

K-12 Funding (M&O, Capital and Other)

FY 2010 through FY 2019 est

JLBC Staff
7/10/2018

All Funding 1/

Source/ Item	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 est	FY 2019 est
Equalization Formula Only <u>2/</u> (state, local & federal "stimulus")	5,743,522,300	5,550,278,800	5,409,764,900	5,509,774,200	5,721,658,100	5,837,228,913	6,155,131,994	6,274,669,776	6,420,790,100	6,993,126,700
Funding per Student	5,471	5,297	5,142	5,193	5,335	5,381	5,641	5,673	5,731	6,172
Inflation Adjusted Funding per Student	5,471	5,257	5,042	4,988	5,033	4,995	5,144	5,118	5,105	5,401
State Only <u>3/</u> (equalization + non-formula, SFB, and misc)	4,463,725,800	4,118,868,200	4,055,154,600	4,134,270,200	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,385,569,500	5,904,074,500
Funding per Student	4,252	3,931	3,854	3,896	4,157	4,196	4,547	4,583	4,807	5,211
Inflation Adjusted Funding per Student	4,252	3,901	3,779	3,743	3,921	3,895	4,146	4,135	4,282	4,560
State & Local Only <u>4/</u> (equalization + non-formula, SFB, and misc)	8,016,125,900	8,132,845,600	7,895,860,800	8,109,640,500	8,430,688,700	8,628,028,400	8,975,568,600	8,999,792,900	9,419,434,350	10,057,773,400
Funding per Student	7,636	7,761	7,505	7,643	7,861	7,954	8,226	8,137	8,408	8,877
Inflation Adjusted Funding per Student	7,636	7,703	7,359	7,342	7,415	7,383	7,501	7,341	7,489	7,767
State, Local and Federal <u>5/</u> (equalization + non-formula, SFB, and misc)	9,803,450,200	9,689,254,900	9,180,176,900	9,384,923,500	9,627,815,600	9,897,557,500	10,277,520,400	10,307,279,100	10,753,242,771	11,466,237,204
Funding per Student	9,339	9,247	8,726	8,845	8,977	9,124	9,419	9,319	9,598	10,120
Inflation Adjusted Funding per Student	9,339	9,177	8,555	8,497	8,468	8,470	8,589	8,407	8,550	8,855
Technical Assumptions:										
ADM Pupil Count	1,049,732	1,047,864	1,052,087	1,061,059	1,072,451	1,084,796	1,091,144	1,106,023	1,120,335	1,133,049
Inflation Adjustment Factor <u>6/</u>	1.000	0.992	0.980	0.961	0.943	0.928	0.912	0.902	0.891	0.875
Inflation Rate	2.0%	0.8%	1.2%	2.1%	1.8%	1.6%	1.8%	1.1%	1.3%	1.8%

1/ Includes all funding reported in "Revenues Received by Source" tables in the Annual Report of the Superintendent of Public Instruction. They report K-12 revenues under 7 categories: 1) Maintenance and Operations (M&O), 2) Unrestricted Capital Outlay, 3) Classroom Site Fund (CSF) and Instructional Improvement Fund (IIF); 4) School Facilities; 5) Adjacent Ways; 6) Debt Service; and 7) Other. "Other" funding is from sources such as federal & state projects, food services, self-insurance, gifts and donations, auxiliary operations and extracurricular activities. The corresponding "Non-Capital Funding Only" table includes only M&O, CSF and IIF and "Other" funding. "State Only" section in this table also includes School Facilities Board (SFB) administrative and debt service funding.

2/ Includes all state, local and federal monies that help fund the Basic State Aid formula, including Additional Teacher Salary Increase monies and the State Aid Supplement from Proposition 123, but excluding ESA funding. Figures have been adjusted to account for temporary factors that would distort long-term trends, including K-12 rollovers, school district cash balance deductions, temporary federal stimulus monies and the suspension of the State Equalization Tax Rate (SETR) for FY07-F09 (see next page for details).

3/ Includes all state monies (GF, land trust, Prop 301 and miscellaneous) used by ADE and the School Facilities Board (SFB) for formula programs (excluding ESAs), non-formula programs and agency administration. Excludes Teacher Certification and Professional Development Revolving Fund monies because they are from teacher fees. Excludes ESA Account Fund to avoid GF doublecount. Figures have been adjusted to account for the impact of temporary factors that otherwise would distort long-term trends (see next page for details).

