HB 2800

Introduced by
Representatives Gress: Martinez, Wilmeth, Senators Kaiser, Shope

AN ACT

AMENDING SECTION 15-189.05, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-248.01; AMENDING SECTION 15-903, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 15-189.05, Arizona Revised Statutes, is amended to read:

15-189.05. Charter school budgets; posting of teacher salary information; annual report

A. The budget for each charter school shall contain the following information:

1. The average salary of all teachers employed by the charter school for the current year.

2. The average salary of all teachers employed by the charter school for the previous year.

3. The dollar increase in the average salary of all teachers employed by the charter school for the current year.

4. The percentage increase in the average salary of all teachers employed by the charter school for the current year.

5. THE SALARY SCHEDULE FOR ELIGIBLE TEACHERS AS DEFINED IN SECTION 15-248.01 WHO ARE EMPLOYED BY THE CHARTER SCHOOL FOR THE CURRENT YEAR.

6. A STATEMENT IDENTIFYING THE NUMBER OF ELIGIBLE TEACHERS AS DEFINED IN SECTION 15-248.01 WHO ARE EMPLOYED BY THE CHARTER SCHOOL FOR THE CURRENT YEAR.

B. Each charter school shall prominently post the information required by subsection A of this section on its website home page separately from its budget.

C. On or before November 30 of each year, the department of education shall electronically submit to the joint legislative budget committee and the governor's office of strategic planning and budgeting a report that compiles the information required by subsection A of this section for all charter schools statewide.

Sec. 2. Title 15, chapter 2, article 2, Arizona Revised Statutes, is amended by adding section 15-248.01, to read:

15-248.01. Teachers; base salary increases; pay teachers first fund; annual estimate; definitions

A. REGARDLESS OF WHETHER A SCHOOL DISTRICT OR CHARTER SCHOOL RECEIVES MONIES FROM THE FUND ESTABLISHED BY SUBSECTION E OF THIS SECTION, EACH SCHOOL DISTRICT AND CHARTER SCHOOL IN THIS STATE SHALL REVISE ITS SALARY SCHEDULE OR SCHEDULES TO INCREASE THE BASE SALARY OF ALL ELIGIBLE TEACHERS WHO ARE OR WILL BE EMPLOYED BY A SCHOOL OPERATED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL AS FOLLOWS:


2. IN FISCAL YEAR 2024-2025, $10,000 ABOVE THE BASE SALARY OF FISCAL YEAR 2022-2023.

B. THE BASE SALARY INCREASES REQUIRED UNDER SUBSECTION A OF THIS SECTION MUST BE THE SAME AMOUNT FOR EACH ELIGIBLE TEACHER WITHOUT REGARD TO TEACHER EXPERIENCE LEVELS OR TEACHING ASSIGNMENTS.
C. NOTWITHSTANDING SECTIONS 15-502 AND 15-544, A SCHOOL DISTRICT OR CHARTER SCHOOL MAY NOT REDUCE THE BASE SALARY OF ELIGIBLE TEACHERS WHO ARE OR WILL BE EMPLOYED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL BELOW THE BASE SALARY SCHEDULE REPORTED TO THE DEPARTMENT IN FISCAL YEAR 2024-2025. THIS SUBSECTION DOES NOT RESTRICT A SCHOOL DISTRICT'S OR CHARTER SCHOOL'S AUTHORITY TO ADJUST AN INDIVIDUAL TEACHER'S SALARY IN A MANNER THAT IS CONSISTENT WITH THE APPLICABLE BASE SALARY SCHEDULE, INCLUDING AN ADJUSTMENT FOR ANY CHANGE IN EMPLOYMENT STATUS.

D. A SCHOOL DISTRICT OR CHARTER SCHOOL IS ELIGIBLE TO RECEIVE MONIES FROM THE PAY TEACHERS FIRST FUND ESTABLISHED BY THIS SECTION IF THE SCHOOL DISTRICT OR CHARTER SCHOOL COMPLIES WITH THE REQUIREMENTS PRESCRIBED IN SECTION 15-747. MONIES DISTRIBUTED FROM THIS FUND MUST BE USED FOR THE SALARY INCREASES FOR ELIGIBLE TEACHERS REQUIRED BY SUBSECTION A OF THIS SECTION. MONIES IN THE FUND MAY BE USED FOR UP TO FIFTY PERCENT OF ASSOCIATED EMPLOYEE-RELATED EXPENSE COST INCREASES.

E. THE PAY TEACHERS FIRST FUND IS ESTABLISHED CONSISTING OF LEGISLATIVE APPROPRIATIONS. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSE OF APPROPRIATIONS. THE DEPARTMENT SHALL ADMINISTER THE FUND AND ESTABLISH PROCEDURES FOR DETERMINING WHETHER SCHOOL DISTRICTS AND CHARTER SCHOOLS ARE ELIGIBLE TO RECEIVE MONIES FROM THE FUND. THE DEPARTMENT SHALL ALLOCATE MONIES FROM THE FUND TO EACH ELIGIBLE SCHOOL DISTRICT OR CHARTER SCHOOL AS FOLLOWS:

1. IN FISCAL YEAR 2023-2024, $5,000 PER ELIGIBLE TEACHER AS REPORTED PURSUANT TO SECTIONS 15-189.05 AND 15-903 TO FUND THE INCREASES MADE UNDER SUBSECTION A OF THIS SECTION IN FISCAL YEAR 2023-2024.

