

Summary: Fiscal Year 2019-2020 House/Senate Budget Bills

[HB2747/SB1548: General Appropriations Bill](#)

The “feed bill” for FY2019-20 contains appropriations for state agencies and programs. Below are the relevant K-12 education items in the feed bill:

- \$3.8 billion for basic state aid to school districts for maintenance and operations; includes \$164.7 million intended for teacher salary increases in addition to the teacher salary increases provided in FY2018-19 (this is the 5% raise but only for teachers with rosters; excludes other certified and classified employees)
- \$30 million to eliminate the K-12 rollover for school districts with a student count of less than 1,350 students
- Additional \$30 million for K-12 Results-Based Funding (already funded at \$40 million, so this program would now total \$70 million)
- \$25 million appropriation for building renewal grants

[The FY2020 Budget Also Includes](#)

- \$15 million for the Housing Trust Fund
- \$130 million plan to expand Interstate 17 over the next three years
- \$271.1 million for the Rainy Day Fund
- \$53.7 million debt service payments on the sale and leaseback of state buildings
- \$1.6 million to eliminate the freeze on the KidsCare program
- In order to secure Representative Townsend’s vote on the budget, the Republican Majority agreed to language that requires the Arizona Attorney General’s Office to forward “complaints” regarding the use of school resources to influence elections to the Senate President, House Speaker and Governor’s Office.
- In order to secure Senator Ugenti-Rita’s vote on the budget, the Republican Majority agreed to a two-year phase down of the Vehicle License fee of \$32 that was instituted in FY19.

[HB2749/SB1551: K12 Education Budget Bill](#)

- Increases the per student base level amount for basic state aid to \$4,150.43 from \$3,960.07 for FY2019-20.
- The School Safety Program is expanded by \$15 million to include school counselors and social workers in addition to the current model of school resource officers and juvenile probation officers.
- District and Charter Additional Assistance restoration is accelerated by \$136 million in FY20.
- Establishes reporting requirements on how dollars were spent for schools that received Results-Based Funding
- Establishes the Arizona Industry Credentials Incentive Program to provide incentive awards for CTE programs who graduate students with certification, credential or license in an accepted vocation or industry, the program terminates on July 1, 2029.
- Establishes a 3-year Arizona Community Schools Pilot Program

[HB2750/SB1552: Higher Education Budget Bill](#)

- Bans community college governing boards from compensating employees for employee organization representation work
- The Arizona Teachers Academy is expanded to include community colleges in Arizona that offer postbaccalaureate programs that lead to teacher certification.
- Provides Teachers Academy students with an annual scholarship of \$5,000 per year for university students and \$3,000 per year for community college students, instead of with an annual waiver of tuition and fees.

[HB2757/SB1546: Tax Provisions](#)

These combined tax provisions are expected to be a loss of \$386 million in revenue for the State General Fund. AEA believes it is fiscally irresponsible to do a \$386 million tax cut when schools remain underfunded and we have a crisis in our classrooms with many unmet needs.

- Tax conformity: Permanent law reduces the number of tax brackets from 5 to 4, ranging from 2.59% to 4.50%; increases the standard deductions; eliminates personal exemptions
- Increases charitable contributions tax deductions by 25%
- Changes to when digital goods can be taxed in the state

This Language was Also Passed in the Budget

- [HB2756/SB1555: Revenue](#)
 - The bill has language regarding city/town minimum wages and the state withholding/collecting funds if the local minimum wage is higher than the state's minimum wage. Currently, the only city that would be affected by this legislation is Flagstaff.
- [HB2750/SB1552: Higher Education](#)
 - The language related to work performed on behalf of an elected employee representative organization is a release time attack on faculty associations impacting Maricopa and Pima Community Colleges.