



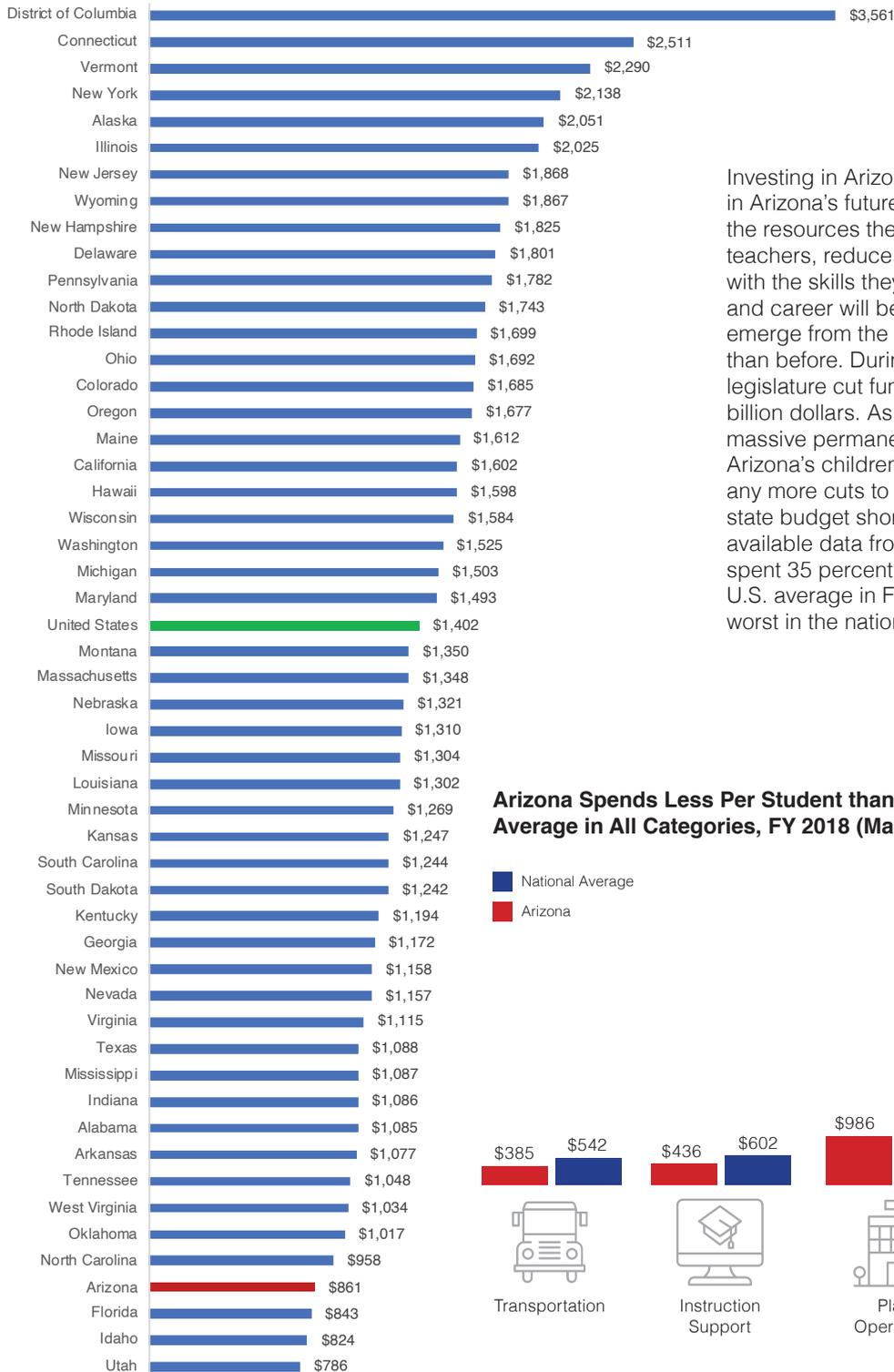
Arizona Continues to Fall Behind in K-12 Education Funding – June 2020



