



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-fifth Legislature
Second Regular Session

HB 2854: K-12; school finance; weights

**Sponsor: Representative Toma (with permission of Committee on Rules), LD 22
Committee on Ways & Means**

Overview

Creates a Group B weight for students who meet the federal economic eligibility requirements for free or reduced-price lunches (FRPL) and increases the Group B weight for English language learners (ELL). Appropriates a total of \$400,000,000 from the state General Fund (GF) in FY 2024 for education-related purposes. Contains a conditional enactment clause.

History

The equalization base (the primary component of the Arizona school finance formula) determines a school district's funding by adding the base support level (BSL), transportation support level and district additional assistance (DAA). The equalization base for a charter school is calculated by adding the BSL and charter additional assistance (CAA) (A.R.S. §§ [15-185](#), [15-971](#)).

The BSL is calculated by multiplying weighted student count (WSC), the base level amount and the teacher experience index (TEI) (charter schools are not eligible for the TEI) ([A.R.S. § 15-943](#)). To calculate WSC, a student is assigned an average daily membership that is increased by *Group A* and *Group B* weights. Every student receives a Group A weight. Select students receive Group B weights that vary according to statutorily designated classifications. For example, there is a Group B funding category for ELL (ELL students who are enrolled in an English language education program) that carries a support level weight of 0.115 ([A.R.S. § 15-901](#)).

DAA is calculated by multiplying a school district's prior year unweighted student count by statutory support level amounts ([A.R.S. § 15-961](#)). CAA is annually set by the Legislature and varies according to grade level ([A.R.S. § 15-185](#)).

A school district's equalization base is first funded through the qualifying tax rate and the state equalization tax rate. If these levies are insufficient to fully fund the equalization base, the difference is funded through basic state aid (BSA), which comes from the state GF. A charter school is funded entirely through BSA (A.R.S. §§ [15-992](#), [15-994](#)).

The Classroom Site Fund (CSF) consists of monies raised pursuant to the 0.6% transaction privilege tax and use tax for education as well as K-12 state land trust revenues. CSF monies must be used for: 1) class size reduction; 2) teacher compensation; 3) assessment intervention programs; 4) teacher development; 5) dropout prevention programs; 6) teacher liability insurance premiums; and 7) student support services ([A.R.S. § 15-977](#)).

The National School Lunch and Nutrition Acts (NSLA) established the National School Lunch Program which provides low- or no-cost lunches to children in public schools, nonprofit private schools and residential childcare institutions ([USDA](#)).

Provisions

1. Establishes a Group B funding category of *FRPL* and assigns it a support level weight of 0.037. (Sec. 2)

<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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2. Defines *FRPL* to mean students who meet the economic eligibility requirements established under the NSLA for FRPL. (Sec. 1)
3. Includes, in the definition of *Group B*, students who meet the economic eligibility requirements established under the NSLA for FRPL. (Sec. 1)
4. Increases the support level weight for the Group B funding category of ELL from 0.115 to 0.23. (Sec. 2)
5. Appropriates the following amounts from the state GF in FY 2024 to the Arizona Department of Education (ADE) for BSA:
 - a) \$100,000,000 to fund the FRPL Group B weight; and
 - b) \$42,000,000 to fund the increase in the ELL Group B weight.
6. Appropriates the following amounts from the state GF in FY 2024 to ADE for BSA:
 - a) \$11,700,000 to fund an ongoing increase in the statutory per pupil CAA amounts above the CAA amount that otherwise would be provided by law for FY 2024; and
 - b) \$46,300,000 to fund an ongoing increase in the statutory per pupil DAA amounts above the DAA amount that otherwise would be provided by law for FY 2024. (Sec. 3)
7. Appropriates \$200,000,000 from the state GF in FY 2024 for a onetime deposit in the CSF. (Sec. 3)
8. Conditions the enactment of this legislation on the enactment of House Bill 2853, relating to Arizona empowerment scholarship accounts. (Sec. 4)
9. Specifies this legislation is effective on July 1, 2023 if House Bill 2853 is enacted and the entire bill as enacted becomes law. (Sec. 4)
10. Makes technical and conforming changes. (Sec. 1)