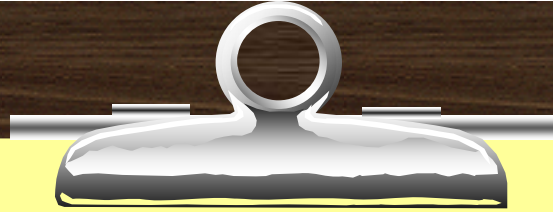


Review of Legislative Budget Reductions

Scott Little, Chief Financial Officer

April 12, 2011



Senate Bill 1612 (Sec. 124)

Reduces school district and charter school equalization assistance and budgets for FY 2011 by the estimated \$101 million difference between the amount previously appropriated for equalization assistance and the amount currently needed (one time reduction, to be offset by Education Jobs funding which totals \$206 million).

Statewide Impact: \$101 million in the current fiscal year

District Impact (estimated): \$1,508,080 in the current fiscal year



Senate Bill 1612 (Sec. 91)

Appropriates \$2,667,900 for building renewal grants (same amount as in FY 2011).

Statewide Impact: \$241,593,600 million in fiscal year 2011-2012

District Impact (estimated): \$2,180,897 in fiscal year 2011-2012



Senate Bill 1612 (Sec. 125)

Reduces equalization assistance and budget limit for CORL by \$35 million (to be offset by Education Jobs funding). Does not apply to districts that do not receive equalization assistance.

Statewide Impact: \$35 million in fiscal year 2011-2012

District Impact (estimated): \$522,602 in fiscal year 2011-2012



Senate Bill 1612 (Sec. 133)

Rolls \$952,627,700 in equalization from FY 2012 into FY 2013 (same amount was rolled from FY 2011 into FY 2012).

Statewide Impact: \$0 million in fiscal year 2011-2012

District Impact (estimated): \$0 in fiscal year 2011-2012



Senate Bill 1617 (Sec. 23)

Reduces soft capital for FY 2012 by the amount needed to reduce equalization assistance by \$188,120,700 (additional \$23 million reduction over FY 2011 reduction, leaving approximately \$25 million).

Statewide Impact: \$188,120,700 in fiscal year 2011-2012

District Impact (estimated): \$2,601,170 in fiscal year 2011-2012.

Increased from \$2,283,111 in the current year. Leaves \$514,180 for next year

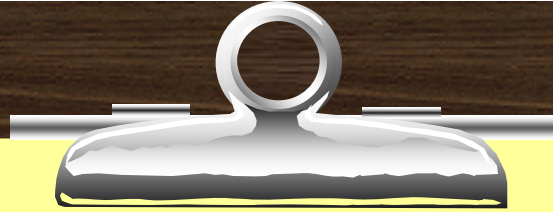


Senate Bill 1617 (Sec. 14 & 32)

Phases out Career Ladder and Optional Performance Incentive Programs by reducing the percentage base level increase from 5% to 4% (and continues the phase down over the next 4 years); repeals these programs on 7/1/15; freezes the QTR increase for career ladder districts at \$0.10 (P-8 and 9-12) or \$0.20 (P-12) for FY 2012 and 2013, and for FY 2014 and 2015, at \$0.10 and \$0.20 or the amount needed to fund the program, whichever is less.

Statewide Impact: \$14.5 million in fiscal year 2011-2012

District Impact (estimated): \$804,329 in fiscal year 2011-2012. Total loss of program is \$3,254,109.

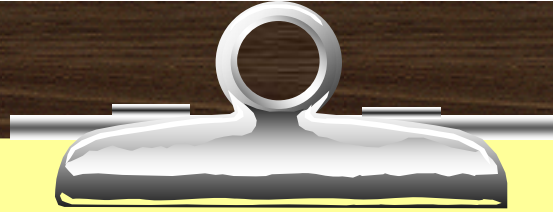


Senate Bill 1617 (Sec. 28)

Reduces Capital Outlay Revenue Limit (CORL) for FY 2012 by the amount needed to reduce equalization assistance by \$63,864,888.

Statewide Impact: \$63,864,888 in fiscal year 2011-2012

District Impact (estimated): \$954,125. Total reductions to CORL of \$1,476,727 in fiscal year 2011-2012



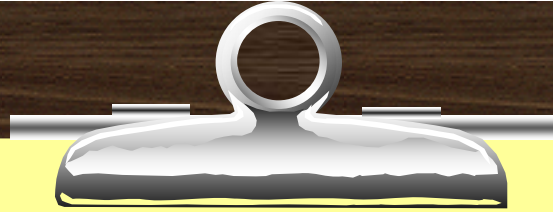
Senate Bill 1614 (Sec. 1, 2 & 6)

Effective 7/1/11, changes contributions to the Arizona State Retirement System to require employees to pay 53% of contributions and employers to pay 47% (instead of current equal contributions from employee and employers).

Reduces equalization assistance and all school district budget limits for FY 2012 by the amount of the reduction in employer contributions.

Statewide Impact: Unknown in fiscal year 2011-2012

District Impact (estimated): Reduction in employee take home pay by \$507,000. Loss of budget capacity \$412,284



Senate Bill 1617 (Sec. 7)

Prohibits JTEDs from including ninth grade students in their average daily membership (ADM), and prohibits any JTED monies from being spent on ninth grade students.

Statewide Impact: \$29.8 million 2011-2012

District Impact (estimated): \$593,946