

***The Ongoing Storm of Arizona's Public Education Funding:  
A Longitudinal Analysis of Historically Failing Fiscal Policies and Structural Inequities***  
**Prepared for the Governing Board of the  
Amphitheater Unified School District**

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**Executive Summary**

The over-arching issue which pressures the Amphitheater District in this pivotal moment of school contraction is one steeped in a history of legislative and gubernatorial mix of inaction, negligence and deliberately harmful behaviors that have shocked the conscience of the public into an unfortunate state of numbness. The broad populace has long lost sight of the terrible realities which our state's governmental leaders have heaped upon us for decades, and it therefore begs recitation in our present circumstances.

The history of K-12 public education funding in the State of Arizona is a complex, multi-decadal narrative defined by a persistent and still unresolved tension between constitutional mandates for a "general and uniform" public school system and a legislative philosophy deeply rooted in and controlled by fiscal conservatism and local control. Over the last forty-five years, Arizona has navigated a tumultuous landscape characterized by landmark judicial interventions, volatile economic cycles, voter-initiated mandates, and a profound structural shift from traditional district-based funding toward privatized educational choices.

As of late 2025, our state finds itself at a critical inflection point. The education system is grappling with the aftermath of the historic *Glendale Elementary School District v. State of Arizona* ruling, which declared the state's capital funding mechanism unconstitutional *for the second time in three decades*. Simultaneously, the rapid and uncapped expansion of the universal Empowerment Scholarship Account (ESA) program has precipitated a significant budget deficit, challenging the very sustainability of the state's General Fund.

Relative to the rest of the nation, Arizona consistently ranks in the bottom tier (often dead last) across nearly all fiscal metrics, including per-pupil expenditure, average teacher salaries, and fiscal effort relative to personal income. This chronic underinvestment has manifested in tangible, widespread impacts on the public education sector: a severe teacher retention crisis necessitating the use of uncertified educators, the strategic adoption of four-day school weeks in some locales as a non-monetary recruitment incentive, and a bifurcated infrastructure system where facility quality is determined largely by local property wealth rather than state support.

This report provides an exhaustive analysis of these dynamics. Drawing upon legislative history, judicial opinions, and longitudinal data from the U.S. Census Bureau and the Arizona Joint

Legislative Budget Committee (JLBC), it traces the trajectory of school finance from the 1980 tax reforms to the 2025 fiscal cliff. It elucidates how structural mechanisms—such as the Aggregate Expenditure Limit (AEL) and the reliance on local bonds—have further entrenched inequities, ultimately compromising the state's ability to compete in a knowledge-based economy.

This is a report, however, that to this Board will ring familiar and clear, as we have had extensive discussions in our District about all that follows below. We have decried, bemoaned, and challenged it all, but it has not changed – instead being what may be the heaviest of the hands on the scales that has unfairly pushed us to the precipice of school closures to avoid the alternative of financial insolvency.

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## **I. Structural Foundations: The 1980 Code and the Era of Equalization**

To understand the current state of Arizona education finance, one must examine the foundational reforms of 1980, which established the architectural framework that continues to govern—and constrain—school spending today.

### **The 1980 Education Finance Code**

Prior to 1980, Arizona's schools were funded primarily through local property taxes, creating vast disparities between property-rich districts (often those with mines or utilities) and property-poor residential districts. In response to these inequities and a growing statewide "tax revolt," the Arizona Legislature passed the 1980 Education Finance Code during a special session.

This code was revolutionary in its intent to equalize operational funding. It established a "Base Level" support amount per pupil, which serves as the foundational unit of funding for every student in the state.<sup>1</sup> This base level is then adjusted by a series of weighted factors to account for the differing costs of educating specific student populations, such as students with disabilities, English language learners, and those in different grade levels (K-8 vs. High School).<sup>2</sup>

The 1980 reforms shifted the burden of funding significantly from the local taxpayer to the state General Fund, aiming to ensure that a student's zip code did not determine the operational resources available for their education. However, the legislation included a critical concession to fiscal conservatives: the Aggregate Expenditure Limit (AEL).

