
Community Colleges

February 18, 2017

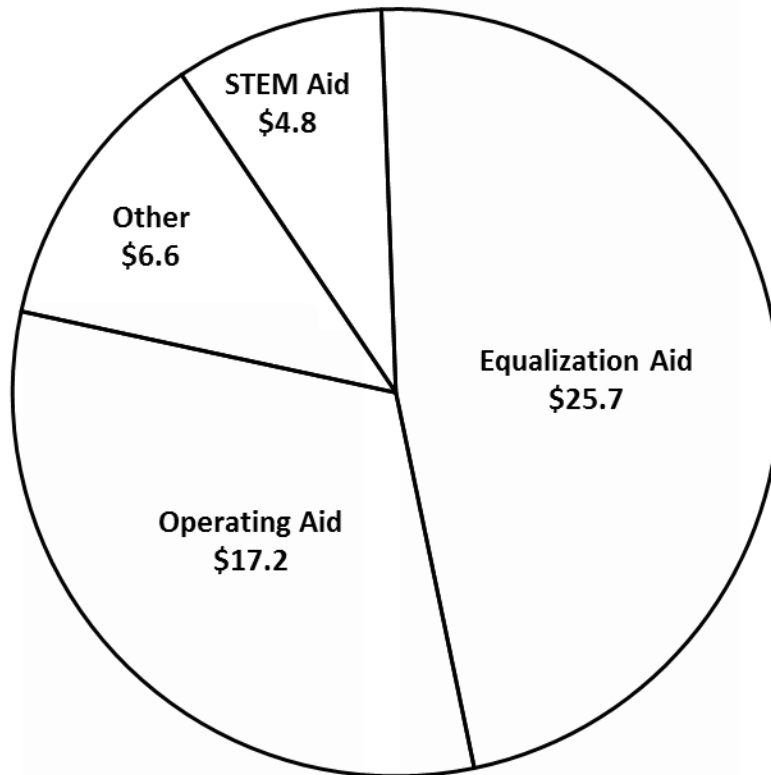
Education Subcommittee

JLBC

Community Colleges

- General Fund by Function

\$ in Millions



Operating State Aid

- For maintenance and operations
- Based on FTSE counts
- Excludes Maricopa/Pima

STEM and Workforce Programs Aid

- For STEM-related programs and capital expenditures
- Based on FTSE counts
- Excludes Maricopa/Pima; Pinal @ \$96,500

Equalization Aid

- For districts with low property tax base
- Based on difference from minimum assessed value

Other (see next slide)

- Rural County Allocation
- Rural County Reimbursement Subsidy
- Tribal TPT Revenue

FY 2017 Appropriated Total = \$54.3M

Community Colleges

- Other State Funding

- Rural County Allocation
 - Payments for students enrolled in community colleges from counties not part of an established district (Apache and Greenlee)
 - Currently \$2.5 M
 - Offset with corresponding reductions is the counties' sales tax apportionment
- Rural County Reimbursement Subsidy
 - Subsidizes costs for Apache and Greenlee to pay for their residents enrolled in community college districts
 - Currently \$1.3 M
- Tribal TPT Revenue
 - Tribal colleges can receive 10% of TPT revenue generated within the tribal land, up to \$1.75 M
 - A technical college located on the same reservation can receive 5% of TPT revenue generated within the tribal land, up to \$875,000
 - Currently \$2.6 M

Community Colleges

- Total FY 2018 Baseline Funding

\$ in Millions

State Funds (FY 2018 Baseline)

General Fund	\$ 55.0
Non-Appropriated Funds (Prop 301)	<u>19.0</u>
Subtotal	\$ 74.0

Non-State Funds (FY 2017 estimated) ^{1/}

Tuition	\$ 400.6
Property Taxes	849.2
Grants	434.8
Other	<u>53.1</u>
Total	\$1,811.7 ^{1/}

1/ FY 2018 estimates are not available, so FY 2017 estimates are used to compute estimated Baseline total for FY 2018.

