



ASBA
Arizona School Boards Association

**AASBO**
Arizona Association of
School Business Officials

FY17 Budget and 2016 Legislative Wrap Up

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Prop. 123 – What Now?



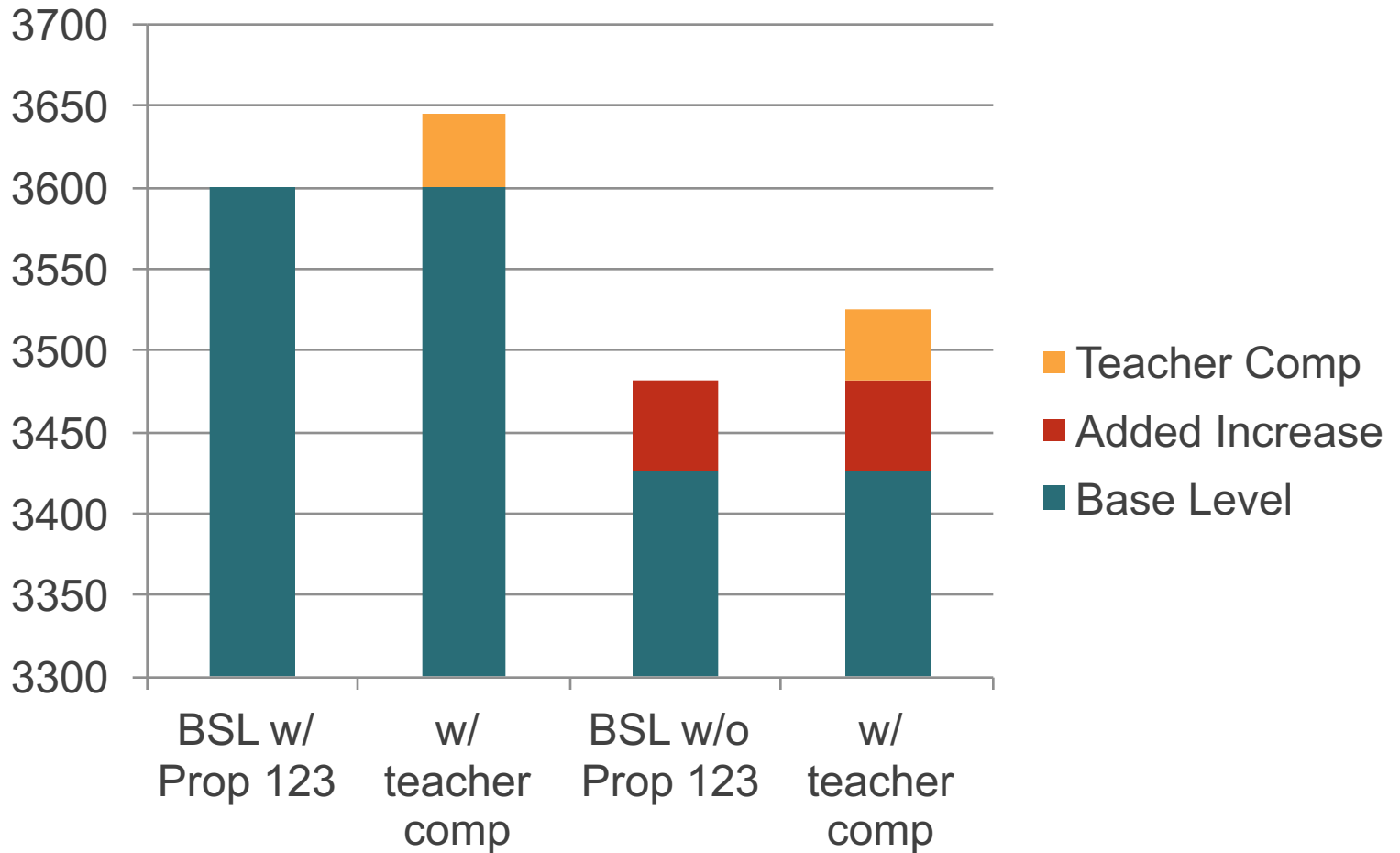


Fiscal Year 2017 Budget





FY 16 Funding Increase from Prop 123





Base Level FY 16

With Prop 123

- Base Level - \$3,600
- Base Level w/ teacher comp - \$3,645

FY 16 Prior Amount

- Base Level - \$3,426.74
 - Added increase - \$54.31
- Base Level w/ teacher comp - \$3,469.57
 - Added Increase - \$54.99