### **The Aggregate Expenditure Limit (AEL)**

Approved by voters as a constitutional amendment in 1980, the AEL imposed a rigid cap on the total amount of money that all school districts in the state could collectively spend in a given year. The limit was indexed to the spending levels of the 1979-1980 school year and is adjusted annually only for inflation and student population growth.<sup>3</sup>

Crucially, the AEL does not automatically account for new funding streams or modernization in educational delivery, such as the increased costs of technology, special education services, or school safety measures that were not as prevalent in 1980.<sup>4</sup> Furthermore, the AEL applies only to traditional public school districts; charter schools, which did not exist in 1980, are exempt from this constitutional cap.<sup>5</sup>

This mechanism has created a structural paradox: the legislature or voters can appropriate new money for schools (as seen with Proposition 208 or the “20 by 2020” plan), but schools may still be constitutionally prohibited from spending it if the total aggregate spending exceeds the 1980-indexed cap. This “fiscal cliff” has necessitated frequent, high-stakes legislative overrides in recent years to prevent school shutdowns.<sup>6</sup>

### **The Erosion of Equalization**

While the 1980 code successfully equalized “Maintenance and Operations” (M&O) funding, it failed to adequately address capital funding—money used for buildings, buses, and equipment. Over the subsequent decade, the state allowed capital funding to drift back toward local reliance. Wealthy districts passed bonds to build state-of-the-art facilities, while poor districts were unable to generate sufficient revenue even with high tax rates. This disparity set the stage for the most significant legal battle in Arizona education history: *Roosevelt v. Bishop* – a ground-breaking lawsuit brought against the State by several school district, including Amphitheater.

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## **II. The Judicial Era: *Roosevelt*, *Students FIRST*, and the Struggle for Capital Equity (1994–2010)**

The disparity in school facilities eventually prompted a coalition of largely property-poor districts to sue the state, arguing that the financing scheme violated the Arizona Constitution's Article XI, Section 1, which mandates the legislature “provide for the establishment and maintenance of a general and uniform public school system”.<sup>7</sup>

### ***Roosevelt v. Bishop* (1994)**

In 1994, the Arizona Supreme Court issued a landmark ruling in *Roosevelt Elementary School District No. 66 v. Bishop*. The Court held that the state's reliance on local property wealth for capital funding was unconstitutional because it created gross disparities that were neither “general” nor “uniform”.<sup>8</sup>

The Court's opinion was scathing in its assessment of the status quo, noting that some student in some districts attended schools in unsafe, dilapidated buildings while others enjoyed “lavish” facilities purely due to the presence of taxable industry within their borders.<sup>8</sup> The ruling explicitly stated that while local districts could supplement state funding, the state itself was responsible for providing a baseline of adequate facilities for all students.

### **The Legislative Response: *Students FIRST* (1998)**

For four years following the *Roosevelt* decision, the legislature and the courts engaged in a game of brinksmanship. The legislature passed several “fixes” that the Supreme Court rejected as insufficient. Finally, and only as they were facing the threat of a court-ordered shutdown of the entire public school system, the legislature passed the “Students Fair and Immediate Resources for Students Today” (*Students FIRST*) Act in 1998.<sup>9</sup>

*Students FIRST* radically centralized capital funding, moving it from a local responsibility to a state responsibility. It established the School Facilities Board (SFB) and created three primary funding streams:

1. **New School Facilities Fund:** To build new schools in growing districts.
2. **Building Renewal Fund:** A formula-based fund designed to provide annual maintenance dollars (based on building age and square footage) to prevent decay.
3. **Emergency Deficiencies Corrections Fund:** To address immediate health and safety hazards.<sup>9</sup>

### The Failure of Implementation

While Students FIRST was constitutionally compliant on paper, its implementation was marred by chronic underfunding. The Building Renewal Fund, designed to be the primary mechanism for preventative maintenance, was *fully funded only once—in 2001*.<sup>10</sup>

As the state entered the mid-2000s, the legislature began systematically sweeping (stealing) monies from the Building Renewal Fund to balance the state budget. This practice accelerated rapidly during the Great Recession, effectively dismantling the "preventative" aspect of the system and forcing districts to wait until systems (like HVAC or roofing) failed completely before qualifying for "emergency" aid.<sup>10</sup>

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## III. The Great Recession and the "Lost Decade" (2008–2015)

The global financial crisis of 2008 hit Arizona harder than almost any other state, due to the economy's heavy reliance on construction and growth. The legislative response to the plummeting revenue involved the deepest cuts to education funding *of any state in the nation*, the effects of which are *still being felt in 2025*.

