Arizona Education Association

House and Senate Republicans Proposed K-12 Education Funding Cuts for FY2010 budget (2009-2010 school year)
FY2010 runs July 1, 2009 - June 30, 2010

Proposed K-12 Budget Cuts	Republican Budget Proposal (4/28/09 version)
School district excess cash balances *???: Need to find out what this means for school districts.*	**$300 million cut**
Lump Sum Reduction to Basic State Aid	**$175 million cut** Reduction of about 3.5% to the base level.
No 2% inflation to base level Prop 301 requires a 2% inflation factor for the base level and transportation formula. This proposal only gives the 2% inflation amount to the transportation formula ($8M) and fails to fund the inflationary increase to the base level ($102M).	**$102 million cut**
No expenditure above the Constitutional Aggregate Expenditure Limit Reduces the state funding formula for FY2010 by an amount equal to the amount that school districts are above the limit for this school year.	**$98.1 million cut** Continuation of '09 cut.
ADM reform Cap Average Daily Membership (ADM) at 1.0	**$12 million cut**
Phase out Career Ladder Program This is a loss of funding to districts with the Career Ladder Program.	**$3.87 million cut** Phase out the program over 11 years and prohibit new teachers from participating. Reduce the program funding by 0.5% for each year.
Suspend Soft Capital Soft capital is used for short-term capital items that are required to meet academic adequacy standards such as technology, textbooks, library resources, instructional aids, school buses, furniture and equipment. Consists of a "base level" (currently $225-$272 depending on the school district size) multiplied by the student count.	**$21 million cut** Continuation of '09 cut.
Moratorium on new school construction No new school construction or funding for classroom space for full-day kindergarten programs.	**No funding**
No Building Renewal Funding This is money given to school districts to maintain buildings.	**$230.4 million cut** The amount the formula generates if it were fully funded for FY2010.
Truth-In-Taxation & SEI Savings *???: Need to find out what this means for school districts.*	**$50 million**
Hard cap on desegregation expenditures This affects the 19 school districts that levy for desegregation purposes.	**$797,900 cut** Cap deseg budgets at the prior year level and prohibit districts from increasing deseg expenditures due to enrollment growth and inflation.
Eliminate early kindergarten No state funding for kindergarten students who are not 5 years old by September 1.	**$11.2 million cut**

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Eliminate early graduation scholarship program This program currently provides scholarships for students who graduate early from high school.	**$4.68 million cut** Suspend the program.
Arizona School for the Deaf and Blind Lump sum reduction to ASDB's basic state aid.	**$1.86 million cut**
Reduce gifted education funding Rollback the increased per pupil funding for gifted education to the FY06 level which is only $44 per student.	**$2 million cut** Continuation of '09 cut.
Eliminate the extended year program for Vocational Education This reduces funding to JTEDs and their member districts for extended year or summer school programs.	**$600,000 cut** Continuation of '09 cut
Reduce the basic state aid formula for the Technology Assisted Project Based Instruction (TAPBI) Program	**$10 million cut** Fund TAPBI at 80%.
Continue cap on JTEDs at 91% of formula amount	**$75 million cut** Freeze JTED funding at FY09 level.
Eliminates funding for the math, science and special education student loan forgiveness program	**$2 million cut**
Repeal of the Math or Science Initiative Program This program is a grant program for school districts that offers supplemental funding for innovative math or science programs.	**$2.5 million cut**
Reduction to the Arizona Department of Education's budget	**$3.8 million cut** Lump sum suspension/reduction **$692,400 cut** Reduction to ADE personnel
K-12 rollover The current rollover is $600 million.	**$330.9 million** This proposal rolls over June's payment, but not the current half of May.
No homeowners' rebate Eliminate the homeowner's rebate for school districts' Career Ladder, Desegregation and TRCL budgets. This option disqualifies these programs from the homeowner's rebate funding, which requires districts to either cut the program costs or raise the local property taxes.	**$48.3 million**
QTR (Qualifying Tax Rate) Truth in Taxation would otherwise require the QTR to be $2.75 in FY10 and $2.85 (estimated) in FY11.	**Senate: State savings of $23 million** Set the QTR at $2.80 for both FY10 and FY11. **House: State savings of $85 million** Freezes QTR at current level.
Permanent repeal of the school tax (state equalization property tax)	**$250 million loss to the general fund**

Though not explicitly in this proposal, many House and Senate Republicans favor repealing the current excess utilities funding solution created by the original FY09 budget deal. This would eliminate the $81 million in the new funding formula for utility costs which was the replacement funding for districts with excess utilities. Visit www.arizonaea.org for more information.