



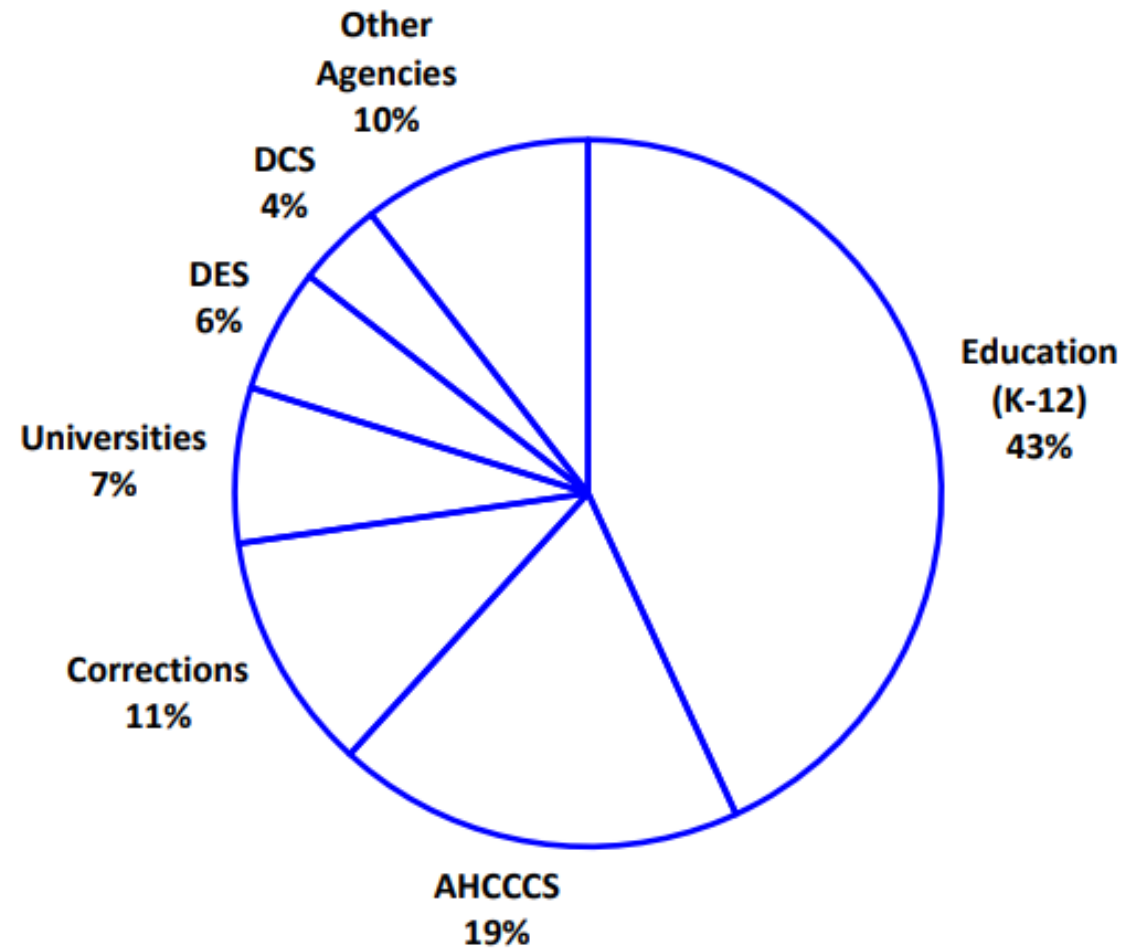
AZ K-12 Finance 101

Sean McCarthy

2018



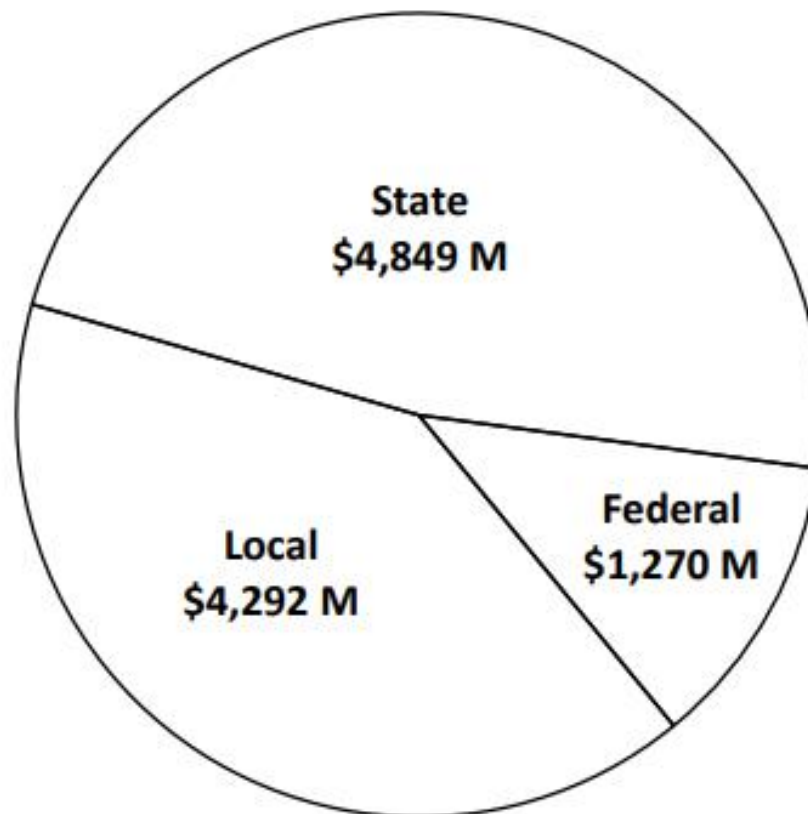
State General Fund Expenditures '18



Source: JLBC



K-12 Total Revenues



- 53.4% of property taxes are directed to K-12
- .6% of the 5.6% statewide TPT (sales) tax rate goes to K-12

