



PROPOSITION 320 AND POTENTIAL IMPACTS FOR SCHOOL DISTRICTS

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Today's Meeting

- What Prop 320 **Actually** Says
- Answering the Confusing Questions
- Panel Introduction
- Auditor General Definitions
- Audience Questions



What does Prop 320 actually say?

- Section A: Requires school districts with at least 7,500 students or ALL districts in Maricopa, Pima, Pinal counties to spend at least 60% of their operational spending on “direct instruction expenses.”
 - **VERY IMPORTANT**: Section F: The Auditor General will define “direct instruction,” and “operational spending.”
 - Instruction is currently defined as: teachers, substitutes, field trips, portions of athletics classroom supplies etc.
- Section A.1: If a school district is below the 60% mark, it is required to increase by .5% each year until they hit 60%. If for example it moves by 1% in one year, it may count the additional % towards subsequent required increases.



Important Distinction:

Classroom spending and direct instruction are not the same.

Classroom spending accounts for nearly 70% of district budgets.

Direct instruction accounts for 52%.



Important Note

No new money is being allocated. All impacted districts must conform within their existing budget or face steep penalties.



What are the penalties?

Cuts to the Classroom Site Fund.

What is the Classroom Site Fund?

Accounts roughly for \$12,000 of teacher salaries statewide.



Does Proposition guarantee increased Classroom Spending?

NO. Instruction is a narrow category within classroom spending, and districts may cut resources that are considered classroom spending in order to come into compliance with the mandate.



Does Proposition 320 guarantee increased teacher pay for every district?

NO. Impacts of Proposition 320 may have different impacts. Some districts may lose student enrollment if they cut services, and therefore will lose overall funding.

Scenario: district cuts bus routes and students no longer attend school.

Example:

FY 26: 100 students = \$1,00,000 operation budget and 50% spent on instruction (\$500,000 for teachers).

FY 27: 80 students = \$800,000 operation budget, and 60% spent on instruction (\$480,000 for teachers).



Does Proposition 320 guarantee increased teacher pay for every district?

NO. Some services that would be cut may not be transferred to teacher pay, or direct instructional expenses.

Example: District A receives \$250,000 from the School Safety grant fund to hire 2 School Resource Officers, and 1 school counselor. Those dollars have to fit within the 40%, but if a district were to cut those positions, those dollars legally cannot be transferred to instruction.

There are many examples of funding sources that are restricted.



Should it pass, what does this proposition mean for impacted school districts?



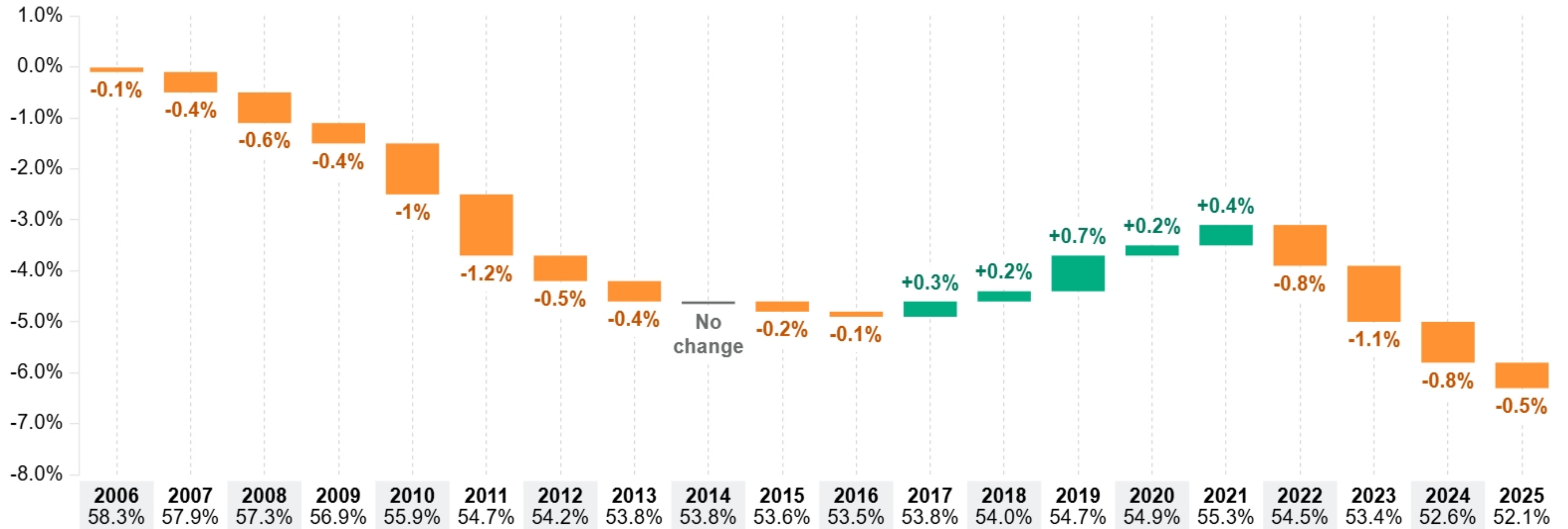
The most important piece to remember is that if your district currently does not meet the 60% threshold, you will need to **CUT funding to areas excluded by the Auditor General in direct instruction spending, and reallocate those dollars.**

