

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

FY 2013 through FY 2022 est

JLBC Staff
8/31/2021

Source/ Item	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 est	FY 2022 est
Equalization Formula Only 2/ (state & local)	5,509,774,200	5,721,658,100	5,837,228,913	6,155,131,994	6,274,669,776	6,399,412,608	6,978,486,695	7,468,041,000	7,630,572,700	8,240,383,600
Funding per Student	5,193	5,335	5,381	5,619	5,695	5,769	6,270	6,660	7,048	7,283
Inflation Adjusted Funding per Student	5,193	5,235	5,189	5,320	5,341	5,354	5,711	5,925	6,160	6,289
State Only 3/ (equalization + non-formula, SFB, and misc)	4,134,270,200	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,333,439,100	5,887,268,989	6,462,650,700	6,526,768,600	7,481,485,500
Funding per Student	3,896	4,157	4,196	4,529	4,601	4,808	5,289	5,764	6,028	6,612
Inflation Adjusted Funding per Student	3,896	4,079	4,046	4,288	4,315	4,462	4,818	5,127	5,269	5,710
State & Local Only 4/ (equalization + non-formula, SFB, and misc)	8,109,640,500	8,430,688,700	8,628,028,400	8,975,568,600	8,999,792,900	9,450,532,900	10,274,200,600	10,846,508,600	11,189,968,200	12,280,239,300
Funding per Student	7,643	7,861	7,954	8,194	8,169	8,519	9,230	9,674	10,336	10,854
Inflation Adjusted Funding per Student	7,643	7,713	7,669	7,757	7,661	7,906	8,408	8,605	9,033	9,373
State, Local and Federal 5/ (equalization + non-formula, SFB, and misc)	9,384,923,500	9,627,815,600	9,897,557,500	10,277,520,400	10,307,279,100	10,761,460,427	11,671,589,068	12,240,545,900	14,301,044,000	16,209,143,500
Funding per Student	8,845	8,977	9,124	9,382	9,356	9,701	10,486	10,917	13,209	14,326
Inflation Adjusted Funding per Student	8,845	8,808	8,798	8,883	8,774	9,003	9,552	9,711	11,545	12,371
Technical Assumptions:										
ADM Pupil Count	1,061,059	1,072,451	1,084,796	1,095,430	1,101,691	1,109,368	1,113,078	1,121,257	1,082,665	1,131,430
Inflation Adjustment Factor 6/	1.000	0.981	0.964	0.947	0.938	0.928	0.911	0.890	0.874	0.864
Inflation Rate	2.1%	1.9%	1.8%	1.9%	1.0%	1.0%	1.9%	2.4%	1.8%	1.2%

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 and local 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 actual local funding for FY 2021 and FY 2022 are not yet available. The table assumes that the \$4.576 B level of "Local" and "County" (combined) funding reported for FY 2020 will grow by 1.9% in FY 2021 and 2.9% FY 2022 based on estimated growth in QTR/SETR collections under the Basic State Aid formula and 2.1% annual growth in all other local revenues based on recent trends.

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 actual federal monies for FY 2021 and FY 2022 are not yet available. The table assumes that the \$1.394 B of federal monies reported for FY 2020 will increase by \$1.72 B for FY 2021 and by an additional \$818 M for FY 2022 based on estimated distributions of federal relief funds to districts and charter schools from the Coronavirus Aid, Relief and Economy Security (CARES) Act, the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act of 2021.

6/ "Inflation Adjustment Factor" represents cumulative inflation, whereas the "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 2022 are CY 2020 actuals).

