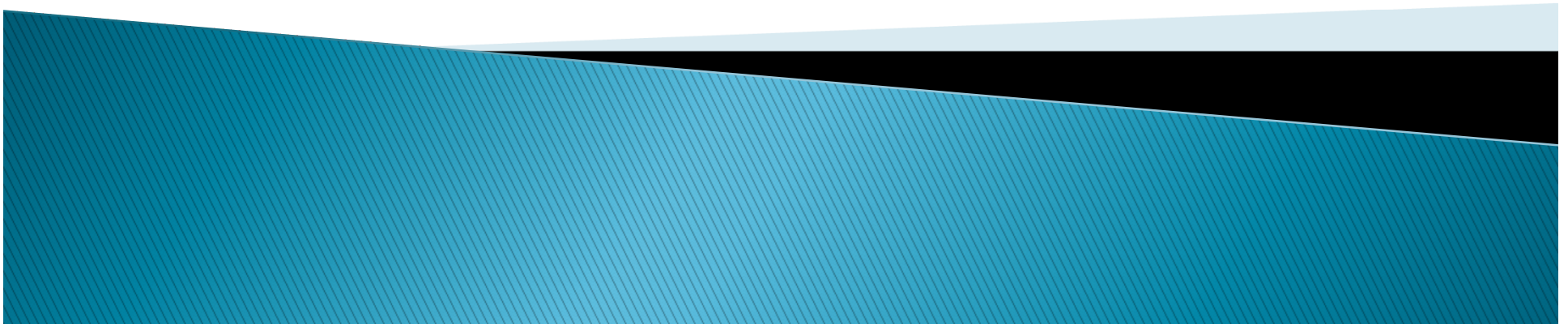




Understanding the Budget Limit Formulas

4-9-2019



The Maintenance and Operations Budget limit is based on a number of formulas which are heavily dependent upon the Average Daily Membership (ADM) (A.R.S. §15-901).

School districts are funded on current year ADM. ADM means the average enrollment of fractional students and full-time students, minus withdrawals (A.R.S. §15-901).



Oversimplification of the Base Support Level

Weighted Student Count (WSC) times the Base Level Amount (BLA) times the Teacher Experience Index (TEI) equals the Base Support Level (BSL)

$$WSC \times BLA \times TEI = BSL$$

The actual calculation is performed multiple times because the BLA is different for Brick & Mortar Schools, Full-Time & Part-Time Online Students



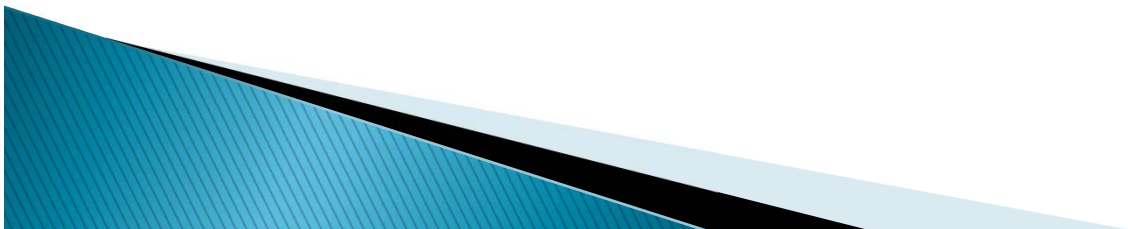
Weighted Student Count

The Weighted Student Count takes into consideration the relative associated cost of educating certain classifications of students, the size of the district, whether the students are in elementary or high school, the isolation of small rural school districts in the state, and special needs children. Weighted Student Count is specified per A.R.S. §15-943.