Base Level FY 2016 with Teacher Comp

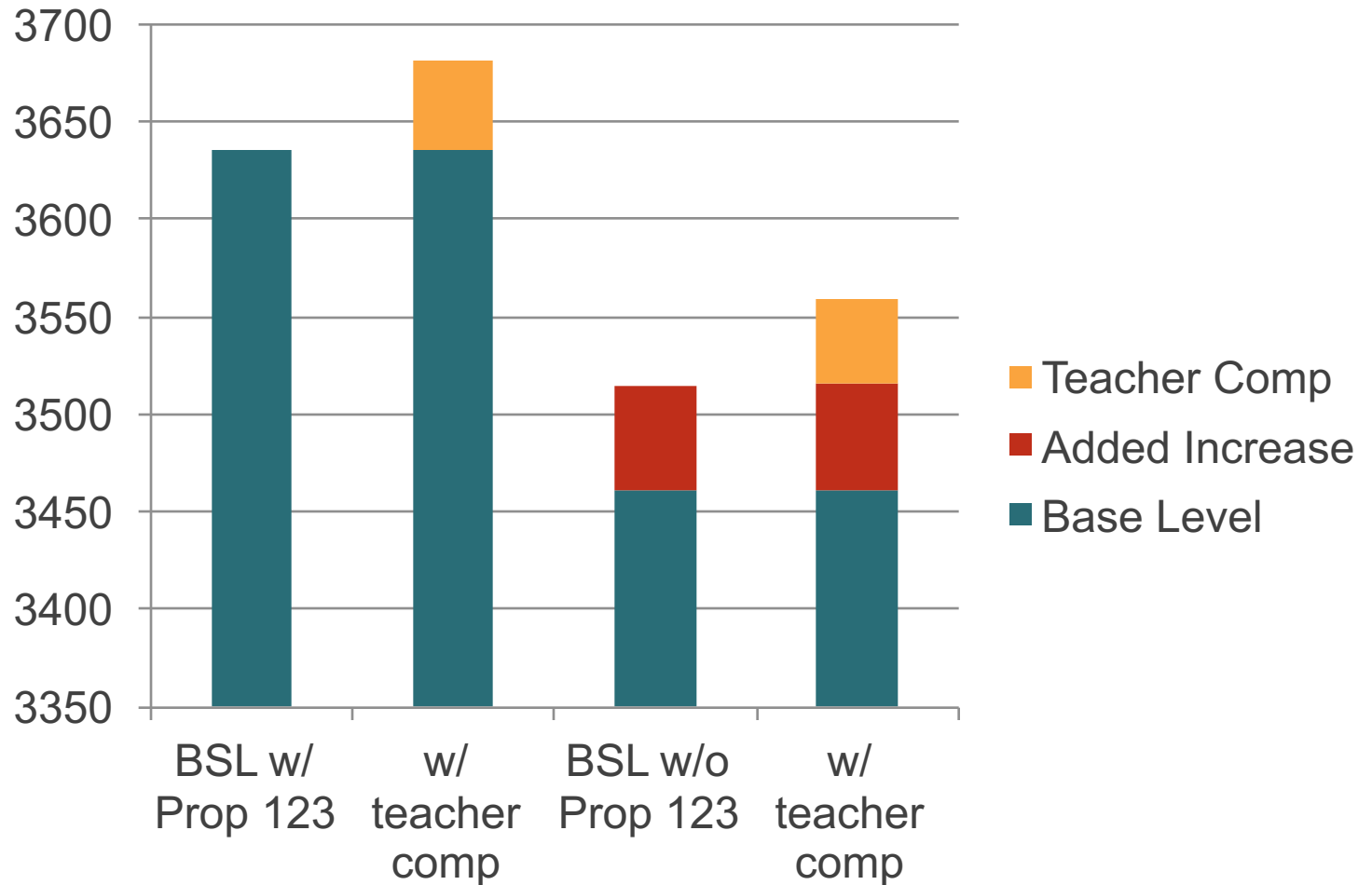
With Prop 123 \$3,645	Without Prop 123 \$3524.56
Difference	\$120.44
Elementary Student \$139.47	H.S. Student \$152.77