Community Colleges

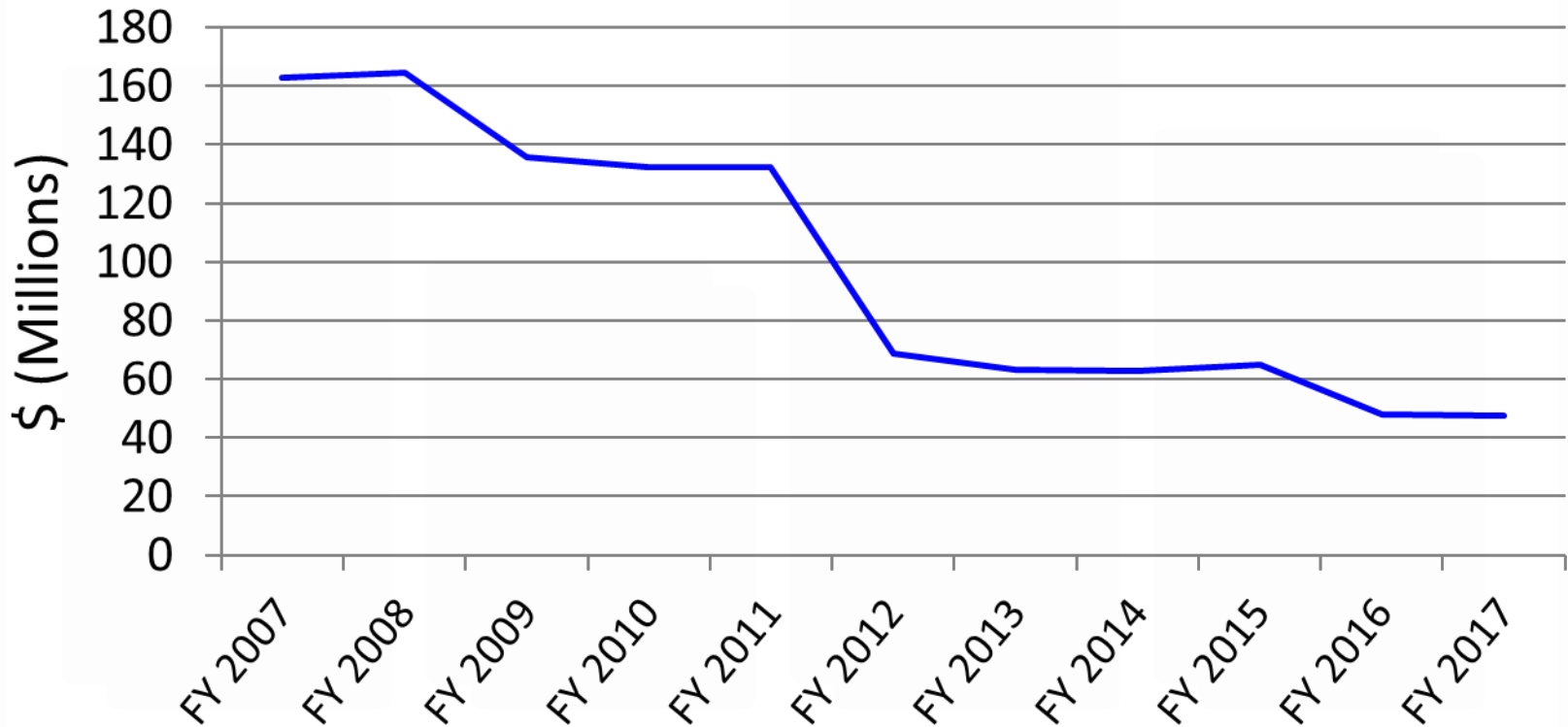
- JLBC Baseline – Executive Comparison of Major Funding Changes

