The Arizona Legislature formally adjourned Sine Die its 2018 regular session on Friday, May 4, at 12:26 a.m. The session lasted 116 days. Lawmakers introduced 1206 bills and 122 memorials and resolutions. A total of 346 bills became law. The effective date for all non-emergency measures is **August 3**; bills containing an emergency clause take effect immediately upon signature.

This was a swiftly changing legislative session. K-12 education was the priority with historic teacher walk outs; an extension of K-12 funding through 301 and historic increases in K-12 funding. The Legislature passed – and Gov. Ducey signed – a 20-year extension of the Prop 301 sales tax, which pumps over $650 million into Arizona schools every year. Days later, the governor stood with education and business leaders to announce his "#20x2020" plan to provide Arizona teachers with a 20 percent pay raise by the 2020 school year, among other new investments in K-12.

For charter schools, we have listed budget and statutory changes below.

FY19 BUDGET ADDS APPROXIMATELY $350 PER CHARTER SCHOOL STUDENT

The budget moved through the legislature, and Governor Ducey signed the K-12 portion of the budget, **adding approximately $350 per student**. The budget bills, HB2663 and SB1521, begin restoring charter additional assistance and include significant increases to the base level.

As a reminder, here are the highlights of the FY18-19 budget:

Base level increase

- $3,683.27 to $ 3,960.07 per student. ($276.80 per pupil, unweighted)

Additional assistance inflation increase

- For K-8: $1,775.05 will increase to $1,807 per student ($31.95 per pupil)
- For 9-12: $2,068.79 will increase to $2,106.03 per student ($37.24 per pupil)

Additional Assistance restoration increase
Charter schools have been subject to an annual reduction in charter additional assistance of $18.6 million, and this budget reduces the reduction to $13.6 million for FY2019 and phases out the remainder to zero in FY2023. For FY19, that restoration includes $26.87 per pupil, assuming 185,000 charter students.

New reporting requirements
The budget includes additional reporting requirements through A.R.S. § 15-903 (E)(3), which requires charters to include in their budgets and to post on their website the average salary of all teachers employed in the previous year and the average salary for the current year. In addition, schools are required to post and report in their budget the dollar and percentage increase in average salary for teachers in the current year. The Department of Education must annually

submit an electronic report compiling average teacher pay information for charter schools by Nov. 30 to the Joint Legislative Budget Committee.

The law does not define “teacher” for the purposes of this new reporting requirement and recent Auditor General guidance makes it clear that each school will determine what funds are considered teacher pay. The Auditor General has cautioned that each school should be consistent in the type of salary information reported from year to year.

Other budget provisions include the following:

- Appropriates $1 million in funding for gifted pupil programs
- Establishes the computer science professional development program
- Appropriates $5.3 million for Arizona Department of Education IT system
- Appropriates $3 million for behavioral health services for Medicaid eligible students which activates a $7 million match from the federal government for a total of $10 million to behavioral health
- Appropriates $105 million for the required inflation adjustment at the rate of 1.77 percent
- Results-based funding for the top 10 percent increased $1.6 million to $ 38,600,000: will be distributed in the same manner as FY18 based on assessment results
- Charters must meet the financial performance expectations set forth in the performance framework. The State Board for Charter Schools will begin work to reflect this new requirement as the prior financial framework was meant to supplement the academic and operations frameworks on which key Board decisions were based.
- For full-day kindergarteners in a school with 90% National School Lunch, the funds appropriated for FY 18 are for a three-year grant cycle.