### The Collapse of Formula Funding

Between 2008 and 2015, the Arizona Legislature cut formula funding for K-12 education by billions of dollars.

- **Suspension of Inflation Adjustments:** In 2010, the legislature stopped providing the annual inflation adjustments to the Base Level mandated by Proposition 301 (passed in 2000). This decision triggered the *Cave Creek Unified School District v. Ducey* lawsuit, which the state eventually lost.<sup>11</sup>
- **Elimination of Soft Capital:** The state, through rather transparent renaming mechanisms, created two funding streams—"District Additional Assistance" (DAA) and "Charter Additional Assistance" (CAA)—to fund "soft capital" items like textbooks, technology, curriculum, and buses. During the recession, the legislature suspended these formulas, sweeping (again, *stealing*) the funds for the state's General Fund. Between 2009 and 2022, schools were shorted a cumulative total of **\$3 billion** in this category alone.<sup>12</sup>
- **Repeal of Building Renewal:** In 2013, the legislature formally repealed the Building Renewal formula, replacing it with a grant-based system. This effectively ended the state's commitment to preventative maintenance, reverting to a "break-fix" model that the courts would later scrutinize heavily.<sup>10</sup>

### The Impact on Purchasing Power

These cuts occurred simultaneously with the advent of significant inflation. By 2015, the inflation-adjusted per-pupil spending in Arizona had plummeted. While nominal spending appeared to

recover slightly post-2015, the "purchasing power" of districts remained significantly below 2008 levels.<sup>13</sup>

In one shocking example of the impact of all of these cuts, consider just this single fact: the suspension of the DAA meant that districts had approximately ***\$146 less purchasing power per student for essential materials in 2024 than they did two decades prior.***<sup>12</sup> This forced districts to divert Maintenance and Operations (M&O) funds—money intended for teacher salaries—to pay for capital needs like fixing buses or patching roofs, creating a drain on classroom resources.<sup>12</sup>

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#### IV. The Proposition Era and the Fight for Restoration (2016–2024)

The post-recession era has been defined by a series of high-stakes ballot initiatives and political battles aimed at restoring the funding lost during the "Lost Decade." This period also saw the rise of the "Red for Ed" movement, shifting the political calculus of education finance.

##### Proposition 123 (2016): Settlement via Land Trust

Following the court ruling that the state had illegally withheld inflation adjustments, the state faced a liability of billions. Rather than raising taxes or drawing from the General Fund, Governor Doug Ducey and the legislature proposed Proposition 123. At its heart, it was yet another way of stealing from our public schools.

Approved by voters in May 2016, Prop 123 settled the lawsuit by increasing the annual distribution from the State Land Trust Permanent Fund from 2.5% to 6.9% for a period of ten years.<sup>11</sup> This measure injected approximately \$3.5 billion into K-12 schools over a decade.

- **Critique:** Opponents argued that Prop 123 essentially used the schools' own savings account to pay for the state's legal debt, potentially reducing the corpus of the fund for future generations.<sup>11</sup>
- **Expiration:** The measure is set to expire this fiscal year (2025-2026), creating a looming "fiscal cliff" of over \$300 million annually that the state must address.<sup>14</sup>

##### The "Red for Ed" Movement (2018)

In the spring of 2018, Arizona educators joined a national wave of strikes, walk-outs, and marches, launching the #RedForEd movement. With 75,000 educators marching on the state capitol, they demanded a 20% salary increase, the restoration of pre-recession funding levels, and a halt to income tax cuts, which were limiting the state's ability to ever catch up in its support of schools.<sup>15</sup>