**K-12 ADE & Local Resources - \$10.4 B
(FY '17 Estimated)**

Source: JLBC



Quick History

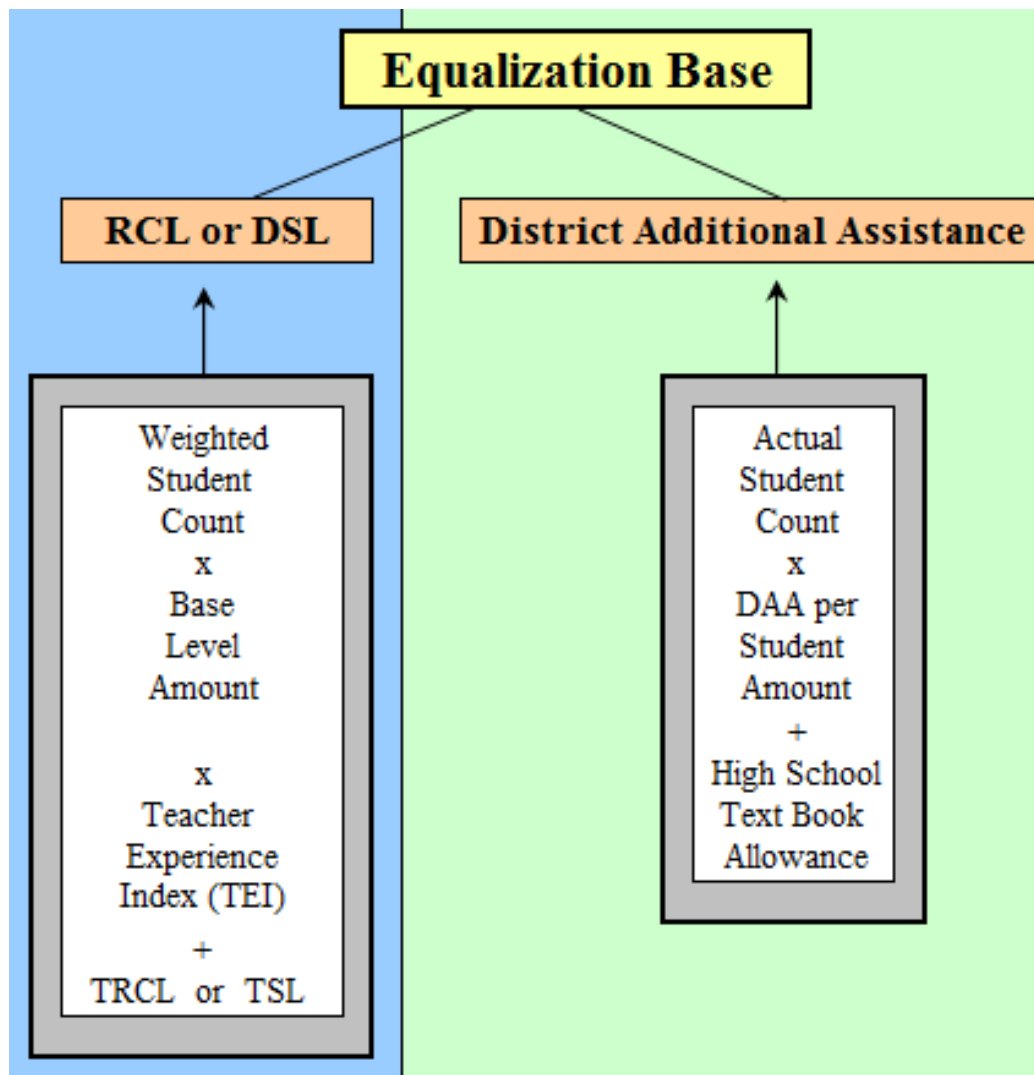
- **Prior to 1974:** Little assistance, influence from the state
- **1974:** State designed limited system to equalize tax rates and control district spending
- **1980:** Major reform to equalize district M&O taxes and spending; continued voter approved bonds and overrides

Intended to:

- Equalize per-pupil spending across districts
- Equalize tax burden across districts
- Decrease reliance on property taxes for schools
- Limit property tax growth



Districts “Formula Money”



The Equalization Base

Consists of 2 budget limits:

1. Revenue Control Limit (RCL)
2. District Additional Assistance (DAA)

Funded by a combination of property taxes (QTR) and state tax dollars (equalization aid)



Group A Weights

| Group A Weights | | | |
|--|---------------------|-------------------------------|--|
| District Size (in Students) | Grade Levels | Weight per Student | Corresponding BSL Funding (FY 2014) |
| All Districts | Pre-K for Disabled | 1.450 | \$4,823 |
| 600 or more | K-8 | 1.158 | \$3,852 |
| 600 or more | 9-12 | 1.268 | \$4,218 |
| <u>Small School Districts:</u> | | | |
| 1-99 | K-8 | 1.399 | \$4,654 |
| 100-499 | K-8 | 1.398 to 1.278 | \$4,651 to \$4,251 |
| 500-599 | K-8 | 1.278 to 1.159 | \$4,251 to \$3,855 |
| 1-99 | 9-12 | 1.559 | \$5,186 |
| 100-499 | 9-12 | 1.558 to 1.398 | \$5,183 to \$4,651 |
| 500-599 | 9-12 | 1.398 to 1.269 | \$4,651 to \$4,221 |
| <u>Small and Isolated School Districts:</u> | | | |
| 1-99 | K-8 | 1.559 | \$5,186 |
| 100-499 | K-8 | 1.558 to 1.359 | \$5,183 to \$4,521 |
| 500-599 | K-8 | 1.358 to 1.160 | \$4,517 to \$3,859 |
| 1-99 | 9-12 | 1.669 | \$5,552 |
| 100-499 | 9-12 | 1.668 to 1.469 | \$5,549 to \$4,887 |
| 500-599 | 9-12 | 1.468 to 1.270 | \$4,883 to \$4,225 |

- Group A weights attempt to recognize economies of scale without incentivizing schools to remain small unnecessarily
- Isolated districts receive more because of natural costs incurred from dislocation



Group B Weights

| Category Qualifications | Additional Weight | Corresponding BSL Funding (FY 2014) |
|---|--------------------------|--|
| Multiple Disabilities w/ Severe Sensory Impairment | 7.947 | \$26,436 |
| Orthopedic Impairments (Self Contained Programs) | 6.773 | \$22,531 |
| Multiple Disabilities (Resource Programs) | 6.024 | \$20,039 |
| Autism (Resource Programs) | 6.024 | \$20,039 |
| Severe Mental Retardation (Resource Programs) | 6.024 | \$20,039 |
| Multiple Disabilities (Self Contained Programs) | 5.833 | \$19,404 |
| Autism (Self Contained Programs) | 5.833 | \$19,404 |
| Severe Mental Retardation (Self Contained Programs) | 5.833 | \$19,404 |
| Emotional Disabilities (Private Programs) | 4.822 | \$16,041 |
| Visual Impairment | 4.806 | \$15,987 |
| Hearing Impairment | 4.771 | \$15,871 |
| Moderate Mental Retardation | 4.421 | \$14,707 |
| Preschool Severe Delay | 3.595 | \$11,959 |
| Orthopedic Impairments (Resource Programs) | 3.158 | \$10,505 |
| English Language Learner | 0.115 | \$133 |
| Kindergarten through Third Grade | 0.060 | \$383 |
| Kindergarten through Third Grade Reading | 0.040 | \$200 |
| Emotional Disabilities | 0.003 | \$10 |
| Mild Mental Retardation | 0.003 | \$10 |
| Specific Learning Disability | 0.003 | \$10 |
| Speech/Language Impairment | 0.003 | \$10 |
| Developmental Delay | 0.003 | \$10 |
| Other Health Impairments | 0.003 | \$10 |