Prop 123 Adjustment – FY 2016

- Additional \$50,000,000
- Distributed using weighted student count from Classroom Site Fund

Base Level FY 2017 w/ Prop 123





Base Level FY 17

With Prop 123

- Base Level - \$3,635.64
(.99% increase)
- Base Level w/ teacher comp - \$3,681.09

Without Prop 123

- Base Level - \$3,460.66
 - Added increase - \$54.31
- Base Level w/ teacher comp - \$3,503.92
 - Added Increase - \$54.99



Base Level FY 2017 with Teacher Comp

With Prop 123 \$3,681.09	Without Prop 123 \$3558.91
Difference	\$122.18
Elementary Student \$141.48	H.S. Student \$154.92



Prop 123 Adjustment – FY 2017

- \$50,000,000
- Distributed using weighted student count from Classroom Site Fund



Prop 123 Additional Increase

- \$50,000,000 for FY 2016, FY 2017, FY 2018, FY 2019, FY 2020
- \$75,000,000 for FY 2021, FY 2022, FY 2023, FY 2024, FY 2025



Prop 123

- Additional funding can be used to adjust salaries
- No limit on budget carryforward
- Budget revision deadline extended to June 30, 2016



Move to Current Year Funding

- All calculations except Base Support Level (BSL) for districts in 15-943 and Base Support Level (BSL) for JTED's in 15-943.02 remain on prior year counts
- Remaining on prior year count override amounts, small school exceptions, classroom site fund, instructional improvement fund, etc.



Formula for Declining Districts for FY 2017

- Backfill for the loss of BSL for districts declining from FY 2016 – FY 2017
- BSL based upon FY 2016 student count for these districts
- Legislature appropriated \$31 million but ADE can use the amount needed to fund this provision
- Districts not eligible for state funding will have budget limits increased




District Additional Assistance (DAA)

- No increase in per pupil formula amount (same as FY 1999)
- Reduction in state funding remains at \$352, 442, 700
- State funding and budget limits are reduced
- Cap on reductions to districts with less than 1,100 students remain at \$5,000,000



Charter Additional Assistance

- Amount per pupil for P-8 increases from \$1,734.92 to \$1,752.10 (.99% increase)
 - Amount per pupil for 9-12 increases from \$2,022.02 to \$2,042.04 (.99% increase)
 - Reduction remains at \$18,656,000
- 



Transportation Support Level

- Received 0.99% inflation increase
- \$2.53 amount per mile increased to \$2.56
- \$2.07 amount per mile increased to \$2.09



District Sponsored Charter School

- Funded for FY 2017 at same reduced rate as FY 2016



Rollover of Funding for K-12

- Maintains current rollover amount at \$930,727,000
- Payments are to be made no later than July 12, 2017
- Rollover does not apply to charter schools or districts with a student count less than 600



SFB Invisible Space Calculation

- Provides no change in square footage not funded by SFB that may be excluded from SFB calculations

Amount remains at 25%.



Building Renewal Grants

- Grant application needs to be submitted to SFB
- Projects to meet minimum facility adequacy guidelines
- Over \$30 million in funding is available



JTED's Funding

- JTED's with more than 2,000 students continue to be funded at 95.5%
- Base Support Level calculation provided in 15-943.02 will be based upon current year count



Student Growth Funding

- ARS 15-948 that provided for growth funding is repealed because of move to current year funding



Pilot Funded Program

- Code Writers Initiative Pilot Program – provides one-time funding of \$500,000 to ADE for competitive grants
 - The American Indian Advisory Council of ADE is to evaluate grant applications and make award recommendations
- College Credit by Examination Incentive Pilot Program – no appropriation for FY 2017



2016 K-12 Education Bills Chaptered

General Effective Date:

August 6, 2016*

(unless noted)



Chapter 4; SB 1525 - JTED Restoration and Reforms

- Restores base support level funding for students attending a charter school or district school and a JTED program
- School districts and charter schools may no longer off-set a loss in regular education funding with JTED monies
- School districts and charter schools must submit applications for satellite campuses directly to the Joint District for approval. *The CTE division of ADE has final approval*



JTED Restoration and Reforms Continued...

