

REFERENCE TITLE: teacher salary increases; public schools

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

## **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)

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

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

4 15-189.05. Charter school budgets; posting of teacher salary  
5 information; annual report

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

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

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

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

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

16 5. THE SALARY SCHEDULE FOR ELIGIBLE TEACHERS AS DEFINED IN SECTION  
17 15-248.01 WHO ARE EMPLOYED BY THE CHARTER SCHOOL FOR THE CURRENT YEAR.

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

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

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

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

31 15-248.01. Teachers; base salary increases; pay teachers  
32 first fund; annual estimate; definitions

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

39 1. IN FISCAL YEAR 2023-2024, \$5,000 ABOVE THE BASE SALARY OF FISCAL  
40 YEAR 2022-2023.

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

43 B. THE BASE SALARY INCREASES REQUIRED UNDER SUBSECTION A OF THIS  
44 SECTION MUST BE THE SAME AMOUNT FOR EACH ELIGIBLE TEACHER WITHOUT REGARD  
45 TO TEACHER EXPERIENCE LEVELS OR TEACHING ASSIGNMENTS.

1 C. NOTWITHSTANDING SECTIONS 15-502 AND 15-544, A SCHOOL DISTRICT OR  
2 CHARTER SCHOOL MAY NOT REDUCE THE BASE SALARY OF ELIGIBLE TEACHERS WHO ARE  
3 OR WILL BE EMPLOYED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL BELOW THE  
4 BASE SALARY SCHEDULE REPORTED TO THE DEPARTMENT IN FISCAL YEAR 2024-2025.  
5 THIS SUBSECTION DOES NOT RESTRICT A SCHOOL DISTRICT'S OR CHARTER SCHOOL'S  
6 AUTHORITY TO ADJUST AN INDIVIDUAL TEACHER'S SALARY IN A MANNER THAT IS  
7 CONSISTENT WITH THE APPLICABLE BASE SALARY SCHEDULE, INCLUDING AN  
8 ADJUSTMENT FOR ANY CHANGE IN EMPLOYMENT STATUS.

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

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

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

27 2. BEGINNING IN FISCAL YEAR 2024-2025 AND EACH FISCAL YEAR  
28 THEREAFTER, \$10,000 PER ELIGIBLE TEACHER AS REPORTED PURSUANT TO SECTIONS  
29 15-189.05 AND 15-903 TO FUND THE INCREASES MADE UNDER SUBSECTION A OF THIS  
30 SECTION IN FISCAL YEAR 2024-2025.

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

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

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

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

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

- 1 H. FOR THE PURPOSES OF THIS SECTION:  
2 1. "CLASSROOM TEACHING" INCLUDES ANY NONADMINISTRATIVE ACTIVITIES  
3 THAT PROVIDE INSTRUCTION TO STUDENTS OR THAT SUPPORT STUDENT ACADEMIC  
4 ACHIEVEMENT AS PRESCRIBED BY THE SCHOOL DISTRICT GOVERNING BOARD OR  
5 CHARTER SCHOOL GOVERNING BODY.  
6 2. "ELIGIBLE TEACHER":  
7 (a) MEANS A PERSON WHO MEETS ALL OF THE FOLLOWING:  
8 (i) IS EMPLOYED BY A CHARTER SCHOOL OR A SCHOOL OPERATED BY A  
9 SCHOOL DISTRICT IN THIS STATE.  
10 (ii) DEVOTES MORE THAN FIFTY PERCENT OF THE PERSON'S TIME TO  
11 CLASSROOM TEACHING.  
12 (iii) IS EMPLOYED FOR A FULL SCHOOL DAY, OR ITS EQUIVALENT, OR FOR  
13 A FULL CLASS LOAD, OR ITS EQUIVALENT, AS DETERMINED BY THE DEPARTMENT.  
14 (b) INCLUDES CURRENT TEACHERS AND TEACHERS WHO BEGIN WORK FOR THE  
15 SCHOOL DISTRICT OR CHARTER SCHOOL AFTER THE EFFECTIVE DATE OF THIS  
16 SECTION.  
17 (c) DOES NOT INCLUDE AN ADMINISTRATOR OR A PERSON WHO HAS BEEN  
18 DESIGNATED IN EITHER OF THE TWO LOWEST PERFORMANCE CLASSIFICATIONS AFTER  
19 AN EVALUATION CONDUCTED PURSUANT TO SECTION 15-189.06 OR 15-537.