Group A Students

Grade Level	Support Level Weight
Pre-School with Disabilities	1.450
K – 8 grades	1.158
9 – 12 grades	1.268



AMPHI'S Weighted Students

Non-AOI Student Counts

Weighted Student Counts	Student Count		Support Level Weight		Weighted Student Count
FY 2018-19 ADM: District PSD	67.295	X	1.450	=	97.578
District K-8	8,330.639	X	1.158	=	9,646.880
District 9-12	4,445.452	X	1.268	=	5,636.833
SubTotal	12,843.386				15,381.291

AOI Full Time Student Counts

Weighted Student Counts	Student Count		Support Level Weight		Weighted Student Count
FY 2018-19 ADM: District PSD	0.000	X	1.450	=	0.000
District K-8	1.230	X	1.158	=	1.424
District 9-12	15.300	X	1.268	=	19.400
SubTotal	16.530				20.824

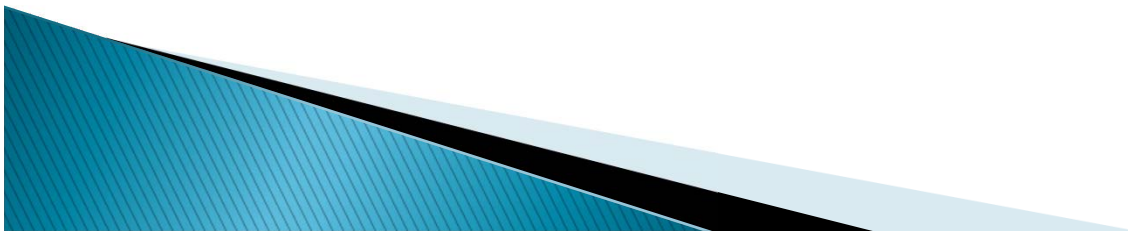
AOI Part Time Student Counts

Weighted Student Counts	Student Count		Support Level Weight		Weighted Student Count
FY 2018-19 ADM: District PSD	0.000	X	1.450	=	0.000
District K-8	0.000	X	1.158	=	0.000
District 9-12	0.016		1.268	=	0.020
SubTotal	0.016				0.020



Group B Students

Additional support level weights are provided for special needs and other students who were served the previous year. Funding for Extended School Year (ESY) is included within the funding generated by these additional weights. These weights are specified in A.R.S. §15-943.2.

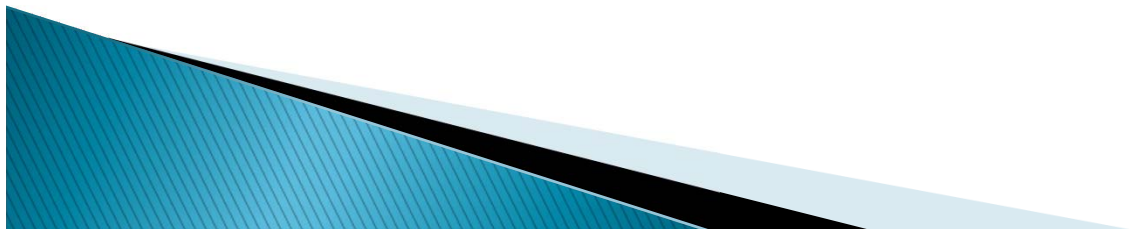


Group B Weights

K-3 Reading	0.040
K-3	0.060
ELL (English Language Learners)	0.115
Hearing Impairment	4.771
MD - R, A-R and SID - R	6.024
MD - SC, A-SC and SID - SC	5.833
Multiple Disabilities Severe Sensory Impairment	7.947
Orthopedic Impairment (Resource)	3.158
Orthopedic Impairment (Self Contained)	6.773
Preschool-Severe Delayed	3.595
DD, ED, MIID, SLD, SLI, and OHI	0.003
Emotionally Disabled (Private)	4.822
Moderate Intellectual Disability	4.421
Visual Impairment	4.806

AMPHI'S GROUP B

Add-Ons (FY 2018-19 ADM)	Student Count		Support Level Weight		Weighted Add-On Count
K-3 Reading	3,229.354	X	0.040	=	129.174
K-3	3,229.354	X	0.060	=	193.761
ELL	654.945	X	0.115	=	75.319
HI	2.670	X	4.771	=	12.739
MD-R,A-R,SID-R	86.208	X	6.024	=	519.317
MD-SC,A-SC,SID-SC	73.220	X	5.833	=	427.092
MD-SSI	9.370	X	7.947	=	74.463
OI-R	9.015	X	3.158	=	28.469
OI-SC	31.810	X	6.773	=	215.449
P-SD	5.000	X	3.595	=	17.975
DD*,ED,MIID,SLD,SLI*,OHI	1,894.064	X	0.003	=	5.682
ED-P	18.830	X	4.822	=	90.798
MOID	11.315	X	4.421	=	50.024
VI	4.370	X	4.806	=	21.002
Total Weighted Student Count Add-Ons					1,861.264



