



AASBO
Arizona Association of
School Business Officials

— 2026 Session — Wrap-Up Webinar

Today's presenters

- Rebecca Beebe, Arizona School Administrators
- Chuck Essigs, Arizona School Business Officials
- Jimmy Arwood, Arizona School Boards Association

Today's agenda

- Legislative statistics.
- Major themes of session.
- Bills signed by Governor Hobbs.
- Ballot referrals transmitted to Secretary of State.
- FY27 Enacted budget summary.

Statistics

153

Days in Session

The 2nd Regular
Session of the 57th
Legislature adjourned
sine die on June 13th
2026.

2,190

Total number of bills
introduced during the
legislative session.

211

Bills that
successfully passed
through the
Legislature.

123

Bills signed
into law.

88

Bills Vetoed
Bills that passed but
were vetoed.

10

Ballot Referrals
10 passed and were
transmitted directly to
the Secretary of State

Major K-12 Themes of Session:

- School district financial management.
- School board member and administrator training and qualifications.
- School board meetings.
- Superintendent/administrator contracts.
- USFR compliance/noncompliance.
- Bonds and overrides.
- Literacy.
- Accountability and Proficiency rates.
- AED mandates.

Bills signed by Governor Hobbs

HB2032 statewide assessment; testing window; revisions – Fink (Chapter 75)

- Requires the testing window for the statewide assessment for grades 3-8 provided by ADE to be at least six weeks (an increase from four).
- Requires the testing window to begin no earlier than the second week of April.
- This year, the testing window began March 30th.

HB2203 department of education; reporting requirements – Bliss (Chapter 87)

- Requires ADE to review statutory reporting requirements imposed on public schools and ADE to determine whether those requirements are expired, obsolete, or duplicative.
- Requires ADE to submit a report with recommended legislative action to consolidate, eliminate, or otherwise modify identified requirements.

HB2312 patriotic youth groups school access – Rivero (Chapter 4)

- Allows principals to allow representatives from any Patriotic Youth Group to address students during regular school hours about how the group supports educational interests and civic involvement during the first quarter of the academic year.
- A representative of the group must submit a verbal or written request to the principal during the first two weeks of school. The principal may provide verbal or written approval.
- The principal may accept materials by the group for distribution to students and if they do, they must ensure the materials are distributed directly to students on school property. The principal may require prior access to materials before approval.
- Schools may not discriminate against a Patriotic Youth Group for reasons based on the group's membership, leadership criteria, or oath of allegiance to God and country.
- Patriotic Youth Group is defined in federal law and includes organizations like the Girl Scouts of America, FFA, etc.

HB2370 schools; weapons detection systems; administration – Martinez (Chapter 58)

- Requires any employee other than the Superintendent to obtain governing board approval before modifying a “weapons detection system”.
- Specifies that only a superintendent may modify a weapons detection system without prior approval by the Governing board.
- The superintendent must report each modification to the Governing board within 24 hours after modifying the weapons system.

HB2395 fitness program; school report cards – Biasiucci (Chapter 59)

- Establishes the Arizona School Fitness Program in ADE to align with the Presidential Physical Fitness test re-established by President Trump through Executive Order.
- This bill allows participating districts to receive a distinction from ADE on their School Report Card.
- This is not a mandate.

HB2423 advanced mathematics courses; student enrollment – Gress (Chapter 92)

- Requires each district and charter school to automatically enroll 6, 7, and 8 grade students in an advanced math course, if available, for the next year if the student's parent does not object and the student demonstrates highest proficiency on the statewide assessment or a district benchmark.

HB4043 training; AEDs; CPR; school personnel – Weninger

- Beginning August 1, 2027, each school district and charter school must ensure there is at least one employee at each campus during regular school hours who is CPR and First Aid trained.
- If there is an AED at a school campus, one person on that campus must also be trained in the use of Automated External Defibrillators.

SB1497 NOW: school districts; insurance quotes

- Werner

- Requires school districts with at least 300 employees and is self-insured for health, disability, and pooled risk for health or accidents program to obtain quotes from service providers at least once every four-years.
- Health insurance providers must provide districts data they collect from districts, including specific claim information, pharmaceutical drug data, enrollment counts etc.
- Districts cannot renew coverage with any provider that fails to provide timely, accurate and complete information.