The movement achieved a partial victory with the passage of the "20 by 2020" plan, which promised a cumulative 20% increase in teacher base salaries by the year 2020. This influx of cash raised the average teacher salary significantly, from approximately \$48,000 in 2017 to over \$65,000 by 2024.<sup>1</sup> However, the plan did not adequately address funding for support staff (custodians, bus drivers, counselors) or restore the capital funding streams cut during the recession.<sup>16</sup>

## **Proposition 208 and Judicial Review (2020-2022)**

Frustrated by the limitations of legislative action, education advocates placed Proposition 208, the "Invest in Education Act," on the 2020 ballot. The measure, which proposed a 3.5% surcharge on high-income earners to fund teacher salaries and CTE programs, passed with voter approval.<sup>17</sup>

However, the victory was short-lived. In 2022, the Arizona Supreme Court ruled that the revenue generated by Prop 208 could not be spent if it caused districts to exceed the Aggregate Expenditure Limit (AEL). Since the AEL had not been modernized since 1980, the new revenue would almost certainly trigger the cap. Consequently, a lower court struck down the measure entirely.<sup>18</sup> This ruling underscored the power of the 1980 AEL to thwart modern funding initiatives, effectively vetoing the will of the voters on technical, but constitutional grounds.

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## **V. The Universal ESA Expansion and the 2025 Fiscal Crisis**

While the battles over Prop 208 and Red for Ed focused on increasing revenue for district schools, a parallel policy shift was fundamentally altering the structure of Arizona education finance: the expansion of Empowerment Scholarship Accounts (ESAs).

### **From Targeted Support to Universal Access**

Originally created in 2011, ESAs were designed as a small program for students with disabilities, allowing parents to use public funds for private school tuition or specialized therapies. Over the decade, eligibility was gradually expanded to include foster children, military families, and students in failing schools.

In 2022, the Arizona Legislature (along party lines) passed a universal expansion, making every K-12 student in the state eligible for an ESA, regardless of income or prior public school attendance. This transformed the program into the most expansive school voucher system in the nation.<sup>19</sup>

### **The Budgetary Impact**

By 2024 and 2025, the fiscal consequences of universal ESAs became the dominant theme in state finance.

- **Enrollment Surge:** Participation skyrocketed from approximately 12,000 students to over 88,000 by 2025, far exceeding legislative estimates.<sup>20</sup>
- **Cost Overruns:** The program's cost grew to nearly \$900 million annually. In FY 2024 alone, ESA spending exceeded the budget by \$52 million.<sup>21</sup>
- **Deficit Driver:** By mid-2025, the state faced a budget deficit of approximately \$200 million for the fiscal year, a shortfall driven significantly by the unbudgeted growth of the ESA program.<sup>22</sup>

### **Structural Cost Disparities**

A critical finding regarding the ESA expansion is the cost differential. A report by the Joint Legislative Budget Committee (JLBC) and outside analysts indicated that the state pays more for an ESA student than for a comparable student in a district school.

- **State vs. Local Mix:** District students are funded through a combination of local property taxes and state aid. If a student leaves a district for an ESA, the state must cover 100% of the ESA cost (approx. \$7,000-\$8,000), losing the local contribution offset.<sup>24</sup>
- **"Subsidizing the Wealthy":** Critics have noted that a significant portion of new ESA enrollees were students who were *already* attending private schools or being homeschooled, meaning the state began paying for education costs that were previously privately funded, adding hundreds of millions in new liabilities to the state ledger without reducing district enrollment costs proportionally.<sup>25</sup>

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## VI. Comparative Analysis: Arizona Relative to the Nation

To assess the adequacy of Arizona's funding, it is essential to compare its fiscal effort and inputs against national benchmarks. The data reveals a consistent profile: Arizona is a low-tax, low-spending state that relies heavily on federal aid to supplement meager local and state contributions.

### Per-Pupil Expenditure Rankings

Arizona consistently ranks in the bottom five states for per-pupil spending.

