# Proposition 320 Fact Sheet (2026)

## Requiring Certain School Districts to Spend 60% of Operational Spending on Direct Instruction

Proposition 320 will be on the November 2026 ballot. If it passes, 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 FY28, 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.
- The Arizona Department of Education 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 already defined by the Auditor General. You can find the Glossary of terms here.

**Instructional spending definition:**

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

**Other spending categories not included in instructional spending:**

- **Student Support –** psychologists, counselors, audiologists, speech therapists, nurses, health associates, physical therapists, occupational therapists, social workers, attendance services.
- **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** – crossing guards, School Resources Officers (SROs), 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.

# Proposition 320: FAQ

## Frequently Asked Questions:

**Who does this apply to?**

- Every school district in a county with more than 500,000 residents and every school district with 7,500 students or more, regardless of where it is located.
- This currently captures every school district in Maricopa, Pima, and Pinal counties, as well as Yuma Union, Yuma Elementary, and Flagstaff Unified school districts.

**Are you sure it applies to Pinal County?**

- Yes, the population of Pinal County in July 2025 was 539,380 people. (Source: U.S. Census Bureau, "QuickFacts: Pinal County, Arizona," population estimate for July 1, 2025, accessed August 11, 2026, census.gov)

**Does this only apply to large districts?**

- No. There are many small and rural school districts in Maricopa, Pima, and Pinal counties, including school districts with less than 150 students and districts with only one school site.

**Does Prop 320 apply to charter schools?**

- No, it only applies to school districts.

**Does this apply to Career and Technical Education Districts (CTEDs)?**

- Arizona officials have not currently determined if CTEDs are included. However, Prop 320 references "school districts". School districts are defined in statute as a political subdivision of the state with geographic boundaries; CTEDs are political subdivisions with governing boards and geographic boundaries. CTEDs also receive Classroom Site Fund distributions.

**What does "direct instruction" mean?**

- Direct instructional spending includes teachers, teachers' aides, substitute teachers, graders, guest lecturers, general instructional supplies, instructional aids, field trips, athletics, cocurricular activities, and tuition.
- The definition used by the Arizona Auditor General is the same as the definition of instruction used by the National Center for Education Statistics.

**What is the definition of operational spending?**

- Operational spending includes costs school districts incurred for their daily operations in seven categories: instruction, student support, instruction support, administration, plant operations, food services, and transportation.

- Operational spending is based on dollars expended, not budgeted dollars.
- *Nonoperationa*l spending includes costs associated with four categories: land and buildings (purchasing or leasing land and existing buildings, constructing and renovating school buildings, and improving school grounds), equipment (furniture, vehicles, noninstructional software), interest on long-term and short-term debt, and other (adult education, community services programs, and civic activities).
- Read the definitions of these terms in the glossary here.

**How will the instructional spending percentage be calculated?**

- Instructional spending is calculated by dividing the total money spent in the category of instruction by total day-to-day operational spending.
- Read the Auditor General's explanation here.

**Why 60%?**

- We don't know why the Legislature chose this number.

**How much are districts spending on instruction now?**

- The most recent data from Fiscal Year 2025 shows that on average, districts are spending 52.1% of their operational spending on instruction.

**How will districts meet this requirement?**

- That depends on the district. Districts may have to cut staff positions, transportation offerings, and/or programming to comply with the 60% requirement. This could look like a district cutting all non-special education transportation, or eliminating and combining bus routes. Districts may have to eliminate counselors, school psychologists, nurses, librarians, or other staff positions. They may reduce the professional development offerings, eliminate instructional coaches, reading interventionists, assistant principals, and other positions.

**What is the first year this applies and when are funds reduced for noncompliance?**

- Based on the language of the proposition, FY28 (2027-2028 school year) is the first year in which the new 60% requirement applies. FY29 (2028-2029 school year) will be the first year in which districts that spend less than 60% will be required to increase spending. If the district isn't at 60% instructional spending or doesn't demonstrate the 0.5% increase between FY28 and FY29, the reduced Classroom Site Fund allocation will be applied in FY30 (2029-2030 school year).

**Is this the same as Classroom Spending?**

- No. The definition of "classroom spending" in the Classroom Spending Report combines three spending categories: Instructional Spending, Student Support spending, and Instruction Support spending.
- Prop 320 only references *one* of those categories, instructional spending.

**Can we change the definitions?**

- No. The Auditor General uses definitions aligned with the National Center for Education Statistics and will use the definition of instruction described above for the purposes of Prop 320.
- To change or define instructional spending would likely require introducing legislation defining the terms, to be passed in a future session and signed by the Governor.

**What is the Classroom Site Fund?**

- The Classroom Site Fund (CSF) is administered by the Arizona Department of Education (ADE) and composed of monies collected from a ½ cent sales tax. Districts and charters can spend the money for class size reduction, teacher compensation, including base pay and performance pay, assessment intervention programs, teacher development, dropout prevention programs, teacher liability insurance premiums, and student support services.
- Monies from the CSF cannot supplant existing school funding.
- The majority of Classroom Site Fund money is spent on teachers in some way, whether that be through salary, professional development, or other things that benefit teachers.

**What happens to the Classroom Site Fund money that is withheld from districts?**

- The withheld funds are returned to the Classroom Site Fund and carried forward into the next budget year. They become part of the next budget year's statewide allocation.

**Does this save the taxpayers money?**

- Prop 320 doesn't lower the tax rate, nor does it save the district or the state General Fund money. Reduced allocations for noncompliance come out of the Classroom Site Fund, which is funded by a sales tax. The money is not returned to anyone or any fund; rather it sits in the CSF for the next year's allocation.