
Community Colleges

February 7, 2018

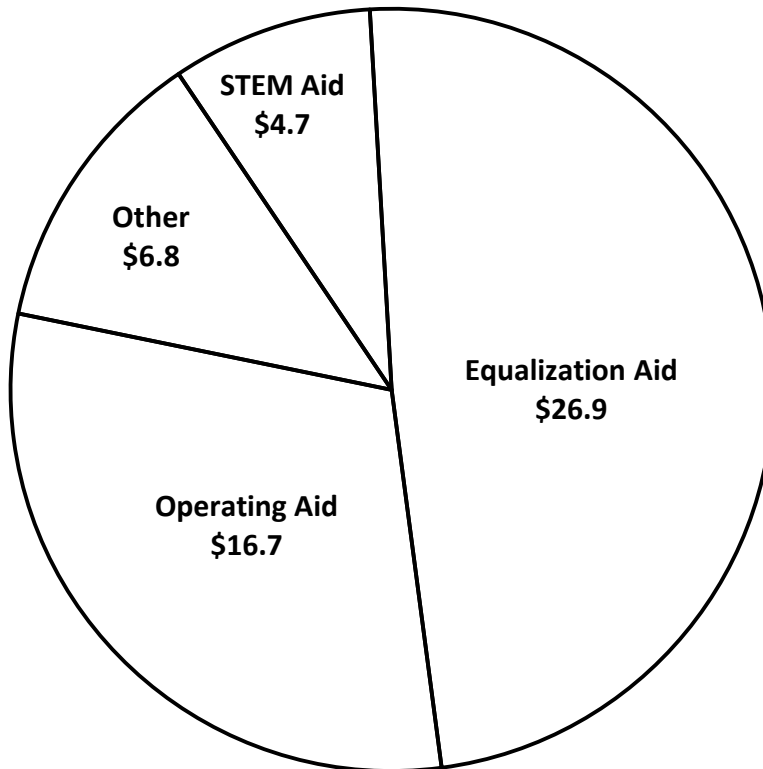
Education Subcommittee

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

- Rural County Allocation
- Rural County Reimbursement Subsidy
- Tribal TPT Revenue
- Additional Gila Workforce Development Aid

FY 2018 Appropriated Total = \$55.1M

Community Colleges

- Total FY 2019 Baseline Funding

\$ in M

State Funds ('19 Baseline)

General Fund

\$ 56.9

Non-Appropriated Funds (Prop 301)

19.7

Subtotal

\$ 76.6

Non-State Funds ('18 estimated) ^{1/}

Tuition

\$ 378.6

Property Taxes

874.7

Grants

384.4

Other

32.9

Total

\$1,747.2 ^{1/}

1/ '19 estimates are not available, so '18 estimates are used to compute estimated Baseline total for '19.

Community Colleges – Main Formula

- JLBC Baseline – Executive Comparison of Major Funding Changes

	\$ in M	
	<u>General Fund</u>	
	<u>JLBC</u>	<u>Exec</u>
Operating State Aid	\$ (0.1)	\$ (0.1)
STEM State Aid	0.0	0.0
Equalization Aid	<u>1.8</u>	<u>1.2*</u>
Total	\$1.7	\$1.1

* Difference due to technical error in Community College budget submission.

Equalization Aid (\$ in M)		
	<u>'18</u>	<u>'19</u>
Cochise	\$ 5.2	\$ 5.9
Graham	15	15.7
Navajo	<u>6.7</u>	<u>7.1</u>
Total	\$26.9	\$28.7

Community Colleges

- Operating and STEM Aid Exclude Maricopa & Pima

- ❑ In '16, Maricopa and Pima were permanently excluded from Operating and STEM Aid.
- ❑ The '18 budget restored Maricopa and Pima to formula. But '18 assistance suspended for that year
 - Exec and Baseline assume continued suspension
- ❑ Operating Aid restoration costs not readily apparent
 - Formula based on change from prior year
 - When last funded in '15, Maricopa and Pima received \$7.4 M and \$6.5 M, respectively. Not fully funded since '08.
- ❑ Full STEM restoration cost of \$14.2 M
 - Maricopa: \$11.1 M
 - Pima: \$2.3 M
 - Pinal: \$672,600; Pinal has been capped at \$96,500 since '16

Community Colleges – Other State Funding

- JLBC Baseline – Executive Comparison of Major Funding Changes

	\$ in K <u>General Fund</u>	
	<u>JLBC</u>	<u>Exec</u>
Tribal Community Colleges	\$ 200	\$ 0
Additional Gila Workforce Aid	<u>(50)</u>	<u>0</u>
Total	\$150	\$0

Community Colleges

- Other State Funding

□ 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
- Baseline adds \$200k for a new signed Tohono O'Odham compact. Exec does not increase this funding to account for Tohono O'Odham.

□ Additional Gila Workforce Development Aid

- \$250,000 in '18; \$200,000 in '19 and '20
- Exec did not reduce 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 2018 Prior Year Avg \$ Per FTSE = \$589
 - FY 2019 Prior Year Avg \$ Per FTSE = \$575
- ❑ Prior Year Avg \$ Per FTSE x Change in FTSE for Each District (Dual Enrollment students count as ½ a FTSE) = District \$ Change
 - FY 2018 District \$ Decrease = \$(0.5) million
 - FY 2019 District \$ Decrease = \$(0.1) million
- ❑ Current Year District Operating Aid \$ + District \$ Change = Operating State Aid
 - FY 2018 Total Operating State Aid = \$16.7 million
 - FY 2019 Total Operating State Aid = \$16.6 million

Example District – Cochise

FY 2019 Prior Year Avg \$ Per FTSE = \$575

Growth/Decrease in FTSE = 152.5

$\$575 * 152.5 = \$87,700$

FY 2018 Appropriation = \$4,589,600

FY 2019 Formula Amount = \$4,677,300

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 2018 Total STEM Aid = \$4.7 million
- FY 2019 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

3,328.5 FTSE * \$210

FY 2019 Formula Amount = \$699,000

Yuma/La Paz

5,269.5 FTSE * \$160

FY 2019 Formula Amount = \$843,100

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 2018 Avg % AV Change = 1.05%
 - FY 2019 Avg % AV Change = 3.86%

- ❑ 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 2018 Total Equalization Aid = \$26.9 million
 - FY 2018 Total Equalization Aid = \$28.7 million

Example District - Graham

FY 2019 MAVR = \$1,339,876,700

TY 2017 Graham AV = \$192,589,700

Difference = \$1,147,287,000

\$1,147,287,000 * \$.0137

FY 2019 Formula Amount = \$15,717,800

Community Colleges

- Website links

- JLBC Baseline –
[Community Colleges](#)
- Executive Budget –
[Community Colleges](#)