



Children's Action Alliance

A Voice for Arizona's Children since 1988

WHAT'S IN THE FY 2018 BUDGET?

The legislature has passed the budget for next fiscal year. This budget leaves public schools without a robust and stable teaching workforce, without updated textbooks and technology, and without safe and functional facilities. The total General Fund appropriation is \$800 million below the FY 08 budget. Here are the highlights. (All amounts are General Fund unless otherwise noted):

	CHANGE OVER CURRENT YEAR
K-12 EDUCATION	
• Teacher Salary Increase – 1.06% for FY 18 with an additional 1.06% (“intended”) in FY 19. Teachers must have taught in an Arizona public school district or charter school in FY 17 to receive the salary increase in FY 18. Because the funding is not ongoing, school districts and charters will probably use this for one-time bonuses.	\$34.0 million
• Results-Based Funding – Additional funding for the highest-performing schools. Two-thirds of the funding goes to high-income schools.	\$37.6 million
• Early Literacy – Provides grants to districts and charters with 90% or more students qualifying for free and reduced lunch.	\$8.0 million
• “Current Year Funding” reductions – School districts with declining enrollments will have their funding cut in the year in which the decline occurs, not the following year.	-\$31.0 million
• Maintain Department of Education’s information technology system	\$7.3 million
• Building Renewal Grants – Includes ongoing funding of \$17 million plus one-time funding of \$17.2 million, which is a net increase of \$2.2 million over the current year.	\$2.2 million
• New Schools Construction – Provides funding for 6 new schools or expansions in Chandler (3), Vail (2) and Queen Creek (1) districts.	\$62.9 million \$38.0 million in FY 19
• Broadband Expansion - Expands internet access to rural schools by providing state match for federal E-rate funding.	\$3.0 million Other funds
CHILD SAFETY	
• Family Stipend Expansion (Grandparent Stipend) – Extends what had previously been the Grandparents Stipend to other family members as well as fictive kin (close friends). These families receive \$75 per month per child for children in unlicensed foster care.	\$1.0 million

	CHANGE OVER CURRENT YEAR
• Adoption Caseload Growth	\$2.0 million
• CHILDS Replacement - Continues replacement of the department's database system.	\$5.0 million General Fund \$6.1 million other funds
• Trauma Informed Care Training – Training will be required but the costs are to be absorbed by the agency	--

ECONOMIC SECURITY

• Prop 206 minimum wage increase. DES will also receive \$8.1 million for a FY 17 supplemental.	\$23.3 million
• Prop 206 one-time rate adjustment for developmental disabilities contract providers.	\$10.0 million
• Early Intervention Program – for increased referrals and utilization.	\$2.0 million
• Adult Protective Services staff and services including \$700,000 for Area Agencies on Aging	\$2.7 million Health Lottery Fund
• Allows an extension of the lifetime limit for TANF cash assistance up to 24 months when a parent has a perfect record of following job search rules and their children are attending school 90% of the time.	No funds appropriated
• Finger Imaging requirement eliminated.	\$392,000 General Fund savings plus other savings

AHCCCS

• Addition of Adult Occupational Therapy Services	\$0.1 million
• Adds coverage for emergency dental costs for adults enrolled in AHCCCS	\$1.5 million Other funds
• Prop 206 minimum wage provider rate increase	\$9.7 million
• Adds provision that KidsCare enrollment will be frozen if federal match falls below 100%.	--

JUVENILE CORRECTIONS

• Reduces appropriation due to declining population	-\$5.0 million
• Continues \$8 million to counties to offset the \$11.3 million charged to the counties for operation of DJC, for a net cost to the counties of \$3.3 million.	--

**CHANGE OVER
CURRENT YEAR**

UNIVERSITIES

- University Infrastructure Funding (bonding) - Appropriates \$27 million per year beginning in FY 19 through FY 2043, with annual inflationary adjustments. Universities must match this funding to issue bonds to support new facilities. \$27 million Beginning in FY 19.

CORRECTIONS

- Annualize operating costs for 1,000 beds that came online in FY 17 \$3.1 million \$4.0 million Other funds
- Additional staff for Maricopa Reentry Center \$0.5 million
- Increased health care costs for inmates \$1.5 million
- Increased costs for Correctional Officers Retirement System \$8.4 million

TRANSPORTATION

- Restores local HURF money used for local road maintenance and repair \$30.0 million HELP Fund