

REFERENCE TITLE: class size limits; policies; appropriations

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1232

Introduced by
Senators Marsh: Alston, Diaz, Epstein, Fernandez, Gabaldón, Gonzales,
Hatathlie, Hernandez, Miranda; Representatives Aguilar, Hernandez M,
Terech

AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 15-120.04; AMENDING SECTION 15-977, ARIZONA REVISED
STATUTES; APPROPRIATING MONIES; RELATING TO CLASS SIZE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 15, chapter 1, article 1, Arizona Revised
3 Statutes, is amended by adding section 15-120.04, to read:

4 15-120.04. Class size limits; policies; requirements

5 A. NOTWITHSTANDING ANY OTHER LAW, BEFORE THE 2028-2029 SCHOOL YEAR
6 THE GOVERNING BOARD OR GOVERNING BODY OF EACH PUBLIC SCHOOL IN THIS STATE
7 SHALL ADOPT A POLICY THAT PROVIDES FOR CLASS SIZES IN KINDERGARTEN
8 PROGRAMS, GRADES ONE THROUGH TWELVE AND CAREER TECHNICAL EDUCATION
9 DISTRICT PROGRAMS THAT COMPLY WITH THE FOLLOWING:

<u>GRADE LEVEL UNIT</u>	<u>AVERAGE CLASS SIZE</u>	<u>MAXIMUM CLASS SIZE</u>
K-3	18	21
4-8	22	27
9-12	25	30
CAREER TECHNICAL EDUCATION	20	25

10 B. BEGINNING IN THE 2028-2029 SCHOOL YEAR, THE GOVERNING BOARD OR
11 GOVERNING BODY OF EACH PUBLIC SCHOOL IN THIS STATE SHALL FULLY IMPLEMENT
12 THE POLICY ADOPTED PURSUANT TO SUBSECTION A OF THIS SECTION AS FOLLOWS:

13 1. THE TOTAL AVERAGE CLASS SIZE FOR EACH GRADE LEVEL UNIT
14 PRESCRIBED IN SUBSECTION A OF THIS SECTION MAY NOT EXCEED THE AVERAGE
15 CLASS SIZE PRESCRIBED IN SUBSECTION A OF THIS SECTION, BUT INDIVIDUAL
16 CLASSES WITHIN A GRADE LEVEL UNIT MAY EXCEED THE AVERAGE CLASS SIZE.

17 2. A CLASS MAY NOT EXCEED THE MAXIMUM CLASS SIZE PRESCRIBED IN
18 SUBSECTION A OF THIS SECTION.

19 3. THE AVERAGE CLASS SIZE AND THE MAXIMUM CLASS SIZE SHALL BE BASED
20 ON REGULAR CLASSROOM TEACHING POSITIONS, EXCLUDING PRINCIPAL, ASSISTANT
21 PRINCIPAL, COUNSELOR, ELEMENTARY ART, ELEMENTARY MUSIC, ELEMENTARY
22 PHYSICAL EDUCATION, LIBRARIAN, SPECIAL EDUCATION AND OTHER SPECIALIZED
23 POSITIONS.

24 4. A PUBLIC SCHOOL MAY EXCEED THE CLASS SIZE LIMITS PRESCRIBED IN
25 SUBSECTION A OF THIS SECTION IN AREAS SUCH AS TYPEWRITING AND INSTRUMENTAL
26 AND VOCAL MUSIC CLASSES IF THE EFFECTIVENESS OF THE INSTRUCTIONAL PROGRAM
27 IS NOT IMPAIRED.

28 5. A PUBLIC SCHOOL MAY SEEK A WAIVER FROM THE SUPERINTENDENT OF
29 PUBLIC INSTRUCTION TO EXCEED THE AVERAGE CLASS SIZE IF INDIVIDUAL CLASS
30 SIZES DO NOT EXCEED THE MAXIMUM CLASS SIZE PRESCRIBED IN SUBSECTION A OF
31 THIS SECTION.

32 6. A PUBLIC SCHOOL MAY NOT ESTABLISH SPLIT-GRADE CLASSES FOR THE
33 PURPOSE OF CIRCUMVENTING THE AVERAGE CLASS SIZE AND MAXIMUM CLASS SIZE
34 PRESCRIBED IN SUBSECTION A OF THIS SECTION. THIS PARAGRAPH DOES NOT
35 PREVENT A PUBLIC SCHOOL FROM USING MULTI-AGED CLASSES.

