



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

House: ED DP 10-0-0-1 | 3rd Read 59-0-1-0
Senate: ED DPA/SE 7-0-1-0 | 3rd Read 25-1-4-0
Final Pass: 42-11-7-0

HB 2124: ~~common school districts; tuition; elimination~~

NOW: school districts; tuition; expenditures

Sponsor: Representative Udall, LD 25

Transmitted to the Governor

Overview

States a high school pupil who resides in a common school district is deemed to be enrolled in the school district of their attendance, rather than residence, and eliminates the requirement that tuition be charged for these pupils. Modifies school district budget calculations and funding for a high school pupil who resides in a common 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.

A common school district may be charged, for high school pupils attending school in another school district, an amount equal to the average daily membership (ADM) 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 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

Tuition and School District Budgeting (Effective July 1, 2023)

1. Provides that high school pupils who reside in a common school district are deemed to be enrolled in the school district of their attendance, rather than residence. (Sec. 2)
2. Adds providing a free and appropriate public education pursuant to federal law to the purposes of determining the school membership of high school pupils who are residents of a common school district. (Sec. 2)
3. Eliminates the requirement that tuition be charged for a pupil who is from a:
 - a) Common school district that does not offer instruction in the pupil's grade;
 - b) School district that provides only financing for pupils who are instructed by another school district; and
 - c) Unified school district that does not offer instruction in the pupil's grade. (Sec. 2)
4. Instructs a school district governing board to:

- a) Admit pupils from another school district or area to a high school without a certificate of educational convenience if the pupil is a resident of a transporting school district that does not offer instruction in the pupil's grade; and
 - b) Charge the transporting school district tuition for each admitted high school pupil. (Sec. 2)
5. Declares, for the purposes of determining student count and state aid apportionment, a high school pupil who is a resident of a transporting school district to be enrolled in the school district of the pupil's residence. (Sec. 2)
 6. Specifies the number of high school pupils for which tuition may be charged to a transporting school district is equal to the ADM in the district of attendance from the transporting school district for the prior fiscal year. (Sec. 2)
 7. Excludes, from district additional assistance (DAA) for a common school district or a transporting school district, high school pupils who are admitted to another school district. (Sec. 8)
 8. Stipulates that if a common school district or a transporting school district transports high school pupils, DAA is increased by 50% of the DAA per pupil amount multiplied by the number of high school pupils transported. (Sec. 8)
 9. Removes the ability for a school district governing board to budget for the bond issues portion of the tuition cost charged for the pupils attending another school district. (Sec. 3)
 10. Modifies the definition of *costs per student* by removing the limitations calculated according to a school district's actual expenditures for debt services and student count. (Sec. 2)
 11. Provides that, for the purposes of determining student count and state aid apportionment, a high school pupil who is admitted to a unified school district and who resides in a common school district that was located within the boundaries of the former high school district is deemed to be enrolled in the unified school district. (Sec. 1)
 12. Repeals statute that:
 - a) Calculates the RCL, DAA, DSL and student count for a common school district;
 - b) Allows a common school district that was authorized to establish a unified school district to continue calculating its budget and equalization assistance as a common school district until a high school is built;
 - c) Allows an eligible unified school district to continue calculating its budget and equalization assistance as a common school district for a maximum of five years after the first year of operation of the new high school in the unified school district; and
 - d) Allows a common school district that was authorized to establish a unified school district or the unified school district to retroactively adjust its budget for FYs 2021 or 2022. (Sec. 7)

Tax Levy for a Common School District (Effective July 1, 2023)

13. Directs the county board of supervisors (BOS) to annually levy an additional tax in each common school district that is equal to the countywide average per pupil equalization base for high school pupils multiplied by the number of resident high school pupils in the common school district during the prior year. (Sec. 11)
14. Requires the monies raised by the tax levy in common school districts to be added to county aid for equalization assistance for education. (Sec. 11)
15. Includes, in the calculation of county aid for equalization assistance for education, monies collected pursuant to the tax levy in each common school district. (Sec. 9)

16. Directs the Arizona Department of Education (ADE), by July 1 annually, to provide each county BOS with:
- a) The countywide average per pupil equalization base for high school pupils;
 - b) The number of resident high school pupils in the common school district during the prior school year; and
 - c) Other information requested by the county BOS. (Sec. 11)

Common School District Budget Calculation (Effective on the General Effective Date)

17. Allows a common school district that was authorized to establish a unified school district to continue calculating its budget and equalization assistance as a common 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. 6)
18. Adds that a common school district that was authorized to establish a unified school district or the unified school district may retroactively adjust its budget for FY 2022. (Sec. 6)

Miscellaneous

19. Directs ADE, 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. 12)
20. Contains a delayed effective date of July 1, 2023 for specified sections. (Sec. 13)
21. Makes technical changes. (Sec. 2, 3, 4, 5, 8, 9, 10, 11)
22. Makes conforming changes. (Sec. 2, 3, 4, 5, 9, 10, 11)

<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
--	--	---	--------------------------------------