Remember the current statewide average is 52.1%



ASBA GOVERNMENTAL RELATIONS

State-wide ISP and percentage point change from prior fiscal year (20-year trend)



Introducing our Incredible Panel



**Jill Broussard, Pinal County
School Superintendent**



**Jill Barragan, Assistant
Superintendent of Business
Operations, Paradise Valley
Unified School District**



**Mitra Khazai, ASBA
President and Madison
Elementary School District
Governing Board Member**



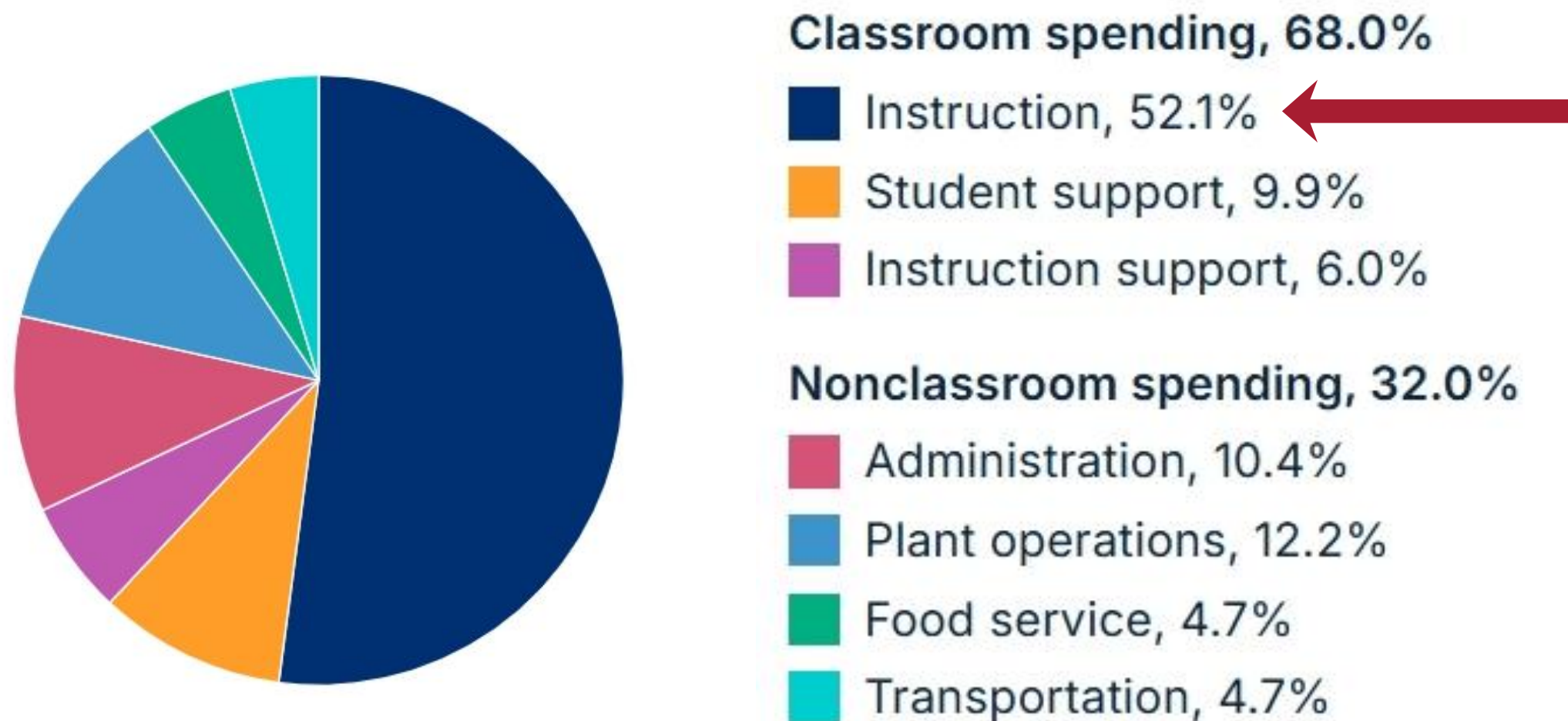
**Kimberly Guerin, Madison
Elementary School District
Superintendent**



