

Governor Brewer's Fiscal Year 2014-2015 Budget

Performance Funding ("Student Success Funding")

- \$40 million total (\$37.6 million new dollars plus \$2.4 million in continuing appropriation from fiscal year 2014)
 - Schools are rewarded in three ways: 1) students reaching or exceeding grade-level proficiency, 2) students achieving above-average growth from the prior year, and 3) students graduating from high school. The proposal weights student growth for students who do not meet grade-level proficiency.

Permanent elimination of school funding

- Permanent loss of \$239 million to school districts and \$15.6 million to charter schools
 - Proposes to permanently suspend the formula amounts that districts should be receiving in the newly created "district additional assistance." This is the new formula that was created in the prior year's budget to combine the soft capital costs (classroom materials and supplies) and CORL funding (capital funding). Governor Brewer is proposing to permanently reduce the per-pupil formula amounts so that \$239 million is cut from school districts budgets every year moving forward. This policy decision will "wipe clean" any reference to prior year cuts in these formulas and set the low per pupil level permanently in statute. The \$239 million that school districts are "owed" will be lost. [Governor Brewer's budget will fund "district additional assistance" at the current fiscal year 2014 level.]

Inflation funding

- \$73.5 million for 1.4% inflation increase
 - Due to AEA's legal victory in the inflation lawsuit last year, Governor Brewer is funding the inflation factor at 1.4% to the per student base level and transportation route mile amounts (as well as charter school additional assistance).
 - This is a per pupil increase from the current \$3,326.54 to \$3,373.11 for the 2014-2015 school year.
 - Inflation funding is voter protected per the passage of Proposition 301 from the 2000 election. The amount is the lesser of 2% or the change in the GDP price deflator for the prior year calendar. That sets the 2014-2015 inflation amount at 1.4%.

AEA's lawsuit is currently pending to require the Arizona Legislature to reset the base level amount for the years in which no inflation was provided. If successful, this will increase the base level to \$3,609.45 in 2014-2015—an increase of an additional \$236.34 per student!

New Assessment aligned to Arizona's College and Career Ready Standards

- \$27.1 million total (\$13.5 million in new funding plus the existing \$13.6 million budget amount for the current AIMS cost)
 - For the purpose of supporting the statewide new assessment. The cost is projected to be \$29.50 per tested student.

Data System (Arizona Education Learning and Accountability System—AELAS)

- \$16.5 million total (one-time funding of \$14.3 million plus a new \$2.2 million in ongoing funding)
 - This funding is to “collect, compile, maintain and report student level data” and will be used to complete 80% of SAIS replacement; roll out the Student Longitudinal Data System (SLDS) dashboards to an additional 450 LEAs (districts and charters); upgrade ADE computer systems and add IT staff so that users have reliable access to data.

School Broadband

- Charge school districts and charter schools \$15 per student for each of the next 6 years
 - Permit the Arizona Department of Administration to assess a fee of \$15 per student (\$90 per student total over the six-year plan) in order to support central broadband development that aims to lower Internet costs and improve speeds and greater access to digital resources.
 - The overall cost for the statewide fiber network is estimated to be \$350 million. After two years, the plan calls for all Arizona schools to be able to administer an online assessment.

Charter Schools

- \$31.4 million total - Eliminate the small school weight for charter schools, but hold them “harmless” by providing increased charter school additional assistance funds. This additional funding applies only to state sponsored charter schools, and there is no additional increase for district-sponsored charter schools.
 - Currently, 90% of charter schools receive a small school weight (originally intended for small school districts in the rural areas to help with economies of scale). This funding will be eliminated for charter schools, but they will instead receive an increase of additional assistance for elementary students by \$547 and \$713 for high school students in order to hold them “harmless” for the loss of the small school weight. This increased funding is not given to students at district sponsored charter schools.
- \$34.4 million total – Increased cost to the state for the 20 school districts that converted 59 existing schools to district charter schools (this is additional funding those districts received based off the charter school funding formula).
 - Governor Brewer wants additional reforms on the district-sponsored charter school system and encourages legislative proposals on the issue.

Career Ladder Phase Out

- Decreases the general fund portion of Career Ladder by an additional \$3.5 million for the phase-down of the Career Ladder Program. This reduction puts the program at 1% state funding in school year 2014-2015. The program will be completely eliminated in school year 2015-2016.

IT Certifications

- \$2 million to provide certification and licensing programs to Arizona students
 - Program consists of web-based modules and instruction to prepare students for industry-recognized certification exams. Available through a statewide contract (possible vendors: Cisco, Microsoft, Adobe and Oracle).