- **Census Bureau Data:** According to the most recent U.S. Census Bureau data, Arizona's per-pupil spending for public K-12 education is approximately **\$10,000 to \$11,000** (depending on the inclusion of capital funds), compared to a national average exceeding **\$16,000**.<sup>26</sup>
- **Inflation-Adjusted Trends:** While proponents argue that spending has reached "record highs" in nominal dollars (hitting nearly \$15,000 per pupil when all fund sources are combined in 2024), inflation-adjusted analysis shows that real spending power has struggled to keep pace with the costs of technology, special education, and construction.<sup>19</sup>
- **Instructional Spending Ratio:** In FY 2024, the percentage of district operational spending allocated to instruction fell to **52.6%**, the lowest level since 2001. This indicates that non-instructional costs (administration, plant operations, transportation) are consuming an increasing share of the limited resources available.<sup>1</sup>

### Fiscal Effort vs. Capacity

"Fiscal effort" measures the percentage of a state's economic capacity (personal income or GDP) that is dedicated to K-12 education.

- **Ranking:** Arizona ranks **49th** in the nation for fiscal effort. The state spends approximately **\$25.42** on K-12 education for every \$1,000 of personal income, significantly below the national average of **\$36.13**.<sup>29</sup>
- **Implication:** This metric suggests that Arizona's low spending is not a result of poverty or lack of economic capacity, but rather *a deliberate policy choice to maintain low tax burdens at the expense of education investment*.

**Table 1: Comparative Fiscal Metrics (2023-2024)**



Metric	Arizona	National Avg.	Rank/Status
Per-Pupil Spending (Current Expenditures)	~\$11,400	~\$16,280	Bottom 5
Spending per \$1,000 Personal Income	\$25.42	\$36.13	49th
Average Teacher Salary	\$65,113	~\$69,500	Bottom Tier
Student-Teacher Ratio	22.9 : 1	15.4 : 1	2nd Highest
Federal Revenue Dependence	~12-14%	~8-10%	High Vulnerability

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## VII. Impact on the Public Education Sector: Workforce Crisis

The financial environment described above has created a persistent crisis in the educational workforce, characterized by high vacancy rates, reliance on unqualified personnel, and the adoption of alternative schedules as retention mechanisms.

### The Teacher Retention Crisis

Arizona faces one of the most severe teacher shortages in the United States. Data from the Arizona School Personnel Administrators Association (ASPAA) paints a stark picture of the 2024-2025 school year.

- **Vacancy Statistics:** As of September 2024, approximately **25.4%** of teacher vacancies across the state remained unfilled.
- **Quality Gap:** Even more concerning is the fill quality. **52.2%** of the vacancies that *were* filled were occupied by individuals who did not meet the state's standard certification requirements.<sup>31</sup>
- **Attrition Drivers:** Surveys of departing teachers consistently cite low pay and lack of administrative support/classroom discipline as the primary reasons for leaving the profession. In 2024, nearly 67% of departing teachers cited low pay as a factor.<sup>33</sup>

### The Rise of the Emergency Certified Educator

To cope with the shortage, the state has relaxed certification rules, allowing individuals with no formal teacher training to lead classrooms. While this keeps schools open, it has profound implications for instructional quality. The "Subject Matter Expert" certificate and emergency substitute certificates have become standard staffing solutions in high-poverty districts, creating a



disparity where students in wealthy districts are taught by master teachers while students in poor districts are taught by uncertified substitutes.<sup>32</sup>

### The Four-Day School Week Phenomenon

Unable to offer competitive salaries to attract teachers, a growing number of Arizona districts have adopted a four-day school week. This policy is explicitly used as a non-monetary recruitment benefit, offering teachers a three-day weekend in exchange for slightly longer school days.

- **Prevalence:** By the 2023-2024 school year, districts in both rural and urban areas had made the switch. Notable examples include the **Liberty Elementary School District** (Goodyear) and the **Cartwright School District** (Phoenix).<sup>34</sup>
- **Case Study: Liberty Elementary:** Facing a failed budget override in 2022 and unable to raise salaries, the Liberty district moved its Estrella schools to a four-day week. The district found that while the move did not save significant money (contrary to popular belief), it was supported by 61% of parents and was viewed as a critical tool for retaining staff in a competitive market.<sup>34</sup>
- **Trade-offs:** While popular with staff, the four-day week poses significant childcare challenges for working families (39% of Liberty parents opposed it for this reason) and raises concerns about the reduction of instructional contact time for vulnerable students.<sup>34</sup>

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## VIII. Impact on the Public Education Sector: Infrastructure and Equity

The most visible impact of Arizona's funding history is the physical condition of its schools. The abandonment of the Students FIRST formula has led to a two-tiered infrastructure system that was recently (and yet again) declared unconstitutional.

