JLBC Analyst: Marge Zylla

	FY 2008 ACTUAL	FY 2009 ESTIMATE	FY 2010 APPROVED
SPECIAL LINE ITEMS			
Operating State Aid			
Cochise	8,401,400	8,303,100	7,488,700
Coconino	3,334,600	3,245,400	2,679,400
Gila	620,500	713,000	658,400
Graham	5,370,400	5,173,200	4,243,900
Maricopa	57,528,300	55,416,100	45,327,400
Mohave	4,196,900	4,063,300	3,682,900
Navajo	4,412,300	4,250,300	3,590,000
Pima	19,593,500	18,874,100	15,942,100
Pinal	6,052,000	5,854,300	4,935,100
Yavapai	4,820,400	4,903,400	4,196,000
Yuma/La Paz	5,722,700	5,512,600	4,812,900
Subtotal - Operating State Aid	120,053,000	116,308,800	97,556,800
Capital Outlay State Aid			
Cochise	1,060,600	0	0
Coconino	423,800	0	0
Gila	133,400	0	0
Graham	510,100	0	0
Maricopa	11,204,000	0	0
Mohave	591,200	0	0
Navajo	1,505,700	500,000	0
Pima	3,198,900	0	0
Pinal	797,600	0	0
Yavapai	703,900	0	0
Yuma/La Paz	924,800	0	0
Subtotal - Capital Outlay State Aid	21,054,000	500,000	0
Equalization Aid			
Cochise	4,669,700	5,833,400	7,841,800
Graham	13,146,500	14,775,700	17,465,400
Navajo	4,305,200	5,386,500	6,624,000
Yuma/La Paz	1,372,400	1,931,400	2,938,300
Subtotal - Equalization Aid	23,493,800	27,927,000	34,869,500
Rural County Reimbursement	3,111,600	0	0
Rural County Reimbursement Subsidy	1,200,000	1,000,000	1,000,000 1/
Tribal Community Colleges	1,750,000	1,944,000	1,918,000 2/
AGENCY TOTAL	**170,662,400**	**138,679,800**	**135,344,300** 3/4/
FUND SOURCES			
General Fund	170,662,400	138,679,800	135,344,300
SUBTOTAL - Appropriated Funds	**170,662,400**	**138,679,800**	**135,344,300**
Other Non-Appropriated Funds	17,827,800	17,179,500	17,030,600

1/ Of the $1,000,000 appropriated to the Rural County Reimbursement Subsidy line item, Apache County will receive $466,000, Greenlee County $382,800, and Santa Cruz County $151,200. (General Appropriation Act footnote)

2/ A.R.S. § 42-5031.01 directs the State Treasurer to annually transmit to the tribal colleges 10% of Transaction Privilege Tax revenues collected from sources located on the reservation, or $1,750,000, whichever is less.

3/ General Appropriation Act funds are appropriated as District-by-District Special Line Items. As appropriated by Laws 2009, 3rd Special Session, Chapter 11.

4/ The appropriated monies shall not be used to implement the Centennial Scholars Program. (General Appropriation Act footnote)

AGENCY DESCRIPTION — The Arizona community college system is comprised of 10 college districts and 1 provisional district. Arizona's community colleges provide programs and training in the arts, sciences and humanities, and vocational education leading to an Associates degree, Certificate of Completion, or transfer to a Baccalaureate degree-granting college or university.

PERFORMANCE MEASURES	FY 2006 Actual	FY 2007 Actual	FY 2008 Actual	FY 2010 Approved
• No. of applied Baccalaureate programs collaboratively developed with the universities.	NA	32	8	13

Comments: The community colleges did not submit information for any measure labeled as "NA" as required by the General Appropriation Act. The reporting body for the community colleges, the Arizona Community College Association (ACCA), was not aware of this performance measure for the colleges at that time.

Operating State Aid

The budget includes $97,556,800 from the General Fund for Operating State Aid in FY 2010. This amount funds the following adjustments:

Enrollment Growth

This budget includes an increase of $1,077,300 from the General Fund in FY 2010 for Operating State Aid to fund growth in statutory formula costs for the program. *(See Table 1 for district allocations.)*

Elimination of Hold Harmless

This budget includes a decrease of $(1,677,300) from the General Fund in FY 2010 for Operating State Aid for the elimination of the hold harmless provision in the funding formula. *(See Table 1 for district allocations.)*

In the past, the formula "held harmless" districts with declining Full-Time Student Equivalent (FTSE) enrollment, as the formula did not adjust state aid downward for these districts. The Operating State Aid formula, however, prohibited a district from receiving growth funding unless it's most recent audited FTSE count exceeds its highest audited FTSE count recorded from and after FY 2004.