**Ruben Diaz, Baboquivari
Unified School District
Superintendent**



Statewide Example: Regardless of classroom spending, instruction is the only category that counts towards 60%





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**What does the Auditor General currently
exclude from “direct instruction?”**



The Auditor General's definition excludes - Student Support

- Special education educators:
 - Speech Language Pathologists
 - Paraprofessionals (county dependent)
 - Audiologists
 - Behavioral Therapists
- Counselors
- Nurses
- Social workers/school psychologists

Classroom spending, 68.0%

■ Instruction, 52.1%

■ Student support, 9.9% ←

■ Instruction support, 6.0%

Nonclassroom spending, 32.0%

■ Administration, 10.4%

■ Plant operations, 12.2%

■ Food service, 4.7%

■ Transportation, 4.7%



The Auditor General's definition excludes - Instruction Support

- Math coaches, and literacy coaches
- Teacher training
- Technology for instruction (smartboards, computers, etc.)
- Special Education Directors
- Curriculum such as the science of reading

Classroom spending, 68.0%

■ Instruction, 52.1%

■ Student support, 9.9%

■ Instruction support, 6.0% ←

Nonclassroom spending, 32.0%

■ Administration, 10.4%

■ Plant operations, 12.2%

■ Food service, 4.7%

■ Transportation, 4.7%



The Auditor General's definition excludes - Plant Operations

- **ANY** Building operations and maintenance:
 - Maintenance to air conditioners/heaters/lighting.
 - Maintenance to walls/ceilings/roofs.
 - Maintenance to, or cleaning bathrooms.
 - Maintenance to, or cleaning school cafeteria kitchens.
 - All utilities (electric, gas, water).
 - Any equipment.
 - Property insurance.
 - Groundskeeping.
- **ANY SECURITY** - cameras, walls, gates, metal detectors, locks etc.

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■ Instruction, 52.1%

■ Student support, 9.9%

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Nonclassroom spending, 32.0%

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■ Plant operations, 12.2% ←

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GOVERNMENTAL RELATIONS

Does Proposition 320 only impact large school districts?



The Auditor General's definition excludes - Transportation

- **ANY** transportation related costs.
- School bus routes to and from school, which are not required by law.
- School bus maintenance.
- Diesel – when prices increase, the more this will count against you, even though you are driving the same number of miles, or even driving less miles.
- School bus drivers.

