

Senate Engrossed

school districts; teacher salaries; posting

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

# SENATE BILL 1599

AN ACT

AMENDING SECTION 15-903, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT BUDGETS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-903, Arizona Revised Statutes, is amended to  
3 read:

4 15-903. Budget format; prohibited expenditures; annual  
5 report; civil penalty

6 A. The superintendent of public instruction in conjunction with the  
7 auditor general shall prepare and prescribe a budget format to be ~~utilized~~  
8 **USED** by all school districts.

9 B. The budget format shall be designed to allow all school  
10 districts to plan and provide in detail for ~~the use of~~ **USING** available  
11 ~~funds~~ **MONIES**. The budget format shall contain distinct sections for, but  
12 need not be limited to, maintenance and operation, debt service, special  
13 projects, capital outlay, adjacent ways and classroom site fund. The  
14 maintenance and operation section shall include, but need not be limited  
15 to, separate subsections for regular education programs, special education  
16 programs and operational expenditures for pupil transportation. Each  
17 subsection shall clearly distinguish classroom instruction expenditures.  
18 The special education program subsection shall include a subtotal for the  
19 disability classifications as defined in section 15-761 and programs for  
20 gifted, vocational and technical education, remedial education and  
21 bilingual students. The total expenditures for each of these programs  
22 shall be included on the budget form. The pupil transportation subsection  
23 shall include all operational expenditures relating to ~~the transportation~~  
24 ~~of~~ **TRANSPORTING** pupils, including all operational expenditures within a  
25 contract if the school district contracts for pupil transportation.

26 C. The capital outlay section of the budget shall include a  
27 subsection for unrestricted capital outlay. The unrestricted capital  
28 outlay subsection shall include budgeted expenditures for acquisitions by  
29 purchase, lease-purchase or lease of capital items as defined in the  
30 uniform system of financial records and shall include:

31 1. Land, buildings and improvements to land and buildings,  
32 including labor and related employee benefits costs and material costs if  
33 work is performed by school district employees.

34 2. Furniture, furnishings, athletic equipment and other equipment,  
35 including computer software.

36 3. Pupil and nonpupil transportation vehicles and equipment,  
37 including all capital expenditures within a contract if the school  
38 district contracts for pupil transportation.

39 4. Textbooks and related printed subject matter materials adopted  
40 by the governing board.

41 5. Instructional aids.

42 6. Library books.

43 7. Payment of principal and interest on bonds.

44 8. School district administration emergency needs that are directly  
45 related to pupils.

1 D. The budget format shall contain distinct subsections for the  
2 following:

3 1. Special programs to improve academic achievement of pupils in  
4 kindergarten programs and grades one through three as provided in section  
5 15-482.

6 2. School plant funds.

7 3. Capital outlay budget increases as provided in section 15-481.

8 4. Property taxation, including the following:

9 (a) The primary tax rates for the school district for the current  
10 year and the budget year.

11 (b) The secondary tax rates for maintenance and operation, K-3 and  
12 capital overrides for the school district for the current year and the  
13 budget year.

14 (c) The secondary tax rates for class A bonds for the school  
15 district for the current year and the budget year.

16 (d) The secondary tax rates for class B bonds for the school  
17 district for the current year and the budget year.

18 5. A description of any corrections or adjustments made to the  
19 budget pursuant to section 15-915.

20 E. The budget format shall also contain:

21 1. A statement identifying proposed pupil-teacher ratios and  
22 pupil-staff ratios relating to the provision of special education services  
23 for the budget year.

24 2. A statement identifying the number of full-time equivalent  
25 certified employees.

26 3. The prominent display of the average salary of all teachers  
27 employed by the school district for the current year. The school district  
28 shall also prominently post this information on its website home page  
29 separately from its budget.

30 4. The prominent display of the average salary of all teachers  
31 employed by the school district for the previous year. The school  
32 district shall also prominently post this information on its website home  
33 page separately from its budget.

34 5. The prominent display of the dollar increase in the average  
35 salary of all teachers employed by the school district for the current  
36 year. The school district shall also prominently post this information on  
37 its website home page separately from its budget.

38 6. The prominent display of the percentage increase in the average  
39 salary of all teachers employed by the school district for the current  
40 year. The school district shall also prominently post this information on  
41 its website home page separately from its budget.

42 F. The special projects section shall include budgeted expenditures  
43 for state special projects, including special adult projects, career  
44 education, deficiencies correction fund projects and new school facilities  
45 fund projects, such federal special projects as ESEA title programs,

1 vocational education and title IV Indian education, and other special  
2 projects.

3 G. A school district shall not make expenditures for campaign  
4 literature associated with school district or charter school officials.  
5 If the superintendent of public instruction determines that a school  
6 district has violated this subsection, the superintendent of public  
7 instruction may withhold any portion of the school district's  
8 apportionment of state aid.

9 H. The budget format shall include an electronic format that shall  
10 be submitted for each proposed, adopted and revised budget.

11 I. On or before November 30 of each year, the department of  
12 education shall electronically submit to the joint legislative budget  
13 committee and the governor's office of strategic planning and budgeting a  
14 report that compiles the information required by subsection E, paragraphs  
15 3 through 6 of this section for all school districts statewide. THE  
16 DEPARTMENT OF EDUCATION SHALL PROMINENTLY POST THE REPORT ON THE WEBSITE  
17 MAINTAINED BY THE DEPARTMENT.

18 J. BEGINNING JANUARY 1, 2024, AND EACH YEAR THEREAFTER, IF THE  
19 DEPARTMENT OF EDUCATION DETERMINES THAT A SCHOOL DISTRICT IS IN VIOLATION  
20 OF ONE OR MORE OF THE POSTING REQUIREMENTS PRESCRIBED IN SUBSECTION E,  
21 PARAGRAPHS 3 THROUGH 6 OF THIS SECTION, THE DEPARTMENT SHALL NOTIFY THE  
22 SCHOOL DISTRICT THAT IT IS IN VIOLATION OF THIS SECTION AND THAT THE  
23 DEPARTMENT MAY IMPOSE A CIVIL PENALTY IF THE SCHOOL DISTRICT DOES NOT  
24 CORRECT THE VIOLATION. IF THE DEPARTMENT OF EDUCATION DETERMINES THAT THE  
25 SCHOOL DISTRICT HAS FAILED TO CORRECT THE VIOLATION WITHIN SIXTY DAYS  
26 AFTER THE NOTICE IS ISSUED PURSUANT TO THIS SUBSECTION, THE DEPARTMENT OF  
27 EDUCATION SHALL IMPOSE A CIVIL PENALTY OF NOT MORE THAN \$5,000 FOR EACH  
28 DAY THAT THE VIOLATION CONTINUES AFTER THE SIXTY-DAY PERIOD. ACTIONS  
29 TAKEN UNDER THIS SUBSECTION ARE SUBJECT TO APPEAL PURSUANT TO TITLE 41,  
30 CHAPTER 6, ARTICLE 10.