

# Governor Brewer's Fiscal Year 2013-2014 Budget

## Performance Funding

- \$36.2 million in new state funding and \$18.1 million in reallocated dollars from the existing funding formula for first year of implementation.
  - All school districts and charter schools have the opportunity to earn funding if they achieve more than 100 points (a grade of C or higher) or improve their score.
    - The A-F accountability system assigns a letter grade based on AIMS results, reclassification of English Language Learners (ELLs), graduation rates, dropout rates and student academic growth. The letter grading scale consists of 200 points: 100 points each for academic outcomes and student academic growth. The number of points earned determines the letter grade.
  - There are two different payouts for achievement and improvement. Both have a maximum per-pupil payout of \$500 once fully implemented.
    - Achievement: Receive funding by scoring enough points to receive an A, B or C. Will be tied to the specific score, not the letter grade, to provide consistency in year-to-year funding as school districts/charter schools move up or down on the accountability scale.
    - Improvement: Awarded by improving score above their current five-year high. There will be higher per-pupil improvement payments for school districts and charter schools that receive a D or F (so that those schools get increased funding if they improve their overall score but do not yet end up in the A, B or C category).
  - The funding for this program will be part of the school finance formula and paid for with new dollars appropriated to the state's general fund (\$36.2 million) and also with dollars reallocated from the existing formula (\$18.1 million).
    - Funding will be phased in over a five-year period until it makes up about 5% of the total K-12 formula funding in fiscal year 2017-2018.
    - Funding will be reallocated from the existing formula by reducing the base level funding.
    - Monies earned through this performance funding will be flexible for use at the local level.

## Common Core Implementation

- \$40 million statewide for school districts and charters
  - For use on the following options: teacher stipends for professional development, curriculum and instructional materials aligned to the new standards, and technology and equipment that support Common Core implementation.
- \$1.5 million for Governor's Office of Education Innovation to fund master teachers to coordinate statewide professional development in transition to common Core and to prepare for the Partnership for Assessment of College and Career (PARCC) exams.

- These master teachers will work at the regional centers to support teacher training.
- \$20 million to School Facilities Board to complete a technology needs assessment and bring schools up to the required device and software specification.
  - Funding to be provided through grants based on the number of devices needed, with a target student-to-device ration of 5:1.
  - After the assessment, additional support for future years will be considered.

### **AE LAS Data System**

- \$7 million to complete the Student Longitudinal Data System
  - There will be ongoing funding in fiscal years 2015 and 2016 to complete the Student Accountability Information System (SAIS) replacement.

### **Capital Funding**

- \$3.8 million to build new schools that have already gained School Facilities Board (SFB) approval for new school construction.
  - These schools will be located in Thatcher Unified, Benson Unified, and Laveen Elementary.
- Remove the New School Construction projection window and fund school construction only after a district falls below the ADM guidelines in the current year.
- Reclassify accommodation schools as charter schools so they receive capital funding based on a per-pupil formula.
- Expand school district bonding capacity to 20% of net assessed value. (This doubles the current statutory limit on bonding.)
- Permit the SFB to refinance its outstanding lease-to-own obligations to lower its debt service costs. (The SFB's current outstanding lease-to-own obligations are more than \$1.1 billion.)
- Repeal the Building Renewal formula and replace it with a Building Renewal Grant Program. Fund this grant program at \$25 million for statewide needs.
- Have SFB implement a new School Maintenance and Accountability Program (School MAP).
  - Maintain a detailed database of all major school systems with the corresponding preventative maintenance requirements. The SFB is permitted to use some of the \$25 million from the new Building Renewal Grant Program to fund this online preventative maintenance program as well as personnel (total estimated to be about \$1.7 million).

### **School Finance Formula—Move CORL and Soft Capital to “Additional Assistance”**

- Consolidate the current capital outlay revenue limit (CORL) funding and the soft capital allocation (SCA funding) into one allocation called “additional assistance.”
  - Will operate like the current CORL formula with the ability to put budget capacity in capital or maintenance and operation (M&O) expenses.
  - The amount for this fund is equal to the current amount for CORL and soft capital with the existing cuts that are presently in place.

### **School Safety**

- \$3.6 million to establish a 1:1 state-matching grant to the Public School Safety Program.
  - This grant money can be used by school districts to hire school resource officers (SROs) and/or juvenile probation officers (JPOs).
  - Note: The current \$7.8 million in funding provided through Proposition 301 dollars will continue as well for the School Safety Program.

### **Inflation for Transportation and Charter School Additional Assistance Only**

- \$9.9 million for inflation costs for transportation for school districts and charter school additional assistance.
  - The Governor's budget does not include an additional \$87.2 million to increase the base support level for inflation for fiscal year 2013-2014. The AEA and our education allies won in court when the Arizona Court of Appeals ruled on January 15, 2013 that the full inflation factor must be paid. The Legislature and Attorney General Horne intend to appeal the ruling to the Arizona Supreme Court.

### **Career Ladder Phase Out**

- Decreases the general fund portion of Career Ladder by an additional \$7.2 million for the phase-down of the Career Ladder Program. This reduction puts the program at 2% state/local funding in school year 2014-2015 and 1% in school year 2015-2016. The program will be completely eliminated in school year 2016-2017.

### **Microsoft IT Academy**

- \$2 million to establish a Microsoft IT Academy
  - Web-based training modules and instruction that enables students to master Microsoft applications.
  - High school students will have the opportunity to earn certification as a Microsoft Office Specialist and/or Microsoft Certified Professional by completing the coursework and passing certification exams.