- Each pupil is worth at least 1.158 in K-8 and 1.268 in 9-12 because it is presumed every population of students will have special needs
- Group B weights are not intended to cover the full cost of managing SPED programs
- Group B weights recognize that certain special needs incur even greater costs without incentivizing labeling



Sample State Aid Calculations

| <u>Property Rich</u> | <u>Property Poor</u> |
|---|---|
| \$3,326.54 x 2,000 students (weighted ADM) \$6,653,080 guaranteed | \$3,326.54 x 2,000 students (weighted ADM) \$6,653,080 guaranteed |
| <i>How much will come from local property taxes?</i> \$75,000,000/\$100 (district's taxable value) | <i>How much will come from local property taxes?</i> \$25,000,000/\$100 (district's taxable value) |
| x \$4.2530 QTR (QTR for unified districts in FY 2014) | x \$4.2530 QTR (QTR for unified districts in FY 2014) |
| = \$3,189,750 (47% of guaranteed amount) | = \$1,063,250 (16% of guaranteed amount) |
| <i>How much will come from the state general fund?</i> \$6,653,080 minus \$3,189,750 = \$3,463,330 (52% of guaranteed amount) | <i>How much will come from the state general fund?</i> \$6,653,080 minus \$1,063,250 = \$5,589,830 (84% of guaranteed amount) |



Per-Student Expenditures by Districts Statewide

Table 15: FY 2014 M&O Expenditures Per Student

| Districts w/ Highest Expenditures Per Student | | Districts w/ Lowest Expenditures Per Student | |
|---|-----------------|--|----------------|
| Young Elementary District | \$32,977 | Nogales Unified | \$5,236 |
| Ash Creek Elementary District | \$32,517 | Yuma Union | \$5,236 |
| Mobile Elementary District | \$32,433 | J O Combs Unified | \$5,234 |
| Sentinel Elementary District | \$31,396 | Tolleson Union | \$5,193 |
| Chevelon Butte School District | \$26,494 | Whiteriver Unified | \$5,192 |
| Bowie Unified District | \$25,597 | Apache Junction Unified | \$5,186 |
| Apache Elementary District | \$24,733 | Buckeye Elementary | \$5,165 |
| Pine Strawberry Elementary Dist | \$23,265 | Laveen Elementary | \$5,130 |
| Patagonia Union High School Dis | \$23,015 | Safford Unified | \$5,077 |
| Cochise Elementary District | \$21,433 | Toltec Elementary | \$5,057 |
| San Fernando Elementary District | \$21,359 | Douglas Unified | \$5,031 |
| Mary C O'Brien Accommodation | \$21,233 | Sunnyside Unified | \$5,029 |
| Bouse Elementary District | \$20,324 | Crane Elementary | \$4,957 |
| Seligman Unified District | \$20,250 | Bullhead City | \$4,900 |
| Crown King Elementary District | \$19,225 | Union Elementary | \$4,864 |
| Sonoita Elementary District | \$18,534 | Lake Havasu Unified | \$4,753 |
| Blue Elementary District | \$18,385 | Gadsden Elementary | \$4,741 |
| Yarnell Elementary District | \$18,046 | Thatcher Unified | \$4,735 |
| Owens-Whitney Elementary Dist | \$17,623 | Globe Unified | \$4,670 |
| Bonita Elementary District | \$16,957 | Somerton Elementary | \$4,576 |
| Average of Top 20 Districts | \$23,290 | Average of Bottom 20 Districts | \$4,998 |

Source: ADE FY 2014

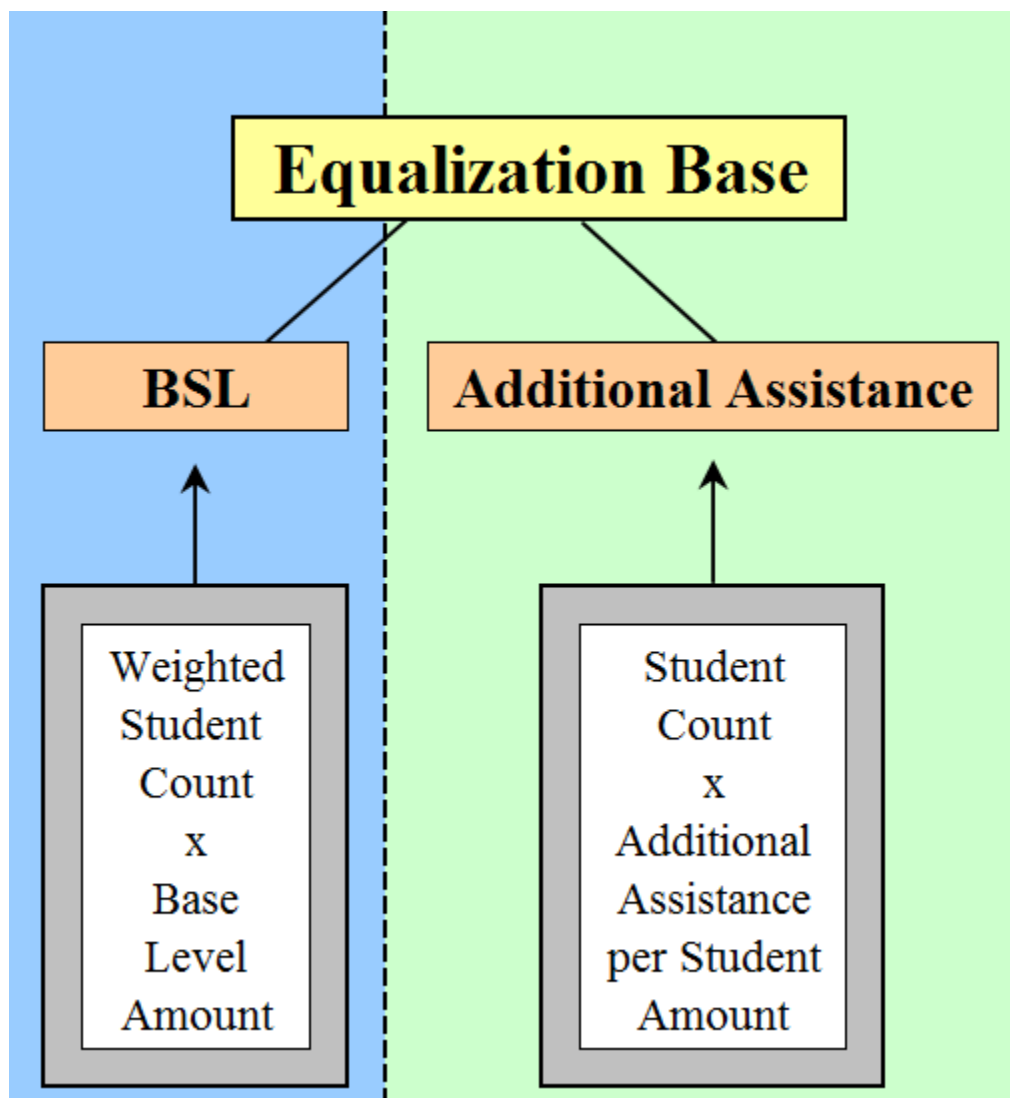


Local Tax Options for Districts

- All subject to voter approval; must be renewed every 5 years
- Overrides
 - M&O may ask up to 15% of budget
 - \$477M statewide
 - 78% of pupils in a district with M&O override
 - Capital may ask up to 10% of budget
 - \$82M statewide
 - 25% of pupils in a district with Capital Override
- Bonds (Debt for capital)
 - \$641M in debt service
 - 90% of pupils in district with bond program
- Combined: \$1.2B in FY18



Charters “Formula Money”



The Equalization Base

Consists of 2 budget limits:

1. Base Support Level (BSL)
2. Charter Additional Assistance (DAA)

Funded by state tax dollars



District vs Charter inequity

--Charter Additional Assist. > District Additional Assist.