The Higher Education Budget Reconciliation Bill (BRB) (Laws 2009, 3rd Special Session, Chapter 9) permanently eliminates the hold harmless provision.

Table 1

FY 2010 Operating State Aid Adjustments

District	FY 2010 Enrollment Growth	Elimination of Hold Harmless	Continue Midyear FY 2009 Operating State Aid eduction	FY 2010 Operating State Aid Reduction
Cochise	$ 515,600		$ (642,500)	$ (687,500)
Coconino	0	$ (61,900)	(251,100)	(253,000)
Gila	60,900		(55,200)	(60,300)
Graham	0	(125,700)	(400,300)	(403,300)
Maricopa	0	(1,479,900)	(4,288,100)	(4,320,700)
Mohave	272,000		(314,400)	(338,000)
Navajo	0		(328,900)	(331,400)
Pima	0		(1,460,500)	(1,471,500)
Pinal	0	(9,800)	(453,000)	(456,400)
Yavapai	58,900		(379,400)	(386,900)
Yuma/La Paz	169,900		(426,600)	(443,000)
Total	**$1,077,300**	**$(1,677,300)**	**$(9,000,000)**	**$(9,152,000)**

Operating State Aid Reduction

The budget continues a $(9,000,000) decrease from the General Fund originally approved in the midyear FY 2009 revisions and includes an additional $(9,152,000) decrease from the General Fund in FY 2010. The reductions are allocated among the districts on a pro rata basis based on the appropriated Operating State Aid in the same year in which the aid is reduced. *(See Table 1 for district allocations. Also see related discussion of the American Reinvestment and Recovery Act at the end of this narrative.)*

The Higher Education BRB notwithstands the program's statutory funding formula for FY 2010 and stipulates that its funding instead shall equal the amount appropriated in the General Appropriation Act.

Background – The Operating State Aid Special Line Items provide each community college district with funds for continuing operating and maintenance expenses pursuant to A.R.S. § 15-1466.

Operating State Aid funding for FY 2010 is based on audited FY 2008 enrollment of 118,434 Full Time Student Equivalent (FTSE), which has increased by 126 FTSE, or 0.1% from FY 2007. *(See Table 2 for additional FTSE information.)* This growth results in a net increase of $1,077,300 to fund enrollment growth under the statutory formula in FY 2010. The Operating State Aid formula adjusts state aid in an amount that reflects only growth in the FTSE enrollment count. This enrollment adjustment is calculated by multiplying the increase in the most recent year's actual FTSE for each district by the average state aid per FTSE appropriated in the current fiscal year. *(For FY 2010, the last actual FTSE data was from FY 2008.)*

Table 2

Community College Enrollment

District	FY 2007 FTSE	FY 2008 FTSE	Percentage Change
Cochise	6,844	7,369	7.7%
Coconino	2,052	1,989	(3.1%)
Gila	753	815	8.2%
Graham	2,401	2,273	(5.3%)
Maricopa	69,561	68,054	(2.2%)
Mohave	2,866	3,143	9.7%
Navajo	2,304	2,501	8.6%
Pima	19,807	20,222	2.1%
Pinal	3,823	3,813	(0.3%)
Yavapai	3,618	3,678	1.7%
Yuma/La Paz	4,279	4,577	7.0%
Total	**118,308**	**118,434**	**0.1%**

Capital Outlay State Aid

The budget includes no funding from the General Fund for Capital Outlay State Aid in FY 2010. This amount funds the following adjustments:

Eliminate One-Time Funding

The budget includes a decrease of $(500,000) from the General Fund in FY 2010 for the Northland Pioneer Community College Training Facility to eliminate one-time funding.

Continue Suspension of Capital Outlay Formula

The budget continues to suspend Capital Outlay State Aid for FY 2010. This would forego $20,088,800 in formula costs for that program for FY 2010, which includes $20,054,000 already suspended for FY 2009 plus $34,800 in foregone formula growth for the formula in FY 2010. *(Please see related discussion of the American Reinvestment and Recovery Act at the end of this narrative.)*

The Higher Education BRB suspends Capital Outlay State Aid for FY 2010.

Background – The Capital Outlay Special Line Items provide the community college districts with funds for capital land, building, and equipment needs pursuant to A.R.S. § 15-1464.