### The Glendale Ruling (2025)

On August 13, 2025, Maricopa County Superior Court Judge Dewain Fox issued a historic ruling in *Glendale Elementary School District v. State of Arizona*. The court found that the state's capital funding system violated the "general and uniform" clause of the constitution.<sup>36</sup>

- **The Findings:** Judge Fox's brilliant and detailed 114-page order illustrates how the state's shift from a formula-based renewal system to a "grant-based" system (the Building Renewal Grant) was "slower and more cumbersome" and provided "no funding for preventative maintenance."
- **The Deficit:** The ruling cited evidence that the state had shorted schools nearly **\$7 billion** in capital funding since 2000.<sup>12</sup>
- **Physical Consequences:** The lack of preventative maintenance led to severe decay. In the **Amphitheater Public Schools** district, the judge noted that delayed roof repairs led to mold infestations that resulted in class-action lawsuits. In other districts, HVAC failures in the desert heat forced school closures.<sup>12</sup>

### The Bonds and Overrides Gap

In the absence of state funding, districts have turned to local bonds and overrides. However, this mechanism inherently favors wealthier districts.

- **The Disparity:** A district with high property values (like Scottsdale or Paradise Valley) can generate millions in bond revenue with a minimal tax rate increase. A rural or property-poor

district (like San Carlos or Chinle) often cannot generate sufficient revenue even with a high tax rate, or their voters—already economically stressed—reject the measures.

- **Data:** In 2018, districts with bonds and overrides had **four times** as much capital funding per student as districts without them.<sup>10</sup> This creates a system where the quality of a student's learning environment—the safety of their building, the technology on their desk, the age of their bus—is determined by the wealth of their neighborhood, precisely the condition *Roosevelt* sought to eliminate.

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## IX. Impact on Academic Outcomes

The cumulative effect of low per-pupil spending, teacher shortages, and inadequate infrastructure is reflected in student achievement data.

### NAEP Performance

Arizona students consistently score below the national average on the National Assessment of Educational Progress (NAEP), often referred to as the "Nation's Report Card."

- **2022 Results:** In the most recent full assessment (2022), only **31%** of Arizona students scored at or above proficient in reading, and **24%** were proficient in mathematics.<sup>37</sup>
- **Subgroup Gaps:** The data reveals deep achievement gaps. White students scored significantly higher than Hispanic and Black students, a disparity exacerbated by the funding inequities described above. Learning loss from the pandemic was more pronounced in low-income districts, which lacked the technology and resources to pivot effectively to remote learning.<sup>38</sup>

### Graduation Rates and Economic Impact

Arizona's high school graduation rate remains stagnant at approximately **77.3%**, well below the national average of **87%**.<sup>39</sup>

- **Trend:** While suburban counties often see rates above 80%, rural and tribal counties lag significantly, with rates as low as 71% in Pima County.<sup>39</sup>
- **Economic Cost:** An analysis by the Common Sense Institute projects that pandemic-related learning loss and low graduation rates could result in over **18,000 fewer high school graduates** by 2032. This reduction in human capital is estimated to cost the state billions in lost economic activity and increased social service costs over the coming decade.<sup>40</sup>

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## X. Future Outlook: The Path Forward from 2025

As Arizona approaches 2026, the state's education finance system is facing a "perfect storm" of legal, fiscal, and structural pressures.