FY16: \$1,706 per pupil ~\$80 per pupil

--FY16: Equalized per pupil amount, formula only

Charters: \$6,669 Districts: \$5,366

**All reported per pupil funding:
\$9,529 for District
\$8,798 for Charter**



Total Revenues to K-12

Total K-12 Revenue
(FY15) per pupil (ADA)

AZ: #38



What it means?

AZ is below average in per-pupil revenues directed towards K-12 but certainly is not last

What it means?

Counting all sources, public school revenues are above average relative to Arizona's wealth



Total K-12 Revenue FY15
per \$1000 of personal
income in 2013 \$

AZ: #19

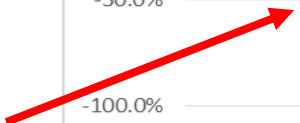
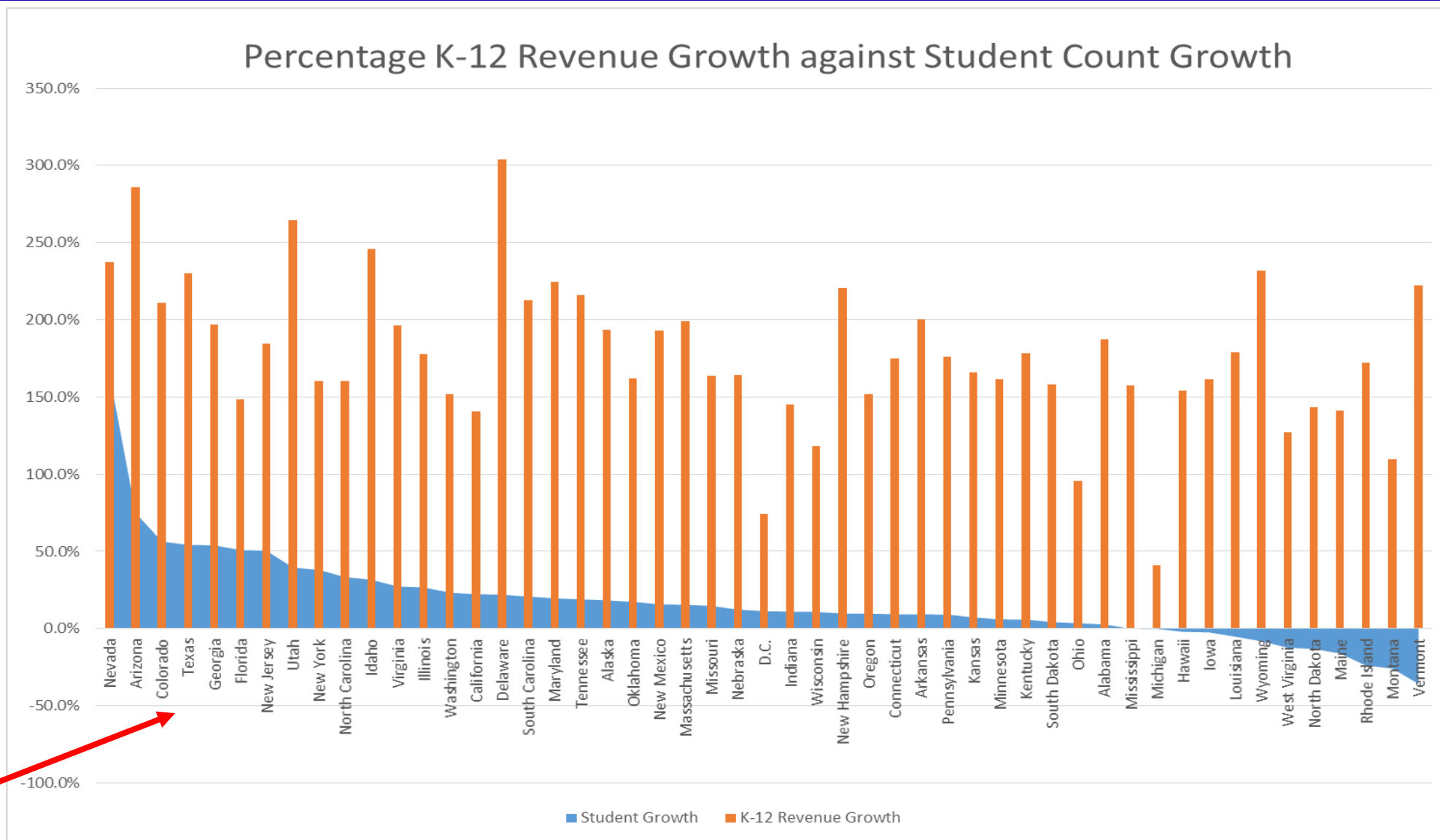
*Statistics from *2016 NEA Rankings & Estimates* which uses state data with CB and BEA data

Growth states like AZ direct increased dollars to capital spending which compete with general fund spending

for over 75 years



K-12 Revenue Growth over Student Growth





State Wealth Comparisons

Per Capita Income, 2013 (BEA)

Arizona's wealth per-capita has historically been low and lagged as population growth outpaced other states.

| | | |
|-----|----------------|--------|
| 37. | NEVADA | 39,235 |
| 38. | MICHIGAN | 39,055 |
| 39. | NORTH CAROLINA | 38,683 |
| 40. | INDIANA | 38,622 |
| 41. | GEORGIA | 37,845 |
| 42. | ARIZONA | 36,983 |
| 43. | ARKANSAS | 36,698 |
| 44. | UTAH | 36,640 |
| 45. | ALABAMA | 36,481 |
| 46. | KENTUCKY | 36,214 |
| 47. | IDAHO | 36,146 |
| 48. | NEW MEXICO | 35,965 |

Income per student, 2013 (NEA, BEA)

Wealth per-student strongly correlates to per-pupil spending.

