



Governmental Relations

Highlights

- Includes \$165M pre-appropriated in FY19 for an additional 5% teacher pay raise
- Appropriates \$15M in FY20 to the School Safety Program and expands grant eligibility to include school counselors and school social workers.
- Appropriates \$136M in FY20 to restore cuts to District Additional Assistance
- Appropriates \$30M in FY20 to increase Results Based Funding
- Requires the School Facilities Board to fund new school construction based on enrollment projections indicating that additional space will be needed within the next two school years, rather than during the current school year.

Formula Adjustments

- Establishes the Base Level for FY20 as \$4,150.43 per weighted student count, an increase of \$190.36, accounting for a 2% inflation adjustment and an additional \$164.7M increase for teacher salary appropriated in last year's budget.
- Increases the Transportation Support Level by 2% to account for inflation as required by Proposition 301.
- Sets the qualifying tax rate (QTR) for tax year 2019 to conform with truth in taxation requirements.
- Eliminates the K-12 Rollover in FY22 for schools with an ADM lower than 1,350

School Facilities Board

- Appropriates \$16M in FY20, \$16.8M in FY21, and \$32.1M in FY22 for new school construction
- Appropriates \$62.8M in FY20 for Final New School Construction Approvals
- Appropriates \$62.8M in FY20 to the Building Renewal Fund (total of \$79.5M available for FY20)
- Appropriates \$25M in supplemental funding for FY19 building renewal grants
- Requires the School Facilities Board (SFB) to fund new school construction based on enrollment projections indicating that additional space will be needed within the next two school years, rather than during the current school year.
- Allows SFB to decline a portion of the funding if a portion of the square footage is no longer needed due to revised enrollment projections.

District Additional Assistance

- Restores an additional \$136M in district and charter additional assistance in FY20. This comprises both the scheduled FY20 and FY21 restorations in a single year.

School Safety

- Appropriates \$15M in FY20 to the School Safety Program
- Allows grants received through the School Safety Program to be used for hiring school counselors and school social workers, in addition to school resource officers and juvenile probation officers.

- Returns school safety program grants to a one fiscal year cycle, as opposed to a three fiscal-year cycle.
- Outlines the requirements for a “school guidance and counseling program plan” to be submitted to ADE for funding.
- Defines “school counselor” as a professional educator who holds a valid school counselor certificate issued by ADE.
- Defines “school social worker” as a professional educator who holds a valid school social worker certificate issued by ADE.

Charter Schools

- Increases charter additional assistance to \$1,843.14 per student count for preschool students with disabilities and grades K-8.
- Increases charter additional assistance to \$2,148.15 per student count for students in grades 9-12.
- Accounts for inflation and charter share of additional assistance restoration
- Appropriates \$392K in FY20 for additional employees at the State Board for Charter Schools

Results Based Funding

- Appropriates an additional \$30M in FY20 to Results Based Funding
- Specifies that the majority of results-based funding shall be used at the school that earned the results, and adds school leader salaries, classroom supplies, and “strategies to sustain outcomes” to the allowable uses.
- Limits the use of results-based funds for other locations to mentoring teachers from other sites to replicate effective models of instruction or other strategies to improve academic outcomes, or “physically expanding” the funding model.
- Specifies that a school that did not earn results-based funding on its own may not receive support for more than three years, regardless of improvement shown.
- Establishes a reporting requirement for schools that receive dollars generated by results-based funding, including how the dollars were allocated and how many years funding has been received.
 - Requires ADE to compile a report for the Governor’s office and the Legislature.
- Allocates Results Based Funding to schools as follows
 - For districts and charter schools with fewer than 60% of students eligible for free or reduced-price lunch and a school in which the students scored in the top 13% statewide on the AZMerit exam, \$225 per student count is awarded
 - For districts and charter schools with greater than 60% of students eligible for free or reduced-price lunch and a school in which students scored in the top 13% statewide on the AZMerit exam, \$400 per student count is awarded
 - For districts and charter schools with greater than 60% of students eligible for free or reduced-price lunch and a school in which students scored in the top 27% but not in the top 13% statewide on the AZMerit exam, \$225 per student count is awarded
 - An alternative high school that is subject to a specialized rating system and was assigned the equivalent of an “A” letter grade in 2014 shall receive \$400 per student count

College Credit by Examination Incentive Program

- Requires payments made by ADE as part of the College Credit by Examination Incentive Program to be distributed no later than March 1 of each year.
- Allows school districts and charter schools to appeal the allocation of bonus monies no later than August 1 of each year.
- Allows ADE to withhold up to \$10,000 of the funds appropriated for the program to address allocation appeals by school districts and charter schools.

