FY2020 Budget Update
What’s In it For Schools?

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FY2020 Enacted Budget

- Includes $530.2M in net formula adjustments.
  - $102.3M for 1.3% enrollment growth
  - $127.6M for 2% inflator
  - $164.7M in additional teacher salary
  - $135.6M in DAA/CAA (FY20/FY21 payments)

- Assumes continued deferral (rollover) of just shy of $1B of state aid payments
Base Level and DAA

- **FY2020 Base level set at $4,150.43**
  - Teacher pay increase $111.16
  - 2.0% Inflation adjustment $79.20
  - $190.36 total

- **FY2020 DAA reduction set at $128.7M**
  - Last year’s reduction was $257.5M
  - Increase in DAA of $128.7M
  - Districts w/less than 1,100 ADM receive 100% of DAA.
# DAA Restoration Schedule

## Phase Out of Cuts to District Additional Assistance

<table>
<thead>
<tr>
<th>Cut in FY18</th>
<th>$352,442,700</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut in FY19</td>
<td>$257,469,900</td>
</tr>
<tr>
<td>Cut in FY20</td>
<td>$128,734,900</td>
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<tr>
<td>Cut in FY21</td>
<td>$128,734,900</td>
</tr>
<tr>
<td>Cut in FY22</td>
<td>$64,307,400</td>
</tr>
<tr>
<td>Cut in FY23</td>
<td>$0</td>
</tr>
</tbody>
</table>
Capital Spending

- $25M FY19 supplemental for building renewal
- $28.4M in additional building renewal grants FY20 ($79.5M total)
  - FY20 appropriates $62.8M for building renewal grants.
  - Also removes $34.4M in one-time funding from FY19.
  - Net increase of $28.4M, for a total appropriation of $79.5M in FY20.
The FY20 budget funds new school construction on two-year projections going forward.

<table>
<thead>
<tr>
<th>District</th>
<th>Year Over Capacity</th>
<th>District</th>
<th>Year Over Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chandler USD</td>
<td>2019</td>
<td>Laveen ESD</td>
<td>2020</td>
</tr>
<tr>
<td>Douglas USD</td>
<td>2019</td>
<td>Vail USD x2</td>
<td>2020</td>
</tr>
<tr>
<td>Maricopa USD</td>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pima USD</td>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Safford USD</td>
<td>2019</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Somerton ESD x2</td>
<td>2019</td>
<td></td>
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</tbody>
</table>
Results-Based Funding

- Adds an additional $30M in results-based funding, for a total of $68.6M.
- Distributed based on Spring 2018 AzMERIT Scores
Results-Based Funding

Distribution:

- For districts/charters with fewer than 60% FRL participation, the top 13% of schools will receive $225 per student.
- For districts/charters with greater than 60% FRL participation, the top 13% of schools will receive $400 per student.
- For districts/charters with greater than 60% FRL participation, schools between the top 27% and top 13% will receive $225 per student.
Results-Based Funding

- The Governor’s Budget Office estimates that 25% of district schools and 27% of charter schools will receive RBF funding.
- ADE will make final determinations based on 2018 AzMERIT administration, as in years past.
School Safety Funding

- Adds $20M to the school safety program at ADE.
  - On top of existing funding for School Resource Officers (SROs). Total funding $31.9M.
  - Allows districts to apply for either SROs or school counselors.
  - Adds requirements for school counseling plans submitted to ADE to the school safety statute.
FY2020 Enacted Budget

Miscellaneous issues funded:
- $1M in gifted funding continued
- $500,000 for civics education
- $400,000 for high quality teacher development
- $21M for AZ Teacher Academy at ABOR
Out Year Issues

- CTED completion grants: $5M in FY21/FY22
- Rollover Paydown of $30M for districts with less than 1350 ADM in FY22
Questions?