	\$ in M	
	<u>General Fund</u>	
	<u>JLBC</u>	<u>Exec</u>
- Operating State Aid	\$(0.5)	\$(0.5)
- STEM State Aid	(0.1)	(0.1)
- Equalization Aid	<u>1.3</u>	<u>1.7</u>
	\$0.7	\$1.1

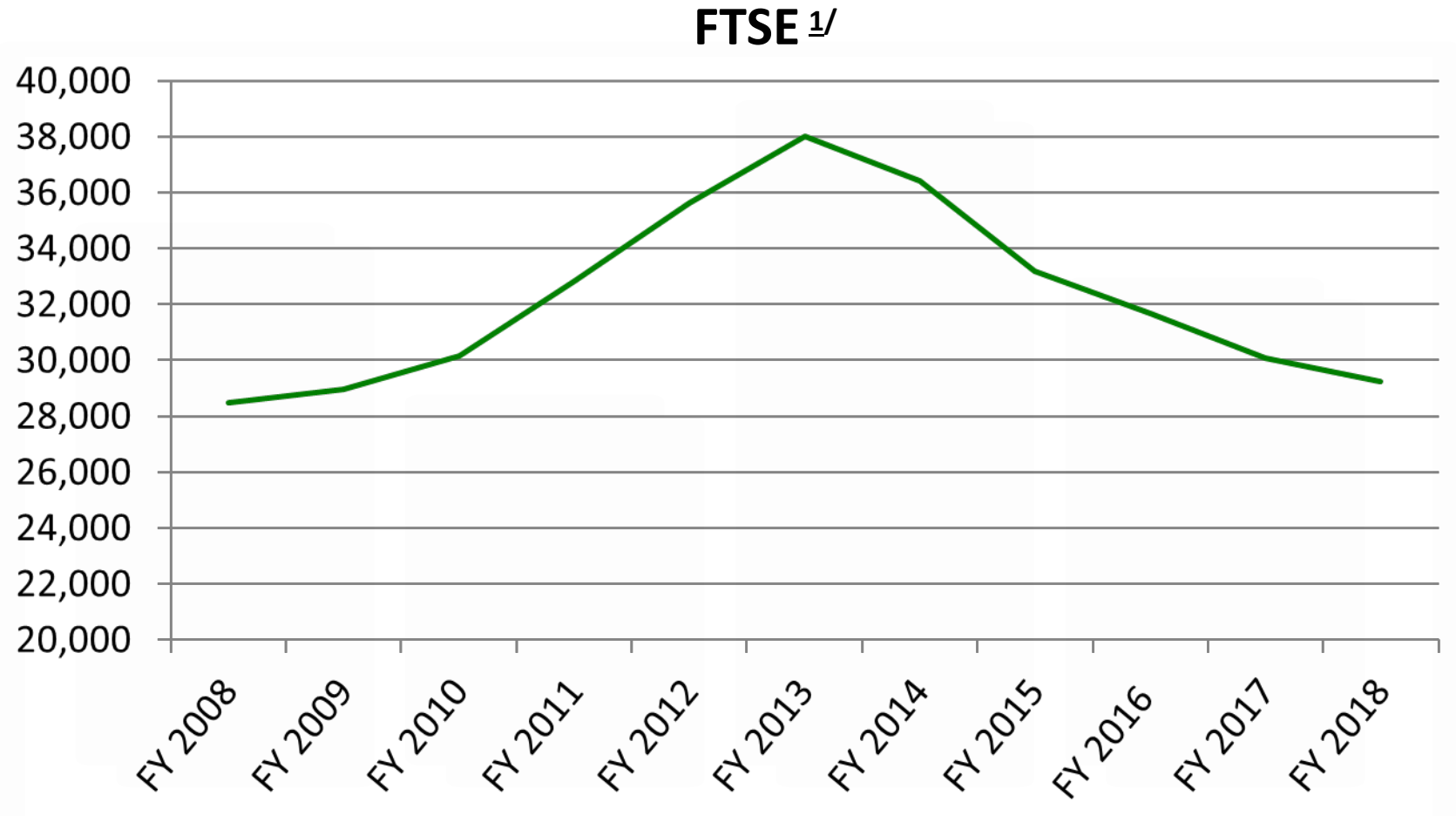
Community Colleges

- General Fund State Aid FY 2007 – FY 2017

Historical State Aid



Community Colleges – Rural Districts - Full Time Student Equivalent (FTSE) Trend



^{1/} FTSE is based on the actual audited count 2 years prior to the funded amount. For example, the FTSE count from FY 2016 is shown in the FY 2018 column since the FY 2016 count is used to determine FY 2018 funding.

Appendix

Operating State Aid

Provides each community college with funds for continuing operating and maintenance expenses

- ❑ Most Recent Appropriated Operating Aid \$ Total / Most Recent Audited FTSE = Avg \$ Per FTSE
 - FY 2017 Avg \$ Per FTSE = \$605
 - FY 2016 Avg \$ Per FTSE = \$589
- ❑ Avg \$ Per FTSE x Change in FTSE for Each District (Dual Enrollment students count as ½ a FTSE) = District \$ Change
 - FY 2017 District \$ Decrease = \$(1.0) million
 - FY 2018 District \$ Decrease = \$(0.5) million
- ❑ Current Year District Operating Aid \$ + District \$ Change = Operating State Aid
 - FY 2017 Total Operating State Aid = \$17.2 million
 - FY 2018 Total Operating State Aid = \$16.7 million

Example District – Cochise

FY 2018 Avg \$ Per FTSE = \$589

Growth/Decrease in FTSE = (136.5)

\$589* (136.5) = \$(80,400)

FY 2017 Appropriation = \$4,670,000

FY 2018 Formula Amount = \$4,589,600

STEM and Workforce Programs State Aid

Provides community college districts with funds for STEM programs as well as capital and equipment needs