2. BEGINNING IN FISCAL YEAR 2024-2025 AND EACH FISCAL YEAR THEREAFTER, $10,000 PER ELIGIBLE TEACHER AS REPORTED PURSUANT TO SECTIONS 15-189.05 AND 15-903 TO FUND THE INCREASES MADE UNDER SUBSECTION A OF THIS SECTION IN FISCAL YEAR 2024-2025.

3. AN ELIGIBLE SCHOOL MAY RECEIVE THE PER TEACHER AMOUNTS PRESCRIBED IN PARAGRAPHS 1 AND 2 OF THIS SUBSECTION ONLY FOR THE LESSER OF:

   (a) THE NUMBER OF ELIGIBLE TEACHERS EMPLOYED BY THE SCHOOL.

   (b) THE NUMBER OF ELIGIBLE TEACHERS THAT WOULD BE EMPLOYED BY THE SCHOOL IF THE SCHOOL HAD FIFTEEN STUDENTS PER ELIGIBLE TEACHER.

F. ON OR BEFORE MAY 30 OF EACH YEAR, THE DEPARTMENT SHALL FURNISH TO THE JOINT LEGISLATIVE BUDGET COMMITTEE AN ESTIMATE OF THE AMOUNT REQUIRED TO FUND THE PAY TEACHERS FIRST FUND ALLOCATIONS PRESCRIBED BY SUBSECTION E OF THIS SECTION FOR THE FOLLOWING FISCAL YEAR.

G. THE DEPARTMENT SHALL ADD THE AMOUNT ALLOCATED TO EACH SCHOOL DISTRICT AND CHARTER SCHOOL PURSUANT TO SUBSECTION E OF THIS SECTION TO THE BASE SUPPORT LEVEL THAT WOULD OTHERWISE BE COMPUTED FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL FOR EACH FISCAL YEAR PURSUANT TO SECTION 15-943 OR 15-943.02.
H. FOR THE PURPOSES OF THIS SECTION:

1. "CLASSROOM TEACHING" INCLUDES ANY NONADMINISTRATIVE ACTIVITIES THAT PROVIDE INSTRUCTION TO STUDENTS OR THAT SUPPORT STUDENT ACADEMIC ACHIEVEMENT AS PRESCRIBED BY THE SCHOOL DISTRICT GOVERNING BOARD OR CHARTER SCHOOL GOVERNING BODY.

2. "ELIGIBLE TEACHER":
   (a) MEANS A PERSON WHO MEETS ALL OF THE FOLLOWING:
       (i) IS EMPLOYED BY A CHARTER SCHOOL OR A SCHOOL OPERATED BY A SCHOOL DISTRICT IN THIS STATE.
       (ii) DEVOTES MORE THAN FIFTY PERCENT OF THE PERSON'S TIME TO CLASSROOM TEACHING.
       (iii) IS EMPLOYED FOR A FULL SCHOOL DAY, OR ITS EQUIVALENT, OR FOR A FULL CLASS LOAD, OR ITS EQUIVALENT, AS DETERMINED BY THE DEPARTMENT.
   (b) INCLUDES CURRENT TEACHERS AND TEACHERS WHO BEGIN WORK FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL AFTER THE EFFECTIVE DATE OF THIS SECTION.
   (c) DOES NOT INCLUDE AN ADMINISTRATOR OR A PERSON WHO HAS BEEN DESIGNATED IN EITHER OF THE TWO LOWEST PERFORMANCE CLASSIFICATIONS AFTER AN EVALUATION CONDUCTED PURSUANT TO SECTION 15-189.06 OR 15-537.

