

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.C.R. 2058

(Reference to printed resolution)

1 Strike everything after the resolving clause and insert:

2 "1. Under the power of the referendum, as vested in the legislature,
3 the following measure, relating to school employees, is enacted to become
4 valid as a law if approved by the voters and on proclamation of the
5 Governor:

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; RELATING TO SCHOOL EMPLOYEES.

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; teacher pay fund; eligibility; annual estimate; annual report; definition

A. IF THE VOTERS APPROVE A DISTRIBUTION RATE FROM THE STATE LAND TRUST PERMANENT FUND FOR THE USE AND BENEFIT OF COMMON SCHOOLS PURSUANT TO ARTICLE XI, SECTION 12, CONSTITUTION OF ARIZONA, OF MORE THAN 2.5 PERCENT OF THE AVERAGE MONTHLY MARKET VALUES OF THE PERMANENT FUND FOR THE IMMEDIATELY PRECEDING FIVE CALENDAR YEARS, 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. IF SALARY INCREASES ARE REQUIRED UNDER THIS SUBSECTION, THE INCREASE SHALL BE ALL OF THE FOLLOWING:

1 1. THE AMOUNT ESTIMATED PURSUANT TO SUBSECTION F OF THIS
2 SECTION.

3 2. THE SAME AMOUNT FOR EACH ELIGIBLE TEACHER WITHOUT
4 REGARD TO TEACHER EXPERIENCE LEVELS.

5 B. NOTWITHSTANDING SECTIONS 15-502 AND 15-544, IF SALARY
6 INCREASES ARE REQUIRED BY SUBSECTION A OF THIS SECTION, A
7 SCHOOL DISTRICT OR CHARTER SCHOOL MAY NOT REDUCE THE BASE
8 SALARY OF ELIGIBLE TEACHERS WHO ARE OR WILL BE EMPLOYED BY THE
9 SCHOOL DISTRICT OR CHARTER SCHOOL BELOW THE BASE SALARY
10 SCHEDULE REPORTED TO THE DEPARTMENT OF EDUCATION IN FISCAL YEAR
11 2025-2026. THIS SUBSECTION DOES NOT RESTRICT A SCHOOL
12 DISTRICT'S OR CHARTER SCHOOL'S AUTHORITY TO ADJUST AN
13 INDIVIDUAL TEACHER'S SALARY IN A MANNER THAT IS CONSISTENT WITH
14 THE APPLICABLE BASE SALARY SCHEDULE, INCLUDING AN ADJUSTMENT
15 FOR ANY CHANGE IN EMPLOYMENT STATUS.

16 C. IN ANY BUDGET YEAR THAT A SCHOOL DISTRICT'S OR
17 CHARTER SCHOOL'S ESTIMATED TOTAL CURRENT EXPENDITURES PER PUPIL
18 FOR THE BUDGET YEAR AS PRESCRIBED BY SECTION 15-189.05 OR
19 15-903 IS BELOW THE TOTAL CURRENT EXPENDITURES PER PUPIL THAT
20 THE DEPARTMENT OF EDUCATION CALCULATED FOR THE SCHOOL DISTRICT
21 OR CHARTER SCHOOL FOR FISCAL YEAR 2025-2026 PURSUANT TO SECTION
22 15-255, SUBSECTION B, PARAGRAPH 2, THE SCHOOL DISTRICT OR
23 CHARTER SCHOOL MAY REDUCE THE BASE SALARY OF ELIGIBLE TEACHERS
24 BELOW THE BASE SALARY THAT THE SCHOOL DISTRICT OR CHARTER
25 SCHOOL REPORTED TO THE DEPARTMENT IN FISCAL YEAR 2025-2026 BY
26 AN AMOUNT THAT DOES NOT EXCEED THE PERCENTAGE REDUCTION IN THE
27 TOTAL CURRENT EXPENDITURES PER PUPIL FOR THE BUDGET YEAR
28 COMPARED TO THE TOTAL CURRENT EXPENDITURES PER PUPIL FOR FISCAL
29 YEAR 2025-2026. A BASE SALARY REDUCTION PURSUANT TO THIS
30 SUBSECTION APPLIES ONLY TO THE CURRENT BUDGET YEAR.