Base Level Amount

The Base Level is the amount of money determined annually by the Legislature per 1.0 weighted student count. For budget year 2017–18 the Base Level is \$4,009.57



Teacher Experience Index (TEI)

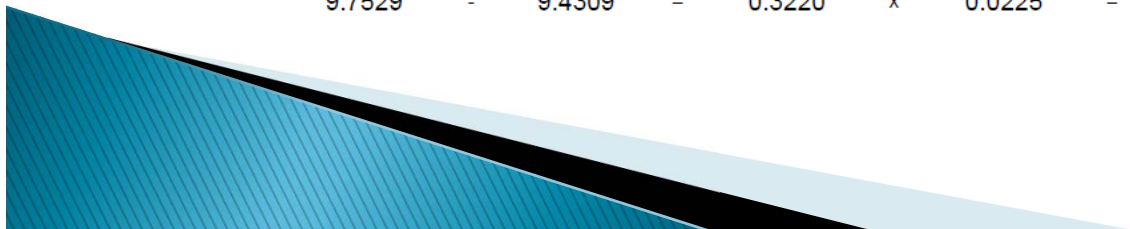
This factor is derived from the formula specified in A.R.S. §15-941. Its purpose is to allow extra budget capacity for school districts whose average years of experience for teachers exceed the State of Arizona average. Districts that qualify are allowed to increase the support level by 2.25% for each year of experience above the State of Arizona average. The average and each district's TEI factor is calculated from the School District Employer Report (SDER) that is due annually by October 15



Amphi's 2019 TEI Calculation

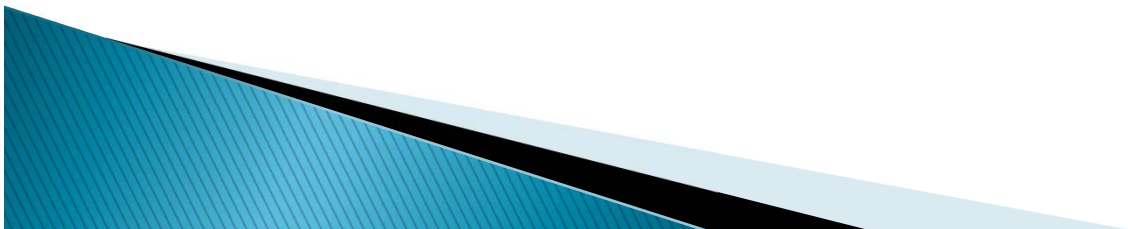


Number of Years Experience	x	Number of FTE Certified Teachers	=	Number of FTE Years of Experience of Certified Teachers								
1	x	49.60	=	49.60								
2	x	47.30	=	94.60								
3	x	42.67	=	128.01								
4	x	41.00	=	164.00								
5	x	33.67	=	168.35								
6	x	29.70	=	178.20								
7	x	43.10	=	301.70								
8	x	28.60	=	228.80								
9	x	26.20	=	235.80								
10	x	27.53	=	275.30								
11	x	47.70	=	524.70								
12	x	37.40	=	448.80								
13	x	28.09	=	365.17								
14	x	23.63	=	330.82								
15 (or more)	x	275.01	=	4,125.15								
Total:		781.20		7,619.00								
AVERAGE NUMBER OF FTE YEARS OF EXPERIENCE OF CERTIFIED TEACHERS IN DISTRICT				9.7529								
AVERAGE NUMBER OF FTE YEARS OF EXPERIENCE OF CERTIFIED TEACHERS IN ARIZONA				9.4309								
TEACHER EXPERIENCE INDEX FOR DISTRICT				1.0072								
9.7529	-	9.4309	=	0.3220	x	0.0225	=	0.0072	+	1.0000	=	1.0072