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

22 15-903. Budget format; prohibited expenditures; annual report

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

26 B. The budget format shall be designed to allow all school  
27 districts to plan and provide in detail for ~~the use of~~ ~~USING~~ available  
28 ~~funds~~ ~~MONIES~~. The budget format shall contain distinct sections for, but  
29 need not be limited to, maintenance and operation, debt service, special  
30 projects, capital outlay, adjacent ways and classroom site fund. The  
31 maintenance and operation section shall include, but need not be limited  
32 to, separate subsections for regular education programs, special education  
33 programs and operational expenditures for pupil transportation. Each  
34 subsection shall clearly distinguish classroom instruction expenditures.  
35 The special education program subsection shall include a subtotal for the  
36 disability classifications as defined in section 15-761 and programs for  
37 gifted, vocational and technical education, remedial education and  
38 bilingual students. The total expenditures for each of these programs  
39 shall be included on the budget form. The pupil transportation subsection  
40 shall include all operational expenditures relating to ~~the transportation~~  
41 ~~of~~ ~~TRANSPORTING~~ pupils, including all operational expenditures within a  
42 contract if the school district contracts for pupil transportation.

43 C. The capital outlay section of the budget shall include a  
44 subsection for unrestricted capital outlay. The unrestricted capital  
45 outlay subsection shall include budgeted expenditures for acquisitions by

1 purchase, lease-purchase or lease of capital items as defined in the  
2 uniform system of financial records and shall include:

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

6 2. Furniture, furnishings, athletic equipment and other equipment,  
7 including computer software.

8 3. Pupil and nonpupil transportation vehicles and equipment,  
9 including all capital expenditures within a contract if the school  
10 district contracts for pupil transportation.

11 4. Textbooks and related printed subject matter materials adopted  
12 by the governing board.

13 5. Instructional aids.

14 6. Library books.

15 7. Payment of principal and interest on bonds.

16 8. School district administration emergency needs that are directly  
17 related to pupils.

18 D. The budget format shall contain distinct subsections for the  
19 following:

20 1. Special programs to improve academic achievement of pupils in  
21 kindergarten programs and grades one through three as provided in section  
22 15-482.

23 2. School plant funds.

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

25 4. Property taxation, including the following:

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

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

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

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

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

37 E. The budget format shall also contain:

38 1. A statement identifying proposed pupil-teacher ratios and  
39 pupil-staff ratios relating to the provision of special education services  
40 for the budget year.

41 2. A statement identifying the number of full-time equivalent  
42 certified employees.

43 3. A STATEMENT IDENTIFYING THE NUMBER OF ELIGIBLE TEACHERS AS  
44 DEFINED IN SECTION 15-248.01 WHO ARE EMPLOYED BY THE SCHOOL DISTRICT FOR  
45 THE CURRENT YEAR.

1           ~~3-~~ 4. The prominent display of the average salary of all teachers  
2 employed by the school district for the current year. The school district  
3 shall also prominently post this information on its website home page  
4 separately from its budget.

5           ~~4-~~ 5. The prominent display of the average salary of all teachers  
6 employed by the school district for the previous year. The school  
7 district shall also prominently post this information on its website home  
8 page separately from its budget.

9           ~~5-~~ 6. The prominent display of the dollar increase in the average  
10 salary of all teachers employed by the school district for the current  
11 year. The school district shall also prominently post this information on  
12 its website home page separately from its budget.

13           ~~6-~~ 7. The prominent display of the percentage increase in the  
14 average salary of all teachers employed by the school district for the  
15 current year. The school district shall also prominently post this  
16 information on its website home page separately from its budget.

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

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

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

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

34           I. On or before November 30 of each year, the department of  
35 education shall electronically submit to the joint legislative budget  
36 committee and the governor's office of strategic planning and budgeting a  
37 report that compiles the information required by subsection E, paragraphs  
38 3 through ~~6-~~ 8 of this section for all school districts statewide.

39           Sec. 4. Public schools; notification requirement; report

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

43           1. The salary schedule or schedules for eligible teachers as  
44 defined in section 15-248.01, Arizona Revised Statutes, as added by this

1 act, for the current fiscal year without the teacher salary increases  
2 provided by this act.

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

7 B. In fiscal year 2023-2024, school districts and charter schools  
8 must include in the total compensation statements required under sections  
9 15-189 and 15-341, Arizona Revised Statutes, a statement notifying  
10 eligible teachers that the legislature provided them a \$5,000 base salary  
11 increase.

12 C. In fiscal year 2024-2025, school districts and charter schools  
13 must include in the total compensation statements required under sections  
14 15-189 and 15-341, Arizona Revised Statutes, a statement notifying  
15 eligible teachers that the legislature provided them an additional \$5,000  
16 year-over-year base salary increase, for a combined total of \$10,000 base  
17 salary increases since fiscal year 2022-2023.

18 Sec. 5. Appropriations; pay teachers first fund; exemption;  
19 intent

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

24 1. In fiscal year 2023-2024, \$400,000,000.

25 2. In fiscal year 2024-2025, \$700,000,000.

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

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

32 Sec. 6. Conditional enactment

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