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■ Instruction, 52.1%

■ Student support, 9.9%

■ Instruction support, 6.0%

Nonclassroom spending, 32.0%

■ Administration, 10.4%

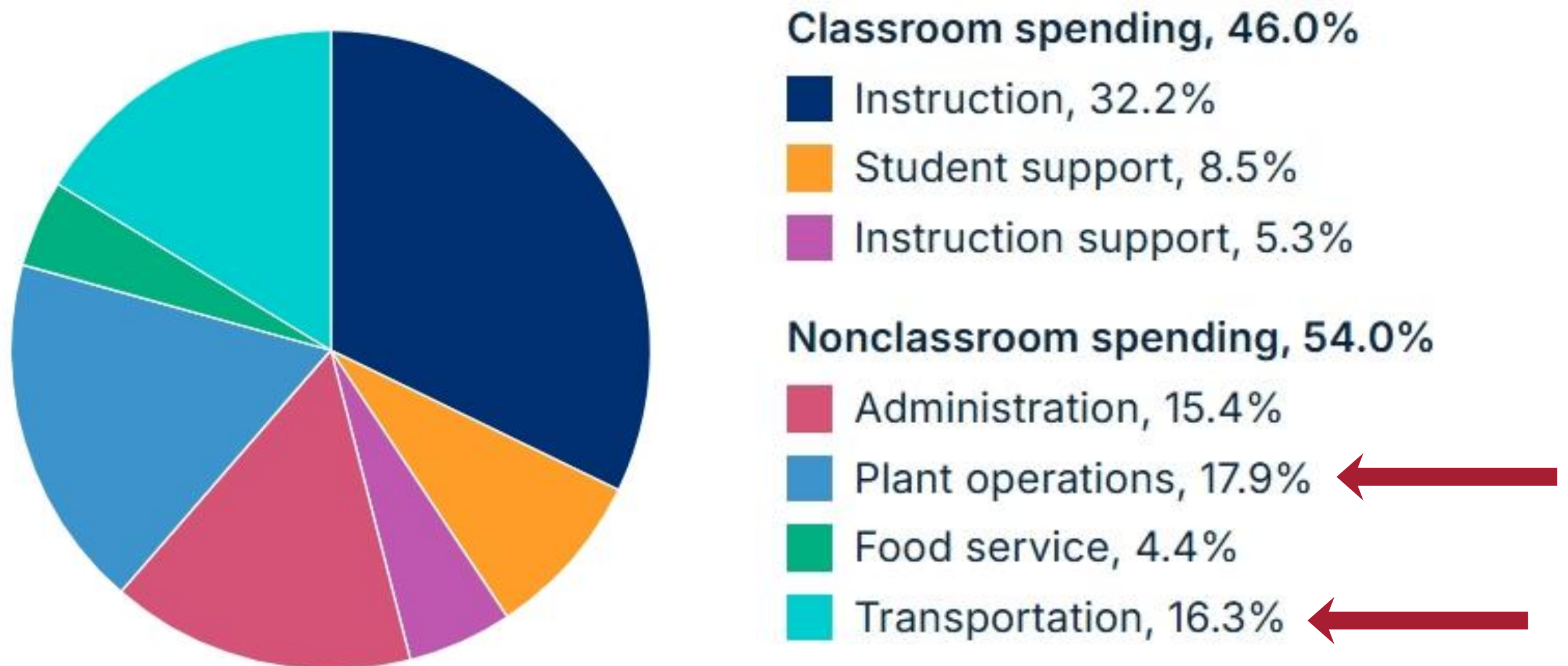
■ Plant operations, 12.2%

■ Food service, 4.7%

■ Transportation, 4.7% 



Baboquivari faces a unique challenge



The Auditor General's definition excludes - Maintenance and Transportation for School Sports

- Maintenance on the school gym.
 - Basketball/Volleyball
- Maintenance on the school fields
 - Football/soccer
 - Baseball/softball
 - Track
- Transportation to sporting events
 - Gas
 - Maintenance on the vehicles



The Auditor General's definition excludes - Food Service

- Food ingredients.
- Healthy school meal programs.
- Transporting meals, ingredients, supplies etc. to campus.
- Preparation and serving of school meals.
- Custodial staff.
- Water

Classroom spending, 68.0%

■ Instruction, 52.1%

■ Student support, 9.9%

■ Instruction support, 6.0%

Nonclassroom spending, 32.0%

■ Administration, 10.4%

■ Plant operations, 12.2%

■ Food service, 4.7% ←

■ Transportation, 4.7%



The Auditor General's definition excludes - Administration

- All non-classroom related professionals or expenses in schools
- School Safety – police officers on campus
- Procurement
- HR
- Purchasing
- Printing
- Payroll
- Accounting
- Superintendent, front office personnel, etc.
- School Board related costs.

Classroom spending, 68.0%

- Instruction, 52.1%
- Student support, 9.9%
- Instruction support, 6.0%

Nonclassroom spending, 32.0%

- Administration, 10.4% ←
- Plant operations, 12.2%
- Food service, 4.7%
- Transportation, 4.7%



History of these definitions

- Since the ultimate decision lies with the Auditor General, they could change the definition, and there is no definition in the prop.
- They have had the same definition for over 20 years.
- Prop 320 also allows the Auditor General to change this definition whenever they choose.
- The Auditor General reports to the Arizona legislature, and more specifically works for the Joint Legislative Audit Committee.
- School leaders should prepare for the current definition as it is based in federal definitions from NCES.



