

BILL # SB 1165

TITLE: charter school funding; equalization

SPONSOR: Gray, L.

STATUS: As Amended by Senate K-12 ED

PREPARED BY: Steve Schimpp

FISCAL ANALYSIS

Description

As amended by the Senate K-12 Education Committee, the bill would increase charter school Additional Assistance funding by \$398.14 per pupil for Grades K-8 and \$464.02 per pupil for Grades 9-12.

Estimated Impact

The bill is estimated to increase General Fund costs for Basic State Aid by \$39,272,700 in FY 2008.

The Arizona Department of Education (ADE) does not have a cost estimate for this proposal. In November 2006, ADE estimated a cost of \$78,554,800 for increasing charter school funding by an average of \$868.23 per pupil for FY 2007. The amended bill would instead increase charter school funding by an average of \$422.38 per pupil for FY 2008 under current JLBC Staff estimates.

Analysis

Charter schools currently receive Basic State Aid funding under a 2-part formula consisting of "Base Support Level" (BSL) and "Additional Assistance" funding. Additional Assistance per pupil amounts are established each year in A.R.S. § 15-185(B4) and for FY 2008 under current law will equal \$1,415.00 for Grades K-8 and \$1,649.15 for Grades 9-12, which include an assumed 2% inflation increase for FY 2008. The amended bill instead would fund charter school Additional Assistance at \$1,813.14 per pupil for Grades K-8 and \$2,113.17 per pupil for Grades 9-12 (see Table 1).

The JLBC Staff estimates that there will be 58,764 Average Daily Membership (ADM) pupils in Grades K-8 and 34,215 ADM pupils in Grades 9-12 for FY 2008. Multiplying those counts by the proposed Additional Assistance increases would generate an additional \$38,272,700 in charter school funding and state costs for FY 2008 (see Table 1).

Grades	Additional Assistance Per Pupil (FY 2008)			ADM (est)	Estimated Fiscal Impact
	SB 1165	Current Law	Difference		
K-8	\$1,813.14	\$1,415.00	\$398.14	58,764	\$23,396,300
9-12	\$2,113.17	\$1,649.15	\$464.02	<u>34,215</u>	<u>15,876,400</u>
Total				92,979	\$39,272,700

Local Government Impact

The bill would increase state funding to local charter schools by an estimated \$38,272,700. It would not affect local property taxes, as 100% of charter school K-12 equalization formula funding comes from the state.