



Legislative Wrap Up

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Formula Adjustment

- Increases the FY 2015 base level by 1.4% from \$3,326.54 to \$3,373.11 (without 1.25% Teacher Comp Increase)
- Increases the FY 2015 transportation amount per mile by 1.4% (\$2.46 to \$2.49 or \$2.01 to \$2.04)
- District Additional Assistance (replacement for CORL and Soft Capital) remains the same and statewide cut remains at \$238,985,500 (cuts to districts with less than 1,100 students remains at \$5,000,000)
- Charter School Additional Assistance increases by 1.4% to \$1,707.77 for elementary and \$1,990.38 for high school (cuts remain at \$15,656,000)



District Sponsored Charter School

- No New district sponsored charters authorized to begin operations after June 30, 2013
- District sponsored Charter Schools (DSCS) that began operation after June 30, 2013 can continue to operate only through FY 2015.
- DSCS that began operation prior to FY 2013-2014 may not exceed 2012-2013 DSCS ADM by more than 20% beginning in FY 2014-2015.
- For FY 2015 DSCS's additional cost limited to \$24.5 million (estimated full cost \$33 million)
- Required repayment of additional assistance funding waived for districts required to convert back by this law



Student Success Funding

- \$21.5 million distributed through a new formula based upon a district or charter school's achievement profile, improvement category and high school graduation number
- Requires monies to be deposited into the Student Success Fund (SSF)
- Requires district report on expenditure of SSF monies by October 15, 2015
- Requires ADE to post information on their website
- Current report on amount that would have to be available this year had the program been funded at \$40 million/ use 54% adjustment (<http://azgovernor.gov/SSF.asp>)



State Funding

- \$8 million for new test aligned with the new Arizona College and Career Ready Standards
- \$1 million for IT Certification Programs
- \$250,000 for a pilot (2 year) K-6 language intervention program



Joint Technical Education Districts (JTED's)

- \$500,000 for performance funding
- \$1,000,000 for soft capital and equipment funding for small JTED's based upon their ADM /GOVERNOR VETO
- Changes the funding for large JTED's from the existing 91% to 95.5%




Committee to Study Broadband Expansion

- Establishes Joint Committee on Broadband Expansion and Education Technology
- 15 member committee composed of 6 legislators, 9 representatives from schools, state government, internet service providers, and parents of a child enrolled in the Free and Reduced Lunch Program in a school district or charter
- Committee cochairpersons selected by Speaker of the House and the President of the Senate
- Report on preliminary findings by December 1, 2014 and final report by December 1, 2015
- (No \$15 per student fee)



General effective date – July 24, 2014,
unless an emergency clause is included

K-12 Education Passed Legislation



HB 2139 – NOW: increased eligibility; empowerment scholarship accounts

- Expands eligibility to a sibling of a current or previous ESA recipient and those eligible to enroll in a program for preschool children with disabilities



HB 2150 – empowerment scholarships; military families

- Exempts children whose parent or guardian is an active duty member of the armed forces or was killed in the line of duty from the need to have been enrolled in a public school the previous year to qualify for an ESA



HB 2328 – STOs; grants; corporate tax credit

- Removes the requirement that a *qualified student* must have any of the following apply:
 - Received a grant or scholarship to attend a qualified school for the 2008-2009 academic year.
 - Attended a public school during at least 90 days of the prior school year.
 - Enrolled in a qualified kindergarten or preschool program.
 - Is a dependent of a member of the military.
 - Qualified under one of the above requirements and continues to attend a qualified school in the subsequent school year.
- Modifies the definition of *qualified student* to include a student who has previously qualified under the statute and continues to attend a qualified school.
- Requires a student who qualifies for an ESA because he is a past STO scholarship recipient, and continues to attend a qualified school, to have attended a public school during at least 90 days of the prior school year.
- Contains a retroactivity clause from and after June 30, 2014



HB 2438 – schools; transporting district conversion (Chapter 61)

- Allows a qualified elector in a school district with less than 100 students enrolled for the past 3 years, and located in a county with less than 15,000 persons, to submit a petition signed by at least 10% of the district's electors to the county superintendent calling an election to convert the district to a transporting district.
- Prohibits school districts with less than 100 students enrolled for the past three years in counties with less than 15,000 persons from adopting a budget that exceeds the revenue control limit by more than 10%, unless the majority of qualified electors approve the budget increase, or a budget in excess of the limitations for small school districts.
- Contains an emergency clause
- Delayed repeal as of December 31, 2024



SB 1102 – school facilities board revisions

- Districts must report to the SFB major repairs, renovations, and replacement of building systems.
- Districts must report school or school buildings that have closed leased or that operate as a charter school
- Requires SFB to adjust the age of significantly upgraded or remodeled buildings
- District must pay for conversion of space and maintenance of administrative space
- Allows for floor bedding instead of cribs for some child care facilities



SB 1182 – school district overrides; bonds; information

- States the purpose statement in an election informational pamphlet for a qualifying override or bond must only present factual information in a neutral manner and that advocacy for the expenditures must be contained within the arguments section of the informational pamphlet.



