

REFERENCE TITLE: reporting; teacher salary increases; schools.

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

SCR 1041

Introduced by
Senator Hoffman

A CONCURRENT RESOLUTION

**ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING
TO SCHOOL EMPLOYEES.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the Senate of the State of Arizona, the House of
2 Representatives concurring:

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

7 AN ACT

8 AMENDING SECTION 15-189.05, ARIZONA REVISED STATUTES; AMENDING
9 TITLE 15, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY
10 ADDING SECTION 15-248.01; AMENDING SECTION 15-903, ARIZONA
11 REVISED STATUTES; RELATING TO SCHOOL EMPLOYEES.

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

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

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

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

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

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

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

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

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

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

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

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

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

3 15-248.01. Teachers; base salary increases; teacher pay
4 fund; eligibility; annual estimate;
5 definition

6 A. IF THE VOTERS APPROVE AN INCREASED DISTRIBUTION RATE
7 FROM THE STATE LAND TRUST PERMANENT FUNDS PURSUANT TO ARTICLE
8 X, SECTION 7, SUBSECTION N, CONSTITUTION OF ARIZONA, EACH
9 SCHOOL DISTRICT AND CHARTER SCHOOL IN THIS STATE SHALL REVISE
10 ITS SALARY SCHEDULE OR SCHEDULES TO INCREASE THE BASE SALARY
11 OF ALL ELIGIBLE TEACHERS WHO ARE OR WILL BE EMPLOYED BY A
12 SCHOOL OPERATED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL. IF
13 SALARY INCREASES ARE REQUIRED UNDER THIS SUBSECTION, THE
14 INCREASE SHALL BE ALL OF THE FOLLOWING:

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

17 2. THE SAME AMOUNT FOR EACH ELIGIBLE TEACHER WITHOUT
18 REGARD TO TEACHER EXPERIENCE LEVELS.

19 B. NOTWITHSTANDING SECTIONS 15-502 AND 15-544, IF
20 SALARY INCREASES ARE REQUIRED BY SUBSECTION A OF THIS SECTION,
21 A SCHOOL DISTRICT OR CHARTER SCHOOL MAY NOT REDUCE THE BASE
22 SALARY OF ELIGIBLE TEACHERS WHO ARE OR WILL BE EMPLOYED BY THE
23 SCHOOL DISTRICT OR CHARTER SCHOOL BELOW THE BASE SALARY
24 SCHEDULE REPORTED TO THE DEPARTMENT OF EDUCATION IN FISCAL
25 YEAR 2026-2027. THIS SUBSECTION DOES NOT RESTRICT A SCHOOL
26 DISTRICT'S OR CHARTER SCHOOL'S AUTHORITY TO ADJUST AN
27 INDIVIDUAL TEACHER'S SALARY IN A MANNER THAT IS CONSISTENT
28 WITH THE APPLICABLE BASE SALARY SCHEDULE, INCLUDING AN
29 ADJUSTMENT FOR ANY CHANGE IN EMPLOYMENT STATUS.

30 C. IN ANY BUDGET YEAR THAT A SCHOOL DISTRICT'S OR
31 CHARTER SCHOOL'S ESTIMATED TOTAL CURRENT EXPENDITURES PER
32 PUPIL FOR THE BUDGET YEAR AS PRESCRIBED BY SECTION 15-189.05
33 OR 15-903 IS BELOW THE TOTAL CURRENT EXPENDITURES PER PUPIL
34 THAT THE DEPARTMENT OF EDUCATION CALCULATED FOR THE SCHOOL
35 DISTRICT OR CHARTER SCHOOL FOR FISCAL YEAR 2026-2027 PURSUANT
36 TO SECTION 15-255, SUBSECTION B, PARAGRAPH 2, THE SCHOOL
37 DISTRICT OR CHARTER SCHOOL MAY REDUCE THE BASE SALARY OF
38 ELIGIBLE TEACHERS BELOW THE BASE SALARY THAT THE SCHOOL
39 DISTRICT OR CHARTER SCHOOL REPORTED TO THE DEPARTMENT OF
40 EDUCATION IN FISCAL YEAR 2026-2027 BY AN AMOUNT THAT DOES NOT
41 EXCEED THE PERCENTAGE REDUCTION IN THE TOTAL CURRENT
42 EXPENDITURES PER PUPIL FOR THE BUDGET YEAR COMPARED TO THE
43 TOTAL CURRENT EXPENDITURES PER PUPIL FOR FISCAL YEAR
44 2026-2027. A BASE SALARY REDUCTION PURSUANT TO THIS
45 SUBSECTION APPLIES ONLY TO THE CURRENT BUDGET YEAR.

