



# The Coalition Supports SB1269



Arizona is a leader in providing educational options that put students first; however, our current funding structure creates huge disparities from school to school depending on the type (charter or district), and whether or not the district is able to convince voters to add additional money through bonds, overrides, or tax increases. The current funding formula was established in the 1980s and is in drastic need of change. The strike everything amendment to SB1269 provides this essential student-centric funding update!



Since Results-Based Funding was passed in 2016, schools are becoming more successful. In order to continue this forward momentum, SB1269 creates an Achievement Weight to improve the Result-Based funding portion of the formula and apply it to all schools. According to the Joint Legislative Budget Committee (JLBC), the switch to an Achievement Weight adds an additional \$56.1 million to schools. This change provides increased funding for over 150,000 more Arizona students.



The Teacher Experience Index (TEI) and Additional Teacher Compensation (ATC) portions of the current formula are focused on the adults in public schools rather than providing funding to students. The TEI is a mechanism that increases the base level pay of teachers in a district that have a tenure level above the state average. The ATC is provided when the district has a teacher evaluation system in place that meets standards set by the Arizona Department of Education. Currently, both of these categories are inaccessible to public charter schools, and do not allow the money to follow the student if they no longer attend a district school. SB1269 repeals these measures and replaces them with a 2.5% base increase across the board, for all districts and public charter schools. According to the JLBC, this will result in a decrease of \$123.4 million with the removal of the programs, but will provide \$170 million in funding with the base increase.



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SB1269 creates the possibility for a glide path where all public schools are funded in the same way. The amendment creates the State Student Funding Formula that will be used by all public charter and ESA students. Additionally, it allows for district schools to opt in to this funding mechanism. In order to do so, the district must not have any budget overrides or more than 4 years remaining on voter approved bonds and must seek voter approval. School districts that opt into the State Student Funding Formula will be prohibited from accessing other revenue enhancements (i.e., bonds, overrides, desegregation levies, TRCL, etc.), but will have the ability to levy a higher Quality Tax Rate for the purposes of Basic State Aid formula calculations than other districts. With this option, Arizona can start to stabilize tax rates and school districts can have predictable funding without continually going out to voters for local funding in often low-turnout elections.



**For Fiscal Year 2023, JLBC estimates district schools will receive a general fund increase of \$172 million, public charter schools will increase \$41.9 million, and ESAs will increase \$1.1 million. There will be an approximate \$215 million increase to ALL public schools!**



You can read the full bill [here](#) and the Joint Legislative Budget Committee report [here](#).

# KEY COMPONENTS OF SB1269

- **Changes the Results-Based Funding (state test scores in English and Math) to an Achievement Weight (school letter grade assigned by AZ Dept. of Education) within the funding formula.**

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- **Repeals the Teacher Experience Index and Additional Teacher Compensation portions of the formula.**

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- **Increases the Base Level by 2.5% to offset the above repeals.**

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- **Increases the Transportation Support Level route miles rate by 30% above standard inflation.**

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- **Creates an option for districts to opt for a per pupil amount for transportation, instead of the above method. This will create a simpler system that helps with each student's unique transit needs.**

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- **Phases out the Transportation Revenue Control Limit (TRCL) property tax over five years, to be replaced with the above two funding mechanisms for transportation.**

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- **Creates the "State Student Funding Formula" which will be used by all public charter schools and ESA students. The State Student Funding Formula will consist of the following:**
  - **The Base Support Level**
  - **State Additional Assistance (formerly known as Charter Additional Assistance)**

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- **Allow school districts to opt into the State Student Funding Formula**
  - **School districts must receive voter approval to opt into the State Student Funding Formula for the next fiscal year**
  - **With voter approval, school districts would be required to increase their Qualifying Tax Rate for a participatory rate, which would then be equalized with state aid**
    - **Non-Unified Increase = \$0.35**
    - **Unified Increase = \$0.70**
  - **Prohibits school districts that opt into the State Student Funding Formula from accessing other revenue enhancements (i.e., bonds, overrides, desegregation levies, TRCL, etc.), but still can receive new facility funding.**