THE ARIZONA CENTER
— FOR ECONOMIC PROGRESS —

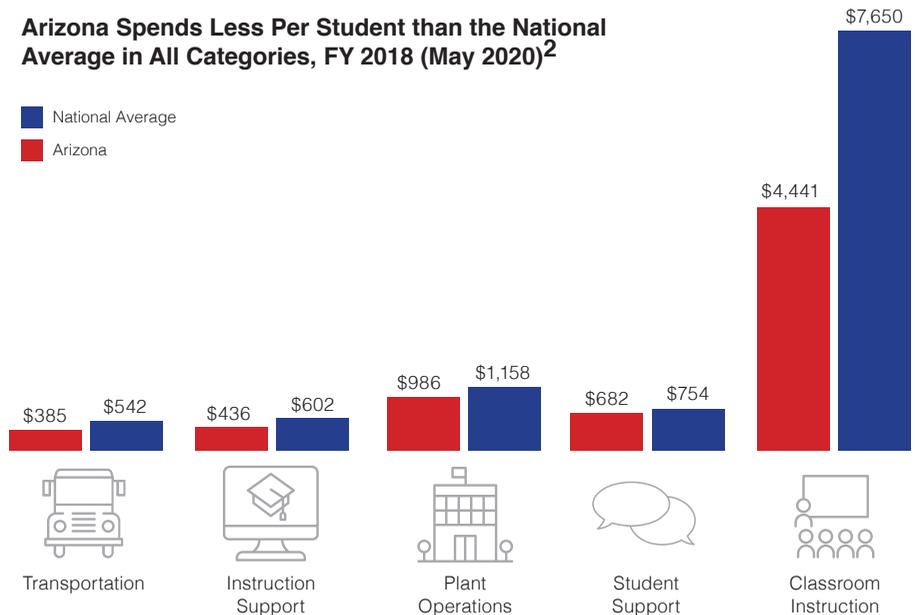
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Arizona's Administration Spending Per Student Falls Far Below US Average, FY 2018¹



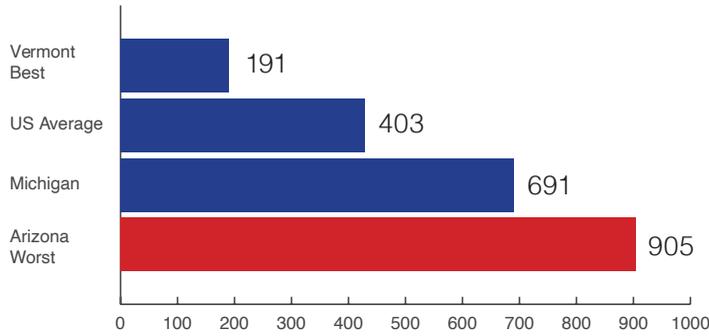
Investing in Arizona's public schools is an investment in Arizona's future. Providing our public schools with the resources they need to hire and retain quality teachers, reduce class sizes, and provide students with the skills they will need to succeed in college and career will be critical to enabling Arizona to emerge from the COVID economic crisis stronger than before. During the Great Recession, the state legislature cut funding to K-12 education by one billion dollars. As revenue recovered, Arizona enacted massive permanent tax cuts instead of reinvesting in Arizona's children and youth. Arizona cannot afford any more cuts to our public schools during the current state budget shortfall. According to the most recent available data from the U.S. Census Bureau, Arizona spent 35 percent or \$4,375 less per student than the U.S. average in FY 2018. Ranking Arizona among the worst in the nation for per pupil spending.

Arizona Spends Less Per Student than the National Average in All Categories, FY 2018 (May 2020)²



Citations: ¹Public Elementary-Secondary Education Finances: Fiscal Year 2018. U.S. Census Bureau, May 2020. ²U.S. Census Bureau, Summary Tables Public Elementary- Secondary Education Finances: Fiscal Year 2018, released May 2020.

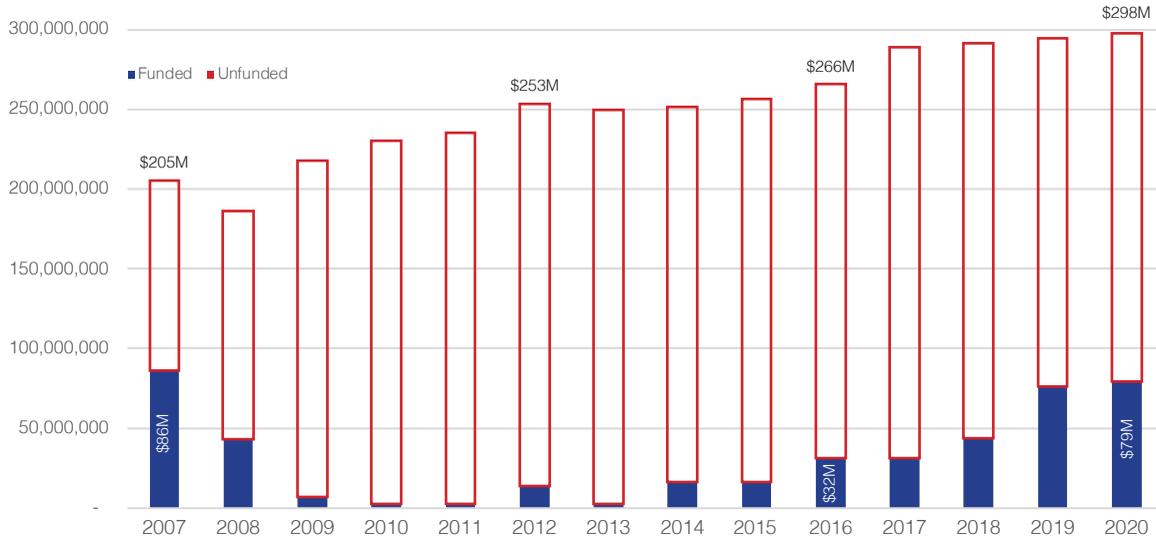
Arizona Continues to Rank Last in Student-to-School-Counselor Ratio in the Nation³