SB 1237 – empowerment scholarship accounts; revisions

- ADE’s ESA “clean-up” bill:
 - Replaces the requirement for the ADE to provide a copy of an ESA contract to the county school superintendent with a list of students participating in the ESA program.
 - Specifies that kindergarten eligible students must reside within the attendance boundary of a *D* or *F* school to be an ESA *qualified student*.
 - Requires the ADE to contract with an independent third party who determines if a *qualified student* is eligible to receive educational therapies or services.
 - Includes a child identified by the third party as a child with a disability in the definition of *qualified student*.
 - Prohibits ESA monies from being used for educational therapies or services unless the student has been identified as having a disability by the school district or an independent third party contracted with the ADE.
 - Specifies that ESA monies may be used for tutoring or teaching services provided by an individual or facility accredited by a state, regional or national accrediting organization.
 - Allows the ADE to make ESA money transfers on a non-quarterly basis if the ADE determines that another transfer schedule is necessary for the operation of the ESA.
 - Requires parents of an ESA student to use a portion of the ESA monies allocated each quarter to provide an education, unless ESA monies are on a non-quarterly transfer schedule.




SB 1350 – ADE school finance revisions

- Fee waivers for economic hardships
- TEI notification by February 1 rather than March 15
- Prohibits route miles to be reported by more than one district
- Allows supplemental state aid for a decrease in AV due to natural disaster
- Directs ADE to recompute ADM for previous year by August 30 and notify districts and charters by September 15
- Increases flexibility for Grand Canyon Diploma




Vetoed Bills





HB 2316 – schools; local control; student privacy

- Would have prohibited ADE, the State Board of Education, and the Superintendent of Public Instruction from adopting federally mandated educational standards, curricula or instructional approaches
- Would have also made changes to the composition and charge of the Joint Committee on Broadband Expansion and Education Technology
- Governor's veto letter expressed this legislation as being redundant and unnecessary and "could have likely preempted ADE from stipulating that schools teach early reading with a phonics-based emphasis, and from enforcing the requirements of the Structured English Immersion Program."



SB 1048 – tax credits; STOs; preapproval; entities

- Would have allowed S corporations to be eligible for the corporate STO income tax credit.
- Governor's veto letter expressed concern on the financial implications to the state that could increase general fund liability in excess of \$100 million by Fiscal Year 2020, as well as a burden to the Department of Revenue



Classroom Site Fund Prior to FY 2011

Year	Budget Capacity	Total Available	Difference
FY 2002	\$272.42	\$272.15	(\$0.27)
FY 2003	\$239.47	\$239.32	(\$0.15)
FY 2004	\$230.00	\$230.17	\$0.17
FY 2005	\$242.00	\$242.02	\$0.02
FY 2006	\$353.00	\$320.46	(\$32.54)
FY 2007	\$333.00	\$333.06	\$0.06
FY 2008	\$401.00	\$397.29	(\$3.71)
FY 2009	\$390.00	\$259.45	(\$130.55)
FY 2010	\$244.00	\$209.70	(\$34.30)



Classroom Site Fund/ FY 2011 – FY 2015

Year	Budget Capacity	Total Available	Difference
FY 2011	\$120.00	\$194.01	\$74.01
FY 2012	\$120.00	\$242.00	\$122.00
FY 2013	\$227.00	\$257.00	\$30.00
FY 2014	\$310.00	\$310.00	
FY 2015	\$295.00	\$295.00	



Prop 301 Revenues FY 2014/2015

	2014	2015
SFB Debt Service	\$56.2 million	\$64.1 million
Universities, Community Colleges and Tribal Assistance	\$81.7 million	\$85.3 million
Additional School Days	\$86.3 million	\$86.3 million
School Safety Character Education, Accountability Measures, SAIS, Failing Schools Tutoring Fund	\$16.5 million	\$16.5 million
Income Tax Credit for Sales Tax Paid	\$25.0 million	25.0 million
Total	\$267.5 million	\$277.2 million

Remainder goes to Class Room Site Fund



Budget Limit – Classroom Site Fund

- **FY 2015**

- Allocation from ARS 15-979 (per weighted student) \$ per weighted student
- Unexpended budget balance from FY 2014
- The net interest earned during FY 2014



Per Pupil K-12 System Finance Amounts

School Year	Arizona	Rank*	U.S. Average	AZ as % of Average
1991-92	\$4931	Rank 34	\$5621	87.7%
1996-97	\$5411	Rank 40	\$6741	80.3%
2001-02	\$7168	Rank 42	\$8900	80.5%
2006-07	\$8955	Rank 45	\$11,496	77.9%
2010-11	\$8806	Rank 47	\$12,411	70.9%

* Based upon fifty states. Source: U.S. Census Bureau, Public Education Finances