



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

House: ED DP 8-1-1-0 | 3rd Read 46-14-0-0

Senate: 3rd Read 23-7-0-0

HCR2001: school district expenditures; authorization. (Substituted for SCR 1009)

Sponsor: Representative Cook, LD 7

Transmitted to the Secretary of State

Overview

Allows school districts to exceed the aggregate expenditure limitation (AEL) by \$1,385,809,642 in FY 2023.

History

In 1980, Arizona voters approved [Proposition 109](#), which amended the state Constitution by creating the AEL for all school districts. The Arizona Constitution and statute detail the formula to calculate the AEL and procedures if the AEL is exceeded.

Prior to May 1, the Economic Estimates Commission (EEC) must determine the AEL for the following year. The AEL is calculated by adjusting FY 1980 local revenue expenditures for all school districts to reflect changes in student population and the cost of living. This amount is then multiplied by 10%. The state Constitution details the monies, revenues, funds, property and receipts that are included and excluded from *local revenues* ([Ariz. Const. art. 9, sec. 21](#)).

By November 1, the State Board of Education (SBE) must determine the current year aggregate expenditures of local revenues for all school districts. If this amount exceeds the AEL, two options may occur. The Legislature may authorize, by March 1, the expenditures of local revenues in excess of the AEL upon two-thirds approval in both the House of Representatives and the Senate.

If the Legislature does not authorize the expenditures of local revenues in excess of the AEL, SBE must inform each school district, by March 5, of the amount by which it must reduce its expenditures of local revenues. Then, by April 1, each school district governing board must adopt a revised current year budget that is reduced by the amount determined by SBE ([A.R.S. § 15-911](#)).

For FY 2023, the EEC [calculated](#) the AEL to be \$6,402,335,366. The Arizona Department of Education [calculated](#) the aggregate expenditures of local revenues to be \$7,788,145,008. This means that for FY 2023, school districts will exceed the AEL by \$1,385,809,642.

Provisions

1. Authorizes school districts to spend \$1,385,809,642 of local revenues in excess of the AEL in FY 2023. (Sec. 1)
2. Conditions the authorization to exceed the AEL on the approval of at least two-thirds of the membership of the House of Representatives and the Senate by March 1, 2023. (Sec. 1)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note