31 D. THE TEACHER PAY FUND IS ESTABLISHED CONSISTING OF
32 LEGISLATIVE APPROPRIATIONS. MONIES IN THE FUND ARE

1 CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE PROVISIONS OF
2 SECTION 35-190 RELATING TO LAPsing OF APPROPRIATIONS. THE
3 DEPARTMENT OF EDUCATION SHALL ADMINISTER THE FUND AND ESTABLISH
4 PROCEDURES FOR DETERMINING WHETHER SCHOOL DISTRICTS AND CHARTER
5 SCHOOLS ARE ELIGIBLE TO RECEIVE MONIES FROM THE FUND. IF
6 SALARY INCREASES ARE REQUIRED UNDER SUBSECTION A OF THIS
7 SECTION, THE DEPARTMENT SHALL ALLOCATE MONIES FROM THE FUND TO
8 EACH ELIGIBLE SCHOOL DISTRICT OR CHARTER SCHOOL IN AN AMOUNT
9 EQUAL TO THE AMOUNT DETERMINED PURSUANT TO SUBSECTION G OF THIS
10 SECTION MULTIPLIED BY THE NUMBER OF ELIGIBLE TEACHERS EMPLOYED
11 BY THE SCHOOL DISTRICT OR CHARTER SCHOOL AS REPORTED PURSUANT
12 TO SECTION 15-189.05 OR 15-903 TO FUND THE SALARY INCREASES
13 REQUIRED BY SUBSECTION A OF THIS SECTION. THE MONIES
14 DISTRIBUTED PURSUANT TO THIS SUBSECTION ARE IN ADDITION TO ANY
15 OTHER MONIES, PUBLIC OR PRIVATE, THAT THE SCHOOL DISTRICT OR
16 CHARTER SCHOOL RECEIVES FROM ANY LAWFUL SOURCE AND MAY NOT
17 SUPPLANT, REPLACE OR OTHERWISE CAUSE A REDUCTION IN OTHER
18 FUNDING SOURCES FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL. THE
19 MONIES DISTRIBUTED PURSUANT TO THIS SUBSECTION ARE EXEMPT FROM
20 THE REVENUE CONTROL LIMIT PRESCRIBED BY SECTION 15-947.

21 E. NOTWITHSTANDING SUBSECTION D OF THIS SECTION, IF THE
22 LEGISLATURE APPROPRIATES MONIES TO THE TEACHER PAY FUND FOR
23 SALARY INCREASES NOT REQUIRED BY SUBSECTION A OF THIS SECTION,
24 THE DEPARTMENT OF EDUCATION SHALL ALLOCATE THE APPROPRIATED
25 MONIES TO EACH ELIGIBLE SCHOOL DISTRICT AND CHARTER SCHOOL
26 ACCORDING TO THE TERMS OF THE APPROPRIATION.

27 F. ON OR BEFORE MARCH 30 OF EACH YEAR, THE TREASURER
28 SHALL PROVIDE TO THE STAFF OF THE JOINT LEGISLATIVE BUDGET
29 COMMITTEE AN ESTIMATE OF THE AMOUNT OF DISTRIBUTIONS FROM THE
30 STATE LAND TRUST PERMANENT FUND FOR THE USE AND BENEFIT OF
31 COMMON SCHOOLS THAT WILL BE APPROPRIATED TO THE TEACHER PAY

1 FUND PURSUANT TO ARTICLE XI, SECTION 12, CONSTITUTION OF
2 ARIZONA, FOR THE BUDGET YEAR.

3 G. ON OR BEFORE MARCH 30 OF EACH YEAR, THE STAFF OF THE
4 JOINT LEGISLATIVE BUDGET COMMITTEE SHALL DETERMINE A PER
5 TEACHER AMOUNT FROM THE TEACHER PAY FUND FOR THE BUDGET YEAR
6 USING THE STATEWIDE NUMBER OF ELIGIBLE TEACHERS REPORTED
7 PURSUANT TO SECTION 15-189.05 OR 15-903 AND BASED ON THE
8 ESTIMATE PURSUANT TO SUBSECTION F OF THIS SECTION.

9 H. EACH SCHOOL DISTRICT AND CHARTER SCHOOL THAT RECEIVES
10 MONIES FROM THE TEACHER PAY FUND SHALL SUBMIT A REPORT ON OR
11 BEFORE NOVEMBER 15 OF EACH YEAR TO THE SUPERINTENDENT OF PUBLIC
12 INSTRUCTION THAT PROVIDES AN ACCOUNTING OF THE EXPENDITURES OF
13 MONIES DISTRIBUTED FROM THE FUND DURING THE PREVIOUS FISCAL
14 YEAR. THE DEPARTMENT OF EDUCATION IN CONJUNCTION WITH THE
15 AUDITOR GENERAL SHALL PRESCRIBE THE FORMAT OF THE REPORT
16 REQUIRED BY THIS SUBSECTION.

17 I. THE DEPARTMENT OF EDUCATION, ON REPORT FROM THE
18 AUDITOR GENERAL, SHALL DETERMINE WHETHER SCHOOL DISTRICTS AND
19 CHARTER SCHOOLS ARE COMPLYING WITH THE REQUIREMENTS PRESCRIBED
20 IN THIS SECTION. IF THE DEPARTMENT DETERMINES THAT A SCHOOL
21 DISTRICT OR CHARTER SCHOOL IS NOT IN COMPLIANCE OR HAS FAILED
22 TO CORRECT A DEFICIENCY WITHIN NINETY DAYS AFTER RECEIVING
23 NOTICE FROM THE AUDITOR GENERAL, THE SCHOOL DISTRICT OR CHARTER
24 SCHOOL IS INELIGIBLE TO RECEIVE MONIES FROM THE TEACHER PAY
25 FUND PURSUANT TO SUBSECTION D OR E OF THIS SECTION FROM THE
26 DATE OF THE DETERMINATION UNTIL THE AUDITOR GENERAL REPORTS
27 THAT THE SCHOOL DISTRICT OR CHARTER SCHOOL IS COMPLYING WITH
28 THE REQUIREMENTS PRESCRIBED IN THIS SECTION.

