



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature  
Second Regular Session

House: ED DP 10-0-0-1

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## **HB 2124: common school districts; tuition; elimination**

**Sponsor: Representative Udall, LD 25**

**House Engrossed**

### **Overview**

Eliminates tuition for a common school district not within a high school district. Alters funding formula calculations for a common school district not within a high school district.

### **History**

Statute caps the tuition for pupils attending school out of their school district of residence at the cost per student count of the school district attended, as determined for the current school year. The school district of attendance may not include in the cost per student count a charge for transportation if transportation is not provided. The school district of attendance must provide the school district of residence with the final tuition charge for the current year and an estimate of the budget year's tuition charge by prescribed deadlines.

However, a common school district not within a high school district may be charged, for high school pupils attending school in another school district, an amount equal to the average daily membership in the district of attendance from the common school district for the prior fiscal year. Statute permits adjustments to this amount under prescribed circumstances ([A.R.S. § 15-824](#)).

Common school districts not within a high school district receive funding for high school students based on the high school tuition paid for these students to other school districts. This tuition amount paid for high school students is included in the district support level (DSL) or revenue control limit (RCL) when determining the common school district's general budget limit ([A.R.S. § 15-951](#)).

### **Provisions**

#### ***Effective on the General Effective Date***

1. Allows a common school district that is not within the boundaries of a high school district and that was authorized to establish a unified school district to continue calculating its budget and equalization assistance as a common school district not within a high school district *until a high school is built*, rather than for 15 years after the unification election or until a high school is built. (Sec. 7)
2. Adds that a common school district that is not within the boundaries of a high school district and that was authorized to establish a unified school district or the newly formed unified school district may retroactively adjust its budget for FY 2021 or FY 2022. (Sec. 7)

#### ***Effective July 1, 2023***

3. Removes statute that:
  - a) Prescribes how tuition is to be charged to a common school district that is not within a high school district for high school pupils; and
  - b) Allows a school district governing board to budget for the bond issues portion of the cost of tuition charged to the district for pupils attending school in another school district. (Sec. 3, 5)

4. States that the RCL and DSL for a common school district not within a high school district is calculated using the equalization base, rather than the tuition payable, for high school pupils who attend school in another school district. (Sec. 8)
5. Excludes, from a school district's general budget limit, the equalization base for high school pupils who attend school in another school district. (Sec. 6)
6. Determines the equalization base for high school pupils who attend school in another school district by multiplying the countywide average per-pupil equalization base for high school pupils by the number of resident high school pupils in the common school district not within a high school district during the prior school year. (Sec. 8)
7. Requires monies collected for the equalization base for high school pupils who reside in a common school district not within a high school district and who attend another school district to be added to the county aid for equalization assistance. (Sec. 9, 10)
8. Directs the Arizona Department of Education, in FYs 2024, 2025 and 2026, to award grant monies from the Extraordinary Special Education Needs Fund to school districts that:
  - a) Offer high school services; and
  - b) Demonstrate a substantial and negative financial impact associated with accepting students with special education needs who previously paid tuition and are now accepted via open enrollment. (Sec. 11)
9. Deletes language that:
  - a) Requires a school district governing board to admit 350 or fewer pupils from another school district or area without certificates of educational convenience to a high school if the pupil is a resident of a common school district that is not within a high school district and that does not offer instruction in the pupil's grade;
  - b) Details district additional assistance calculations for a common school district not within a high school district; and
  - c) States that, for the purposes of determining eligibility to increase the RCL or DSL, the student count for a common school district not within a high school district is the student count for pupils in kindergarten programs and the 1st-12th grades (Sec. 3, 8)
10. Repeals statute that:
  - a) Allows a common school district that is not within the boundaries of a high school district and that was authorized to establish a unified school district to continue calculating its budget and equalization assistance as a common school district not within a high school district until a high school is built;
  - b) Allows a newly formed unified school district meeting outlined requirements and that phases in instruction for students in the 9th-12th grades to continue calculating its budget and equalization assistance for a maximum of five years after the first year of operation of the new high school in the newly formed unified school district; and
  - c) Allows a common school district that is not within the boundaries of a high school district and that was authorized to establish a unified school district or the newly formed unified school district to retroactively adjust its budget for FY 2021 or FY 2022. (Sec. 8)

***Miscellaneous***

11. Contains a delayed effective date of July 1, 2023 for specified sections. (Sec. 12)
12. Makes technical changes. (Sec. 3, 4, 6, 9, 10)
13. Makes conforming changes. (Sec. 1, 2, 3, 4, 5, 7, 8, 9, 10)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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