| | | |
|-----|----------------|---------|
| 38. | ALABAMA | 239,722 |
| 39. | OKLAHOMA | 239,439 |
| 40. | KENTUCKY | 235,186 |
| 41. | WEST VIRGINIA | 233,393 |
| 42. | SOUTH CAROLINA | 232,015 |
| 43. | ARKANSAS | 230,320 |
| 44. | TEXAS | 229,313 |
| 45. | ARIZONA | 229,080 |
| 46. | NEVADA | 229,076 |
| 47. | NEW MEXICO | 224,447 |
| 48. | GEORGIA | 222,085 |
| 49. | MISSISSIPPI | 205,828 |
| 50. | IDAHO | 198,153 |
| 51. | UTAH | 176,972 |
| | MEDIAN | 284,646 |

Tax dollars are taken from economy: wealth per student matters for over 75 years



Spending vs Student Growth

Student Growth

| Student Growth '92-'14 | | |
|------------------------|---------------------|---------------|
| 1 | Nevada..... | 104.93% |
| 2 | Arizona..... | 63.04% |
| 3 | Colorado..... | 45.51% |
| 4 | Georgia..... | 44.09% |
| 5 | Texas..... | 41.85% |
| 6 | Florida..... | 35.10% |
| 7 | North Carolina.. | 30.64% |
| 8 | Utah..... | 24.79% |
| 9 | Idaho..... | 24.20% |
| 10 | Virginia..... | 23.09% |
| 11 | Washington..... | 21.21% |
| 12 | California..... | 19.20% |
| 13 | Tennessee..... | 18.20% |

Per Pupil Spending

| | | |
|----|---------------------|-------|
| 34 | Arkansas..... | 9,616 |
| 35 | California..... | 9,595 |
| 36 | Indiana..... | 9,548 |
| 37 | Kentucky..... | 9,312 |
| 38 | Georgia..... | 9,202 |
| 39 | Alabama..... | 9,028 |
| 40 | Colorado..... | 8,985 |
| 41 | South Dakota..... | 8,881 |
| 42 | Florida..... | 8,755 |
| 43 | Tennessee..... | 8,630 |
| 44 | Texas..... | 8,593 |
| 45 | North Carolina..... | 8,512 |
| 46 | Nevada..... | 8,414 |
| 47 | Mississippi..... | 8,263 |
| 48 | Oklahoma..... | 7,829 |
| 49 | Arizona..... | 7,528 |
| 50 | Idaho..... | 6,621 |
| 51 | Utah..... | 6,500 |

*Census Bureau Data 2014

All but 2 of the fastest growing states (>18%) in K-12 appear in the bottom third of per-pupil expenditures



What's Up With Teacher Pay?

- AZ historically had competitive teacher pay
 - During Prop 301 debate: AZ #34 for teacher pay (2000)
 - Adjust for cost of living (COLI), ~#30
- Prop 301 added ~\$500M, 60% earmarked for teachers only
- Avg teacher pay fairly stagnant last 5 years: today ~\$48K (OAG)
- Today: teacher pay ranks #43; adjusted by COLI #40
- Why are some saying we're last?
 - Morrison Institute report
 - Starting pay is less competitive than average pay



The Morrison Institute Stat

- Wrong Salary Data
 - BLS doesn't count Prop 301 dollars or bonuses
 - BLS doesn't correlate with OAG, NEA, NCES
- Wrong Cost of Living Tool
 - Use the BEA's Regional Price Parities (RPP)
 - RPP does not track cost of owning a home
 - Only uses average rents: AZ leads nation in renters' affordability to own (HARI)
 - RPP is not a commonly used cost of living tool
 - COLI is far more commonly used (CNN Money, Bankrate, NerdWallet, et al)

AZ Teacher pay is not “last” or #49 by any fair adjustment. It has stagnated and is not as competitive as it was in the past.



Average Teacher Pay Adjusted for Cost of Living

Where do we rank?

- #40 is the most fair assessment
- NEA pay data correlates to OAG & NCES
- Assuming all teachers make 10% more and other states are static, AZ jumps to #22



| | 2016 (\$) | RANK (2016) | COLI | INDEX |
|------------------------|---------------|-------------|-----------|---------------|
| 1 District of Columbia | 75,810 | 4 | 103 | 73,673 |
| 2 Michigan | 62,028 | 11 | 90 | 69,151 |
| 3 Pennsylvania | 65,151 | 10 | 102 | 63,874 |
| 4 Illinois | 61,342 | 12 | 97 | 63,109 |
| 5 Ohio | 56,441 | 21 | 92 | 61,150 |
| 6 Wyoming | 58,140 | 16 | 96 | 60,816 |
| 7 New York | 79,152 | 1 | 133 | 59,737 |
| 8 Georgia | 54,190 | 23 | 91 | 59,681 |
| 9 Iowa | 54,416 | 22 | 91 | 59,601 |
| United States | 58,353 | - | 100 | 58,353 |
| 10 Massachusetts | 76,981 | 3 | 133 | 57,924 |
| 11 Connecticut | 72,013 | 5 | 126 | 57,290 |
| 12 Minnesota | 56,913 | 19 | 100 | 57,084 |
| 13 Texas | 51,890 | 27 | 91 | 56,897 |
| 14 New Jersey | 69,330 | 6 | 122 | 56,874 |
| 15 Wisconsin | 54,115 | 24 | 96 | 56,253 |
| 16 Indiana | 50,715 | 31 | 91 | 55,670 |
| 17 Kentucky | 52,134 | 26 | 94 | 55,639 |
| 18 Nebraska | 51,386 | 28 | 93 | 55,313 |
| 19 Arkansas | 48,218 | 38 | 88 | 54,918 |
| 20 California | 77,179 | 2 | 141 | 54,737 |
| 21 Nevada | 56,943 | 18 | 105 | 54,387 |
| 22 Alabama | 48,518 | 37 | 90 | 53,730 |
| 23 Tennessee | 48,217 | 39 | 90 | 53,694 |
| 24 Rhode Island | 66,197 | 9 | 124 | 53,557 |
| 25 Missouri | 47,957 | 40 | 90 | 53,345 |
| 26 Kansas | 47,755 | 42 | 90 | 52,943 |
| 27 Louisiana | 49,745 | 34 | 94 | 52,696 |
| 28 Maryland | 66,456 | 8 | 129 | 51,636 |
| 29 Alaska | 67,443 | 7 | 131 | 51,366 |
| 30 Montana | 51,034 | 29 | 100 | 50,831 |
| 31 Oklahoma | 45,276 | 49 | 89 | 50,758 |
| 32 North Carolina | 47,941 | 41 | 95 | 50,678 |
| 33 North Dakota | 50,472 | 33 | 100 | 50,624 |
| 34 Mississippi | 42,744 | 50 | 85 | 50,228 |
| 35 Washington | 53,738 | 25 | 107 | 50,176 |
| 36 Idaho | 46,122 | 47 | 92 | 50,024 |
| 37 Virginia | 50,834 | 30 | 102 | 49,740 |
| 38 New Mexico | 47,163 | 44 | 95 | 49,698 |
| 39 Florida | 49,199 | 35 | 99 | 49,546 |
| 40 Arizona | 47,218 | 43 | 96 | 49,391 |
| 41 New Hampshire | 56,616 | 20 | 115 | 49,231 |
| 42 South Carolina | 48,769 | 36 | 100 | 49,014 |
| 43 Utah | 46,887 | 45 | 96 | 48,994 |
| 44 Vermont | 58,901 | 15 | 121 | 48,800 |
| 45 West Virginia | 45,622 | 48 | 96 | 47,572 |
| 46 Oregon | 60,359 | 13 | 129 | 46,681 |
| 47 Colorado | 46,155 | 46 | 102 | 45,117 |
| 48 Maine | 50,498 | 32 | 114 | 44,452 |
| 49 South Dakota | 42,025 | 51 | 100 | 42,236 |
| 50 Delaware | 59,960 | 14 | 156 | 38,510 |
| 51 Hawaii | 57,431 | 17 | 188 | 30,500 |

