

The 2022 Legislative Session

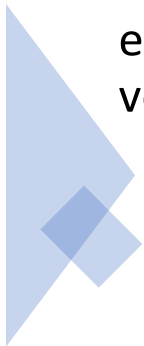


Big questions

1. Will legislature override K-12 aggregate spending limit?
2. What will lawmakers do with the huge revenue surplus? Tax cuts? New investments?
3. Will lawmakers repeal and replace last year's tax cuts for the rich?
4. Will we see a major expansion of private school vouchers?



5. What will future elections look like?
6. Will kinship care providers and Healthy Families get more resources?
7. Will the legislative session end with fireworks?
8. Who is getting shutout of the legislative process?



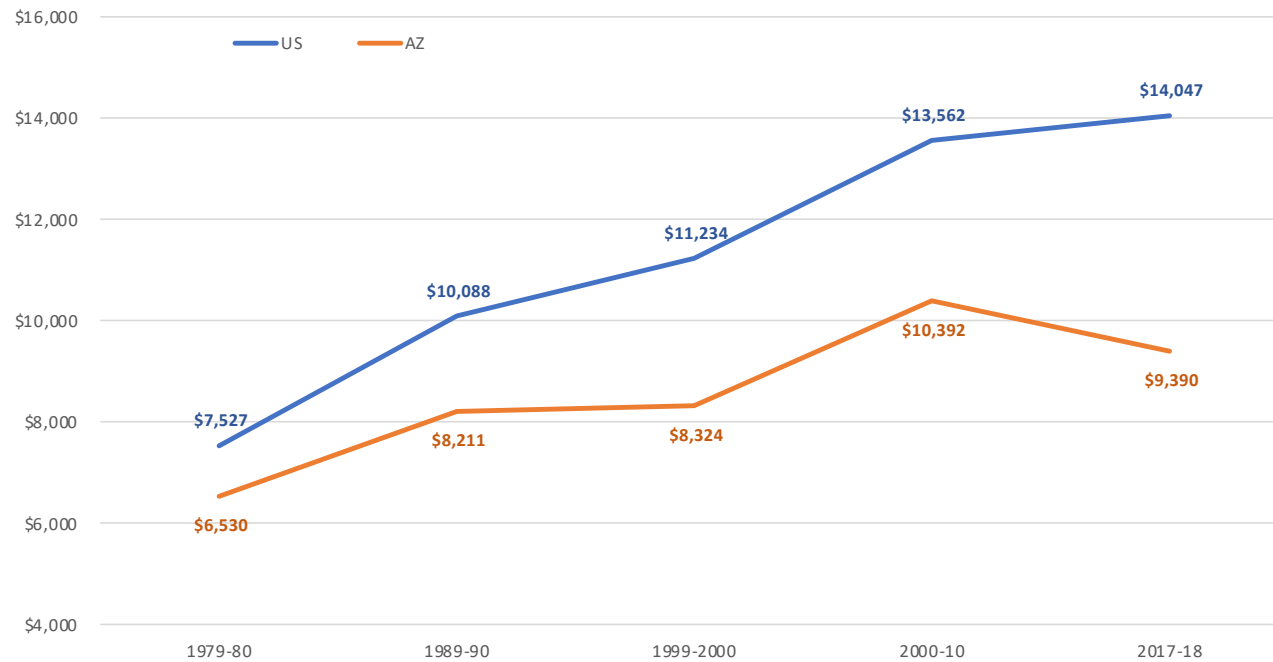
K-12 aggregate spending limit

- Arizona has spending limits on counties, cities/towns, community colleges and school districts. School limit is an aggregate of all districts. (Does not pertain to charter schools)
- School spending limit is based on per-student spending in 1980
 - Adjusted for inflation
 - Adjusted for number of students using prior year student count (not weighted)
- Legislature can override the spending limit one year at a time. Legislature overrode the limit in 2007 and 2008.

