



Children's Action Alliance

A Voice for Arizona's Children since 1988

WHAT'S IN THE PROPOSED BUDGET?

The House and Senate have introduced the bills for next year's budget. This budget leaves public schools without a robust and stable teaching workforce, without updated textbooks and technology, and without safe and functional facilities. In total, General Fund spending in FY 2018 would be \$207.9 million above the current level. Here are the highlights. (All amounts are General Fund unless otherwise noted):

	CHANGE OVER CURRENT YEAR
K-12 Education	
• Teacher Salary Increase – 1% for FY 18 with an additional 1% 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.	\$34.0 million
• Results-Based Funding – Additional funding for the highest-performing schools	\$37.6 million
• Early Literacy – To provide 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
• Empowerment Scholarships – increased costs for additional students entering the program	\$0.8 million
• Maintain Department of Education's information technology system	\$7.3 million
• Building Renewal Grants – In addition to an ongoing \$17 million appropriation, the FY 17 budget included an additional one-time increase of \$15 million. The additional funding is being increased to \$17.2 million, for a net increase of \$2.2 million.	\$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
CHILD SAFETY	
• Family Stipend Expansion – 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
• Adoption Caseload Growth	\$2.0 million
• CHILDS Replacement	\$5.0 million General Fund \$6.1 million other funds

**CHANGE OVER
CURRENT YEAR**

ECONOMIC SECURITY

- Prop 206 minimum wage increase. DES will also receive \$8.1 million for a FY 17 supplemental. \$23.3 million
Plus additional
\$10.0 million for
1/1/18 increase
- 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
- No change to the TANF cash assistance program – time limit remains at 12 months. --
- Finger Imaging requirement and costs remain (\$392,000)

AHCCCS

- Addition of Adult Occupational Therapy Services \$0.1 million
- Cover 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

- Reduce 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. --

UNIVERSITIES

- University Infrastructure Funding (bonding). The original proposal was to use sales taxes paid by the universities for the bonding; the current proposal is to pay for the bonding from the General Fund. The legislation appropriates \$27 million per year beginning in FY 19 through FY 2043, with annual inflationary adjustments. \$27 million
Beginning in
FY 19.
- Requires universities to create an Arizona Teacher Academy which will waive tuition and fees for students who agree to teach in Arizona public schools for at least the number of years they received free tuition. Universities are expected to use current resources to operate the academy. -0-

**CHANGE OVER
CURRENT YEAR**

CORRECTIONS

- Annualize 1,000 beds that came online in FY 17
\$3.1 million
\$4.0 million
Other funds
- Add additional staff to 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

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

5/3/17