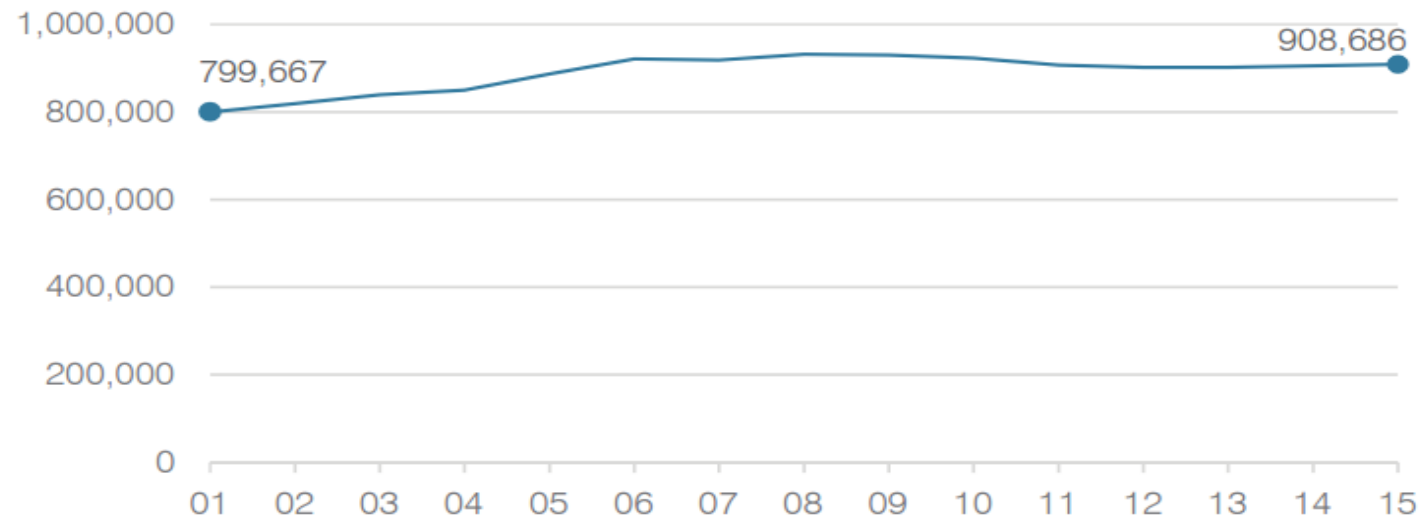
Source: NEA Adjusted by COLI



What Changed?

- Per Pupil Spending ranking has not changed
 - Continue to rank #48 or #49 (including D.C.)
 - 2006: AZ per pupil spending is 70.8% of national average// 2014: 71%
- District school enrollment stopped growing in 2006

