

REFERENCE TITLE: class size limits; policies; appropriations

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1705

Introduced by
Senators Diaz: Bravo, Fernandez, Gonzales, Hatathlie, Kuby, Miranda,
Ortiz, Sears

AN ACT

AMENDING TITLE 15, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 15-120.08; 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 15-120.08, to read:

4 15-120.08. Class size limits; policies; requirements

5 A. NOTWITHSTANDING ANY OTHER LAW, BEFORE THE 2031-2032 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

16 B. BEGINNING IN THE 2031-2032 SCHOOL YEAR, THE GOVERNING BOARD OR
17 GOVERNING BODY OF EACH PUBLIC SCHOOL IN THIS STATE SHALL FULLY IMPLEMENT
18 THE POLICY ADOPTED PURSUANT TO SUBSECTION A OF THIS SECTION AS FOLLOWS:

19 1. THE TOTAL AVERAGE CLASS SIZE FOR EACH GRADE LEVEL UNIT
20 PRESCRIBED IN SUBSECTION A OF THIS SECTION MAY NOT EXCEED THE AVERAGE
21 CLASS SIZE PRESCRIBED IN SUBSECTION A OF THIS SECTION, BUT INDIVIDUAL
22 CLASSES WITHIN A GRADE LEVEL UNIT MAY EXCEED THE AVERAGE CLASS SIZE.

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

25 3. THE AVERAGE CLASS SIZE AND THE MAXIMUM CLASS SIZE SHALL BE BASED
26 ON REGULAR CLASSROOM TEACHING POSITIONS, EXCLUDING PRINCIPAL, ASSISTANT
27 PRINCIPAL, COUNSELOR, ELEMENTARY ART, ELEMENTARY MUSIC, ELEMENTARY
28 PHYSICAL EDUCATION, LIBRARIAN, SPECIAL EDUCATION AND OTHER SPECIALIZED
29 POSITIONS.

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

34 5. A PUBLIC SCHOOL MAY SEEK A WAIVER FROM THE SUPERINTENDENT OF
35 PUBLIC INSTRUCTION TO EXCEED THE AVERAGE CLASS SIZE IF INDIVIDUAL CLASS
36 SIZES DO NOT EXCEED THE MAXIMUM CLASS SIZE PRESCRIBED IN SUBSECTION A OF
37 THIS SECTION.

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

42 7. THE GOVERNING BOARD OR GOVERNING BODY OF A PUBLIC SCHOOL SHALL
43 APPROVE THE ESTABLISHMENT OF ANY SPLIT-GRADE CLASSES FOR ANY PURPOSE,
44 EXCEPT THAT SPLIT-GRADE CLASSES MAY NOT BE ESTABLISHED FOR THE PURPOSE OF
45 CIRCUMVENTING THE REQUIREMENTS OF THIS SECTION.

1 8. THE AVERAGE CLASS SIZE SPECIFIED FOR THE GRADE LEVELS INVOLVED
2 IN SPLIT-GRADE CLASSES SHALL 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; local level funds;
7 appropriation; definitions

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

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

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

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

1 11. An appeals process for teachers who have been denied
2 performance based compensation.

3 12. Regular evaluation for effectiveness.

4 D. ~~A~~ THE performance based compensation system shall include
5 teacher professional development programs that are aligned with the
6 elements of the performance based compensation system.

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

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

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

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

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

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

38 1. Class size reduction FOR THE PURPOSES OF COMPLYING WITH SECTION
39 15-120.08.

40 2. Teacher compensation, including a base pay and performance pay
41 component.

42 3. Assessment intervention programs.

43 4. Teacher development.

44 5. Dropout prevention programs.

45 6. Teacher liability insurance premiums.

1 7. Student support services.

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

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

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

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

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

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

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

14 O. IN ADDITION TO ANY OTHER APPROPRIATIONS, THE SUM OF
 15 \$1,000,000,000 IS APPROPRIATED FROM THE STATE GENERAL FUND IN FISCAL YEAR
 16 2030-2031 AND EACH FISCAL YEAR THEREAFTER TO THE CLASSROOM SITE FUND
 17 ESTABLISHED BY THIS SECTION.

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

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

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

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

31 Sec. 3. Appropriations; classroom site fund; fiscal years
 32 2026-2027 through 2029-2030

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

- 36 1. In fiscal year 2026-2027, \$200,000,000.
- 37 2. In fiscal year 2027-2028, \$400,000,000.
- 38 3. In fiscal year 2028-2029, \$600,000,000.
- 39 4. In fiscal year 2029-2030, \$800,000,000.