Source/ Item	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021 est	FY 2022 est
Equalization Formula Only DETAIL										
General Fund	3,095,511,100	3,250,195,500	3,344,869,413	3,469,735,594	3,538,072,915	3,597,183,200	4,066,093,300	4,457,116,100	4,370,220,000	5,070,424,000
Permanent State School Fund	46,475,500	46,475,500	46,475,500	46,475,500	219,804,200	235,339,100	277,115,300	290,489,100	300,612,600	309,832,400
QTR	2,037,936,600	2,054,647,100	2,078,049,100	2,096,191,500	2,139,905,669	2,185,859,010	2,248,075,283	2,326,504,700	2,365,955,900	2,451,960,000
SETR	265,470,500	276,339,900	281,554,400	283,483,900	290,606,492	294,750,798	300,922,312	307,650,600	314,866,500	322,786,700
Prop 301	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	150,380,500
Equalization total	5,531,674,200	5,713,938,500	5,837,228,913	6,155,131,994	6,274,669,776	6,399,412,608	6,978,486,695	7,468,041,000	7,437,935,500	8,305,383,600
Adjustments: <u>1/</u>										
Rollover <u>2/</u>	(21,900,000)	-	-	-	-	-	-	-	-	(65,000,000)
Distance Learning <u>3/</u>	-	-	-	-	-	-	-	-	192,637,200	-
Cash Balances <u>4/</u>	-	-	-	-	-	-	-	-	-	-
ARRA <u>5/</u>	-	-	-	-	-	-	-	-	-	-
EduJobs <u>6/</u>	-	-	-	-	-	-	-	-	-	-
Miscellaneous <u>7/</u>	-	7,719,600	-	-	-	-	-	-	-	-
Equalization total - adjusted	5,509,774,200	5,721,658,100	5,837,228,913	6,155,131,994	6,274,669,776	6,399,412,608	6,978,486,695	7,468,041,000	7,630,572,700	8,240,383,600
State Only DETAIL										
Basic State Aid (BSA) (w/o land trust & ESA)	3,095,511,100	3,250,195,500	3,344,869,413	3,469,735,594	3,538,072,915	3,597,183,200	4,066,093,300	4,457,116,100	4,370,220,000	5,070,424,000
Additional State Aid (ASA) <u>8/</u>	286,677,100	336,776,400	359,909,200	377,979,585	402,088,103	410,546,000	415,725,400	426,944,900	445,363,800	460,630,300
Other Formula programs	33,816,100	33,298,500	33,448,100	32,293,500	32,470,172	71,550,500	64,189,564	104,629,200	105,613,100	105,613,100
Non-Formula programs	36,584,300	38,810,600	44,336,300	41,034,200	49,932,534	58,830,000	66,515,725	76,060,000	93,122,300	108,344,800
ADE Administration	7,717,000	8,261,000	8,264,800	8,236,300	8,905,100	8,956,800	8,660,600	8,806,100	8,851,500	8,495,700
BSA - Permanent State School Fund	46,475,500	46,475,500	46,475,500	219,440,500	219,804,200	235,339,100	277,115,300	290,489,100	300,612,600	309,832,400
SFB - New School Facilities (NSF)	-	672,000	858,200	2,249,600	2,253,200	87,008,400	49,636,700	112,602,500	58,786,800	171,654,000
SFB - NSF Debt Service	169,429,700	172,719,800	160,739,300	171,109,400	170,006,600	169,761,700	134,287,300	131,870,500	67,177,800	9,938,100
SFB - Building Renewal	-	-	-	-	-	-	-	-	-	-
SFB - Building Renewal Grants	2,667,900	16,667,900	15,128,600	31,667,900	31,667,900	43,835,800	76,085,800	107,458,800	146,259,000	107,500,000
SFB - Deficiencies Correction	-	-	-	-	-	-	-	-	-	-
SFB - Deficiency Revenue Bonds	-	-	-	-	-	-	-	-	-	-
SFB - Public School Credit Enhancement	-	-	-	23,900,000	500,000	-	-	-	-	-
SFB - Other	1,652,100	1,587,100	1,629,600	1,451,100	1,461,900	1,634,800	1,607,700	1,577,300	1,771,100	1,717,400
Prop 301 - Classroom Site Fund	293,860,300	406,722,200	389,287,000	434,123,400	442,466,241	518,674,500	576,654,100	591,313,600	585,143,300	977,025,600
Prop 301 - Other	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	166,880,500
Instructional Improvement Fund	43,006,400	43,116,600	44,047,600	45,231,100	44,776,900	27,337,800	47,917,000	51,002,100	48,429,600	48,429,600
State total	4,120,178,000	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,333,439,100	5,887,268,989	6,462,650,700	6,334,131,400	7,546,485,500
Adjustments: <u>1/</u>										
Rollover <u>2/</u>	(21,900,000)	-	-	-	-	-	-	-	-	(65,000,000)
Distance Learning Adjustment <u>3/</u>	-	-	-	-	-	-	-	-	192,637,200	-
State Equalization Tax Rate <u>9/</u>	-	-	-	-	-	-	-	-	-	-
Cash Balances <u>4/</u>	-	-	-	-	-	-	-	-	-	-
ARRA <u>5/</u>	-	-	-	-	-	-	-	-	-	-
EduJobs <u>6/</u>	-	-	-	-	-	-	-	-	-	-
Miscellaneous <u>7/</u>	35,992,200	-	-	-	-	-	-	-	-	-
State total - adjusted	4,134,270,200	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,333,439,100	5,887,268,989	6,462,650,700	6,526,768,600	7,481,485,500

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, FY 2013, and FY 2022 numbers offset the impact of the one-time rollover "paybacks" that occurred during those years.

3/ Executive Order 2020-51 authorized school districts to operate Distance Learning programs during the 2020-2021 school year as a result of the COVID-19 pandemic. The order stipulated that such programs be treated as Arizona Online Instruction (AOI) Programs for the purposes of Basic State Aid calculations, which resulted in a one-time (5%) reduction in Base Level funding for students enrolled in such programs.

4/ 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.

5/ 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.

6/ 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.

7/ 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.

8/ 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.

9/ 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).