- Modifies requirements under *Joint Technical Education Course and Joint Technical District Program*
- Students with a GED or High School Diploma may **not** be included in a JTED's student count
- Students enrolled in an internship as part of a JTED program may **not** be included in a JTED's student count



Chapter ; HB 2481 – Schools; primary property tax rate

- Budget carry forward no longer limited to 4%
- Primary rate calculated by formula based upon QTR and allowable expenditure items like TRCL vs TSL, small school exemption, deseg, adjacent ways, etc.
- Adjustment for prior year errors
- Cash balance no longer used




Chapter ; HB 2476 – School property; sales; leases; use

- Repeals 15-1102 and replaces it with a brand new 15-1102
- Sets up just one school plant fund
- Still has restrictions on the use of the funds but has increased flexibility and the advantage of just one fund
- Still has restrictions based upon school districts outstanding bond indebtedness
- Contains a retroactive effective date of July 1, 2016



Chapter ; HB 2054 debt limitations; net assessed value

- The net assessed value of the full cash value is the basis for calculating the debt limits for districts
- No change from existing methods



Chapter 87; HB 2294 – Charter schools; special education funding

- Allows Charter Schools to apply for the Extraordinary Special Education Needs Grant




Chapter ; HB 2190 – Education Omnibus

- Pest management (15-152) removes a number of requirements and restrictions
- Charter and District Employee Resumes –replacement requirement to keep resumes of all current and former employees with requirement to keep education and teaching background information
- Removes the requirement for a number of district policies, smoking, emergency response, notify change in boundaries to entity that donated lands
- Repeals requirements in areas like alternative fuels, tuberculosis reporting, insurance and litigation proceeds
- Makes over 30 changes
- ASBA will be addressing district policy concerns from the bill




Chapter ; HB 2233 – Public buildings; applicable fire codes

- Allows the State Fire Marshal to enter into an IGA with a local governing body to utilize a local fire code on a school building located within the governing bodies jurisdiction
 - Must be done at the request of a school district or charter school
- If they enter into an IGA, the governing body may conduct regularly schedule fire safety inspections of the school building



Chapter 131; HB 2338 – educational institutions; firearms; rights-of-way

- Governing boards of educational institutions may not adopt or enforce policies that prohibit a person from lawfully possessing a deadly weapon on a public right-of-way or within a vehicle
- Public right-of-way means any highway, street, road, thoroughfare, path, or alley



Chapter 10; HB 2544/SB1321 – schools; statewide achievement assessments; menu

- SBE must adopt a menu of locally procured achievement assessments
- LEA's may request that an assessment be added once a year
- D and F LEA's must use the statewide assessment adopted by SBE
- LEA's may select from the menu of assessments as follows:
 - Grades 9-12 SY 2018
 - Grades 3-8 SY 2019



Chapter; SB 1430 - Schools; achievement profiles; improvement plans

- Annual achievement profiles must include the following academic performance indicators:
 - Multiple measures of academic performance indicators of school quality determined by SBE
 - Academic progress on English language arts and math assessments
 - Academic progress on ELL assessments
 - Progress towards college and career readiness for grades 9-12
- A letter grade must reflect excellent and *F* must reflect a failing performance
- ADE may release data for schools during SY 17 based on assessments from SY 16 and schools may publish these *Session law*





Chapter ; SB 1249 –Budget; unification; school districts

- Extends, until June 30, 2020, the authority for a common school district outside of a high school district that was authorized to establish a unified district to continue calculating the budget as a common school district outside of a high school until a high school is constructed




Chapter ; SB 1457 – KidsCare enrollment; empowerment scholarships; disabilities

- Students identified as having a disability, in the second to last year of an ESA contract, are eligible to receive ESA monies through 22
 - Requires an independent evaluation team to determine eligibility annually
 - Eliminates the enrollment cap on Children's Health Insurance Program (also known as KidsCare)
 - Allows the Program to terminate if the federal government eliminates funding
- 



Chapter ; SB 1280 – Empowerment scholarship accounts; eligibility; administration

- A parent who has been removed from the ESA program for failure to comply with the contract or applicable laws is no longer eligible for an ESA
- Expands ESA eligibility to include:
 - Students who attended a preschool for children with disabilities
 - Siblings of an eligible student who accepts the terms and enrolls in the program
 - A child whose parent is legally blind, deaf or hard of hearing
 - A child with an IEP or Section 504 plan that requires specialized instructional materials
- ADE must accept applications for ESA's year-round.
- Requires parents to allocate monies annually rather than quarterly