### The Fiscal Cliff: Prop 123 Expiration

The funding from Proposition 123 is set to expire in mid-2026. Governor Katie Hobbs has proposed a plan to extend the Land Trust distribution and potentially increase it to create a permanent funding stream for educator raises. However, this proposal requires legislative approval and likely a statewide vote. Failure to renew this funding would result in an immediate cut of over \$300 million to schools.<sup>14</sup>

## **Addressing the *Glendale* Mandate**

The legislature must comply with the August 2025 court order to reform the capital funding system. The estimated cost to repair the accumulated deficit is \$7 billion. This will likely require the re-establishment of a formula-based Building Renewal Fund, funded by the General Fund. Given the state's current deficit, this poses a massive political challenge. But rather than comply with the court's ruling (which echoes that of the Arizona Supreme Court four decades ago) our state's legislative leaders have instead indicated they will appeal the ruling, potentially dragging the legal battle out for years while schools and their budgets continue to deteriorate.<sup>41</sup>

Shameful.

## **The ESA Sustainability Crisis**

The uncapped growth of the universal ESA program is mathematically unsustainable under current revenue structures. With costs currently exceeding \$1 billion annually, the legislature faces a choice: cap the program, means-test eligibility, or significantly raise revenue. The current trajectory creates a zero-sum game where ESA growth directly cannibalizes the General Fund capacity available for district schools and every other state need.<sup>22</sup>

## **Federal Vulnerability**

Finally, Arizona's high reliance on federal funding (12-14% of the education budget) makes its schools uniquely vulnerable to shifts in federal policy. Proposals to dismantle or block-grant the U.S. Department of Education would disproportionately harm Arizona, potentially stripping hundreds of millions of dollars from Title I (poverty) and IDEA (special education) programs, further destabilizing the state's most vulnerable districts.<sup>42</sup>

## **Conclusion**

The history of K-12 education funding in Arizona, as appalling as it is, is also testament to the resilience of the educators who still strive to meet student needs under their persistent resource constraints. While the state has, for relative moments in time, complied with constitutional mandates through iterative reforms like Students FIRST, the actual commitment to "general and uniform" funding has been eroded by decades of tax cuts, recessionary sweeps, and structural caps like the AEL – as well as the abandonment of those previous commitments to reform.

The data is unequivocal: relative to the rest of the nation, Arizona provides significantly less fiscal effort to support its schools, resulting in a system that relies on uncertified teachers, four-day weeks, and local wealth to function. The *Glendale* ruling of 2025 serves as a judicial confirmation of what district administrators have known for years: the system is broken. Broken still. Broken again.

Addressing these challenges will require more than piecemeal fixes. It demands a fundamental re-evaluation of the 1980 financing code, a modernization of the Aggregate Expenditure Limit, and a sustainable revenue model that balances the growth of school choice with the constitutional necessity of a robust public school system. Until such structural reforms are enacted, the "impact" on the sector will continue to be measured in vacancies, deferred maintenance, school closures and the unrealized potential of Arizona's students.

Appendix A: Key Data Tables

Table 2: Arizona vs. National Teacher Pay and Certification (2024)

Metric	Arizona	National Average
Average Teacher Salary	\$65,113	~\$69,500
Salary Growth (2017-2024)	+34.6% (Nominal)	Varies
Unfilled Vacancies (Sept 2024)	25.4%	N/A
Filled by Not Standard Certified	52.2%	N/A
Starting Salary	~\$46,000 - \$50,000	~\$46,500

Table 3: Capital Funding Disparities by District Type

Funding Metric	Districts WITH Bonds/Overrides	Districts WITHOUT Bonds/Overrides
Capital Funding Per Pupil	~4x Higher	Baseline Formula
Source of Funds	Local Property Tax + State	State Formula Only
Infrastructure Condition	Generally Adequate/Modern	High Deferred Maintenance
Legal Status	Compliant	Subject of <i>Glendale</i> Ruling

Table 4: Universal ESA Program Growth and Cost

<b>Fiscal Year</b>	<b>Enrollment</b>	<b>Total Cost (Approx.)</b>	<b>Budget Status</b>
<b>FY 2022 (Pre-Universal)</b>	~12,000	~\$200 Million	Within Budget
<b>FY 2024</b>	~75,000	~\$738 Million	Over Budget (\$52M deficit)
<b>FY 2025 (Projected)</b>	~88,000+	~\$900 Million	Major Deficit Driver

## Endnotes

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