36 7. THE GOVERNING BOARD OR GOVERNING BODY OF A PUBLIC SCHOOL SHALL
37 APPROVE THE ESTABLISHMENT OF ANY SPLIT-GRADE CLASSES FOR ANY PURPOSE,
38 EXCEPT THAT SPLIT-GRADE CLASSES MAY NOT BE ESTABLISHED FOR THE PURPOSE OF
39 CIRCUMVENTING THE REQUIREMENTS OF THIS SECTION.
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1 8. THE AVERAGE CLASS SIZE SPECIFIED FOR THE GRADE LEVELS INVOLVED
2 IN SPLIT-GRADE CLASSES WILL BE THE MAXIMUM CLASS SIZE ALLOWED IN SUCH
3 CLASSES.

4 Sec. 2. Section 15-977, Arizona Revised Statutes, is amended to
5 read:

6 15-977. Classroom site fund; appropriation; definitions

7 A. The classroom site fund is established consisting of LEGISLATIVE
8 APPROPRIATIONS AND monies transferred to the fund pursuant to section
9 37-521, subsection B, section 42-5029, subsection E, paragraph 10 and
10 section 42-5029.02, subsection A. The department of education shall
11 administer the fund. School districts and charter schools may not
12 supplant existing school site funding with revenues from the fund. All
13 monies distributed from the fund are intended for use at the school site.
14 Teacher compensation distributed pursuant to this section shall
15 supplement, and not supplant, teacher compensation monies from any other
16 sources. The school district or charter school shall notify each school
17 principal of the amount available to the school by April 15 of each year.
18 The district or charter school shall request from the school's principal
19 each school's priority for the allocation of the funds available to the
20 school for each program listed under subsection H of this section. The
21 amount budgeted by the school district or charter school pursuant to this
22 section shall not be included in the allowable budget balance carryforward
23 calculated pursuant to section 15-943.01.

24 B. A school district governing board must adopt a performance based
25 compensation system at a public hearing to allocate funding from the
26 classroom site fund pursuant to subsection A of this section. Individual
27 teacher performance shall be a component of allocation for teacher
28 compensation.

29 C. A school district governing board shall vote on a performance
30 based compensation system that includes the following elements:

- 31 1. School district performance and school performance.
- 32 2. Individual teacher performance.
- 33 3. Measures of academic progress toward the academic standards
34 adopted by the state board of education.
- 35 4. Other measures of academic progress.
- 36 5. Dropout or graduation rates.
- 37 6. Attendance rates.
- 38 7. Ratings of school quality by parents.
- 39 8. Ratings of school quality by students.
- 40 9. The input of teachers and administrators.
- 41 10. Approval of the performance based compensation system based on
42 an affirmative vote of at least seventy percent of the teachers eligible
43 to participate in the performance based compensation system.
- 44 11. An appeals process for teachers who have been denied
45 performance based compensation.

1 12. Regular evaluation for effectiveness.

2 D. A performance based compensation system shall include teacher
3 professional development programs that are aligned with the elements of
4 the performance based compensation system.

5 E. A school district governing board may modify the elements
6 contained in subsection C of this section and consider additional elements
7 when adopting a performance based compensation system. A school district
8 governing board shall adopt any modifications or additional elements and
9 specify the criteria used at a public hearing.

10 F. Until December 31, 2009, each school district shall develop an
11 assessment plan for its performance based compensation system and submit
12 the plan to the department of education by December 31 of each year. A
13 copy of the performance based compensation system and assessment plan
14 adopted by the school district governing board shall be included in the
15 report submitted to the department of education.

16 G. Monies in the fund are continuously appropriated, are exempt
17 from the provisions of section 35-190 relating to lapsing of
18 appropriations and shall be distributed as follows:

19 1. By March 30 of each year, the staff of the joint legislative
20 budget committee shall determine a per pupil amount from the fund for the
21 budget year using the estimated statewide weighted count for the current
22 year pursuant to section 15-943, paragraph 2, subdivision (a) and based on
23 estimated available resources in the classroom site fund for the budget
24 year adjusted for any prior year carryforward or shortfall.

25 2. The allocation to each charter school and school district for a
26 fiscal year shall equal the per pupil amount established in paragraph 1 of
27 this subsection for the fiscal year multiplied by the weighted student
28 count for the school district or charter school for the fiscal year
29 pursuant to section 15-943, paragraph 2, subdivision (a). For the
30 purposes of this paragraph, the weighted student count for a school
31 district that serves as the district of attendance for nonresident pupils
32 shall be increased to include nonresident pupils who attend school in the
33 school district.

34 H. Monies distributed from the classroom site fund shall be spent
35 for the following purposes:

36 1. Class size reduction **FOR THE PURPOSES OF COMPLYING WITH SECTION**
37 **15-120.04.**

38 2. Teacher compensation, including a base pay and performance pay
39 component.

40 3. Assessment intervention programs.

41 4. Teacher development.

42 5. Dropout prevention programs.