29 J. FOR THE PURPOSES OF THIS SECTION, "ELIGIBLE TEACHER":

30 1. MEANS A PERSON WHO IS EMPLOYED BY A CHARTER SCHOOL OR
31 A SCHOOL OPERATED BY A SCHOOL DISTRICT IN THIS STATE AND WHO
32 EITHER:

(a) MEETS BOTH OF THE FOLLOWING:

(i) IS EMPLOYED FOR A FULL SCHOOL DAY, OR ITS EQUIVALENT, OR FOR A FULL CLASS LOAD, OR ITS EQUIVALENT, AS DETERMINED BY THE DEPARTMENT OF EDUCATION.

(ii) DEVOTES MORE THAN SEVENTY-FIVE PERCENT OF THE PERSON'S TIME AT WORK TO NONADMINISTRATIVE ACTIVITIES THAT PROVIDE INSTRUCTION TO STUDENTS.

(b) MEETS BOTH OF THE FOLLOWING:

(i) IS EMPLOYED AS A SPECIAL EDUCATION TEACHER FOR A FULL SCHOOL DAY, OR ITS EQUIVALENT, OR FOR A FULL CLASS LOAD, OR ITS EQUIVALENT, AS DETERMINED BY THE DEPARTMENT OF EDUCATION.

(ii) DEVOTES MORE THAN FIFTY PERCENT OF THE PERSON'S TIME AT WORK TO SUPPORT STUDENT ACADEMIC ACHIEVEMENT AS PRESCRIBED BY THE SCHOOL DISTRICT GOVERNING BOARD OR THE CHARTER SCHOOL GOVERNING BODY

2. INCLUDES CURRENT TEACHERS AND TEACHERS WHO BEGIN WORK FOR THE SCHOOL DISTRICT OR CHARTER SCHOOL AFTER THE EFFECTIVE DATE OF THIS SECTION.

3. 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 used by all school districts.

B. The budget format shall be designed to allow all school districts to plan and provide in detail for using

1 available monies. The budget format shall contain distinct
2 sections for, but need not be limited to, maintenance and
3 operation, debt service, special projects, capital outlay,
4 adjacent ways and classroom site fund. The maintenance and
5 operation section shall include, but need not be limited to,
6 separate subsections for regular education programs, special
7 education programs and operational expenditures for pupil
8 transportation. Each subsection shall clearly distinguish
9 classroom instruction expenditures. The special education
10 program subsection shall include a subtotal for the disability
11 classifications as defined in section 15-761 and programs for
12 gifted, vocational and technical education, remedial education
13 and bilingual students. The total expenditures for each of
14 these programs shall be included on the budget form. The pupil
15 transportation subsection shall include all operational
16 expenditures relating to transporting pupils, including all
17 operational expenditures within a contract if the school
18 district contracts for pupil transportation.

19 C. The capital outlay section of the budget shall
20 include a subsection for unrestricted capital outlay. The
21 unrestricted capital outlay subsection shall include budgeted
22 expenditures for acquisitions by purchase, lease-purchase or
23 lease of capital items as defined in the uniform system of
24 financial records and shall include:

25 1. Land, buildings and improvements to land and
26 buildings, including labor and related employee benefits costs
27 and material costs if work is performed by school district
28 employees.

29 2. Furniture, furnishings, athletic equipment and other
30 equipment, including computer software.

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

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

6 5. Instructional aids.

7 6. Library books.

8 7. Payment of principal and interest on bonds.

9 8. School district administration emergency needs that
10 are directly related to pupils.

11 D. The budget format shall contain distinct subsections
12 for the following:

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

16 2. School plant funds.

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

19 4. Property taxation, including the following:

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

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

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

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

29 5. A description of any corrections or adjustments made
30 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 ELIGIBLE TEACHERS AS DEFINED IN SECTION 15-248.01 WHO ARE EMPLOYED BY THE SCHOOL DISTRICT FOR THE CURRENT YEAR.

2. 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.

3. 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.

4. 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.

5. 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.

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

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

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

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

12 I. On or before November 30 of each year, the department
13 of education shall electronically submit to the joint
14 legislative budget committee and the governor's office of
15 strategic planning and budgeting a report that compiles the
16 information required by subsection E, paragraphs 2 through ~~5~~ 6
17 of this section for all school districts statewide.

18 2. The Secretary of State shall submit this proposition to the
19 voters at the next general election as provided by article IV, part 1,
20 section 1, Constitution of Arizona."

21 Amend title to conform

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