The Capital Outlay State Aid formula provides per capita funding to districts based on the district's size and the most recent years actual audited FTSE. The statutory formula provides $210 per FTSE for districts with 5,000 or less FTSE or $160 per FTSE for districts with greater than 5,000 FTSE.

Unlike Operating State Aid, the Capital Outlay State Aid formula does not hold harmless districts with declining FTSE; therefore, a decline in enrollment results in a reduction to Capital Outlay State Aid.

Equalization Aid

The budget includes $34,869,500 from the General Fund for Equalization Aid in FY 2010. This amount funds the following adjustments:

Formula Increase

The budget includes an increase of $6,942,500 from the General Fund in FY 2010 for Equalization Aid to fund growth in statutory formula costs for the program.

Background – The Equalization Special Line Items provide additional state aid to qualifying community college districts whose tax base is insufficient to provide adequate funding for continuing operations and maintenance pursuant to A.R.S. § 15-1468.

Equalization Aid is paid to community college districts with property tax bases that are less than the minimum assessed value specified in A.R.S. § 15-1402. Under the Equalization Aid formula, the minimum assessed valuation is increased by the average growth in actual assessed valuation for the 2 most recent years for all rural districts with populations of less than 500,000 persons. For the FY 2010 Equalization Aid formula calculation, the minimum assessed valuation increased 18.8% to $1.5 billion. *(See Table 3 for the calculation of the growth rate.)*

Table 3

Equalization Growth Factor for Tax Years (TY) 2007-2008

District	TY 2007 Primary AV	TY 2008 Primary AV	TY 2007-2008 % Growth
Cochise*	$ 812,722,300	$ 902,389,900	11.0%
Graham*	135,117,600	175,053,000	29.6%
Navajo*	812,314,300	908,254,800	11.8%
Yuma/LaPaz*	1,108,394,800	1,271,166,000	14.7%
Coconino	1,514,258,100	1,686,709,700	11.4%
Mohave	1,890,688,700	2,286,744,000	21.0%
Pinal	1,908,801,700	2,471,639,600	29.5%
Yavapai	2,470,265,900	2,956,557,400	19.7%
Total	**$10,652,563,400**	**$12,658,514,400**	**18.8%**

* These districts qualify to receive Equalization Aid under the state funding formula.

Equalization Aid is paid out based on the difference between the minimum assessed valuation and the most recent actual assessed valuation for the district. Equalization Aid is calculated at the lesser of $1.37 per $100 of the district's assessed valuation or the district's levy rate. *(See Table 4 for a breakdown of Equalization Aid funding for qualifying districts.)*

Table 4

FY 2010 Additional Equalization Funding

District	FY 2010	FY 2009-2010 % Growth
Cochise	$2,008,400	33.2%
Graham	2,689,700	17.5%
Navajo	1,237,500	22.1%
Yuma/LaPaz	1,006,900	50.2%
Total	**$6,942,500**	**24.0%**

Rural County Reimbursement

The Rural County Reimbursement Special Line Item reimburses community college districts for students enrolled from counties that are not a part of an established community college district. The appropriation is funded from the General Fund. Pursuant to A.R.S. § 15-1469.01, the FY 2008 expenditure of $3,111,600 was offset by a corresponding reduction in the counties' sales tax apportionment. The payments made on behalf of the counties are not included in county expenditure limits established in the Arizona Constitution. The FY 2009 and FY 2010 dollar amounts are not yet known. Given the language of A.R.S. § 15-1469.01, these monies do not appear in the General Appropriation Act.

Rural County Reimbursement Subsidy

The budget includes $1,000,000 from the General Fund for Rural County Reimbursement Subsidy in FY 2010. This amount is unchanged from FY 2009.

This funding partially offsets the cost to counties that are not part of an established community college district. The funding is appropriated proportionally to Apache, Greenlee, and Santa Cruz Counties based on the amount that is withheld from each county's sales tax apportionment to fund Rural County Reimbursement. Laws 2009, 1st Regular Session, Chapter 12 had originally allocated $523,500 to Apache, $188,700 to Greenlee and $287,800 to Santa Cruz for FY 2010. Laws 2009, 3rd Special Session, Chapter 11, however, restored the FY 2010 allocations to the FY 2007 levels of $466,000 to Apache, $382,800 to Greenlee, and $151,200 to Santa Cruz.

