



CENTER FOR STUDENT ACHIEVEMENT

# HOW ARE ARIZONA PUBLIC SCHOOLS FUNDED?

Technically, Arizona does not fund schools, nor does it fund students. Instead, the state provides funding to local school districts and independent charter holders that, in turn, distribute resources to their school sites. This graphic shows the various sources of revenue that fund our public schools. Core Funding is, for the most part, equitably provided to districts and charters. Supplemental Funding varies for each individual district or charter and is unreliable as the amounts can vary every year.

Each revenue source (circle) is shown relative to the size of all sources of funding. The shades of colors within each circle represent the proportion of each funding component.

## CORE FUNDING

### BASE AMOUNT

This is the starting point of the equalization formula, theoretically the same for every student in the state. The base amount is higher for almost all districts, since nearly all have the *Teacher Compensation 1.25%*.  
*Provided to all, amount varies*

### Funding based on TEACHERS

**TEACHER COMPENSATION 1.25%**  
To fund districts with approved teacher evaluation systems

**TEACHER EXPERIENCE INDEX**  
To fund teacher compensation  
*Provided to some districts, amount varies, not available to charters*



### EQUALIZATION FORMULA

*Provided to all, amount varies*

The state equalization formula provides for the basic instructional and operational functions of schools. The amount of funding a district or charter receives is based on its size, the grade levels served, number of students with special education or language needs, and teacher characteristics (districts only). Charter schools' core funding comes entirely from the state general fund whereas districts' core funding comes from both the state general fund and local property taxes. A portion of these property taxes are directed by the state and some are locally approved.

### Funding based on STUDENT CHARACTERISTICS

Also known as Group A and Group B weights, these additional funds allocated based on the number of students with special educational needs, including English Language Learners, as well as the size of the district or charter (if under 600 students), and the grade levels served (elementary vs. high school).  
*Provided to all, amount varies*

### ADDITIONAL ASSISTANCE

Additional Assistance accounts for the largest difference in Core Funding between districts and charters.

**CHARTER**  
Provides funds intended for:  
• Transportation  
• Technology and textbooks  
• All capital needs, including school buildings  
*Provided to all, amount varies*

**DISTRICT**  
Provides funds intended for:  
• Transportation  
• Technology and textbooks

## SUPPLEMENTAL FUNDING



### Additional levies on the LOCAL PROPERTY TAX

■ **ADJACENT WAYS**  
Funds are used to pay for expenses related to new construction, e.g., safe egress or ingress from schools, creation and improvements of bus and fire lanes, or improvements to adjacent roadways.

■ **DESEGREGATION**  
Provides funding to 19 school districts that are under a federal court order to rectify discriminatory practices

■ **DROPOUT PREVENTION**  
Funds activities in districts with high dropout rates to help keep students in schools.  
*Provided to some districts, amount varies; not available to charters*



### Revenue sources for SCHOOL BUILDINGS

Funds are allocated from the state general fund to the School Facilities Board for new school building construction, building renewal, and debt service.  
*Available to some districts, amount varies; not available to charters*



### Additional property tax revenues based on LOCAL ELECTIONS

■ **BONDS**  
Used for building school facilities

■ **M & O OVERRIDES**  
Used to pay for teachers

■ **CAPITAL OVERRIDES**  
Used for textbooks and technology

■ **K-3 OVERRIDES**  
Fund early elementary education  
*Provided to some districts, amount varies; not available to charters*



### Revenue from FEDERAL DOLLARS

Targeted programs such as Title I, Individuals with Disabilities Education Act, National School Lunch Program, and competitive grants.  
*Outside the state's control; Provided to nearly all, amount varies*



### Revenue from PROPOSITIONS/ VOTER INITIATIVES

**CLASSROOM SITE FUND/INSTRUCTIONAL IMPROVEMENT FUND**  
Helps fund teacher compensation, teacher performance pay, dropout prevention  
*Provided to all, equal amount*



### Revenue from STATE GRANTS

Targeted programs such as the Structured English Immersion Fund and K-3 Reading.  
*Provided to some, amount varies*



### Revenue from TAX CREDITS

**TAXPAYER DONATIONS**  
Private citizens may donate up to \$200 as an individual or \$400 as a couple to a school and deduct it from their taxes. Funds are used for student activities and extra curriculars.  
*Provided to some, amount varies*