



The Aggregate Expenditure Limit: Schools are Facing an Urgent Crisis in 2022

The AZ Capitol Times called it a “Ticking Time Bomb”. If the State Legislature does not act by March 1, the constitutional spending limit for school districts requires schools to halt spending before the school year ends.

What is the Spending Cap?

1980: Public School funding reform, introduced by voter-approved constitutional amendments, included capping school district spending at 1980 levels, adjusted for inflation and enrollment. Since then, the cap has been overridden or raised several times by voters or the Legislature.

Crisis on the Horizon:

Expenditure limit = \$6 billion. Arizona school districts will exceed that by \$1.1 billion in the current school year simply by spending the funds that the Legislature approved for this year’s education budget.

15-18% cut from the total yearly budget is approximately 80-90% of the funds districts have left to spend on April 1. That could result in widespread layoffs before the end of the school year.

⇒ **The Arizona Legislature must override the limit by March 1, or districts must make drastic cuts on April 1.**

Why We Reached the Spending Limit this Year

Normal school spending limits, approved by the legislature, have been approaching the cap, reaching it in 2007 and coming close in recent years. Formula funding, alone, would exceed the cap this year.

Other current issues exacerbate the problem:

- 40,000 “missing” students from 2020/21: Students returned, but cap is based on last year’s student count.
- Legislature extended 0.6% sales tax for education. Once excluded from the cap by voters, it is now included.
- Restoration of funding cuts, in the form of teacher raises, funds tied to test-scores, etc.

⇒ **The Spending Cap crisis is not caused by Prop 208. Those funds will not be in school budgets until next Fall.**

Arizona Schools are Not Overspending: This is the budget approved by the legislature last spring.

Arizona schools are at the bottom of states in per pupil funding (2019 data: 3rd lowest state. Lowest when adjusted for cost of living.)

⇒ **With this self-imposed spending cap, Arizona schools are trapped at the bottom.**

ACTION: Call your Legislators.

1. Immediate Action: The Legislature must exempt schools from the spending cap by March 1 to avert disaster.

2. Long-term Fix: We will have this problem each year unless we remove the constitutional spending cap. Urge your legislator to send the constitutional amendment to the ballot by Legislative Referral.

Find your legislator here: www.azleg.gov/findmylegislator

Examples of potential budget cuts:

| | |
|------------------|----------------|
| Phoenix Union | \$45 million |
| Chandler | \$54 million |
| Tucson Unified | \$58 million |
| Tempe Elementary | \$14 million |
| Prescott Unified | \$ 4.6 million |

Inequity

Charter Schools and ESA vouchers are not subject to the cap, so while some schools might be making drastic cuts, others will be running business-as-usual.

⇒ **Only district schools are affected.**

Antiquated Model

2022 Schools are different than in 1980 when schools did not have computers, campus security, advanced Special Education and other expectations that schools have today.

⇒ **A 1980 spending model is unrealistic.**