

Arizona

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FUNDING PRIORITIES FOR P-12 AND/OR HIGHER EDUCATION

Since 2009, Arizona has cut \$4.6 billion dollars in total school funding including, \$2 billion in district additional assistance (DAA)/charter additional assistance (CAA).¹ The impact of the SARS-CoV-2 (COVID-19) pandemic added pressure to the already strained Arizona budget. Governor Doug Ducey seized an opportunity to allocate Federal Coronavirus Aid, Relief and Economic Security (CARES) Act funding through a myriad of Governor's Emergency Education Relief Fund grants with restrictions on mask mandates, and online instruction; discussed in greater detail below. As of October 2021 the United States Treasury Department warned Governor Ducey, Arizona could lose funds for imposing regulation that undermines evidence-based practices to stop the spread of COVID-19.² The current legislative session also provided many items to consider with respect to Arizona's school finance outlook.

CHANGES TO FUNDING FORMULA FOR P-12³ AND/OR HIGHER EDUCATION⁴

Arizona's 55th Legislature, 1st Regular Session, adjourned Sine Die Jun3 30th, 2021. The FY 2022 omnibus K-12 education budget reconciliation bill (i.e., House Bill (HB) 2898) includes a base level student support increase from \$4,305.73 to \$4,390.65, a total increase of 1.97%. There were also increases of multiplier weights for students with severe intellectual (dis)abilities from 5.833 to 5.988, and students with speech/language and other health "impairments," from 0.003 to 0.093. A new multiplier of 0.007 was added to the state formula for gifted and talented students who score at or above the 97% percentile of the national achievement test adopted by the Arizona State Board of Education. Arizona approved a reduction of the state equalization assistance property tax rate from \$0.4426 to \$0.4263. This measure reduces local tax levy funding generation. Finally, the bill includes provision 15-717.02 that prohibits content

1. Arizona School Board Association, "Arizona unrestored budget cuts," accessed October 31st, 2021, <https://azsba.org/resources/arizonas-unrestored-budget-cuts/>.

2. New York Times, "Arizona Could Lose Relief Funds for Undermining School Mask Mandates," accessed October 31st, 2021, <https://www.nytimes.com/2021/10/05/us/politics/arizona-relief-funds-mask-mandates.html>.

3. H.B. 2898 - Arizona 55th Legislature, 1st Regular Session (2021), accessed October 31st, 2021, <https://www.azleg.gov/legtext/55leg/1R/laws/0404.pdf>

4. H.B. 2897 - Arizona 55th Legislature, 1st Regular Session (2021), accessed October 31st, 2021, <https://www.azleg.gov/legtext/55leg/1R/bills/HB2897H.pdf>.

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and instruction which the state feels could blame individuals based on race, ethnicity or sex. This provision stipulates Arizona would take disciplinary action against an educator including suspension or revocation of certification.

The Legislature also passed its FY 2022 omnibus higher education budget reconciliation bill HB 2897. The legislation includes recurring allocations for Arizona State University, \$11,927,400, the University of Arizona, \$10,551,700, and Northern Arizona University, \$4,520,900. The reconciliation bill includes provisions to institutionalize and support the Arizona Promise Program (APP), a tuition and fees grant program that supports students from low-income families. The Arizona Board of Regents (ABOR) appropriated approximately \$7.5 million dollars to support APP⁵.

PRESSING STATE ISSUES AFFECTING P-12 AND/OR HIGHER EDUCATION FUNDING

Doug Ducey's personal Gubernatorial agenda seems the most pressing issue in Arizona school finance. The Federal CARES act allocated a total of \$850 million in one-time new funding to Arizona for education. As part of the emergency relief funding, \$270 million was allocated through the AZCares plan, \$200 million for enrollment stability grants and \$69 million in Governor's Emergency Education Relief Fund grants.⁶ As part of the FY 2022 budget Governor Ducey also proposed \$163 million in grant funding allocations through the Education Plus Up Grant⁷ program including \$26.5 million to support summer learning⁸.

The proposed state budget of \$12,373,238,574 earmarks \$12,218,090,280 in ongoing spending⁹. The Governors total General Fund allocations for K-12 include \$195.3 million in baseline funding, and \$21.3 million in FY 2022 initiatives¹⁰. There is also funding allocated to the Department of Education including \$85.2 million for inflationary adjustments, and \$87.7 million to fund enrollment growth.

5. Arizona Board of Regents, "A promise to Arizona: Report focuses on board's promise to Arizona during global pandemic, improving educational outcomes and state's future," accessed October 31st, 2021, <https://www.azregents.edu/news-releases/promise-arizona-report-focuses-board's-promise-arizona-during-global-pandemic>.

6. Office of the Governor Doug Ducey, "AZCares Flexibility And Funding For Schools and Families," accessed October 31st, 2021, https://azgov-governor.gov/sites/default/files/flexibility_and_funding_for_schools.pdf

7. Arizona Together, "Education Plus-Up (EPU) Grant Program," accessed October 31st, 2021, <https://arizonatogether.org/educationplusup/>.

8. Office of the Governor Doug Ducey, "Governor Ducey Announces Nearly \$27 Million to Support K-12 Students," accessed October 31st, 2021, <https://azgovernor.gov/governor/news/2021/04/governor-ducey-announces-nearly-27-million-support-k-12-students>.

9. State of Arizona Executive Budget Recommendations-Governor Doug Ducey, accessed October 31st, 2021 <https://www.azospb.gov/Documents/2021/FY%202022%20Summary%20Book.pdf>.

10. Id.

The Governor's proposed budget also includes funding to support higher education as well. In total \$3,777,780,100 is allocated to Arizona State University, \$1,728,088,200 for the University of Arizona's main campus, and \$ 681,466,600 for Northern Arizona University. This includes \$35 million in FY 2022 initiative funding for workforce development, and \$115 million in funding related to the novel Coronavirus. Additionally, Arizona's Community Colleges total allocation is \$1.4 million reduced by \$1.2 million from FY 2021's allocation of \$2.6 million.

EXCLUSIVE TO P-12: WHAT ARE THE ALTERNATIVES TO TRADITIONAL PUBLIC SCHOOL OFFERED BY YOUR STATE? WHAT DOES THE TREND IN FUNDING LOOK LIKE FOR THESE ALTERNATIVES?

The equalization assistance for charter additional assistance increased from \$1,875.21 to \$1,897.90 per-pupil for students in early childhood special education programs and students in K-8. For students in grades 9-12 charter additional assistance increased from \$2,185.53 to \$2,211.97 per-pupil¹¹.

TOTAL DOLLAR AMOUNT ARIZONA'S PER PUPIL EXPENDITURE (EXCLUDING LOCAL AND FEDERAL FUNDING)

\$9,341 (2020)¹²

ALLOCATION OF STATE DOLLARS AND PERCENT OF THE STATE BUDGET FOR P-12 AND HE

Total executive budget FY 2022 new spending: \$872.5 million¹³

K-12 revenue: \$195.3 million in baseline adjusted funding, and \$21.3 million for new education initiatives. This reflects 24.82% total executive budget general fund spending.

Higher Education revenue: \$35.5 million in university initiative funding; \$1.4 million in community college initiative funding. This reflects 4.23% total executive budget general fund spending.

11. Id.

12. "Research and Publications," National Education Association, <https://www.nea.org/research-publications>.

13. State of Arizona Executive Budget Recommendations-Governor Doug Ducey, accessed October 31st, 2021 <https://www.azospb.gov/Documents/2021/FY%202022%20Summary%20Book.pdf>.