

**Appropriation Chairmen's Proposed K-12 Budget Cuts**  
**(Senator Russell Pearce & Representative John Kavanagh)**  
Released: January 16, 2009

**Potential Education Funding Cuts for FY2010 budget (2009-2010 school year)**  
**FY2010 runs July 1, 2009 - June 30, 2010**

Go to: <http://www.azleg.gov/jlbc/10chairmenoptions/79.pdf> to view specific details for the options listed below.

<p><b>Lump Sum Reduction to Basic State Aid</b>  To all school districts and charter schools. This is a reduction of approximately \$205 per student.</p>	<b>\$220 million</b>
<p><b>No 2% inflation to base level</b>  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 and fails to fund the inflationary increase to the base level.</p>	<b>\$102 million</b>
<p><b>No expenditure above the Constitutional Aggregate Expenditure Limit</b>  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.</p>	<b>\$98.1 million</b>
<p><b>Phase out Career Ladder Program</b>  Reduce this program by about 12% per year from FY2010 through FY2017. (The premise is that the program will cease to exist after 8 years due to teacher attrition.)</p>	<b>\$5.3 million</b> This is a loss of funding to districts with the Career Ladder Program.
<p><b>Phase out Teacher Experience Index (TEI)</b>  Propose to phase this funding out over 8 years beginning in FY2010.  TEI is funding given to districts whose teachers have more years of experience than the statewide average.</p>	<b>\$7.3 million</b>
<p><b>Eliminate Full-Day Kindergarten</b>  Eliminate the Group B weight for kindergarten programs.</p>	<b>\$218.3 million</b>
<p><b>Suspend Soft Capital</b>  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.</p>	<b>\$218.9 million</b> (School districts will receive no soft capital allocation for the 2009-10 school year)
<p><b>Moratorium on new school construction</b>  No new school construction or funding for classroom space for full-day kindergarten programs.</p>	<i>Unknown at this time</i> (The SFB is currently calculating this amount.)
<p><b>No Building Renewal Funding</b>  This is money given to school districts to maintain buildings.</p>	<b>\$230.4 million</b> The amount the formula generates if it were fully funded for FY2010.
<p><b>Reduce funding to school districts with above average administrative costs</b>  (per the Auditor General's Prop 301 expenditures report)</p>	<b>\$39.5 million</b> Reduce state aid funding for school districts with above 9.5% administrative costs.
<p><b>No excess utilities funding</b>  This eliminates the new funding formula for utility costs which was the replacement funding for districts with excess utilities.</p>	<b>\$81 million</b>

See next page? ? ?

<p><b>Hard cap on desegregation expenditures</b> This affects the 19 school districts that levy for desegregation purposes. These districts will no longer be able to increase deseg expenditures due to enrollment growth and inflation.</p>	<p><b>\$6.2 million</b></p>
<p><b>Eliminate early kindergarten</b> No state funding for kindergarten students who are not 5 years old by September 1.</p>	<p><b>\$11.2 million</b></p>
<p><b>Reduce gifted education funding</b> Rollback the increased per pupil funding for gifted education to the FY06 level which is only \$44 per student.</p>	<p><b>\$2 million</b></p>
<p><b>Eliminate early graduation scholarship program</b> This program currently provides scholarships for students who graduate early from high school.</p>	<p><b>\$4.68 million</b></p>
<p><b>Eliminate the extended year program for Vocational Education</b> This reduces funding to JTEDs and their member districts for extended year or summer school programs.</p>	<p><b>\$600,000</b></p>
<p><b>Fund Technology Assisted Project Based Instruction (TAPBI) Program at 85%</b></p>	<p><b>\$1.59 million</b> This is a reduction in the basic state aid formula for the TAPBI Program.</p>
<p><b>Continue cap on JTEDs at 91% of formula amount</b></p>	<p><b>\$75 million</b></p>
<p><b>Eliminates funding for the math, science and special education student loan forgiveness program</b></p>	<p><b>\$2 million</b></p>
<p><b>Repeal of the Math or Science Initiative Program</b> This program is a grant program for school districts that offers supplemental funding for innovative math or science programs.</p>	<p><b>\$2.5 million</b></p>
<p><b>Reduction to the Arizona Department of Education's budget</b></p>	<p><b>\$11.4 million</b> 15% lump sum reduction <b>\$1.19 million</b> 10% reduction to ADE personnel</p>
<p><b>K-12 rollover</b> The current rollover is \$600 million. This proposal rolls over June's payment, but not the current half of May.</p>	<p><b>\$330.9 million</b></p>
<p><b>No homeowners' rebate</b> 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.</p>	<p><b>\$48.3 million</b></p>