4/ Includes all "Local," "County" and "State" (but not "Federal") monies reported by school districts and charter schools in the Superintendent's Annual Report for each year shown. Data on local funding for FY 2018 and FY 2019 are not available. The table assumes that the \$4.256 B level of "Local" and "County" (combined) funding reported for FY 2017 will grow in FY 2018 and FY 2019 by 1.3% and 1.15%, respectively, for enrollment and 1.31% and 1.8%, respectively, for inflation.

5/ Includes all "Local," "County," "State" and "Federal" monies reported by school districts and charter schools in the Superintendent's Annual Report for each year shown. Data on federal monies for FY 2018 and FY 2019 are not available. The table assumes that the \$1.307 B of federal monies reported for FY 2017 will increase by \$26.3 M for FY 2018 and an additional \$74.7 M for FY 2019 based on July 2018 estimates from the U.S. Department of Education.

6/ "Inflation Adjustment Factor" represents cumulative inflation, whereas "Inflation Rate" is above prior year only. Both reflect GDP deflator for second preceding calendar year pursuant to A.R.S. § 15-901.01 (e.g., rates applying to FY 2019 are CY 2017 actuals).

All Funding (continued)

Source/ Item	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 est	FY 2019 est
Equalization Formula Only DETAIL										
General Fund	2,835,861,400	3,000,228,100	3,030,490,900	3,095,511,100	3,250,195,500	3,344,869,413	3,469,735,594	3,538,072,915	3,619,580,300	4,072,807,500
Permanent State School Fund	16,269,400	25,497,100	46,475,500	46,475,500	46,475,500	46,475,500	219,440,500	219,804,200	235,343,500	277,115,300
QTR	1,984,272,000	2,014,266,200	2,022,038,400	2,037,936,600	2,054,647,100	2,078,049,100	2,096,191,500	2,139,905,669	2,184,835,000	2,255,982,800
SETR	243,439,100	253,613,500	257,839,300	265,470,500	276,339,900	281,554,400	283,483,900	290,606,492	294,750,800	300,940,600
Prop 301	100,960,600	86,280,500	86,280,500	86,280,500	86,280,500	86,280,500	86,280,500	86,280,500	86,280,500	86,280,500
Equalization total	5,180,802,500	5,379,885,400	5,443,124,600	5,531,674,200	5,713,938,500	5,837,228,913	6,155,131,994	6,274,669,776	6,420,790,100	6,993,126,700
Adjustments: <u>1/</u>										
Rollover <u>2/</u>	350,000,000	-	-	(21,900,000)	-	-	-	-	-	-
Cash Balances <u>3/</u>	(115,892,400)	-	-	-	-	-	-	-	-	-
ARRA <u>4/</u>	521,067,300	42,643,500	-	-	-	-	-	-	-	-
EduJobs <u>5/</u>	-	106,955,900	35,000,000	-	-	-	-	-	-	-
Miscellaneous <u>6/</u>	(192,455,100)	20,794,000	(68,359,700)	-	7,719,600	-	-	-	-	-
Equalization total - adjusted	5,743,522,300	5,550,278,800	5,409,764,900	5,509,774,200	5,721,658,100	5,837,228,913	6,155,131,994	6,274,669,776	6,420,790,100	6,993,126,700
State Only DETAIL										
Basic State Aid (BSA) (w/o land trust \$)	2,835,861,400	3,000,228,100	3,030,490,900	3,095,511,100	3,250,195,500	3,344,869,413	3,469,735,594	3,538,072,915	3,619,580,300	4,072,807,500
Additional State Aid (ASA) <u>7/</u>	231,187,600	414,716,400	305,775,400	286,677,100	336,776,400	359,909,200	377,979,585	402,088,103	420,079,200	413,665,500
Other Formula programs	35,976,500	35,830,800	33,760,100	33,816,100	33,298,500	33,448,100	32,293,500	32,470,172	33,226,000	26,513,100
Non-Formula programs	49,560,600	28,546,600	27,995,700	36,584,300	38,810,600	44,336,300	41,034,200	49,932,534	97,980,700	107,645,800
ADE Administration	9,028,800	8,248,600	7,634,400	7,717,000	8,261,000	8,264,800	8,236,300	8,905,100	8,780,600	8,851,500
BSA - Permanent State School Fund	16,269,400	25,497,100	46,475,500	46,475,500	46,475,500	46,475,500	219,440,500	219,804,200	235,343,500	277,115,300
SFB - New School Facilities (NSF)	-	-	-	-	672,000	858,200	2,249,600	24,253,200	87,008,400	87,626,500
SFB - NSF Debt Service	100,604,700	63,459,100	160,105,700	169,429,700	172,719,800	160,739,300	171,109,400	170,006,600	169,761,700	134,287,300
SFB - Building Renewal	-	-	-	-	-	-	-	-	-	-
SFB - Building Renewal Grants	2,667,900	2,667,900	14,167,900	2,667,900	16,667,900	15,128,600	31,667,900	31,667,900	43,835,800	51,085,800
SFB - Deficiencies Correction	-	-	-	-	-	-	-	-	-	-
SFB - Deficiency Revenue Bonds	-	-	-	-	-	-	-	-	-	-
SFB - Public School Credit Enhancement	-	-	-	-	-	-	23,900,000	500,000	-	-
SFB - Other	1,422,400	1,309,900	1,283,500	1,652,100	1,587,100	1,629,600	1,451,100	1,461,900	1,680,700	1,700,700
Prop 301 - Classroom Site Fund	270,460,100	252,281,000	283,543,800	293,860,300	406,722,200	389,287,000	434,123,400	442,466,241	520,512,100	574,995,000
Prop 301 - Other	117,460,600	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500	102,780,500
Instructional Improvement Fund	38,267,800	38,787,500	42,133,400	43,006,400	43,116,600	44,047,600	45,231,100	44,776,900	45,000,000	45,000,000
State total	3,708,767,800	3,974,353,500	4,056,146,800	4,120,178,000	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,385,569,500	5,904,074,500
Adjustments: <u>1/</u>										
Rollover <u>2/</u>	350,000,000	-	-	(21,900,000)	-	-	-	-	-	-
State Equalization Tax Rate <u>8/</u>	-	-	-	-	-	-	-	-	-	-
Cash Balances <u>3/</u>	(116,109,300)	-	-	-	-	-	-	-	-	-
ARRA <u>4/</u>	521,067,300	42,643,500	-	-	-	-	-	-	-	-
EduJobs <u>5/</u>	-	106,955,900	35,000,000	-	-	-	-	-	-	-
Miscellaneous <u>6/</u>	-	(5,084,700)	(35,992,200)	35,992,200	-	-	-	-	-	-
State total - adjusted	4,463,725,800	4,118,868,200	4,055,154,600	4,134,270,200	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,385,569,500	5,904,074,500

