

K-12 Funding (M&O, Capital and Other)

FY 2004 through FY 2023 est

JLBC Staff
8/31/2022

All Funding ^{1/}

Source/ Item	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 est	FY 2023 est
Equalization Formula Only ^{2/} (state & local)	4,268,108,600	4,544,505,400	4,862,005,300	5,334,447,400	5,705,999,400	5,787,415,400	5,743,522,300	5,550,278,800	5,409,764,900	5,509,774,200	5,721,658,100	5,837,228,913	6,155,131,994	6,274,669,776	6,399,412,608	6,978,486,695	7,468,041,000	7,626,636,900	7,791,193,400	8,857,766,600
Funding per Student	4,577	4,715	4,882	5,229	5,481	5,531	5,471	5,297	5,142	5,193	5,335	5,381	5,619	5,695	5,769	6,271	6,680	7,013	7,047	7,937
Inflation Adjusted Funding per Student	5,649	5,707	5,754	5,975	6,076	5,971	5,795	5,574	5,347	5,290	5,335	5,288	5,421	5,440	5,455	5,820	6,055	6,245	6,201	6,706
State Only ^{3/} (equalization + non-formula, SFB, and misc)	3,540,455,700	3,812,075,200	4,317,540,900	4,797,463,500	5,200,654,300	4,674,761,500	4,463,725,800	4,118,868,200	4,055,154,600	4,134,270,200	4,458,083,600	4,551,774,113	4,961,232,679	5,069,186,265	5,333,439,100	5,887,268,989	6,462,650,700	6,506,824,400	7,134,327,100	8,496,373,200
Funding per Student	3,797	3,955	4,335	4,702	4,996	4,468	4,252	3,931	3,854	3,896	4,157	4,196	4,529	4,601	4,808	5,290	5,781	5,983	6,453	7,613
Inflation Adjusted Funding per Student	4,686	4,787	5,110	5,374	5,538	4,823	4,504	4,137	4,008	3,969	4,157	4,124	4,369	4,395	4,547	4,910	5,240	5,328	5,678	6,433
State & Local Only ^{4/} (equalization + non-formula, SFB, and misc)	6,722,449,100	7,149,715,500	7,667,598,300	8,614,407,700	8,932,579,600	8,576,430,500	8,016,125,900	8,132,845,600	7,895,860,800	8,109,640,500	8,430,688,700	8,628,028,400	8,975,568,600	8,999,792,900	9,450,532,900	10,274,200,600	10,846,508,600	10,683,901,100	11,442,981,700	12,629,604,000
Funding per Student	7,209	7,419	7,699	8,444	8,580	8,197	7,636	7,761	7,505	7,643	7,861	7,954	8,194	8,169	8,519	9,232	9,702	9,825	10,350	11,317
Inflation Adjusted Funding per Student	8,898	8,979	9,074	9,649	9,512	8,848	8,088	8,168	7,804	7,786	7,861	7,817	7,905	7,803	8,056	8,568	8,794	8,749	9,107	9,562
State, Local and Federal ^{5/} (equalization + non-formula, SFB, and misc)	7,709,180,400	8,212,245,900	8,816,254,600	9,628,347,200	9,967,624,300	9,691,607,100	9,803,450,200	9,689,254,900	9,180,176,900	9,384,923,500	9,627,815,600	9,897,557,500	10,277,520,400	10,307,279,100	10,761,460,400	11,671,589,100	12,240,545,900	12,903,498,100	13,662,578,700	14,849,201,000
Funding per Student	8,268	8,521	8,852	9,438	9,574	9,263	9,339	9,247	8,726	8,845	8,977	9,124	9,382	9,356	9,701	10,488	10,949	11,866	12,357	13,306
Inflation Adjusted Funding per Student	10,204	10,313	10,434	10,785	10,614	9,998	9,891	9,731	9,074	9,010	8,977	8,967	9,051	8,937	9,174	9,734	9,925	10,567	10,873	11,242
Technical Assumptions:																				
ADM Pupil Count	932,445	963,747	995,942	1,020,222	1,041,062	1,046,319	1,049,732	1,047,864	1,052,087	1,061,059	1,072,451	1,084,796	1,095,430	1,101,691	1,109,368	1,112,885	1,117,970	1,087,465	1,105,624	1,115,976
Inflation Adjustment Factor 6/	1.234	1.210	1.179	1.143	1.109	1.079	1.059	1.052	1.040	1.019	1.000	0.983	0.965	0.955	0.946	0.928	0.906	0.891	0.880	0.845
Inflation Rate	1.6%	2.0%	2.7%	3.1%	3.1%	2.7%	1.9%	0.6%	1.2%	2.1%	1.9%	1.8%	1.9%	1.0%	1.0%	1.9%	2.4%	1.8%	1.2%	4.1%

