

K-12 Funding (M&O & Other)

FY 2010 through FY 2019 est

JLBC Staff
7/10/2018

Non-Capital Funding Only ^{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 ^{2/} (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 ^{3/} (equalization + non-formula and misc)	4,359,030,800	4,051,431,300	3,879,597,500	3,960,520,500	4,266,436,800	4,373,418,413	4,730,854,679	4,841,296,665	5,083,282,900	5,629,374,200
Funding per Student	4,153	3,866	3,688	3,733	3,978	4,032	4,336	4,377	4,537	4,968
Inflation Adjusted Funding per Student	4,153	3,837	3,616	3,586	3,753	3,742	3,954	3,949	4,042	4,347
State & Local Only ^{4/} (equalization + non-formula and misc)	6,737,232,600	6,853,738,200	6,827,801,400	7,107,058,600	7,476,101,600	7,350,997,200	7,715,559,800	7,889,337,300	8,211,396,500	8,850,414,600
Funding per Student	6,418	6,541	6,490	6,698	6,971	6,776	7,071	7,133	7,329	7,811
Inflation Adjusted Funding per Student	6,418	6,491	6,363	6,435	6,576	6,290	6,448	6,435	6,529	6,835
State, Local and Federal ^{5/} (equalization + non-formula and misc)	8,512,794,100	8,403,796,500	8,107,194,300	8,373,891,700	8,664,431,600	8,610,896,300	9,008,546,400	9,191,372,700	9,539,754,121	10,253,427,604
Funding per Student	8,109	8,020	7,706	7,892	8,079	7,938	8,256	8,310	8,515	9,049
Inflation Adjusted Funding per Student	8,109	7,959	7,555	7,581	7,621	7,369	7,529	7,497	7,585	7,918
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 ^{6/}	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 only funding reported under the Maintenance and Operations (M&O), Classroom Site Fund (CSF) and Instructional Improvement Fund (IIF) and "Other" revenue categories in "Revenues Received by Source" tables in the ADE Annual Report. It therefore excludes capital funding, which is reported under Unrestricted Capital Outlay, School Facilities, Adjacent Ways and Debt Service.

^{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 non-capital monies (GF, land trust, Prop 301 and miscellaneous) used by ADE for formula programs (excluding ESAs), non-formula programs and agency administration. Excludes all SFB funding. 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") non-capital 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 \$3.048 B level of "Local" and "County" (combined) non-capital 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" non-capital 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 \$1.302 B level of federal monies reported for FY 2017 (non-capital only) will increase by \$26.3 M for FY 2018 and by 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).

Non-Capital Funding Only (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
State GF subtotal	3,161,614,900	3,487,570,500	3,405,656,500	3,460,305,600	3,667,342,000	3,790,827,813	3,929,279,179	4,031,468,824	4,179,646,800	4,629,483,400
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
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
Prop 301 subtotal	387,920,700	355,061,500	386,324,300	396,640,800	509,502,700	492,067,500	536,903,900	545,246,741	623,292,600	677,775,500
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	3,604,072,800	3,906,916,600	3,880,589,700	3,946,428,300	4,266,436,800	4,373,418,413	4,730,854,679	4,841,296,665	5,083,282,900	5,629,374,200
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	4,359,030,800	4,051,431,300	3,879,597,500	3,960,520,500	4,266,436,800	4,373,418,413	4,730,854,679	4,841,296,665	5,083,282,900	5,629,374,200

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 2013 number offsets the impact of a one-time rollover "payback" that occurred that year.

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).