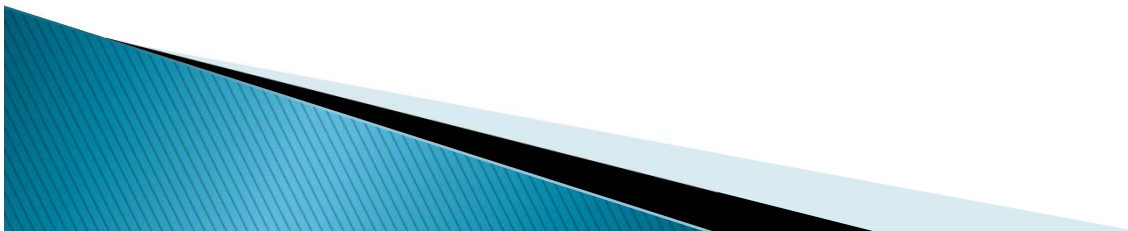
Base Support Level

	Non-AOI	AOI-FT	AOI-PT
Weighted Student	15,381.29	20.82	0.02
Weighted Add-On +	1,861.26	0.00	0.00
Total Weighted =	17,242.56	20.83	0.02
AOI Funding X		0.95	0.85
Base Level Amt	4,009.57	4,009.57	4,009.57
TEI	1.0078	1.0078	1.0078
Base Support Level	\$ 69,135,231.25	\$ 79,324.33	\$ 68.16



Transportation Support Level (TSL)


The Transportation Support Level (TSL) is based on the average daily route miles per eligible student transported. Districts are required to use the prior year Approved Daily Route Mileage in calculating this amount for the budget year. Eligible students are those in elementary school (grades PSD–8) whose place of residence is greater than one mile from their school of attendance, and those in high school (grades 9–12) whose place of residence is greater than one and a half miles from their school of attendance.



Transportation Support Level (TSL)

The first step in calculating the TSL is to divide the district's total daily route miles by the total number of eligible students transported. The quotient obtained from this calculation is used in this chart to determine the district's funding per route mile.

Daily Route Mileage Per Eligible Student	State Support Level per Route Mile for FY2019
0.5 or less	\$2.64
More than 0.5 through 1.0	\$2.16
More than 1.0	\$2.64



Transportation Support Level (TSL)

The second section of the support level is for academic, vocational and athletic trips. This add-on amount varies by type of district and is determined by the following chart:

Daily Route Mileage Per Eligible Student Transported	District Type 02 or 03	District Type 04	District Type 05
1.0 or Less	0.15	0.10	0.25
More than 1.0	0.18	0.12	0.30



Transportation Support Level (TSL)

The third part of the calculation is the support level for the extended year programs which is determined by multiplying the total route miles for students with disabilities attending the extended school year program by the per mile factor used in the basic to and from support level.



Transportation Support Level (TSL)

Calculation For TSL			
Approved Daily Route Miles			
Total Approved Daily Route Miles		8,148	
Eligible Students Transported		4,266	
Unadjusted Route Miles Per Eligible Student		1.9100	State
Support Level Per Route Mile		\$2.64	
8,148.000 Miles x 180 Days			0.00
To and From School Support Level	\$3,871,929.60		
Activity Trip Level Factor		0.18	
Activity Trip Support Level		\$696,947.33	
Handicapped Extended School Year Mileage		1,926	
Handicapped Extended School Year Support Level		\$5,084.64	
Annual Expenditures For: Bus Passes			
Districts	\$350.00	\$0.00	\$350.00
2018-19 Transportation Support Level (TSL)		\$4,574,311.57	



Transportation Revenue Control Limit (TRCL)

- ▶ The Preliminary Transportation Revenue Control Limit (TRCL) is determined by adding the increase in the budget year TSL from the prior year TSL to the prior year TRCL.
- ▶ In accordance with A.R.S. §15-946, the budget year TRCL cannot increase from the prior year TRCL amount if the budget year TRCL would exceed 120% of the budget year TSL.
- ▶ If the budget year Preliminary TRCL is greater than 120% of budget year TSL, then the budget year TRCL is the same as the prior year TRCL.
- ▶ In 2007, the Arizona legislature amended A.R.S. §15-946 to set the TRCL to equal the TSL, when the TSL is greater than the TRCL (Laws 2007, 1st Regular Session, Chapter 234, Section 1).