Tribal Community Colleges

The budget includes $1,918,000 from the General Fund for Tribal Community Colleges in FY 2010. This amount funds the following adjustments:

Reduction to Comply with 10% Cap

The budget includes a decrease of $(26,000) from the General Fund in FY 2010 for Tribal Community College funding. The adjustment would reflect implementation of a 10% cap on the amount of Transaction Privilege Tax revenues collected from sources located on Indian reservations that may be distributed to tribal community colleges, pursuant to Laws 2007, Chapter 265. That change has been in effect since FY 2008, but was not reflected in the program's FY 2009 appropriation.

Background – A.R.S. § 42-5031.01 allows any qualifying tribal community college to receive $1,750,000, or 10% of the Transaction Privilege Tax revenues collected from sources located on Indian reservations, whichever is less. Laws 2007, Chapter 265 repealed the statute that previously limited distribution of these monies to Diné College. As a result, Tohono O'odham College became eligible to receive General Fund monies starting in FY 2008.

The Tribal Community Colleges Special Line Item provides tribal community colleges with funding for maintenance, renewal, and capital expenses. Actual amounts will depend on FY 2010 collections. Given the language of A.R.S. § 42-5031.01, these monies do not appear in the General Appropriation Act.

The budget assumes that $1,724,000 will be distributed to Diné College in FY 2010 and $194,000 will be distributed to Tohono O'odham Community College. Actual program funding will be contingent upon compacts with the Executive that have not been finalized as of this writing.

Other Issues

Nursing Education

Laws 2005, Chapter 330 established the Arizona Partnership for Nursing Education Demonstration Project (APNEDP). The purpose of the project is to enhance nursing education programs in Arizona, with the goal of doubling the current number of nursing graduates in the state by FY 2010.

Chapter 330 also established the Nursing Education Demonstration Project Fund. Monies in the fund are allocated to Arizona public universities and community colleges based on a comparison of the number of nursing students graduating in FY 2005 from those institutions. Monies allocated to the universities are administered by the Arizona Board of Regents, while monies allocated to the community colleges are passed through the Department of Commerce.

Chapter 330 annually appropriates $4,000,000 from the General Fund to the Nursing Education Demonstration Project Fund from FY 2006 through FY 2010. Of the total $4,000,000 annual appropriation, $1,368,000 is allocated to the universities and $2,632,000 is allocated to the community colleges. These amounts are based on FY 2005 nursing graduation rates. Total grant amounts are higher than the $2.6 million appropriation in FY 2007 through FY 2009 given the carry-forward amounts from previous years. The APNEDP was set to expire at the end of FY 2010, however, Laws 2009, Chapter 92, extended the expiration date until the end of FY 2015.

The community college funds are distributed using a competitive grant process. Three criteria were used to determine funding: the quality of the nursing program, how the program meets the geographic and diverse needs of its community, and the program budget.

In FY 2010, the Department of Commerce plans to distribute a total of $2,993,600 in grants to community colleges. Grant awards declined from FY 2009 due to non-renewals for several colleges. *(Table 5 shows grant distribution amounts.)*

Table 5

Distribution of Nursing Grants

Community College	FY 2008	FY 2009	FY 2010
Chandler/Gilbert	$ 174,200	$ -	$ -
Estrella Mountain	79,600	119,200	244,100
Gateway	383,200	257,700	500,400
Glendale College	292,800	393,500	334,800
Phoenix College	332,500	484,300	267,000
Rio Salado College	351,800	121,100	-
Scottsdale	171,500	-	-
Arizona Western	261,300	445,300	1,181,000
Eastern Arizona	127,600	-	-
Central Arizona	257,800	437,000	346,200
Coconino	94,600	107,500	-
Mohave	157,900	158,000	-
Northland Pioneer	183,000	120,100	120,100
Pima	215,800	-	-
Yavapai	401,400	395,800	-
Total	**$3,485,000**	**$3,039,500**	**$2,993,600**

Community College Revenue Sources

In addition to state General Fund monies, Arizona's community colleges receive revenues from a number of other sources, including student tuition and fees, local property taxes, grants, and other monies generated by the colleges. Of the total, the community colleges receive 9%