Vetoed bills of note

- HB2033 statewide assessment; written form; requirements (Fink)
- HB2075 school districts; employment contracts; publication (Gress)
- HB2379 school district governing boards; training (Gress)
- HB2380 school districts; board meetings; expenditures (Gress)
- HB2481 school districts; records; noncompliance; penalties (Gress)
- HB2482 NOW: building renewal grants; job-order-contracting (Gress)
- HB4033 school bonding; ballot language (Gress)
- SB1142 federal tax credit; authorization; scholarships (Bolick)

Summary of K-12 Related Ballot Referrals

SCR1032 instructional expenses; operational spending; enforcement (Hoffman)

- Applies to all school districts that have a student count of at least 7,500 **OR** all school districts that operate in a county with a population of at least 500,000 people. This includes Flagstaff Unified, Yuma Union, and Maricopa, Pima, and Pinal counties.
- Requires each school district to dedicate at least 60 percent of the district's operational spending to instructional spending beginning in 2027-2028.
- Any district that falls below 60% must increase spending on instructional expenses each year by at least .5% per year until the district is in compliance.
- If the Auditor General determines a district did not comply, the ADE must reduce the district's Classroom Site Fund allocation by 25% per year that the district did not comply.
- Allows the SPI to waive the requirements for 60% instructional spending for one year and a district may not receive more than two waivers in any ten-year period.
- Requires the Auditor General (OAG) to define instructional spending

SCR1032 instructional expenses; operational spending; enforcement (Hoffman)

- **Instructional spending** as currently defined by the Auditor General includes teachers, teachers' aides, substitute teachers, graders, guest lecturers, general instructional supplies, instructional aids, field trips, athletics, cocurricular activities, and tuition.

SCR1032 instructional expenses; operational spending; enforcement (Hoffman)

- What it doesn't include:
- **Student Support** -counselors, audiologists, speech pathologists, nurses, social workers, and attendance services
- **Instruction Support** – librarians, teacher training (literacy coaches and other coaches), curriculum development, special education directors, media specialists, and instruction-related IT services.
- **Administration** – superintendents, principals, business managers, clerical, accounting, payroll, purchasing, warehouse etc staff, administrative technology services, HR, costs related to serving the Governing Board
- **Plant Operations** – equipment repair, building maintenance, custodial, groundskeeping and security services, costs for heating, cooling, and lighting, and property insurance.
- **Food Services** – food supplies and other costs related to serving meals and snacks
- **Transportation** – costs for maintaining buses and transporting students to and from school and school activities

HCR2040 NOW: school districts; labor organizations; resources (Olson)

Prohibits school districts from:

- Using public resources to support the operations of union
- Deducting employee paychecks for member dues.
- Allowing paid leave to recruit members during working hours.
- Utilizing district emails for union activities.
- Using any other public resource for distributing union communications.

HCR2040 NOW: school districts; labor organizations; resources (Olson)

- Additionally, the measure disallows any political subdivision (school district, city, county etc.) from negotiating with unions.
- This would impact police, fire, and other unions who negotiate with these entities actively.
- It appears that this was a drafting mistake, but due to the fast-paced nature of the legislature, they may have missed it.
- Legislators are actively contesting the consequences of the language.

HCR2048 NOW: military families; scholarship accounts

- Constitutionally prohibits sweeping money from accounts of students who qualify for ESAs under the military family provision.
- Has an additional amendment crafted that nullifies an entire act or law that has any provision that sweeps money from students who qualify for ESAs under the military family provision
- This HCR is already facing extensive legal opposition.
- It will be determined in court if this remains on the ballot.

FY27 Enacted Budget Summary

Budget Provisions

- **“Dead Cash”** – nothing.
- **Formula inflation increases:**
 - Increases the Base Level by 2% for standard inflation (according to statute, the base level must be increased by 2% or inflation, whichever is less).
 - Increases transportation funding for standard 2% inflation.
 - Increases Charter Additional Assistance for standard 2% inflation.
- **\$29M – Additional Assistance**
 - \$23M for DAA and \$5.8M for CAA to be distributed one time on a proportional basis based on the district’s additional assistance funding each district receives in FY26-27 (same for charters).
 - In FY28 this is returned to ongoing formula.

Budget Provisions

- **\$37M – Poverty/Opportunity Weight**
 - Includes one-time FRPL Group B weight supplement to be distributed one-time to school districts and charter schools on a pro-rata basis using the weighted student count for FPL pupils.
 - In FY28 this is returned to ongoing formula.
- **Arizona Department of Education**
 - **\$2M** for one-time school meal grants to cover the cost of the reduced-price lunch copay for students in schools that participate in NSLP.
 - **\$1.8M** annual to continue Sun Bucks for two years (summer SNAP admin \$120 food benefits).

Budget Provisions

- **School Facilities Division – School Facilities Oversight Board**
- Funds New School Construction projects approved on or before December 2025.
- **\$200M total Building Renewal Grants**
 - \$183M in one time appropriation (Same as FY26) and
 - \$17.3M baseline
- The 2027-2028 appropriation to SFD for new school facilities may include \$10M for end of useful life projects that receive final approval on or before December 15, 2026.
- **Aggregate Expenditure Limit**
 - Waived for the 2026-2027 school year.

**Questions?
Please enter them
in the Q&A box.**

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