**Will the Auditor General change the definition
in the near future?**

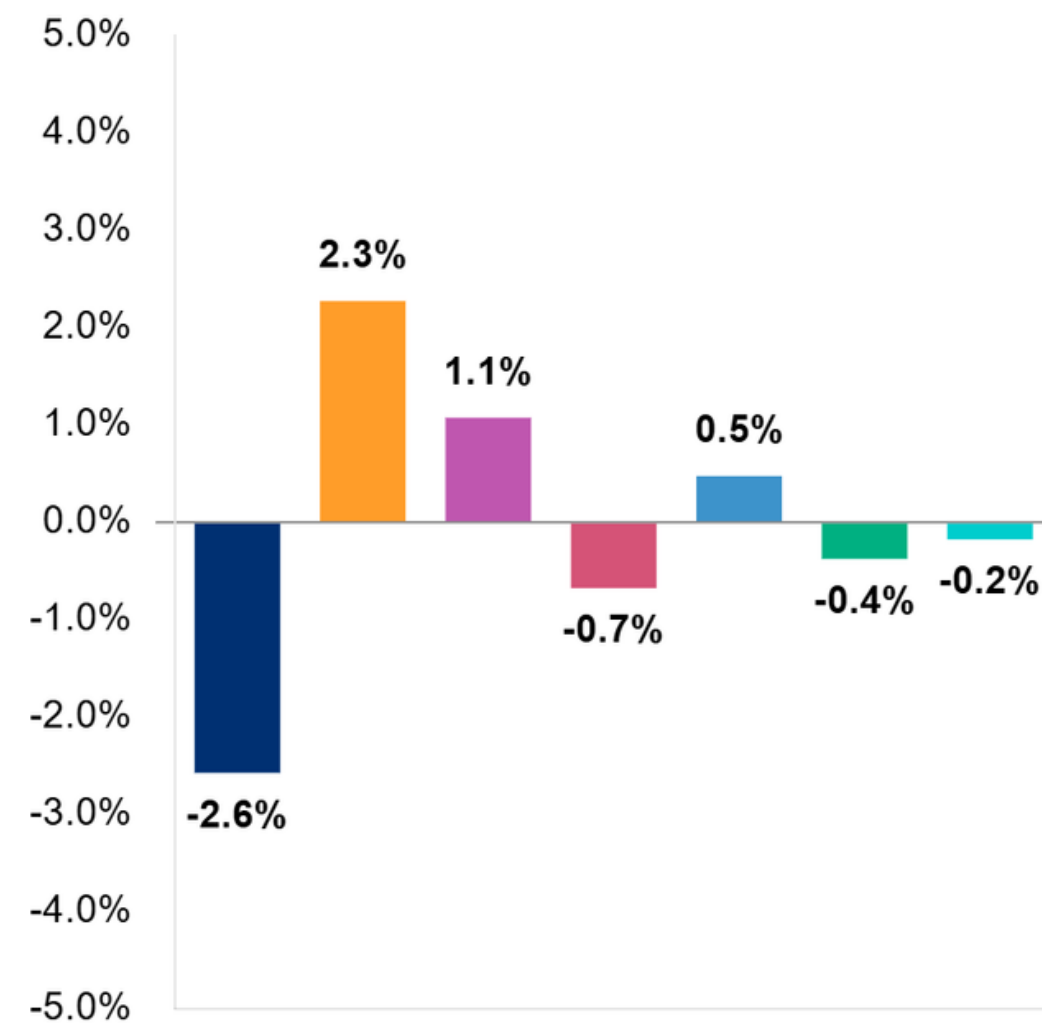
A: No.



Percentage point change in spending by area

Compare District FY 2025 spending to:

District's FY 2020 spending (5-year comparison)



Change in classroom spending, 0.8%

- Instruction, -2.6%
- Student support, 2.3%
- Instruction support, 1.1%

Change in nonclassroom spending, -0.8%

- Administration, -0.7%
- Plant operations, 0.5%
- Food service, -0.4%
- Transportation, -0.2%



If you were a governing board member, what would you cut to reallocate to instruction?

- Consolidate bus routes?
 - Longer routes and earlier pickup times.
- Reduce school safety staffing (SROs, counselors, etc)?
 - Less security on campus and higher counselor to student ratios.
- Reduce custodial staffing?
 - Delays in maintenance and less frequent cleanings.
- Cut special education program funding?
 - Resources that students need to succeed disappear.
- What else?



What is ASBA's Governmental Relations team saying:

- School board members need to prepare to implement Prop 320, and should begin planning on how to cut, and reallocate budgets.
- You cannot use district resources to tell voters to vote yes/no. You **can** educate the community, and talk about what impacts might look like.
- Explore the Auditor General's Website to learn more about your district's history.





You can request ASBA to give this presentation to your district, organization, PTA/PTO, or other affiliated groups.



Open Floor - Any Questions?



Reach out to the ASBA Governmental Relations Team

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