Table 6

Total Estimated Community College Revenues – FY 2009

District	State Aid 1/	Tuition/Fees	Property Taxes	Grants	Other 2/	FY 2009 Total 3/	FY 2008 Total 4/	% Change from FY 2008
Cochise	$ 13,494,000	$ 6,854,500	$15,002,100	$ 8,714,800	$ 5,400,300	$ 50,108,200	$ 48,193,100	4.0%
Coconino	2,994,300	5,535,800	7,974,500	4,137,700	934,500	21,827,900	21,974,000	-0.7%
Gila 4/	657,800		2,872,400	35,000	475,000	4,095,400	4,120,900	-0.6%
Graham	19,548,600	5,340,700	3,295,500	5,640,000	3,776,300	38,001,400	41,201,400	-7.8%
Maricopa	51,128,000	227,316,700	443,204,200	148,525,500	131,951,500	1,006,414,000	949,091,500	6.0%
Mohave	3,748,900	9,974,000	16,355,100	8,145,000	408,100	38,945,500	35,958,900	8.3%
Navajo	9,807,900	3,800,000	12,306,200	4,475,000	4,743,700	35,461,700	32,613,500	8.7%
Pima	17,413,600	40,271,000	95,027,000	32,433,000	6,915,000	193,520,100	188,996,600	2.4%
Pinal	5,401,300	8,347,000	32,812,500	12,797,000	1,061,600	60,872,400	60,054,300	1.4%
Yavapai	4,524,000	7,939,800	40,711,200	6,026,300	6,252,600	65,833,300	65,883,100	-0.1%
Yuma/La Paz	7,017,400	8,526,800	26,385,300	10,900,000	6,544,600	59,800,700	58,148,800	2.8%
Total	**$135,735,800**	**$323,906,300**	**$695,946,000**	**$241,829,300**	**$168,463,200**	**$1,574,880,600**	**$1,506,236,100**	**4.6%**

1/ Includes the $9,000,000 operating lump sum reduction for the midyear FY 2009 revisions.
2/ Includes auxiliary programs, interest incomes, workforce development funds, and transfers.
3/ Total revenues do not include bond proceeds or district fund balances. Including these amounts total revenues are estimated to be $2,072,337,600 for FY 2009.
4/ Total revenues do not include bond proceeds or district fund balances. Including these amounts total revenues are estimated to be $2,054,576,300 for FY 2008.
5/ Gila Provisional Community College contracts with Graham County's Eastern Arizona College (EAC) in order to provide degree programs. Therefore, Gila's tuition and fee revenues are collected by Graham according to their contract agreement.

of their revenues from state aid.

For FY 2009, base operating revenues from all sources are estimated to be $1,574,880,600, an increase of 4.6% from FY 2008. *(See Table 6 for a summary of FY 2009 total revenue estimates.)*

Property taxes are the single largest revenue source for the community colleges, accounting for over 44% of their revenues. There are 2 types of property taxes: primary and secondary. For the community colleges, primary property taxes are levied for operating purposes and secondary property taxes are levied to pay for capital outlay expenses. Each community college district determines its primary and secondary property tax rates.

Combined rates declined for all districts from FY 2008, largely as the result of local property assessed valuation increases. *(See Table 7 for a summary of FY 2009 property tax rates.)*

Table 7
Community College Tax Rates – FY 2009

District	Primary Rate	Secondary Rate	Combined Rate	% Change in Combined Rate from FY 2008
Cochise	$1.66	$0.00	$1.66	(4.6%)
Coconino	0.37	0.10	0.46	(4.6%)
Gila	0.56	0.00	0.56	(6.5%)
Graham	1.88	0.00	1.88	(6.0%)
Maricopa	0.78	0.16	0.94	(3.8%)
Mohave	0.72	0.00	0.72	(13.0%)
Navajo	1.17	0.17	1.34	(5.8%)
Pima	0.98	0.15	1.14	(4.1%)
Pinal	1.41	0.00	1.41	(21.7%)
Yavapai	1.20	0.14	1.34	(12.0%)
Yuma/La Paz	1.63	0.37	1.99	(8.7%)

The community colleges also collect tuition and fees from enrolled students. These collections account for approximately 21% of total revenues. Tuition and fees are assessed on a per credit hour basis. FY 2009 average tuition was $1,920, an increase of 8.4% from FY 2008. Full-time annual tuition costs range from $1,440 at Navajo, to $2,130 at Maricopa. *(See Table 8 for FY 2009 resident tuition and fee rates.)*

Community colleges also receive grants and "other" revenue from a variety of sources. Combined, they account for approximately 26% of community college revenues. Grants traditionally come from the federal government, including: the U.S. Department of Education, Small Business Administration, National Science Foundation, and Health and Human Services. Revenue listed in the "other" category includes auxiliary programs, interest incomes, workforce development funds, and transfers.