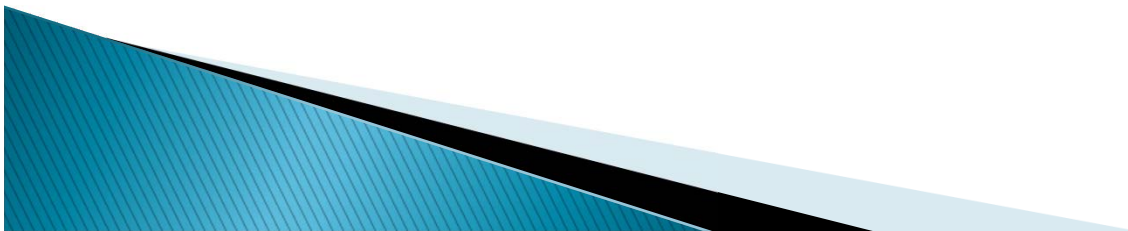
Transportation Revenue Control Limit (TRCL)

FY 2018 Transportation Revenue Control Limit	\$ 5,983,335.79
FY 2019 Transportation Revenue Control Limit	
A. Preliminary FY 2019 Transportation Revenue Control Limit (VI.B + VII)	<u>\$ 5,983,335.79</u>
B. 120% of FY 2019 Transportation Support Level (V x 1.20)	<u>\$ 5,489,173.88</u>
C. Adjusted FY 2019 Transportation Revenue Control Limit (if line VIII.A is greater than line VIII.B use line VII, otherwise use line VIII.A.)	<u>\$ 5,983,335.79</u>
D. FY 2019 Transportation Revenue Control Limit (the greater of line V or VIII.C) (to Work Sheet E, line IX)	<u>\$ 5,983,335.79</u>



Revenue Control Limit (RCL) and District Support Level (DSL)

- ▶ The Revenue Control Limit (RCL) is a spending limit and is calculated by adding the BSL to the TRCL. The RCL may be allocated, in amounts determined by the district, between the M&O fund budget and the unrestricted capital fund budget.
- ▶ The District Support Level (DSL) is that portion of the RCL that is eligible for equalization assistance. It is calculated by adding the BSL to the TSL.



Revenue Control Limit (RCL) and District Support Level (DSL)

Calculation For DSL

2018-19 Base Support Level (BSL)/BRCL	\$	69,801,563.80
2018-19 Consolidation		
Tuition Out For High School Students (Type 03)		
2018-19 Transportation Support Level (TSL)	\$	4,574,311.57
2018-19 District Support Level (DSL)	\$	74,375,875.37

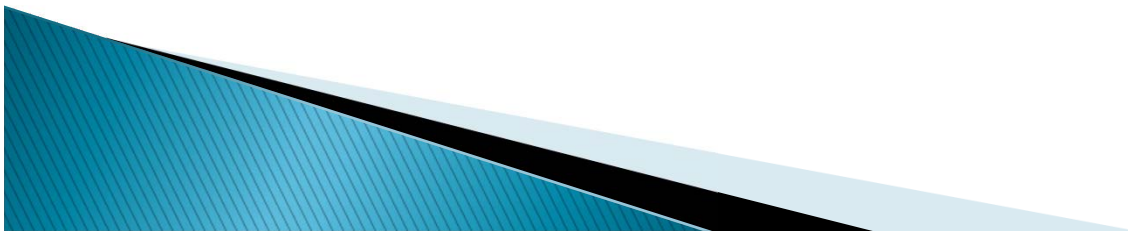
Calculation For RCL

2018-19 Base Support Level (BSL)/BRCL	\$	69,801,563.80
2018-19 Consolidation		
Tuition Out For High School Students (Type 03)		
2018-19 Trans. Revenue Control Limit (TRCL)	\$	5,983,335.79
2018-19 Revenue Control Limit (RCL)	\$	75,784,899.59