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

15-903. Budget format; prohibited expenditures; annual report
A. The superintendent of public instruction in conjunction with the auditor general shall prepare and prescribe a budget format to be utilized by all school districts.
B. The budget format shall be designed to allow all school districts to plan and provide in detail for the use of available funds. The budget format shall contain distinct sections for, but need not be limited to, maintenance and operation, debt service, special projects, capital outlay, adjacent ways and classroom site fund. The maintenance and operation section shall include, but need not be limited to, separate subsections for regular education programs, special education programs and operational expenditures for pupil transportation. Each subsection shall clearly distinguish classroom instruction expenditures. The special education program subsection shall include a subtotal for the disability classifications as defined in section 15-761 and programs for gifted, vocational and technical education, remedial education and bilingual students. The total expenditures for each of these programs shall be included on the budget form. The pupil transportation subsection shall include all operational expenditures relating to the transportation of pupils, including all operational expenditures within a contract if the school district contracts for pupil transportation.
C. The capital outlay section of the budget shall include a subsection for unrestricted capital outlay. The unrestricted capital outlay subsection shall include budgeted expenditures for acquisitions by
purchase, lease-purchase or lease of capital items as defined in the uniform system of financial records and shall include:
1. Land, buildings and improvements to land and buildings, including labor and related employee benefits costs and material costs if work is performed by school district employees.
2. Furniture, furnishings, athletic equipment and other equipment, including computer software.
3. Pupil and nonpupil transportation vehicles and equipment, including all capital expenditures within a contract if the school district contracts for pupil transportation.
4. Textbooks and related printed subject matter materials adopted by the governing board.
5. Instructional aids.
7. Payment of principal and interest on bonds.
8. School district administration emergency needs that are directly related to pupils.

D. The budget format shall contain distinct subsections for the following:
1. Special programs to improve academic achievement of pupils in kindergarten programs and grades one through three as provided in section 15-482.
2. School plant funds.
3. Capital outlay budget increases as provided in section 15-481.
4. Property taxation, including the following:
   (a) The primary tax rates for the school district for the current year and the budget year.
   (b) The secondary tax rates for maintenance and operation, K-3 and capital overrides for the school district for the current year and the budget year.
   (c) The secondary tax rates for class A bonds for the school district for the current year and the budget year.
   (d) The secondary tax rates for class B bonds for the school district for the current year and the budget year.
5. A description of any corrections or adjustments made to the budget pursuant to section 15-915.

E. The budget format shall also contain:
1. A statement identifying proposed pupil-teacher ratios and pupil-staff ratios relating to the provision of special education services for the budget year.
2. A statement identifying the number of full-time equivalent certified employees.
3. A STATEMENT IDENTIFYING THE NUMBER OF ELIGIBLE TEACHERS AS DEFINED IN SECTION 15-248.01 WHO ARE EMPLOYED BY THE SCHOOL DISTRICT FOR THE CURRENT YEAR.
3. The prominent display of the average salary of all teachers employed by the school district for the current year. The school district shall also prominently post this information on its website home page separately from its budget.

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

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

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

7. THE SALARY SCHEDULE OR SCHEDULES FOR ELIGIBLE TEACHERS AS DEFINED IN SECTION 15-248.01 WHO ARE EMPLOYED BY THE SCHOOL DISTRICT FOR THE CURRENT YEAR.

F. The special projects section shall include budgeted expenditures for state special projects, including special adult projects, career education, deficiencies correction fund projects and new school facilities fund projects, such federal special projects as ESEA title programs, vocational education and title IV Indian education, and other special projects.

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

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

I. On or before November 30 of each year, the department of education shall electronically submit to the joint legislative budget committee and the governor's office of strategic planning and budgeting a report that compiles the information required by subsection E, paragraphs 3 through 6-8 of this section for all school districts statewide.

Sec. 4. Public schools; notification requirement; report

A. Notwithstanding sections 15-189.05 and 15-903, Arizona Revised Statutes, as amended by this act, in fiscal year 2023-2024, the budgets submitted by school districts and charter schools shall include both:

1. The salary schedule or schedules for eligible teachers as defined in section 15-248.01, Arizona Revised Statutes, as added by this
act, for the current fiscal year without the teacher salary increases
provided by this act.

2. The revised salary schedule or schedules for eligible teachers
as defined in section 15-248.01, Arizona Revised Statutes, as added by
this act, for the current fiscal year with the teacher salary increases
provided by this act.

B. In fiscal year 2023-2024, school districts and charter schools
must include in the total compensation statements required under sections
15-189 and 15-341, Arizona Revised Statutes, a statement notifying
eligible teachers that the legislature provided them a $5,000 base salary
increase.

C. In fiscal year 2024-2025, school districts and charter schools
must include in the total compensation statements required under sections
15-189 and 15-341, Arizona Revised Statutes, a statement notifying
eligible teachers that the legislature provided them an additional $5,000
year-over-year base salary increase, for a combined total of $10,000 base
salary increases since fiscal year 2022-2023.

Sec. 5. Appropriations; pay teachers first fund; exemption;

intent

A. The following amounts are appropriated from the state general
fund in the following fiscal years to the pay teachers first fund
established by section 15-248.01, Arizona Revised Statutes, as added by
this act:

1. In fiscal year 2023-2024, $400,000,000.
2. In fiscal year 2024-2025, $700,000,000.

B. The appropriations made in subsection A of this section are
exempt from the provisions of section 35-190, Arizona Revised Statutes,
relating to lapsing of appropriations.

C. The legislature intends that the appropriation made in
subsection A, paragraph 2 of this section be considered ongoing funding in
future years.

Sec. 6. Conditional enactment

This act does not become effective unless House Bill 2537,
fifty-sixth legislature, first regular session, relating to school
assessment and accountability, becomes law.