1/ To offset the impact of temporary factors that otherwise would distort long-term trends.

2/ A positive number offsets the effects of a K-12 rollover for a fiscal year. The negative FY 2007 and FY 2013 numbers offset the impact of the one-time rollover "paybacks" that occurred during those years.

3/ The final FY 2009 budget included a \$(300) M one-time deduction to be offset with local cash balances (ADE deducted \$260 M from Basic State Aid and \$40 M from the Homeowner's Rebate). The FY 2010 budget included a related \$116 M one-time increase.

4/ The FY 2010 and FY 2011 budgets used one-time federal monies from the American Recovery and Reinvestment Act (ARRA) to offset a portion of state K-12 formula costs for those years.

5/ Education Jobs Fund (EduJobs) figures assume that public schools used one-time federal Education Jobs Fund monies to offset an estimated \$107 M formula shortfall in FY 2011 and a \$35 M Capital Outlay Revenue Limit (CORL) reduction in FY 2012. Public schools received an additional \$66 M in "EduJobs" funding (\$208 M total) that also could have been used to offset formula reductions, but such offsets were not assumed in state budgets for the affected fiscal years.

6/ Includes shifts of surplus funding between BSA & ASA to cover shortfalls in the other program for a given fiscal year and an adjustment to correct for the inadvertent use of FY 2012 surplus monies to cover FY 2013 ASA costs.

7/ Additional State Aid ("Homeowner's Rebate" plus "1% Cap") funding is not adjusted for statutory changes that have affected programs costs, such as reductions in the assessment ratio for business property and funding ASA on the QTR only.

8/ For FY 2007 through FY 2009 the state temporarily backfilled with General Fund monies the reduction in K-12 local property tax revenues associated with a 3-year suspension of the State Equalization Tax Rate (SETR).