



# FY2019 Executive Budget

## What does it mean for Arizona Educators?

During the State of the State address and in a follow up press conference on education funding, Governor Doug Ducey announced his plan for Fiscal Year 2019-20 and touted K-12 education as the key priority in his budget. On Friday, January 12<sup>th</sup> the Governor's Office released the FY2019-20 Executive Budget where they continued to share that K-12 education was the priority with over 80% of the budget proposal begin focused on education spending. So, what does it mean for Arizona educators? Here's what you need to know.

### General Fund Snapshot

<i>\$ in millions</i>	FY 2018	FY 2019
<b>Total Revenues</b>	\$9,871.4	\$10,218.8
Enacted Base Spending	9,815.1	9,815.1
Baseline Changes	6.4	170.1
<b>Net New Initiatives</b>	7.2	<b>158.5</b>
<b>Total Spending</b>	9,828.7	10,143.7
<b>Ending Balance</b>	\$42.6	\$67.2

### Governor's Investment in Education

For FY2019-20, the Governor allocates \$198.4 million in new education initiatives. Of that investment, \$190.4 million will be designated for K-12 education.

K-12 Education	\$190.4 million
Higher Education	\$8 million
<b>Total New Investment</b>	<b>\$198.4 million</b>

### K-12 Education

**The Governor highlighted K-12 Education as the cornerstone of his FY2019 budget. Here is how.**

#### District and Charter Additional Assistance

The proposal adds \*\*\*\$100 million in FY2019 to the Basic State Aid formula or District Additional Assistance (DAA) and Charter Additional Assistance (CAA). Of the total amount, \$95 million is for DAA and \$5 million is allocated for CAA. The Governor's proposal includes the full restoration of \$371 million in Additional Assistance by FY2023. They intend to advance appropriate the funding in future budgets, however, because the current Governor and legislature cannot control what future governing bodies will do, this is not guaranteed funding.

*Below is the projected spending in Additional Assistance:*

- FY2019: \$100 million total ongoing funding
- FY2020: \$168 million total ongoing funding
- FY2021: \$236 million total ongoing funding
- FY2022: \$303 million total ongoing funding
- FY2023: \$371 million total ongoing funding

#### Permanent 2% Teacher Salary Increase

Building on the 1.06% teacher salary increase that was installed during FY2018 legislative session, the Governor's proposal includes an additional \$34 million for a total of \$68 million to fund the permanent 2% salary increase. This funding becomes permanent as the proposal moves it to the base level, which is adjusted for inflation each year going forward. The definition of teacher remains narrow and is limited to "teachers who taught in an Arizona school district or charter school during the 2017-2018 school year and who teaches at the school district or charter school during the 2018-2019 school year."

\*\*\*In FY2016, Governor Ducey cut \$113.5 million in district additional assistance. This was an approximate loss of \$135 per student and an overall loss of \$352.4 million (or an 83% funding cut) when district additional assistance formula cuts were factored in.

### School Construction and Repairs

The Executive Budget proposes bonding for the construction of five new schools in Chandler Unified, Tolleson Union and Queen Creek Unified school districts. The bond would total \$88.1 million over 25 years and would spend \$5.1 million in the FY2019 budget. The Governor's proposal also includes \$51.8 million for FY2019 in building renewal funding to allow school districts to maintain their facilities, and adds \$10 million for building renewal in FY2018.

### The Governor continues funding model reliant on high-stakes testing.

#### Results-Based Funding

The Governor's plan appropriates an additional \$38 million in FY2019 to reward "high-achieving schools." The proposal maintains the funding model from FY2018 where schools that are already scoring in the top 10% of AZMerit receive Results-Based Funding. Low income schools (schools where 60% or more of the students qualify for free and reduced lunch) that achieve AZMerit scores in the top 10% will receive \$400 per pupil. High income schools (schools where less than 60% of the students qualify for free and reduced lunch) that achieve AZMerit scores in the top 10% will receive \$225 per pupil. Low income schools will not compete with high income schools for the funding.

### The Governor's Targeted Investments

\*\*\*Fully Fund Large JTEDs: \$2 million to fully restore the Basic State Aid formula for Joint Technical Education Districts (JTEDs). JTEDs with over 2,000 will receive 100% of Basic State Aid to enhance courses and industry-certified programs.

Early Intervention for Children with Disabilities: \$1.6 million to hire 21 new teachers and increase the number of home visits per month for AZ School for the Deaf and Blind's birth-to-three program.

K-12 Computer Science: \$2.5 million to create a Computer Science Pilot Program that offers rigorous training and infrastructure to public schools that do not currently offer computer science instruction.

Early Literacy: \$4 million for the second year of expanding early literacy programs.

### Higher Education

The Executive Budget implements the first year of the \$1 billion capital funding plan for universities' new research and development infrastructure with an annual installment of \$27 million. Universities will also receive a one-time \$8 million general fund appropriation.

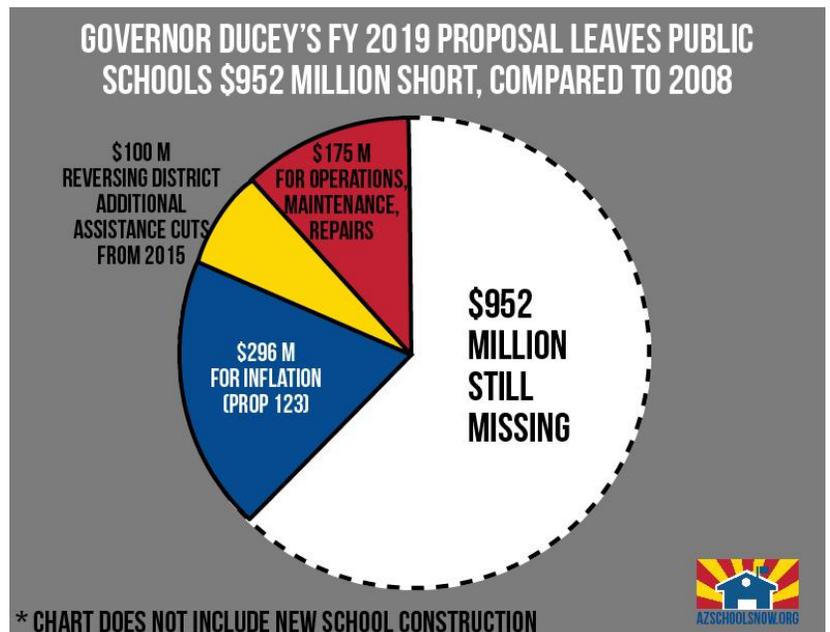
### Conclusion

Restoring the district and charter school additional assistance funding that was previously cut in fiscal year 2016 is a necessary reinvestment in Arizona's K-12 public schools. However, this restoration fills only a small portion of the funding gap that has persisted since the recession. Classroom funding will remain \$950 million below 2008 levels.

By refusing to address the revenue imbalances in our budget, we leave our schools and the students they serve without a serious, long-term path toward meeting the shared goals of the Arizona Education Progress Meter or addressing our critical teacher shortage.

### Additional Budget Documents and Resources

- [Executive Budget Proposal](#)
- [Governor's Office PowerPoint Presentation](#)



\*\*\*In FY2015, Governor Ducey continued the funding cuts to large JTEDs (those with 2,000 students or more) by only funding 95.5% of the formula.