43 6. Teacher liability insurance premiums.

44 7. Student support services.

1 I. The district governing board or charter school shall allocate
2 the classroom site fund monies to include, if possible, the priorities
3 identified by the principals of the schools while ensuring that the monies
4 maximize classroom opportunities and conform to the authorized
5 expenditures identified in subsection A of this section.

6 J. School districts and charter schools that receive monies from
7 the classroom site fund shall submit a report by November 15 of each year
8 to the superintendent of public instruction that provides an accounting of
9 the expenditures of monies distributed from the fund during the previous
10 fiscal year and a summary of the results of district and school programs
11 funded with monies distributed from the fund. The department of education
12 in conjunction with the auditor general shall prescribe the format of the
13 report under this subsection.

14 K. School districts and charter schools that receive monies from
15 the classroom site fund shall receive these monies monthly in an amount
16 not to exceed one-twelfth of the monies estimated pursuant to subsection G
17 of this section, except that if there are insufficient monies in the fund
18 that month to make payments, the distribution for that month shall be
19 prorated for each school district or charter school. The department of
20 education may make an additional payment in the current month for any
21 prior month or months in which school districts or charter schools
22 received a prorated payment if there are sufficient monies in the fund
23 that month for the additional payments. The state is not required to make
24 payments to a school district or charter school classroom site fund if the
25 state classroom site fund revenue collections are insufficient to meet the
26 estimated allocations to school districts and charter schools pursuant to
27 subsection G of this section.

28 L. The state education system for committed youth shall receive
29 monies from the classroom site fund in the same manner as school districts
30 and charter schools. The Arizona state schools for the deaf and the blind
31 shall receive monies from the classroom site fund in an amount that
32 corresponds to the weighted student count for the current year pursuant to
33 section 15-943, paragraph 2, subdivision (b) for each pupil enrolled in
34 the Arizona state schools for the deaf and the blind. Except as otherwise
35 provided in this subsection, the Arizona state schools for the deaf and
36 the blind and the state education system for committed youth are subject
37 to this section in the same manner as school districts and charter
38 schools.

39 M. Each school district and charter school, including school
40 districts that unify pursuant to section 15-448 or consolidate pursuant to
41 section 15-459, shall establish a local level classroom site fund to
42 receive allocations from the state level classroom site fund. The local
43 level classroom site fund shall be a budgetary controlled account.
44 Interest charges for any registered warrants for the local level classroom
45 site fund shall be a charge against the local level classroom site fund.

1 Interest earned on monies in the local level classroom site fund shall be
2 added to the local level classroom site fund as provided in section
3 15-978. This state shall not be required to make payments to a school
4 district or charter school local level classroom site fund that are in
5 addition to monies transferred to the state level classroom site fund
6 pursuant to section 37-521, subsection B, section 42-5029, subsection E,
7 paragraph 10 and section 42-5029.02, subsection A.

8 N. Monies distributed from the classroom site fund for class size
9 reduction, assessment intervention and dropout prevention programs shall
10 only be used for instructional purposes in the instruction function as
11 defined in the uniform system of financial records, except that monies
12 shall not be used for school-sponsored athletics.

13 O. IN ADDITION TO ANY OTHER APPROPRIATIONS, THE SUM OF
14 \$1,000,000,000 IS APPROPRIATED FROM THE STATE GENERAL FUND IN FISCAL YEAR
15 2027-2028 AND EACH FISCAL YEAR THEREAFTER TO THE CLASSROOM SITE FUND
16 ESTABLISHED BY THIS SECTION.

17 ~~O.~~ P. For the purposes of this section:

18 1. "Assessment intervention" means summer programs, after school
19 programs, before school programs or tutoring programs that are
20 specifically designed to ensure that pupils meet the Arizona academic
21 standards as measured by the statewide assessment prescribed by section
22 15-741.

23 2. "Class size reduction" means any maintenance and operations
24 expenditure that is designed to reduce the ratio of pupils to classroom
25 teachers, including the use of persons who serve as aides to classroom
26 teachers.

27 3. "Student support services" means any expenditure in the student
28 support services function as defined in the uniform system of financial
29 records.

30 Sec. 3. Appropriations; classroom site fund; fiscal years
31 2023-2024 through 2026-2027

32 The following sums are appropriated from the state general fund in
33 the following fiscal years to the classroom site fund established by
34 section 15-977, Arizona Revised Statutes, as amended by this act:

- 35 1. In fiscal year 2023-2024, \$200,000,000.
- 36 2. In fiscal year 2024-2025, \$400,000,000.
- 37 3. In fiscal year 2025-2026, \$600,000,000.
- 38 4. In fiscal year 2026-2027, \$800,000,000.