CTE Incentive Program

- Appropriates \$5M in FY21 and FY22 for the CTE Incentive Program
- Establishes the Arizona Industry Credentials Incentive Program (“Program”) within ADE to provide incentive awards to school districts, charter schools, and CTE districts for high school graduates who obtain an industry-accepted certification, credential, or license through a CTE course or program.
- Requires the Office of Economic Opportunity to annually provide a list to ADE that identifies the top occupations in each industry that address a critical statewide, regional, or local economic need.
- Requires ADE to annually convene a Quality Skills Commission of individuals from the Office of Economic Opportunity, ADE, the Arizona Commerce Authority, school districts, charter schools, CTE districts, industry partners and business organizations. The Commission will review CTE credentials and licenses that would qualify for the Program
- Requires ADE, on or before March 1 of each year, to publish the list of which certificates, credentials, and licenses would qualify for the Program in the subsequent school year.
- Establishes an incentive award, beginning in FY21, of \$1,000 to school districts, charter schools, and CTE districts for each student who completed all HS graduation requirements in the prior school year and completes a program resulting in a qualifying certificate, credential, or license from the CTE Credentials List for the current school year.
- Specifies that if the amount appropriated statewide exceeds the amount of available funds, each award will be reduced proportionally to cover all eligible incentive awardees.
- Specifies that a student may only generate one incentive award, even if the student earns more than one qualifying credential.
- Specifies that if a student received qualifying coursework at more than one school district, charter school, or CTE district, the award will be allocated on a pro rata basis as determined by ADE.
- Requires a school district, charter school, or CTE district that receives an incentive award to use the funds for any of the following:
 - Instructional costs and professional development for a CTE program teacher to become a certifying professional for an approved certificate, credential, or license
 - To offset the student’s cost of certification, credentialing, or licensure
 - For costs related to creating or expanding an approved site of a certificate, credential, or license CTE program or course
 - For instructional hardware, software or supplies required for the certificate, credential, or licensure
 - For career exploration and awareness activities for parents, students, and the community for the approved sectors
- Requires any incentive award monies to be separately accounted for in annual financial reports.

- Establishes annual reporting requirements for ADE on the number and type of credentials earned and awards appropriated.

Juvenile Detention Center Education Programs

- Appropriates \$700K in FY20 for county juvenile detention center education programs
- Increases the base amount to support county juvenile detention center education programs from \$20,000 to \$100,000 beginning in FY20.
- Beginning in FY21, this base amount will be annually adjusted for inflation
- Increases the variable amount for juvenile detention education programs from \$15 to \$25 per day beginning in FY20.

Property Taxes

- Sets the amount of additional state aid for homeowners at 47.19% of the primary property tax rate for education, not to exceed \$600 to conform with current practice.
- Requires the state equalization tax rate for a given county to be set at the lesser of the statutory rate or the rate required to generate the amount not already funded by district property taxes (QTR)

High Quality Teacher Pilot Program

- Appropriates \$400K in FY20, FY21, and FY22 for the High Quality Teacher Pilot Program to support certified teachers in gaining additional credentials in high-need content areas.
- Allows ADE to retain up to 3% of funds appropriated for administrative costs.
- Specifies the Program ends on July 1, 2023

Community Schools Pilot Program

- Appropriates \$765K in FY20 for the Community Schools Pilot Program
- Establishes a three-year Arizona community schools pilot program within ADE to assist public elementary and middle schools and developing and implementing community school plans.
- Requires ADE to select three schools with at least 400 students each, one of which must be an elementary school, to participate in the pilot program
- Directs ADE to award three-year grants to eligible schools which may not exceed \$60,000 each academic year to pay the salary and benefits of a full-time community school coordinator and \$25,000 each academic year to develop and implement a community school plan.
- Allows a grant awarded to be extended by an additional year by the Governor with an application submitted from a school.

Misc.

- Requires money for the American Civics Education Fund to be continuously appropriated, rather than subject to legislative appropriation.
- Appropriates \$15M in FY20 to the Arizona Board of Regents for the Teacher's Academy
- Appropriates \$50K in FY20 for Mingus Unified School District consolidation costs
- Appropriates \$800K in FY20 for Yuma Elementary School District Construction.

- Allows Blue Elementary School District and Duncan Unified School District to spend excess state equalization property tax revenues on capital items in FY20.