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

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

31 F. ON OR BEFORE MARCH 30 OF EACH YEAR, THE TREASURER
32 SHALL PROVIDE TO THE STAFF OF THE JOINT LEGISLATIVE BUDGET
33 COMMITTEE AN ESTIMATE OF THE AMOUNT OF DISTRIBUTIONS PURSUANT
34 TO ARTICLE X, SECTION 7, SUBSECTION N, CONSTITUTION OF
35 ARIZONA, THAT WILL BE DEPOSITED IN THE TEACHER PAY FUND FOR
36 THE BUDGET YEAR.

37 G. ON OR BEFORE MARCH 30 OF EACH YEAR, THE STAFF OF THE
38 JOINT LEGISLATIVE BUDGET COMMITTEE SHALL DETERMINE A PER
39 TEACHER AMOUNT FROM THE TEACHER PAY FUND FOR THE BUDGET YEAR
40 USING THE STATEWIDE NUMBER OF ELIGIBLE TEACHERS REPORTED
41 PURSUANT TO SECTION 15-189.05 OR 15-903 AND BASED ON THE
42 ESTIMATE PURSUANT TO SUBSECTION F OF THIS SECTION.

43 H. EACH SCHOOL DISTRICT AND CHARTER SCHOOL THAT
44 RECEIVES MONIES FROM THE TEACHER PAY FUND SHALL SUBMIT A
45 REPORT ON OR BEFORE NOVEMBER 15 OF EACH YEAR TO THE

SUPERINTENDENT OF PUBLIC INSTRUCTION THAT PROVIDES AN ACCOUNTING OF THE EXPENDITURES OF MONIES DISTRIBUTED FROM THE FUND DURING THE PREVIOUS FISCAL YEAR. THE DEPARTMENT OF EDUCATION IN CONJUNCTION WITH THE AUDITOR GENERAL SHALL PRESCRIBE THE FORMAT OF THE REPORT REQUIRED BY THIS SUBSECTION.

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

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

1. MEANS A PERSON WHO IS EMPLOYED BY A CHARTER SCHOOL OR A SCHOOL OPERATED BY A SCHOOL DISTRICT IN THIS STATE AND WHO 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

1 CLASSIFICATIONS AFTER AN EVALUATION CONDUCTED PURSUANT TO
2 SECTION 15-189.06 OR 15-537.

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

5 15-903. Budget format; prohibited expenditures; annual
6 report

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

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

30 C. The capital outlay section of the budget shall
31 include a subsection for unrestricted capital outlay. The
32 unrestricted capital outlay subsection shall include budgeted
33 expenditures for acquisitions by purchase, lease-purchase or
34 lease of capital items as defined in the uniform system of
35 financial records and shall include:

36 1. Land, buildings and improvements to land and
37 buildings, including labor and related employee benefits costs
38 and material costs if work is performed by school district
39 employees.

40 2. Furniture, furnishings, athletic equipment and other
41 equipment, including computer software.

42 3. Pupil and nonpupil transportation vehicles and
43 equipment, including all capital expenditures within a
44 contract if the school district contracts for pupil
45 transportation.

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

3 5. Instructional aids.

4 6. Library books.

5 7. Payment of principal and interest on bonds.

6 8. School district administration emergency needs that
7 are directly related to pupils.

8 D. The budget format shall contain distinct subsections
9 for the following:

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

13 2. School plant funds.

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

16 4. Property taxation, including the following:

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

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

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

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

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

28 E. The budget format shall also contain:

29 1. A statement identifying proposed pupil-teacher
30 ratios and pupil-staff ratios relating to the provision of
31 special education services for the budget year.

32 2. A STATEMENT IDENTIFYING THE NUMBER OF ELIGIBLE
33 TEACHERS AS DEFINED IN SECTION 15-248.01 WHO ARE EMPLOYED BY
34 THE SCHOOL DISTRICT FOR THE CURRENT YEAR.

35 ~~2-~~ 3. The prominent display of the average salary of
36 all teachers employed by the school district for the current
37 year. The school district shall also prominently post this
38 information on its website home page separately from its
39 budget.

40 ~~3-~~ 4. The prominent display of the average salary of
41 all teachers employed by the school district for the previous
42 year. The school district shall also prominently post this
43 information on its website home page separately from its
44 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 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 2 through ~~5~~ 6 of this section for all school districts statewide.

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