capital improvements in progress or
21 completed since the prior meeting and the future capital bonding plans of
22 the school district. The school district shall include in the public
23 meeting a discussion of the school district's use of state capital aid and
24 voter-approved capital overrides in funding capital improvements, if any.

25 L. IF A SCHOOL DISTRICT FAILS TO CORRECT A DEFICIENCY WITHIN NINETY
26 DAYS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL PURSUANT TO SECTION
27 15-271, THE SCHOOL DISTRICT GOVERNING BOARD MAY NOT CALL AN ELECTION FOR
28 THE PURPOSES SPECIFIED IN SUBSECTION A, PARAGRAPH 3 OR 5 OF THIS SECTION
29 UNTIL THE SCHOOL DISTRICT HAS CORRECTED ANY DEFICIENCIES AND COMPLIED WITH
30 THE UNIFORM SYSTEM OF FINANCIAL RECORDS FOR AT LEAST TWELVE MONTHS. FOR
31 THE PURPOSES OF THIS SUBSECTION, THE SCHOOL DISTRICT HAS CORRECTED ANY
32 DEFICIENCIES FROM AND AFTER THE DATE THAT THE AUDITOR GENERAL REPORTS THAT
33 THE SCHOOL DISTRICT IS IN COMPLIANCE WITH THE UNIFORM SYSTEM OF FINANCIAL
34 RECORDS.

35 ~~L.~~ M. If an election is held to change the purpose or list of
36 capital projects authorized by prior voter approval to issue bonds
37 pursuant to subsection A, paragraph 5 of this section, the following
38 requirements apply:

39 1. The election may be held only on the first Tuesday after the
40 first Monday in November.

41 2. Not later than thirty-five days before the election, the school
42 district shall mail an informational pamphlet prepared by the county
43 school superintendent to each household in the school district that
44 contains a qualified elector. The informational pamphlet shall contain,
45 at a minimum, the following information:

46 (a) The date of the election.

47 (b) The voter's polling place and the times it is open.

1 (c) A statement as to why the election was called.

2 (d) A complete list of each proposed capital improvement that is in
3 addition to the initial capital improvements presented in the
4 informational pamphlet when the bonds were approved and the proposed cost
5 of each improvement, including a separate aggregation of capital
6 improvements for administrative purposes as defined by the school
7 facilities oversight board.

8 (e) A complete list of each capital improvement that was presented
9 in the informational pamphlet when the bonds were initially approved and
10 that is proposed to be eliminated or to have its cost reduced, and the
11 proposed cost of each improvement, including a separate aggregation of
12 capital improvements for administrative purposes as defined by the school
13 facilities oversight board.

14 (f) Arguments for and against the proposed change, if submitted, as
15 provided by section 15-481, subsection B, paragraph 9. The ballot
16 arguments for the proposed change shall be signed as the governing board
17 of the school district without listing any member's individual name for
18 the arguments for the proposed change.

19 3. The ballot shall contain the words "change capital improvements,
20 yes" and "change capital improvements, no", and the voter shall signify
21 the voter's desired choice.

22 4. If the election is to add a purpose that was not on the initial
23 ballot, the ballot shall list the purpose that is proposed to be added.

24 ~~M.~~ N. If an election is held to extend the time to issue bonds
25 pursuant to subsection A, paragraph 6 of this section, the following
26 requirements apply:

27 1. The election may be held only on the first Tuesday after the
28 first Monday in November.

29 2. Not later than thirty-five days before the election, the school
30 district shall mail an informational pamphlet prepared by the county
31 school superintendent to each household in the school district that
32 contains a qualified elector. The informational pamphlet shall contain,
33 at a minimum, the following information:

34 (a) The date of the election.

35 (b) The voter's polling place and the times it is open.

36 (c) A statement as to why the election was called.

37 (d) Arguments for and against the proposed change, if submitted, as
38 provided in section 15-481, subsection B, paragraph 9. The ballot
39 arguments for the proposed change shall be signed as the governing board
40 of the school district without listing any member's individual name for
41 the arguments for the proposed change.