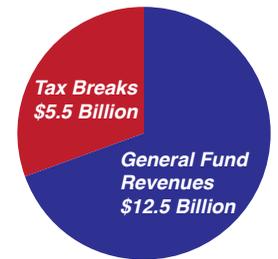
TEACHER CRISIS⁶

In Fall 2019, **1,443 teaching positions remained vacant** and **427 teachers had resigned** their positions.

Funding for School Building Renewal Fall Far Below Formula Requirements⁵

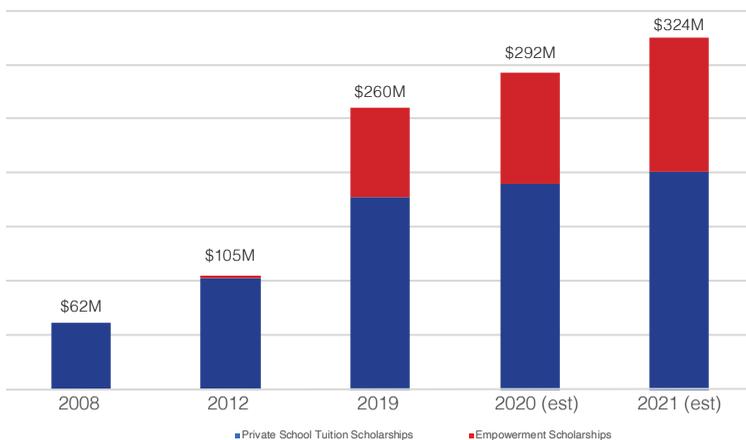


Tax Cuts Since 1993 (adjusted for inflation) (FY 2020)⁴



As Arizona's school buildings have aged and deteriorated, the state has cut the funding needed to keep those buildings safe and adequate places to learn. The Students FIRST legislation created the Building Renewal Fund. Monies in the Building Renewal Fund were to be distributed to school districts based on a formula and were to be used to do preventative maintenance and repair and replace aging school buildings. However, the Building Renewal Fund received its last appropriation in 2008, and then was completely repealed by the legislature in 2013. While the legislature has appropriated money the past few years for a building renewal grant program, the amount appropriated is \$3 billion less than what schools would have received through the Students FIRST legislation formula requirement. Today, building renewal funding is based on an inadequate grant program, where school districts can only apply for funding after something has failed or broke. In fiscal year 2020, school districts received less than one-third of the building renewal formula requirement.

Tax Dollars to Private Schools Are Skyrocketing⁷



Tax credits claimed for private schools have grown far faster than state revenues or the state economy, yet they lack the basic accountability and control that school districts and state budgets are confined to. In 2020, Arizona's tax credits diverted nearly \$300 million public dollars to private schools.

Citations: ³ U.S. Department of Education, National Center for Education Statistics, Common Core of Data (CCD), "State Non-fiscal Public Elementary/Secondary Education survey," 2018-2019. ⁴ Tom Rex, Center for Competitiveness and Prosperity Research analysis of Arizona revenues lost to tax breaks, May 2020. FY 2021 Baseline Book, Table 10 General Fund Revenue FY 2019-FY2021, January 2020. Note, total general fund dollar amount excludes carry forward balance. ⁵ Joint Legislative Budget Committee, Appropriation Reports. Analysis by AzCenter for 2018-2020 formula estimates, with 1 percent increases. ⁶ "Severe teacher shortage in Arizona continues," ASPAA Survey Results. Arizona School Personnel Administrators Association, September 2019. ⁷ Arizona Department of Revenue, Tax Credit Use by Fiscal Year Report to Joint Legislative Budget Committee; 2020 FY 2020 Baseline, Analysis by AzCenter for 2019-2021 tax credit donation estimated projections.