^{1/} Includes all funding reported in "Revenues Received by Source" tables in the Annual Report of the Superintendent of Public Instruction. They report K-12 revenues under 7 categories: 1) Maintenance and Operations (M&O); 2) Unrestricted Capital Outlay; 3) Classroom Site Fund (CSF) and Instructional Improvement Fund (IIF); 4) School Facilities; 5) Adjacent Ways; 6) Debt Service; and 7) Other. "Other" funding is from sources such as federal & state projects, food services, self-insurance, gifts and donations, auxiliary operations, and extracurricular activities. The corresponding "Non-Capital Funding Only" table includes only M&O, CSF and IIF, and "Other" funding. "State Only" section in this table also includes School Facilities Board (SFB) administrative and debt service funding.

^{2/} Includes all state and local monies that help fund the Basic State Aid formula, including Additional Teacher Salary Increase monies and the State Aid Supplement from Proposition 123, but excluding ESA funding. Figures have been adjusted to account for temporary factors that would distort long-term trends, including K-12 rollovers, school district cash balance deductions, temporary federal stimulus monies, and the suspension of the State Equalization Tax Rate (SETR) for FY07-F09 (see next page for details).

^{3/} Includes all state monies (GF, land trust, Education Sales Tax and miscellaneous) used by ADE and the Arizona Department of Administration's School Facilities Division (ADOA-SFD) for formula programs (excluding ESAs), non-formula programs, and agency administration. Excludes Teacher Certification and Professional Development Revolving Fund monies because they are from teacher fees. Excludes ESA Account Fund to avoid GF doublecount. Figures have been adjusted to account for the impact of temporary factors that otherwise would distort long-term trends (see next page for details).

^{4/} Includes all "Local," "County" and "State" (but not "Federal") monies reported by school districts and charter schools in the Superintendent's Annual Report for each year shown. Data on actual local funding for FY 2022 and FY 2023 are not yet available. The table assumes that local funds grow by 3.15% in FY 2022 and decline by (4.1)% in FY 2023. The FY 2023 decline is primarily associated with the elimination of the State Equalization Tax Rate (SETR) pursuant to Laws 2022, Chapter 317.

^{5/} Includes all "Local," "County," "State" and "Federal" monies reported to be received (not expended) by school districts and charter schools in the Superintendent's Annual Financial Report (SAFR) for each year shown. Data on actual federal monies for FY 2022 and FY 2023 are not yet available. The table assumes that districts and charters continue to receive \$2.2 billion in federal funds annually in FY 2022 and FY 2023 based on their actual federal funds received for FY 2021. The \$2.2 billion is \$800 million above pre-pandemic levels in each year. The \$2.2 billion estimate represents a change from our prior methodology, which previously assumed that school districts and charters would record Federal Elementary and Secondary School Emergency Relief (ESSER) monies and other federal COVID-19 relief funds as "received" (not "expended") in their annual financial reports in the state fiscal year in which the monies first became available (i.e. FY 2021 and FY 2022). We revised our methodology due to FY 2021 actual federal monies reported in the SAFR being lower than our prior estimates. ESSER monies will continue to be available to districts and charters through September 30, 2024. As a result, federal monies received may continue to exceed pre-pandemic levels until at least that time.

^{6/} "Inflation Adjustment Factor" represents cumulative inflation, whereas the "Inflation Rate" is above prior year only. Both reflect GDP deflator for second preceding calendar year pursuant to A.R.S. § 15-901.01 (e.g., rates applying to FY 2023 are CY 2021 actuals).

