

Prop 123

June 28, 2016 FY15-16 Revised Budget Presentation

<http://www.tusd1.org/contents/govboard/packet06-28-16/6-28-16-BAI11-Presentation.pdf>

July 12, 2016 FY16-17 Adopted Budget Presentation

<http://www.tusd1.org/contents/govboard/packet07-12-16/7-12-16-BAI6-Presentation.pdf>

Prop 123 – Inflation Lawsuit Settlement

With the passage of Prop 123:

A budget revision was required by 06/30/2016 to account for additional funding.

The base per pupil level was reset to \$3600 per weighted ADM that fiscal year
TUSD Base level increase was \$7,603,619* included in the Revised
FY2015-2016 budget to be carried over into the FY2016-2017 budget.

Plan includes an additional \$50 Million Statewide for the next 5 years (FY2016-
FY2020) and \$75 Million for the final 5 years (FY2021-FY2025).

TUSD estimate \$2.1M first 5 years, \$3.1M final 5 years.

Revised FY2015-2016 budget includes \$2,111,378** to be carried over
into the FY2016-2017 budget.

*One time permanent increase to BSL

**Additional funds to phase out in FY2025

TUSD PROP 123 ALLOCATION

1. Increase Salary Schedule
 - a. Starting Pay by \$700 for TEA and 1% for all other schedules
 - b. Salary Increases for staff (steps/ raises)

2. Offset Capital Funding reduction (Capital Reduction of 87% since 2009)

3. Contingency for Instructional purposes

(Focused areas of spending for SY 2015-2016 & SY 2016-2017)

FY 2016-2017 Prop 123 Salary Increase

| | | Prop 123 | | |
|--------------------|-----------------|------------------|----------------|------------------|
| Bargaining Unit | Qty FTE | Salary | Benefits | Total |
| AFSCME | 868.53 | 228,251 | 45,650 | 273,901 |
| CWA | 264.94 | 114,555 | 22,911 | 137,466 |
| ELI | 190.80 | 139,507 | 27,901 | 167,409 |
| TEA | 3,062.50 | 2,143,753 | 428,751 | 2,572,503 |
| W/C | 1,748.50 | 404,741 | 80,948 | 485,689 |
| Non bargaining | 268.09 | 91,114 | 18,223 | 109,337 |
| Grand Total | 6,403.35 | 3,121,921 | 624,384 | 3,746,306 |

Slide from June 28, 2016
Revised Budget Presentation

Prop 123 – Inflation Lawsuit Settlement

| Prop 123 Additional Funding Projected Amounts | | |
|--|--------|-------------|
| *First 5-Year \$50 M Allocation Proportional Amount | FY2016 | \$2,111,378 |
| | FY2017 | \$2,079,707 |
| | FY2018 | \$2,048,512 |
| | FY2019 | \$2,017,784 |
| | FY2020 | \$1,987,517 |
| *Second 5-Year \$75 M Allocation Proportional Amount | FY2021 | \$2,936,557 |
| | FY2022 | \$2,892,508 |
| | FY2023 | \$2,849,121 |
| | FY2024 | \$2,806,384 |
| | FY2025 | \$2,764,288 |

Prop 123 allocation challenges

Full impact of Prop 123 funding not realized due to continued enrollment / RCL decline

Continued Capital Legislative Reduction

Salary increases funded from Prop 123 difficult to sustain

Cost Impact of Minimum Wage Compliance

Current year funding impact

Prop 123 guidance

Arizona Department of Education Guidance

<http://www.azed.gov/finance/2016/05/27/proposition123-guidance-for-fiscal-year-2015-2016/>

The department of education shall allocate the appropriated amount to school districts and charter schools on a pro rata basis using the weighted student count for the school district

A School district may budget the allocation that the school district receives in either the school district's **maintenance and operation (RCL)** fund or **unrestricted capital outlay fund (capital)**.

Questions?