

ADE School Finance

OIE Policy & Program Updates for Indigenous Stakeholders

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Agenda

- **Introduction to School Finance**
- **School Finance 101**
 - **Transportation**
 - **Instructional Improvement Fund**
- **Updates**
 - **Distance Learning**
 - **HB 2862**
 - **School Report Cards Financial Data**



Introduction to School Finance

- School Finance distributes about \$6B in state funding for education in accordance with formulas in state law
- 15 staff divided between two teams
- One team focuses on collecting the student data necessary to calculate payments and related reporting
 - Help Desk or (602) 542-5695
- One team uses the data to calculate and process payments and manages the collection of budgets/financial reports and corresponding state-level reporting
 - SFBudgetTeam@azed.gov
 - SFPaymentTeam@azed.gov



School Finance 101

- **State funding is determined primarily by student enrollment**
- **Student-specific, district-specific, and charter-specific factors affect funding:**
 - **Add-on funding for students with special education needs, English learners, and certain grades**
 - **Small districts/charters receive more per pupil**
 - **Additional property taxes vs formula funding**



Transportation Funding

- **School Districts receive formula-based funding for transportation**
 - **Determined by the number of miles driven and students transported**
- **Charter Schools receive \$270.85 per student for transportation as part of the Charter Additional Assistance formula**

Transportation Funding

School Districts:

- **State funding per route mile is based on daily mileage per student transported:**
 - 0.5 or less: \$2.74 per mile
 - 0.5 to 1.0: \$2.24 per mile
 - More than 1.0: \$2.74 per mile
- **\$257M total state funding for district transportation in FY 2021**
 - Per pupil amount varies by district

Instructional Improvement Fund

- **Receives 56% of revenue from the Arizona Benefits Fund, into which payments pursuant to tribal-state gaming compacts are deposited**
- **Funds may be used for:**
 - **Classroom size reduction**
 - **Teacher salary increases**
 - **Dropout prevention programs**
 - **Instructional improvement programs**

Instructional Improvement Fund

- **Payments from the Instructional Improvement Fund made twice per year based on student count**
 - **Generally paid in July and January**
- **In FY 2020, payments totaled \$45.80 per student count**

Current School Finance Topics

Distance Learning

- **Executive Orders this summer authorized distance learning (remote instruction for students enrolled in brick-and-mortar schools)**
- **Required funding in the same way as Arizona Online Instruction (AOI)**
- **Districts and charters report the % of scheduled instruction that is distance learning and the data is used to reduce funding for non-AOI students**

Distance Learning

- **Adjustments were first applied based on the first 40 days of instruction and totaled negative \$266M**
- **As in-person instruction has resumed, negative adjustments to payments have also gone down**
- **All districts and charters are required to submit a final report that shows the % of instruction for the entire year that was distance learning.**
- **Time consuming, manual process this year**

Distance Learning

- **New attendance descriptors for next year**
 - **In Attendance – DL**
 - **Absence – DL**
- **Eliminates the need for separate/manual tracking and reporting of remote instruction time for both districts/charters and ADE School Finance**

HB 2862

- **Previous authority to provide Distance Learning expires on 6/30/2021**
- **HB 2862 provides flexibility to meet instructional time requirements, including through remote instruction, in FY 2022 and beyond**
- **Requires at least two public hearings before adopting a new Instructional Time Model**
- **Signed by the Governor on 4/28, but the Legislature remains in session**



HB 2862

- **Permits instructional time to include any combination of in-person instruction and remote instruction**
- **Requires attendance policies to reflect the adopted Instructional Time Model**
- **Permits direct instruction, project-based instruction, independent learning and mastery-based instruction**



HB 2862

- **Establishes limits for remote instruction and funding reductions for exceeding the limits**
 - FY 2022 up to 50% remote before reductions
 - FY 2023 and beyond up to 40%
- **ADE will be working to provide more specific guidance and processes**



School Report Cards

- **FY 2019 per pupil spending data was added to school report cards last summer**
 - Updated to FY 2020 data in January
 - Personnel and Non-Personnel spending from state/local and Federal sources
- **ARS 15-746E requires that additional information be displayed for each school going forward**
- **The new data is currently in a spreadsheet linked through School Report Cards and will be integrated in the future**



Questions?

Operations Support Team

Account Analysts
(602) 542-5695

Finance Operations Team

Budgets
SFBudgetTeam@azed.gov

Payments
SFPaymentTeam@azed.gov

[Submit a Help Desk Ticket:](#)

Analysts respond to all Help Desk tickets within 5 business days.

www.azed.gov/finance