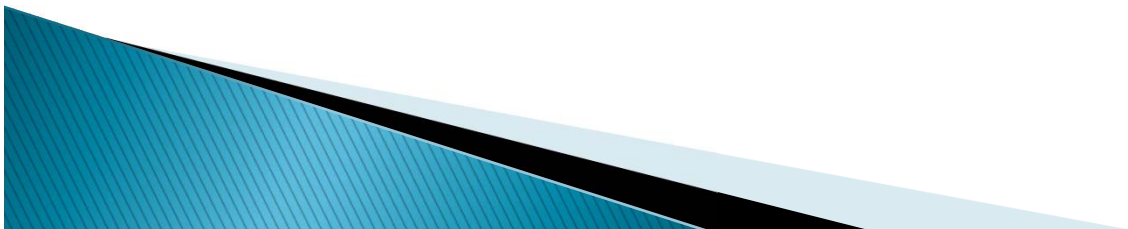
District Additional Assistance

Just as there is a formula that determines the Revenue Control Limit, there is also a formula for Capital Outlay in A.R.S. §15-961. The District Additional Assistance (DAA) is an allocation and, like the RCL, may be allocated (in whole or in part) to either the M&O or unrestricted capital fund. The DAA calculation is a multiplication of the unweighted actual student count (100th Day Prior Year ADM) by the appropriate support levels.



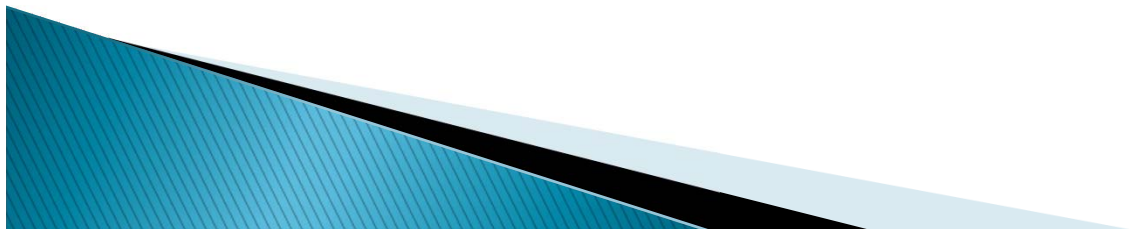
District Additional Assistance

The final factor in the DAA formula is an increase for textbooks for high school students. Prior to 1984, high school students had to pay a rental fee for textbooks. In 1984, the Legislature adopted a compulsory education statute which requires students to be 16 or to have completed the 10th grade prior to leaving school. In conjunction with the compulsory school requirement, the Legislature commenced the process of furnishing textbooks free to high school students. In FY2018, the allowable amount for high school textbooks is \$69.68 per high school student count. It should be noted that these provisions apply only to required textbooks and related printed materials. School districts may continue to charge a reasonable rental fee for other supplementary materials.



District Additional Assistance

<u>District Additional Assistance (DAA) Calculations</u>	<u>PSD</u>	<u>K - 8</u>	<u>9 - 12</u>	<u>Total</u>
FY 2018-19 District Student Count	76.415	8,579.539	4,423.158	
Type 03 District Tuition Out Trans. Count			0.000	
DAA Per Student Count	X \$450.76	X \$450.76	X \$492.94	
<i>(For Type 03 High School Only, Per Student Count Factor at 50%)</i>	= \$34,444.83	= \$3,867,313.00	= \$2,180,351.50	\$6,082,109.33
Preliminary DAA				
 <u>DAA Growth Factor</u>				
FY 2018-19 Actual Student Count	13,079.112			
FY 2017-18 Actual Student Count	/ 13,278.210			
FY 2018-19 DAA Growth Factor	= 0.985 X 0.985*	X 0.985*	X 0.985*	
<i>* If less than or equal to 1.05, use 1. If greater than 1.05, use 1 plus 50% of growth.</i>				
District DAA	\$34,444.83	\$3,867,313.00	\$2,180,351.50	\$6,082,109.33
 <u>DAA For High School Textbooks</u>				
FY 2018-19 Actual 9-12 Student Count			4,423.158	
Support Level Amount For Textbooks			X \$69.68	
DAA For Textbooks				\$308,205.65
				\$6,390,314.98
DAA Adjustment	(\$2,649,595.28)		(\$1,479,429.63)	(\$4,129,024.91)
Total FY 2018-19 DAA Base	\$1,252,162.55		\$1,009,127.52	\$2,261,290.07



Additions to Budgets

- ▶ Budget Overrides
- ▶ Tuition Revenue
- ▶ Budget Balance Carryforward
- ▶ Desegregation Costs
- ▶ Dropout Prevention Programs
- ▶ Audit Expenses

