



Governmental Relations

FY2022 Executive Budget Proposal

Each year at the beginning of the Legislative session, the Governor is required to release a budget proposal that serves to outline his spending priorities. The numbers below represent increases over the current year's budget unless otherwise indicated. This information is provided for advocacy purposes and is guaranteed to change before the state budget is finally adopted by the Legislature.

Inflation, Enrollment Growth, District & Charter Additional Assistance

- Required 1.22% inflation adjustment to the base level: **\$85.2M**
- 5.1% expected increase in overall ADM from FY21: **\$87.7M**
- Restoration of DAA: **\$67.7M** (For FY22, DAA and CAA will be fully restored. This amount is pre-appropriated and needs no additional action by the Legislature. It is included here for clarity. School districts and charter schools with an ADM of less than 1,100 received a full restoration of DAA in FY2019)

Student-Focused Acceleration and Support (State Board of Education)

Appropriates **\$389M** as a 2021 supplemental to the State Board of Education to provide grants to school districts to provide additional instruction to students in poverty. Allocations will be based on Free and Reduced Price Lunch data from 2019-2020.

- \$289M for all grade levels (approx. \$500 per eligible student)
 - LEAs will be required to provide 50 hours of additional instruction
- \$91M additional for grades K-3, 8, and 11 (approx. \$327 per eligible student)
 - LEAs will be required to provide 80 hours of additional instruction

Early Literacy Support

The Executive proposal includes **\$6.9M** in early literacy funding broken up across several programs:

- \$1.3M to ADE to hire a Dyslexia specialist, Early Literacy Specialist, and Move on When Reading Specialist, and for early literacy/dyslexia training to meet statutory requirements.
- \$1M to fund assessment costs for the Foundations of Reading Evaluation, which the Executive recommends all new teachers be required to pass.
- \$3.1M to ADE deploy literacy coaches to schools where students are low-performing on ELA
- \$1.5M to implement a statewide Kindergarten readiness assessment.

Capital Funding

- **\$119.2M** in building renewal grant funding, consisting of \$102.5M one-time and \$16.7M ongoing.
- Recommends **\$38.8M** in supplemental building renewal grant funding in FY2021.
- \$40.8M for five new schools in districts that will reach capacity in 2023.
- \$11.7M for two ongoing construction projects.

“Driving Equity” Program (State Board of Education)

The Executive proposal contains **\$10M** to provide “transportation solutions” for students who wish to attend a public school of their family’s choice (district or charter)

- No more than \$500,000 to be used for administration and marketing to make families aware of their public choice options.
- \$9.5M for “transportation solution grants” to LEAs to enable students to attend the school of their parents’ choosing.
- Elsewhere, the proposal provides funding for counties & municipalities to voluntarily remap bus routes in consultation with public school leaders to ensure buses stop at/near every public school within city boundaries.

Various Issues

The Executive proposal contains a number of various K-12 issues, listed here with a brief description.

- **Statewide Assessment Administration Increase: \$5M**
- **Adult Education Match: \$364K**
- **Alternative Teacher Development (TFA) Increase: \$500K** (increase total to \$1M)
- **Arizona Personalized Learning Network Support: \$1M** (The PLN is a project of the Center for the Future of Arizona)
- **College Credit by Examination Program: \$2.5M** (fully fund anticipated awards)
- **College Placement Exam Fee Waiver: \$1.3M** (waive fees for college placement tests such as SAT/ACT for students who qualify for free or reduced-price lunch)
- **Expansion and Innovation Fund: \$3M** (Expand the program created with CARES Act Dollars)
- **Expand Teacher Investigations Unit: \$448K** (Allow ADE to hire 5 investigators and 1 admin)
- **Jobs for Arizona Graduates: \$400K** (Increase total to \$500K)
- **Tribal College Dual Enrollment Program: \$75K** (Increase to \$325K total to allow for increased demand)

State Revenue

The Executive does not propose an income tax cut, however it “reserves” (i.e. plans for) up to \$200M in FY2022 for “meaningful income tax reform,” and accounts for that number to grow to \$600M by FY2024.