

REFERENCE TITLE: school districts; spending authority; requirements

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2700

Introduced by
Representative Chaplik

AN ACT

AMENDING SECTION 15-947, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT BUDGETING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-947, Arizona Revised Statutes, is amended to
3 read:

4 15-947. Revenue control limit; district support level;
5 general budget limit; unrestricted total capital
6 budget limit; district additional assistance limit

7 A. The revenue control limit for a school district is equal to the
8 sum of the base revenue control limit determined in section 15-944 and the
9 transportation revenue control limit determined in section 15-946.

10 B. The district support level for a school district is equal to the
11 sum of the base support level determined in section 15-943 and the
12 transportation support level determined in section 15-945.

13 C. The general budget limit for each school district, for each
14 fiscal year, is the sum of the following:

15 1. The maintenance and operations portion of the revenue control
16 limit for the budget year.

17 2. The maintenance and operation portion of the following amounts:

18 (a) Amounts that are fully funded by revenues other than a levy of
19 taxes on the taxable property within the school district, as listed below:

20 (i) Amounts budgeted as the budget balance carryforward as provided
21 in section 15-943.01.

22 (ii) Tuition revenues for attendance of nonresident pupils.

23 (iii) State assistance as provided in section 15-976.

24 (iv) Special education revenues as provided in section 15-825,
25 subsection D and section 15-1204.

26 (v) Title VIII of the elementary and secondary education act of
27 1965 assistance determined for children with disabilities, children with
28 specific learning disabilities, children residing on Indian lands and
29 children residing within the boundaries of an accommodation school that is
30 located on a military reservation and that is classified as a heavily
31 impacted local educational agency pursuant to 20 United States Code
32 section 7703 as provided in section 15-905, subsections K and O.

33 (vi) Title VIII of the elementary and secondary education act of
34 1965 administrative costs as provided in section 15-905, subsection P.

35 (vii) State assistance for excess tuition as provided in section
36 15-825.01.

37 (viii) Transportation revenues for attendance of nonresident
38 pupils.

39 (b) Amounts approved pursuant to an override election as provided
40 in section 15-481 for the applicable fiscal year.

41 (c) Amounts authorized by the county school superintendent pursuant
42 to section 15-974, subsection B.

43 (d) Expenditures for complying with a court order of desegregation
44 as provided in section 15-910.

1 (e) Interest on registered warrants or tax anticipation notes as
2 provided in section 15-910.

3 (f) Amounts budgeted for a jointly owned and operated career and
4 technical education and vocational education center as provided in section
5 15-910.01.

6 3. The maintenance and operations portion of district additional
7 assistance for the budget year.

8 4. Any other budget item that is budgeted in the maintenance and
9 operation section of the budget and that is specifically exempt from the
10 revenue control limit or district additional assistance.

11 D. The unrestricted capital budget limit, for each school district
12 for each fiscal year, is the sum of the following:

13 1. The federal impact adjustment as determined in section 15-964
14 for the budget year.

15 2. Any other budget item that is budgeted in the capital outlay
16 section of the budget and that is specifically exempt from district
17 additional assistance.

18 3. The unrestricted capital portion of the amounts contained in
19 subsection C of this section.

20 4. The unexpended budget balance in the unrestricted capital outlay
21 fund from the previous fiscal year.

22 5. The net interest earned in the unrestricted capital outlay fund
23 from the previous fiscal year.

24 E. BEGINNING JULY 1, 2024, NOTWITHSTANDING ANY OTHER LAW, A SCHOOL
25 DISTRICT SHALL:

26 1. SPEND SIXTY-FIVE PERCENT OR MORE OF THE SCHOOL DISTRICT'S
27 GENERAL BUDGET LIMIT AS CALCULATED PURSUANT TO SUBSECTION C OF THIS
28 SECTION ON CLASSROOM-BASED INSTRUCTION.

29 2. SPEND UP TO FIVE PERCENT OF THE SCHOOL DISTRICT'S GENERAL BUDGET
30 LIMIT AS CALCULATED PURSUANT TO SUBSECTION C OF THIS SECTION ON
31 ADMINISTRATIVE COSTS.

32 3. FUND CLASSROOM INSTRUCTION AND STUDENT SUPPORT BEFORE FUNDING
33 ADMINISTRATIVE COSTS OR NONCERTIFICATED PERSONNEL.

34 Sec. 2. Intent

35 The legislature intends that school districts reduce class sizes,
36 increase teacher salaries, fund classroom supply budgets and make
37 classroom-based instruction the highest budget priority.

38 Sec. 3. Short title

39 This act may be cited as the "Classroom First Funding Act".