

# THE ARIZONA EXPENDITURE LIMITATION AND EASTERN ARIZONA COLLEGE

## What is the Arizona Expenditure Limit for Community Colleges?

On June 3, 1980, Arizonans voted in favor of Arizona Constitution Article IX, §21, which established an annual expenditure limit in the state to restrict how much a community college district can spend—even if funding is available.



Despite the passage of time, these limits remain in place and fall short of covering the actual rising costs of providing quality education. If a community college district exceeds its expenditure limit, it is subject to penalties—based on a formula that was established **44 years ago**.



**The penalties associated with exceeding this limit will cause immediate and drastic cuts in educational programs and services that will likely lead to the closure of EAC's campus.**

## Delivering Flexibility to Strengthen and Expand Educational Opportunities

On April 11, 2024, the Graham County Community College District Governing Board approved a resolution to forward a ballot referral to voters to double the 1980 base factor from \$4.5 million to \$9 million. This will allow Eastern Arizona College to use its existing budget and will not increase taxes.



**The expenditure limit for Arizona community colleges is calculated each year based on expenditures in 1979-80 multiplied by factors for inflation and student population (enrollment). The mathematical formula for calculating the expenditure limit is:**

$$\text{Annual Expenditure Limit} = \text{FY 1979/80 Expenses} \times \text{FTSE}^1 \times \text{Inflation}^2 \text{ Factor}$$

## The Facts

- 1** | Voting in favor of an expenditure limit base adjustment in the November 2024 election will not raise taxes.
- 2** | A lot of things have changed in the past 44 years, including the expenses of delivering current academic services and infrastructures associated with the high-impact workforce development programs that meet critical needs for Graham County's economy.
- 3** | Additional programs, such as affordable baccalaureate degree offerings and programs that support high school students have also been added to support our commitment to affordability and flexibility.

## What Happens

### ...if the Base is Adjusted

Doubling the base factor allows Eastern Arizona College to continue supporting students with flexible, high-quality, and affordable education aligned with industry demands.

### ...if the Base is Not Adjusted

There will be immediate and drastic cuts in educational programs and services that will likely lead to the closure of EAC's campus.



**EASTERN  
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COLLEGE**

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<sup>1</sup> FTSE are students who are taking 15 credit hours a semester or the total number of credit hours provided to students in a year divided by 30.

<sup>2</sup> Inflation is identified as the Gross Domestic Product (GDP) Implicit Price Deflator while the student population is defined as Full Time Student Equivalents (FTSE).