Total Community College Expenditures

Table 9 shows total budgeted FY 2009 community college expenditures. In FY 2009, total budgeted expenditures are approximately $2,091,694,400. As mentioned previously, base operating revenues for FY 2009 are $1,574,880,600; however, this figure does not include allocated fund balances or bond proceeds. Including these amounts, total available revenues are $2,072,337,600. Of the total $2,091,694,400 in expenditures, $1,249,164,200, or 60%, of these expenditures are from the community colleges' general and restricted funds. This includes about $461,108,600, or 22%, for instruction and $245,324,200, or 12%, for administrative support.

Expenditures for auxiliary enterprises, including revenue generating retail and business services such as parking lots, book stores, and food service, are $175,511,700, or 8% of the total. Plant Fund expenditures, which generally include capital costs, are $526,922,600, or 25% of the total. The remaining $140,095,900 is for debt service.

Table 8
Community College Resident Tuition and Fees – FY 2009

District	Cost Per Credit Hour	Annual Cost [1/]	% Change from FY 2008
Cochise	$51	$1,540	4.8%
Coconino	66	1,970	16.6%
Gila [2/]	-	-	-
Graham	46	1,380	6.2%
Maricopa	71	2,130	9.2%
Mohave	62	1,870	10.0%
Navajo	48	1,440	36.4%
Pima	54	1,625	3.8%
Pinal	56	1,680	5.3%
Yavapai	52	1,560	6.1%
Yuma/La Paz	56	1,680	21.7%
Weighted Average	**$64**	**$1,920**	**8.4%**

1/ Annual cost is for 30 hours a year, or 15 hours per semester.
2/ Gila Provisional Community College contracts with Graham county's Eastern Arizona College (EAC) in order to provide degree programs. Therefore, Gila's tuition and fee amounts are the same as Graham's.

Table 9
Community Colleges - FY 2009 Budgeted Expenditures

General/Restricted Funds	Total	% of Total
Instruction	$461,108,600	22%
Public Service	28,813,100	1%
Academic Support	122,073,700	6%
Student Services	189,060,400	9%
Administrative Support	245,324,200	12%
Operation & Maintenance	79,290,700	4%
Scholarships/Grants	59,850,200	3%
Auxiliary Enterprises	3,800	
Contingency	63,639,500	3%
Subtotal	**$1,249,164,200**	60%
Auxiliary Enterprises Fund	$175,511,700	8%
Plant Fund	$526,922,600	25%
Debt Service	$140,095,900	7%
Total	**$2,091,694,400**	

American Reinvestment and Recovery Act

The American Recovery and Reinvestment Act (ARRA) requires the U.S. Department of Education to distribute $831,869,300 to Arizona as part of the State Fiscal Stabilization Fund for education programs. (*Please see the ARRA summary pages for more information.)*

A total of $182,808,000 was distributed to Arizona for higher education programs in FY 2009. Of this amount, $28,671,000 was allocated to the community colleges and $154,137,000 to the universities. The amount will be allocated among the districts according to a distribution plan established by the Governor *(see Table 10 for Governor's allocation).* As of this writing, the FY 2009 funding has not yet been distributed.

A provision in the General Appropriation Act (Laws 2009, 1st Regular Session, Chapter 12) indicated that it was the Legislature's intent that $29,825,900 of the Federal Education Stabilization Fund money from the American Recovery and Reinvestment Act of 2009 would be allocated to the Community Colleges in FY 2010, including $14,829,200 for operating expenses and $14,996,700 for capital outlay. This provision was line item vetoed by the Governor.

Table 10

ARRA Funding to Community Colleges

District	FY 2009 Allocation
Cochise	$ 1,628,600
Coconino	649,300
Gila	175,400
Graham	873,200
Maricopa	15,093,500
Mohave	875,000
Navajo	1,304,000
Pima	4,523,700
Pinal	1,206,800
Yavapai	1,029,800
Yuma/La Paz	1,311,700
Total	**$28,671,000**

Additional Legislation

Higher Education Budget Reconciliation Changes

The Higher Education BRB permanently funds the Community College portion of the Dual Enrollment formula at 50%, starting in FY 2011. (Dual enrollment refers to high school students who are enrolled in community college courses for both high school and community college credit.) It also requires districts to post their budgets on-line, changes reporting dates for enrollment data and the Proposition 301 Workforce Development report, and eliminates the requirements to report individual course data. Additionally, Chapter 9 notwithstands the 20% cap to the districts' ability to use capital outlay monies for operating expenses. It also allows organized districts that provide services to provisional districts to include the provisional districts' students in their expenditure limitation calculations, but not in their state funding formula calculations, for FY 2010 and FY 2011.