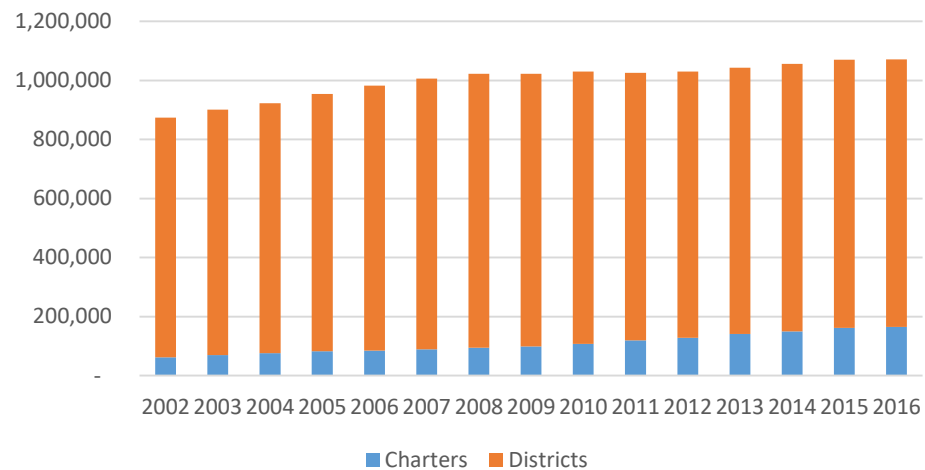
Students attending



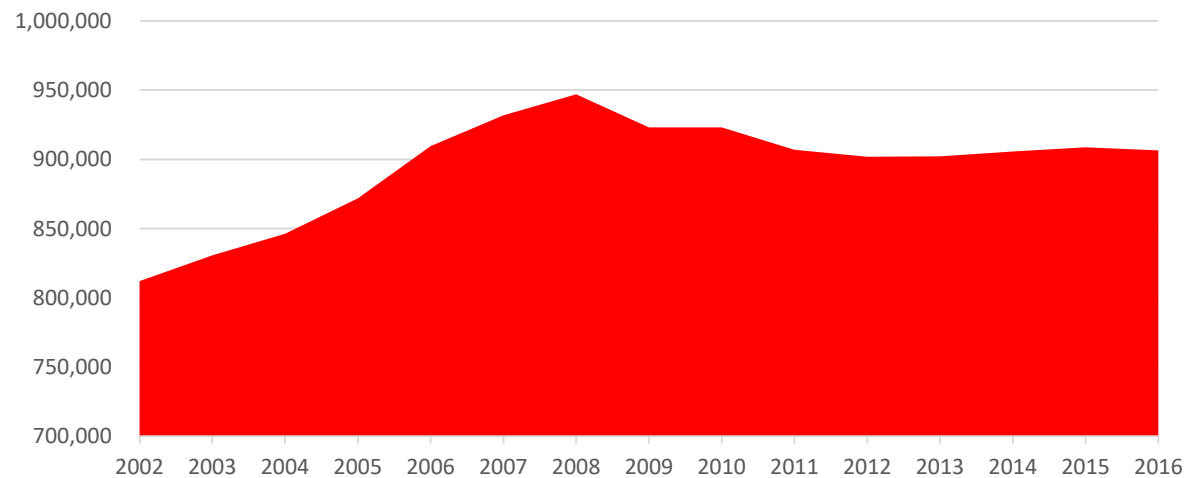


Student Demographic Trends

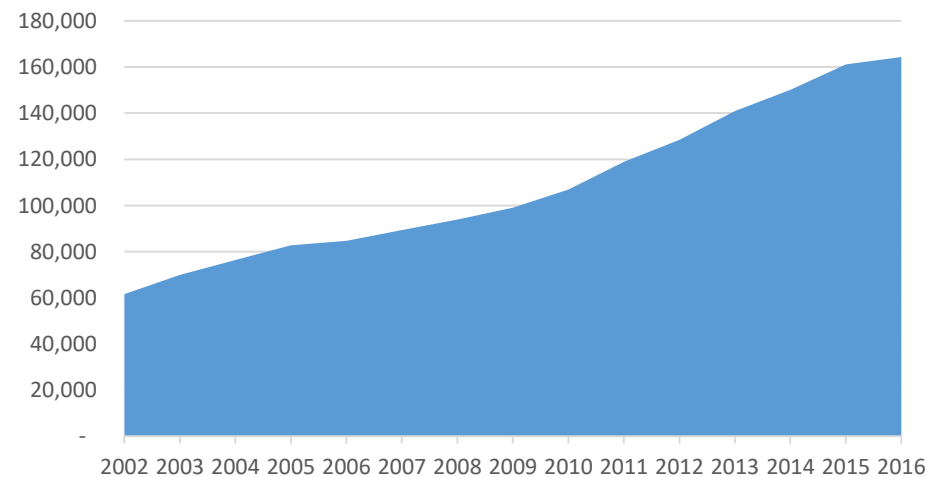
AZ K-12 ADM Count



District Growth



Charter Growth

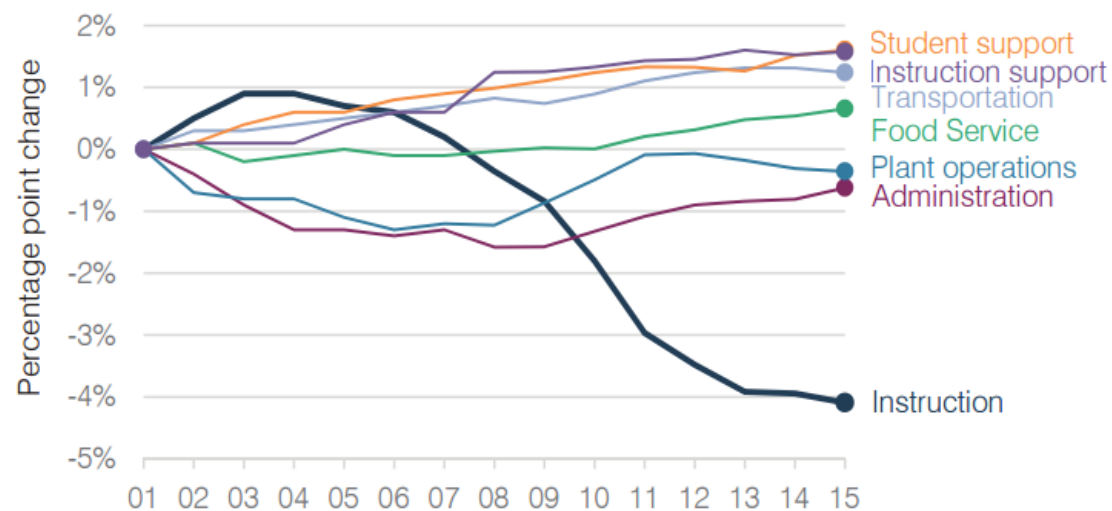




Recession + Student Diaspora

- Charter enrollment 2006: 8.5% of total, now ~18%
- Online enrollment tripled 15K to 50K
- Staff and school sites have outpaced student growth
- Yale study found 47% of Maricopa Co. K-8 using open enrollment

Changes in operational spending percentages





Managing a Declining Budget

- For the first time in decades, most districts are flat or declining
- What if you lose 1 kid per classroom in every school?
- Costs don't materially change
- Mesa Unified has 70 schools, budget hit = ~\$5 million

- Making it worse...
 - Capital resources dependent on local bonding
 - ASRS, healthcare costs, Special Education costs



ATRA's Message

- Leverage the best part of AZ's K-12 system: school choice
 - Financial inputs should follow the student as much as possible
 - Schools compete for students as well as staff
- Resist temptation to take local decisions away from locals
 - Union's position calling for a statewide pay scale is not widely regarded
 - Restricted dollars to employee groups is a bad precedent
- Competitiveness of teacher pay is a signal of financial sufficiency only
 - Cannot be solved from Phoenix
 - Districts and Charters are incentivized to pay market wages



ARIZONA TAX RESEARCH ASSOCIATION

Questions?

ARIZONA TAX RESEARCH ASSOCIATION



Arizona Tax Research Association

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Demographic Challenges (2013 BEA data)

% Under 18

| | | |
|-----------|----------------|-------------|
| 1 | Utah | 30.9 |
| 2 | Texas | 26.6 |
| 3 | Idaho | 26.5 |
| 4 | Alaska | 25.6 |
| 5 | Kansas | 25 |
| 6 | Georgia | 24.9 |
| | Nebraska | 24.9 |
| 8 | Mississippi | 24.7 |
| 9 | Oklahoma | 24.6 |
| | South Dakota | 24.6 |
| 11 | Arizona | 24.4 |
| 12 | New Mexico | 24.3 |
| 13 | Indiana | 24.1 |
| | Louisiana | 24.1 |
| 15 | Arkansas | 24 |
| 16 | California | 23.9 |
| 17 | Nevada | 23.7 |
| 18 | Minnesota | 23.6 |
| | Wyoming | 23.6 |
| 20 | Illinois | 23.5 |
| | Colorado | 23.5 |
| 22 | Iowa | 23.4 |
| | U.S. | 23.3 |
| 23 | North Carolina | 23.2 |
| 24 | Missouri | 23.1 |
| | Kentucky | 23.1 |
| 26 | Alabama | 23 |
| | Tennessee | 23 |
| 28 | Ohio | 22.9 |
| | Washington | 22.9 |
| 30 | Wisconsin | 22.8 |
| 31 | Michigan | 22.7 |
| | New Jersey | 22.7 |
| | Maryland | 22.7 |
| 34 | South Carolina | 22.6 |
| | Virginia | 22.6 |
| 36 | Virginia | 22.6 |
| 37 | North Dakota | 22.5 |
| 38 | Montana | 22.1 |
| 39 | Delaware | 22 |
| 40 | Hawaii | 21.9 |
| | Connecticut | 21.8 |
| 42 | Oregon | 21.8 |
| 43 | New York | 21.6 |
| 44 | Pennsylvania | 21.3 |
| 45 | Massachusetts | 20.8 |
| | Florida | 20.6 |
| 47 | New Hampshire | 20.5 |
| 48 | Rhode Island | 20.4 |
| 49 | Maine | 19.7 |
| 50 | Vermont | 19.6 |
| 51 | D.C. | 17.2 |