K-12 aggregate spending limit

- Current year problem is partially due to the Prop 301 sales tax
 - The original 0.6% sales tax for education was exempt from the expenditure limit. It expired 6/30/21.
 - In 2018 legislature created a successor tax, also 0.6%, that became effective 7/1/21. Legislative Council has determined it is not exempt from the spending limit.
- Districts are \$1.1 billion over limit
 - Limit is \$6 billion
 - District budgets are \$7.1 billion
- Prop 208 is not a factor in 2022
- Legislature must act by March 1 or districts will have to cut their budgets for current school year


Arizona Per Student Spending is Falling Further Behind the National Average



Source: National Center for Education Statistics, Table 236.70. Current expenditures per pupil in average daily attendance in public elementary and secondary schools, by state or jurisdiction, in constant 2019-20 dollars

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Legislative action
is needed in 2022


- Legislature must act to override the limit by March 1 or districts will have to cut their budgets for current school year
 - Legislature also needs to send a referral to the voters to change or eliminate the limit
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Sample of what districts will have to cut

Tucson Unified	\$58.2 million
Phoenix Union	\$45.6 million
Gilbert Unified	\$39.9 million
Chandler Unified	\$54.4 million
Alhambra Elementary	\$12 million
Peoria Unified	\$43.1 million
Flagstaff Unified	\$ 12.2 million

Prop 208

- 3.5% surcharge on Arizona taxpayers with taxable income above \$250,000 single filer/\$500,000 married filer
- Won't distribute funds until FY 23
- Supreme court ruled proposition isn't exempt from the spending limit; lower court will decide if the proposition will exceed the restrictions



How much
money do
we have?

Ongoing

\$ 700 million

One-Time

FY 22 (current year)

\$ 1.7 billion

FY 23

\$ 2.49 billion


FY 24

\$ 710 million

FY 25

\$ 755 million

Source: Finance Advisory Committee meeting, October 2021



BUDGET CUTS THAT HAVE NOT BEEN RESTORED

- **TANF cash assistance**
 - Benefit amount cut by 20%. Family of 3 went from \$346 to \$277 per month.
 - Lifetime limit reduced from 5 years to 1 year with 1 year extension.
- **Behavioral health services** for non-Title XIX eligible
- **Full-day kindergarten**
- **Early childhood block grant**
- **Jobs program** for TANF cash assistance recipients

BUDGET CUTS THAT HAVE NOT BEEN RESTORED

- **School building renewal formula** was repealed and replaced with grants. Formula would have provided \$288 million; grant funding is \$108 million.
- **Maricopa and Pima community college districts** have been written back into statute but not funded.
- **University system** no longer receiving increased funding when enrollment increases
- **Deposit to Arizona Financial Aid Trust Fund** \$10 million short.
 - 1% of student tuition is deposited into trust.
 - State law requires the state to match the tuition deposit at \$2 for every \$1 of tuition funds.

Voucher Expansion and Anti-District School Legislation

- SB1131 empowerment scholarship accounts expansion (Wendy Rogers)
- SB1657 raiding Classroom Site Fund dollars for vouchers (Paul Boyer)
- HB2808 public school takeovers (Michelle Udall)

Election Bills

- About 140 of the 1,700 bills introduced this session deal with elections;
- Widen the margins to trigger recounts between candidates or ballot measures;
- Outlaw voting centers and ballot drop boxes outside polling places;
- Digital images of all ballots would become public records;
- Prohibits cities and school districts from conducting all-mail elections;
- Ban early voting in almost all instances;
- Require all ballots to be counted by hand;
- Allow state legislature to reject election results


More Resources for Kinship Care Providers and Healthy Families

- HB2274 and SB1530 raise kinship stipend from \$75 to \$300 per month
- HB2084 help kinship families become licensed more quickly
- HB2111 appropriates \$10 million to the Healthy Families Arizona home visiting program

When will
the madness
end?
Factors to
consider:

- Lawmakers can no longer insert unrelated policies into budget bills to buy votes.
- 31 and 16.
- It's an election year!



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It should not be this difficult to participate in the legislative process.

- Lack of remote testimony most negatively impacts disabled, rural, low-income, Native communities;
- Request to Speak System is not user-friendly;
- AZLeg.gov is slow.



QUESTIONS?

