

ATRA SUPPORTS SB1210

An Equitable Out-of-County Reimbursement

Background

When community colleges enroll out-of-county students from a county that has its own community college district, the resident county is charged nothing. But when a college enrolls a student from one of the three counties that has no community college district (an “unorganized” county), the district charges the resident county an out-of-county reimbursement. As the property taxpayers in the three unorganized counties (Apache, Greenlee, or Santa Cruz) support no community college, it is appropriate for the county taxpayers to reimburse the college districts for services supported by a tax the counties’ residents do not pay.

Basis for ATRA’s Support

The current out-of-county reimbursement formula, however, requires not only the reimbursement of the college district’s property tax dollars but the reimbursement of all dollars spent to educate the unorganized counties’ students. A large portion of these expenditures requiring reimbursement are funded with state tax dollars through equalization aid. As the residents of these unorganized counties are state taxpayers, they should not be charged a second time for the portion of their residents’ education that was funded with state tax dollars.

The only difference between the residents of the unorganized counties and the residents of any other county is the property tax paid by the residents of the college districts. If the residents of all other counties are free to enroll in any community college in Arizona without the county taxpayers owing a reimbursement, then the residents of the unorganized counties should be granted the same privilege after paying their portion of the college district’s property tax.

SB1210 makes the out-of-county reimbursement formula equitable by subjecting the taxpayers of the unorganized counties to no more than their portion of the community college property tax burden.