- ❑ District's Most Recent Audited FTSE x Statutory \$ Rate
 - Statutory Rate for Districts with < 5,000 FTSE = \$210
 - Statutory Rate for Districts with > 5,000 FTSE = \$160
- ❑ FY 2017 Total STEM Aid = \$4.8 million
- ❑ FY 2018 Total STEM Aid = \$4.7 million
 - Rural district STEM aid has been fully funded, while Pinal's STEM aid has been partially funded at \$96,500.

Example Districts – Yavapai and Yuma/La Paz

Yavapai

3,414.5 FTSE * \$210

FY 2018 Formula Amount = \$717,000

Yuma/La Paz

5,284.5 FTSE * \$160

FY 2018 Formula Amount = \$845,500

Equalization Aid

Provides additional state aid to community college districts whose tax base is less than the Minimum Assessed Value (MAVR) specified in statute (currently \$1.3 B)

- ❑ Avg. % Change in Rural Districts' 2 Most Recent Year's Total Primary Assessed Valuation (AV)
 - FY 2017 Avg % AV Change = 0.42%
 - FY 2018 Avg % AV Change = 1.05%

- ❑ Avg % AV Change X Current Minimum Assessed Value Requirement (MAVR) = New Minimum

- ❑ Compare New Minimum with District Value: If Minimum Value is greater than District Value, the difference is multiplied by \$.0137 = Equalization Aid
 - If MAVR < District AV = \$Ø aid
 - FY 2017 Total Equalization Aid = \$25.7 million
 - FY 2018 Total Equalization Aid = \$26.9 million

Example District - Graham

FY 2018 MAVR = \$1,290,079,600

TY 2016 Graham AV = \$193,098,383

Difference = \$1,096,981,217

\$1,096,981,217 * \$.0137

FY 2018 Formula Amount = \$15,028,600

Community Colleges

- Website links

JLBC Baseline –
[Community Colleges](#)

Executive Budget –
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