



# Aggregate Expenditure Limit

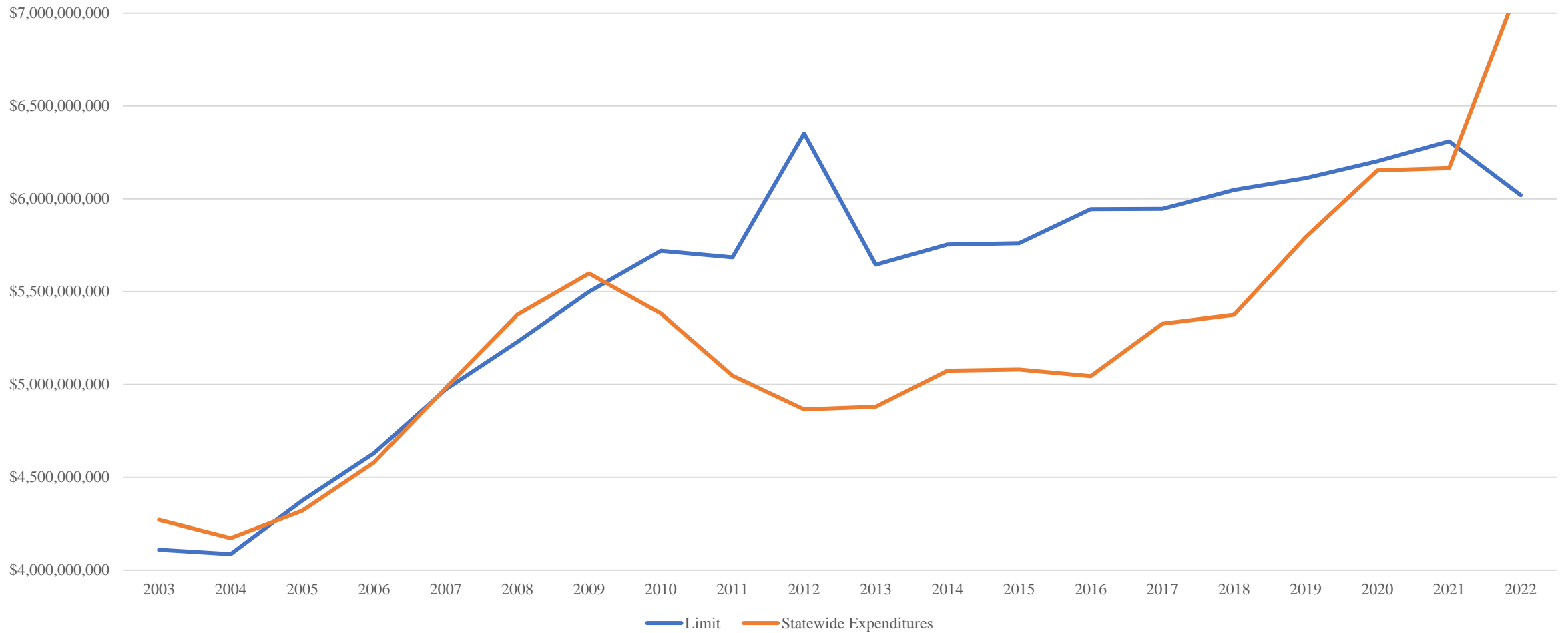
ADE School Finance

9/2/2022

# Aggregate Expenditure Limit

- [Article 9, Section 21](#) of the Arizona Constitution defines the expenditure limitation for school districts
- The Economic Estimates Commission calculates the [limit](#)
- School Finance calculates statewide expenditures subject to the limit
- If budgeted expenditures exceed the limit, legislature may approve or school districts are required to reduce budgets

# Aggregate Expenditure Limit



# School Finance Calculation

- BUDG-AGD reports extract certain values from budget files submitted by school districts based on the definition of expenditures subject to the limit
- Expenditures in most school district funds are excluded
- Several specific items within otherwise included funds are also excluded
- Adjustments are made for items that are not possible to separate from district budgets
- Individual district numbers roll up to the statewide calculation

# FY 2023 Aggregate Expenditure Limit

- \$1.15 billion over the limit in FY 2022
- Limit increased by \$382 million to \$6.4 billion
- ARS [15-911](#) requires an annual report by 11/1 on aggregate expenditures of local revenue
- BUDG-AGD reports showing the FY 2023 calculation for each district will be available by 11/1

# FY 2023 Aggregate Expenditure Limit

- If over the limit and the legislature fails to authorize expenditures in excess of the limit by March 1st:
  - Each district is required to reduce expenditures based on the district's share of expenditures subject to the limit.
  - Budgets must be revised by April 1.



# Thank You

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