



# 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		Annual Restoration
<del>Cut in FY18</del>	<del>\$352,442,700</del>	
<del>Cut in FY19</del>	<del>\$257,469,900</del>	<del>+\$94,972,800</del>
Cut in FY20	\$128,734,900	+\$128,735,000
Cut in FY21	\$128,734,900	+\$0
Cut in FY22	\$64,307,400	+\$64,427,500
Cut in FY23	\$0	+\$64,307,400



# 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.



# New School Construction

The FY20 budget funds new school construction on two-year projections going forward.

District	Year Over Capacity	District	Year Over Capacity
Chandler USD	2019	Laveen ESD	2020
Douglas USD	2019	Vail USD x2	2020
Maricopa USD	2019		
Pima USD	2019		
Safford USD	2019		
Somerton ESD x2	2019		



# 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 to 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?**

