2019 Session Wrap

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Today’s Agenda

- FY2020 Budget Highlights
- 2019 Legislative Session Bills of Note
- Remember these?
- Questions
FY2020 Enacted Budget

- Includes $392.1M in net formula adjustments.
  - $69M for 0.7% enrollment growth (weighted)
  - $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.
## Teacher Pay

<table>
<thead>
<tr>
<th>Component of Base Level per Student</th>
<th>Without Teacher Comp</th>
<th>With Teacher Comp (1.25%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Amount FY19</td>
<td>$3,960.07</td>
<td>$4,009.57</td>
</tr>
<tr>
<td>Inflation Adjustment</td>
<td>$79.20</td>
<td>$80.19</td>
</tr>
<tr>
<td>Teacher Salary Increase</td>
<td>$111.16</td>
<td>$112.55</td>
</tr>
<tr>
<td>Base Amount FY20</td>
<td>$4,150.43</td>
<td>$4,202.31</td>
</tr>
<tr>
<td><strong>Total Increase</strong></td>
<td><strong>$190.36</strong></td>
<td><strong>$192.74</strong></td>
</tr>
</tbody>
</table>
FY2020 DAA reduction set at $128.7M
- Last year’s reduction was $257.5M
- Increase in DAA of $128.7M
- Districts with less than 1,100 ADM receive 100% of DAA.
### DAA Restoration Schedule

<table>
<thead>
<tr>
<th>Phase Out of Cuts to District Additional Assistance</th>
<th>Annual Restoration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut in FY18</td>
<td>$352,442,700</td>
</tr>
<tr>
<td>Cut in FY19</td>
<td>$257,469,900</td>
</tr>
<tr>
<td></td>
<td>+$94,972,800</td>
</tr>
<tr>
<td>Cut in FY20</td>
<td>$128,734,900</td>
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<tr>
<td></td>
<td>+$128,735,000</td>
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<tr>
<td>Cut in FY21</td>
<td>$128,734,900</td>
</tr>
<tr>
<td></td>
<td>+$0</td>
</tr>
<tr>
<td>Cut in FY22</td>
<td>$64,307,400</td>
</tr>
<tr>
<td></td>
<td>+$64,427,500</td>
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<tr>
<td>Cut in FY23</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td>+$64,307,400</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.
Capital Spending

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>
<td></td>
</tr>
</tbody>
</table>
FY2020 Enacted Budget

- $20M in additional school safety funding
  - On top of existing SRO money. May apply for either counselors or SROs. ($31.9M total)
  - Lands in the last year of a 3-year school safety grant cycle.
  - SBE did not approve ADE’s initial plan to distribute this money. Waiting to see a potential alternate proposal in August.
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.
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
- Teacher pay $64M “Bridge” to Prop. 301 expires in FY2021
- Rollover Paydown of $30M for districts with less than 1,350 ADM in FY22.
2019 Legislative Session

Bills of Note
How Much Do We Have to Worry About?

- ASBA was tracking 200 introduced bills that impact school districts in some form.
- 36 bills were signed in total.
- All will be covered in our annual comprehensive wrap-up document.
HB2184/SB1014 English language learners; instruction; budgeting

- Repeals the four-hour SEI block, and requires SBE to develop models meeting the following requirements:
  - 120 mins/day, 600 mins/week, or 360 hours per school year for grades K-5.
  - 100 mins/day, 500 mins/week, or 300 hours per school year for grades 6-12.
- Requires SBE to adopt alternative models for students meeting waiver requirements.
- Specifically allows districts to submit alternative models to the board for consideration and approval.
SB1071 schools districts; personnel evaluations

- Repeals the SBE evaluation framework.
- Requires districts to determine an evaluation system for teachers that consist of between 20% and 33% quantitative data.
- Allows the district to determine evaluation metrics for principals.
SB1256 school districts; procurement practices; auditors

- Repeals the “lowest qualified bidder” requirement for school district procurement.
- Repeals the requirement that school districts rotate auditing firms every three years.
- Establishes a “school procurement consulting” pilot program at ADOA.
- Contains an emergency clause
HB2119 school safety; reporting

- Requires each district and charter school to adopt policies for reporting to law enforcement:
  - A suspected crime that is a serious offense or involves a deadly weapon, dangerous instrument or serious or physical injury.
  - Conduct that poses a threat of death or serious physical injury to an employee, student, or other person on school property.
HB2119 school safety; reporting

- Requires the policies to include the notification of the parent/guardian of each student involved.
- Requires a process for documenting and reporting the conduct, including which employees are responsible for making reports.
- School districts and charters that do not comply are prohibited from applying for school safety program grants.
Requires noncertified employees requiring fingerprints or a fingerprint clearance card to disclose a charge or conviction that has been set aside, vacated, or expunged on the school district’s background questionnaire.
SB1022 hours; seventh and eighth grades

- Reduces the required instructional hours for seventh and eighth grade to 890, from 1,000.
SB1318 schools; dyslexia screening; training

- Requires ADE to develop a dyslexia screening plan that requires each student in grades K-1 be screened for indicators of dyslexia by July 1, 2020.
- Establishes the indicators to be screened
- Allows the screening to be integrated into other required reading proficiency assessments.
SB1318 contd.

- Establishes a study committee on dyslexia screening until January 15, 2020.
- Requires ADE to designate a dyslexia specialist, and each public school to ensure at least one K-3 teacher has received training related to dyslexia by July 1, 2021.
- Requires all new elementary certificate holders have dyslexia training as part of the required reading instruction beginning 7/1/21.
- Contains an emergency clause.
SB1346 school; assessments; instruction; reporting

- Requires ADE to adopt a statewide assessment plan for grades 3-12 by July 1, 2019.
- Moves the implementation of a 3-8 menu back to 2023-2024.
- Repeals portions of the HIV/AIDS education statute that prohibit districts from including content that “portrays homosexuality as a positive alternative lifestyle” or “suggests that some methods of homosexual sex are safe.”
Requires school districts and charter schools, beginning in SY20-21, to provide at least every three years training to all personnel working with students in grades 6-12 that includes:

- Suicide prevention
- Identifying warning signs of suicidal behavior
- Appropriate intervention and referral techniques.
SB1468 contd.

- Requires AHCCCS to develop a suicide prevention training program, and provide a list of approved evidence-based training materials.
- Requires any costs incurred by school districts to be considered “classroom spending” by the auditor general.
SB1456 vision screening

- Requires schools to provide vision screening to the following:
  - Each student upon initial entry to school and not more than two grades prescribed by DHS by rule.
  - Each student receiving or being referred for special education services who have not been screened in the last year.
  - Students upon request of a teacher who have not been screened in the last year.
  - Students not reading at grade level by the third grade.
This bill reduces the cap on annual growth for corporate STO tax credits from 20% to:
– 15% in FY21;
– 10% in FY22;
– 5% in FY23; and
– 2% or inflation, whichever is greater, in FY24 and beyond.
HB2008 duty to report; supervisor; administrator

- Requires that if an administrator or supervisor becomes aware of an incident that requires a mandatory report, but cannot confirm a report has been made, the administrator or supervisor must make a report.
No person may use a “portable wireless communication device” while operating a motor vehicle.

Fines begin January 1, 202. $75 to $149 for a first violation, $150 to $250 for a second.
Requires SBE to include one half credit of economics in HS graduation requirements, which shall include personal finance and financial literacy.
Questions?