AZ #11
Utah #1
Idaho #3

% 18-64

| | | |
|-----------|----------------|-------------|
| 1 | D.C. | 71.4 |
| 2 | Alaska | 65.4 |
| 3 | Massachusetts | 64.4 |
| 4 | Colorado | 64.2 |
| | New Hampshire | 64.2 |
| | Rhode Island | 64.2 |
| 7 | Vermont | 64.1 |
| 8 | Virginia | 64 |
| | New York | 64 |
| 10 | Maryland | 63.9 |
| 11 | California | 63.6 |
| 12 | Washington | 63.5 |
| 13 | North Dakota | 63.3 |
| 14 | Georgia | 63.1 |
| 15 | Connecticut | 63 |
| | Illinois | 63 |
| 17 | Wyoming | 62.9 |
| | New Jersey | 62.9 |
| 19 | Oregon | 62.7 |
| | Louisiana | 62.7 |
| 21 | Maine | 62.6 |
| | U.S. | 62.6 |
| | Nevada | 62.6 |
| 23 | Hawaii | 62.5 |
| | Kentucky | 62.5 |
| | Minnesota | 62.5 |
| | North Carolina | 62.5 |
| 27 | Tennessee | 62.4 |
| | Wisconsin | 62.4 |
| | Pennsylvania | 62.4 |
| 29 | Michigan | 62.3 |
| 31 | West Virginia | 62.2 |
| | Texas | 62.2 |
| 33 | South Carolina | 62.1 |
| | Delaware | 62.1 |
| | Alabama | 62.1 |
| 36 | Ohio | 62 |
| 37 | Indiana | 61.9 |
| | Missouri | 61.9 |
| 39 | Montana | 61.7 |
| 40 | Mississippi | 61.4 |
| 41 | Oklahoma | 61.1 |
| 42 | Iowa | 61 |
| | Kansas | 61 |
| | Nebraska | 61 |
| | New Mexico | 61 |
| 46 | Florida | 60.8 |
| 47 | Arkansas | 60.7 |
| 48 | South Dakota | 60.5 |
| 49 | Arizona | 60.2 |
| 50 | Idaho | 59.6 |
| 51 | Utah | 59.3 |

AZ #49
Idaho #50
Utah #51

% 65+

| | | |
|-----------|----------------|-------------|
| 1 | Florida | 18.7 |
| 2 | Maine | 17.7 |
| 3 | West Virginia | 17.3 |
| 4 | Pennsylvania | 16.4 |
| | Vermont | 16.4 |
| 6 | Montana | 16.2 |
| 7 | Delaware | 15.9 |
| 8 | Iowa | 15.6 |
| | Hawaii | 15.6 |
| 10 | Rhode Island | 15.5 |
| | Oregon | 15.5 |
| 12 | Arizona | 15.4 |
| | Arkansas | 15.4 |
| | New Hampshire | 15.4 |
| 15 | Connecticut | 15.2 |
| | South Carolina | 15.2 |
| 17 | Ohio | 15.1 |
| 18 | Missouri | 15 |
| | Michigan | 15 |
| 20 | South Dakota | 14.9 |
| | Alabama | 14.9 |
| 22 | Massachusetts | 14.8 |
| | Wisconsin | 14.8 |
| 24 | New Mexico | 14.7 |
| | Tennessee | 14.7 |
| 26 | New Jersey | 14.4 |
| | New York | 14.4 |
| | Kentucky | 14.4 |
| 29 | Oklahoma | 14.3 |
| | North Carolina | 14.3 |
| 31 | North Dakota | 14.2 |
| 32 | Nebraska | 14.1 |
| | U.S. | 14.1 |
| 33 | Kansas | 14 |
| 34 | Indiana | 13.9 |
| | Minnesota | 13.9 |
| | Mississippi | 13.9 |
| 37 | Idaho | 13.8 |
| 38 | Nevada | 13.7 |
| 39 | Washington | 13.6 |
| 40 | Illinois | 13.5 |
| | Wyoming | 13.5 |
| 42 | Maryland | 13.4 |
| | Virginia | 13.4 |
| 44 | Louisiana | 13.3 |
| 45 | California | 12.5 |
| 46 | Colorado | 12.3 |
| 47 | Georgia | 12 |
| 48 | D.C. | 11.4 |
| 49 | Texas | 11.2 |
| 50 | Utah | 9.8 |
| 51 | Alaska | 9 |

AZ #12

Idaho #37
Utah #50



State Wealth Comparisons

Per Capita Income, 2013 (BEA)

Arizona's wealth per-capita has historically been low and lagged as population growth outpaced other states.

| | | |
|-----|----------------|--------|
| 37. | NEVADA | 39,235 |
| 38. | MICHIGAN | 39,055 |
| 39. | NORTH CAROLINA | 38,683 |
| 40. | INDIANA | 38,622 |
| 41. | GEORGIA | 37,845 |
| 42. | ARIZONA | 36,983 |
| 43. | ARKANSAS | 36,698 |
| 44. | UTAH | 36,640 |
| 45. | ALABAMA | 36,481 |
| 46. | KENTUCKY | 36,214 |
| 47. | IDAHO | 36,146 |
| 48. | NEW MEXICO | 35,965 |

Income per student, 2013 (NEA, BEA)

Wealth per-student strongly correlates to per-pupil spending.

| | | |
|-----|----------------|---------|
| 38. | ALABAMA | 239,722 |
| 39. | OKLAHOMA | 239,439 |
| 40. | KENTUCKY | 235,186 |
| 41. | WEST VIRGINIA | 233,393 |
| 42. | SOUTH CAROLINA | 232,015 |
| 43. | ARKANSAS | 230,320 |
| 44. | TEXAS | 229,313 |
| 45. | ARIZONA | 229,080 |
| 46. | NEVADA | 229,076 |
| 47. | NEW MEXICO | 224,447 |
| 48. | GEORGIA | 222,085 |
| 49. | MISSISSIPPI | 205,828 |
| 50. | IDAHO | 198,153 |
| 51. | UTAH | 176,972 |
| | MEDIAN | 284,646 |

Tax dollars are taken from economy: wealth per student matters for over 75 years



Total Revenues to K-12

Total K-12 Revenue
(FY15) per pupil (ADA)

AZ: #38



What it means?

AZ is below average in per-pupil revenues directed towards K-12 but certainly is not last

What it means?

Counting all sources, public school revenues are above average relative to Arizona's wealth



Total K-12 Revenue FY15
per \$1000 of personal
income in 2013 \$

AZ: #19

*Statistics from *2016 NEA Rankings & Estimates* which uses state data with CB and BEA data

Growth states like AZ direct increased dollars to capital spending which compete with general fund spending

for over 75 years