Chapter ; SB 1376 – School districts; consolidation; letter grades

- Allows *A* and *B* school districts to consolidate with another school district within 20 miles




Chapter ;HB 2234 – schools; audits; county school superintendent

- Requires school district audit reports to be sent to the county school superintendent, in addition to the Auditor General



Chapter ; HB 2088 – schools; assessments; surveys; informed consent

- School districts and charter schools must obtain prior written informed consent from parents before administering a survey that solicits personal information about a student
 - Consent is required once a year but parents may revoke their consent at any time
- Written authorization from a school district or charter school is required before a teacher or employee may administer a survey.
- Lists surveys and items that are exempt



Chapter ; HB 2620 – Education; certification renewal fees

- Revises various duties of the State Board of Education, Department of Education and the Superintendent of Public Instruction
- SBE is no longer required to employ staff on the recommendation of the SPI and is required to supervise the duties of its employees
- SPI directs and oversees employees of ADE, oversees the investigative unit and transfers 7 full-time equivalent positions from SBE to SPI




Chapter 85; HB 2265 – Epinephrine auto-injectors

- Allows authorized entities to acquire, stock and store a supply of epinephrine auto-injectors
- Allows trained employees to administer an epinephrine auto-injector to anyone they believe in good faith is experiencing anaphylaxis, regardless of diagnosis
 - Day care facilities are included as an authorized entity



Chapter ; SB 1137 – Schools; CPR instruction

- Requires public schools to provide one CPR training session to students in high school by July 1, 2019
- CPR training may be assigned as homework if verified by a parent or teacher
- Allows multiple qualified personnel to provide the training
- Contains a retroactivity clause to January 1, 2016



Chapter ; SB 1502 - CTE instructors; specialized teaching certificates

- SBE must issue a CTE standard teaching certificate to individuals who provide CTE instruction and:
 - Demonstrate expertise in the area
 - Have 5 years experience in the area of instruction
 - Comply with fingerprint clearance and background check requirements
- Those who have been issued a CTE certificate do not have to complete the US and Arizona Constitution courses, pass each component of the proficiency exam or obtain a SEI endorsement



Chapter ; HB 2518 – Regulatory exemption; school garden produce

- Exempts fruits and vegetables grown in public school gardens for immediate consumption from food safety regulations
- Fruits and vegetables must be washed and cut on-site




Chapter; HB 2653 – K-3 reading program; administration

- ADE, rather than SBE, now administers the K-3 Reading Program but SBE will establish the rules and policies for the Program
- ADE must approve and recommend Program plans before school districts or charter schools receive Program monies
- *A* and *B* district and charter schools are allowed to submit Program plans biennially



Chapter ; SB 1219 - Extracurricular and athletic activities; accessories

- Governing boards, charter schools and interscholastic athletic associations may not prohibit a student from wearing religious or cultural accessories or hair pieces while participating in an extracurricular activity
 - Accessories may not jeopardize the health or safety of other students
- 



Bills that Failed to Pass





HB 2401 – school; desegregation funding; phase-down

- Would have reduced desegregation budgets over the next ten years



HB 2402 bonds; disclosure; notice

- Would have required statement that the primary rate may increase or that other revenue sources may be used to pay for operation and maintenance of projects funded by bonds. Also, impact of maximum interest rate needed to be included



HB 2480 – additional state aid; maximum

- Would have forced districts to reduce their budget capacity if additional state aid was not funded



HB 2478 – County school superintendents; qualifications

- County school superintendents would no longer need to have a teaching certificate



HB 2482/SB 1279 – empowerment scholarships; expansion

- Would have expanded empowerment scholarships to many additional students. All students is one version and over 600,000 students that qualify for free or reduced lunch in another version



SB 1287 – Arizona online instruction; transfer credits

- Would have required school districts to award credits for courses from a regionally accredited Arizona online school



Look for it the week of May 23rd!

2015 Comprehensive Legislative Brief



Policy Update





Expected Updates/Alerts

- Bills with Policy Implications
- U.S. Department of Education/Justice Transgender/Gender Identity Guidance/Direction



Questions?