42 3. The ballot shall contain the words "extend time to issue bonds,
43 yes" and "extend time to issue bonds, no", and the voter shall signify the
44 voter's desired choice.

1 Sec. 5. Section 15-747, Arizona Revised Statutes, is amended to
2 read:

3 15-747. School financial transparency; portal; required
4 information; third-party contractor; fund;
5 exemption

6 A. ~~Beginning in fiscal year 2021-2022,~~ The department of
7 ~~[administration]~~ [EDUCATION] shall develop a transparent and easily
8 accessible school financial transparency portal that includes the
9 following ~~school level~~ SCHOOL-LEVEL data for charter schools, individual
10 schools operated by a school district and school districts:

- 11 1. The detailed total revenues generated by weighted student count.
- 12 2. The total allocated federal, state and local revenues.
- 13 3. The allocation of classroom site fund monies.
- 14 4. The amounts allocated for teacher pay and benefits, classroom
15 supplies, student support and other expenditures.
- 16 5. A comparison of the funding information for each school in
17 relation to the funding information for other schools in the same local
18 education agency.
- 19 6. Any other information that is necessary for a transparent
20 comparison between schools with respect to their revenues, expenditures,
21 student demographics or academic achievement.

22 B. The ~~[department of education and the]~~ state board for charter
23 schools shall provide and assist with any necessary data or financial
24 information the department of ~~[administration]~~ [EDUCATION] or the
25 contractor selected pursuant to subsection C of this section requests to
26 comply with and implement subsection A of this section. The auditor
27 general may provide assistance related to this section.

28 C. The department of ~~[administration]~~ [EDUCATION] shall contract
29 with a third party to develop the portal prescribed in subsection A of
30 this section. The third party selected by the department must meet all of
31 the following:

- 32 1. Have experience in building education finance platforms to show
33 school financial information in a transparent and easily understandable
34 format.
- 35 2. Be incorporated for at least five years.
- 36 3. Have an exclusive focus on K-12 education finance technology.
- 37 4. Have at least five years of experience building cloud-hosted
38 education finance software.
- 39 5. Have experience integrating with the uniform system of financial
40 records.

41 D. THE SCHOOL FINANCIAL TRANSPARENCY PORTAL FUND IS ESTABLISHED
42 CONSISTING OF [LEGISLATIVE APPROPRIATIONS AND] PENALTIES COLLECTED
43 PURSUANT TO SECTION 15-272. THE DEPARTMENT OF EDUCATION SHALL ADMINISTER
44 THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT
45 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
46 APPROPRIATIONS. THE DEPARTMENT MAY USE MONIES IN THE FUND FOR THE COSTS
47 OF THE SCHOOL FINANCIAL TRANSPARENCY PORTAL THAT IS DEVELOPED AND

1 MAINTAINED PURSUANT TO THIS SECTION, INCLUDING ~~[FOR REIMBURSING THE~~
2 ~~DEPARTMENT OF ADMINISTRATION FOR]~~ THE COSTS OF THE CONTRACTOR SELECTED
3 PURSUANT TO SUBSECTION C OF THIS SECTION.

4 <<Sec. 6. Transfer; effect; succession

5 [A. All matters relating to the K-12 school financial transparency
6 reporting portal developed pursuant to section 15-747, Arizona Revised
7 Statutes, as amended by this act, including contracts executed by the
8 department of administration, rules adopted by the department of
9 administration, property, records, data, investigative findings and
10 obligations are transferred, on the effective date of this act, and
11 maintain the same status with the department of education.

12 B. All appropriated monies remaining unspent and unencumbered of
13 the department of administration for the K-12 school financial
14 transparency reporting portal are transferred to the school financial
15 transparency portal fund established by section 15-747, Arizona Revised
16 Statutes, as amended by this act, and may be used for the purposes of this
17 act.]]>>

18 Enroll and engross to conform

19 Amend title to conform

MATT GRESS

2167GRESS1.docx

02/10/2025

2:14 PM

C: VS