Proposition 320: Public education funding; Public education governance

Proposition 320 will be on the November 2026 ballot. If it passes, it means the following provisions go into effect.

Applies to:

- Applies to all school districts that have a student count of at least 7,500, regardless of location.
- Applies to all school districts that operate in a county with a population of more than 500,000 people, regardless of student count. (Pima, Pinal, and Maricopa counties.)

60% requirement

- School districts must spend at least 60% of the school district's operational spending on direct instructional expenses.
- Beginning in FY2027-2028, any school district that spends less than 60% on direct instructional expenses must increase their direct instructional expenses each year by at least 0.5% per year until the district is in compliance.
  - If the increase is by more than 0.5% per year, the district may count the increase toward future years' requirement to increase by 0.5%.
  - If a school district reduces the portion of the operational spending spent on direct instructional expenses, the district may only count the portion of an increase in direct instructional expenses for a subsequent year that results in an increase above the portion of operational spending before the reduction.

Penalties for noncompliance

- The Auditor General determines compliance.
- ADE must reduce the Classroom Site Fund distribution for the budget year to a district out of compliance as follows:
  - 25% for one year of noncompliance,
  - 50% for two years of noncompliance,

- 75% for three years, and
- 100% for four years.

Waivers

- The Superintendent of Public Instruction is allowed to provide a one-year waiver from the penalty to individual districts up to two times during a ten-year period.
- If the Superintendent of Public Instruction issues a second waiver for a school district more than four years after the first waiver was issued, the Superintendent of Public Instruction may issue another waiver for the district at any time during the ten-year period that begins on the date of the issuance of the second waiver.

Definitions

- Requires the Auditor General to define "direct instructional expenses" and "operational spending"
- These terms are currently defined by the OAG for the Classroom Spending Report. We assume the definitions will be the same as the definitions used in the Classroom Spending Report. You can find the Glossary here.

What is instructional spending?

- **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.

What does it not include?

- **Student Support –** psychologists, counselors, audiologists, speech therapists, nurses, health associates, physical therapists, occupational therapists, social workers, attendance services, crossing guards, SROs.
- **Instruction Support** – teacher training, instructional coaches (literacy coaches and other coaches), curriculum development, special education directors, media specialists, computer technicians, librarians, library associates, instruction-related IT services.
- **Administration** – superintendents, principals, assistant principals, school receptionists, business managers, clerical, accounting, payroll, purchasing, warehouse 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, 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, bus drivers, bus associates, mechanics.