



Action without information is dangerous. Information without action is futile.

The State of Arizona recently responded to demands for higher teacher pay with a plan to increase base K-12 funding to provide a 20% teacher pay increase by the fall of 2020. ATRA analyzed Arizona teacher pay earlier this year, providing relevant facts and context to the policy issue. With this dramatic taxpayer investment, Arizona's relative teacher pay ranking shifts considerably. This release also highlights conclusions from our K-12 funding studies.

Arizona Teacher Pay Update

- 20% increase over 3 years jumps AZ average pay rank from #40 to #16
 - Using NEA data, AZ avg pay projects to ~\$56,600
 - This is adjusted for cost of living (COLI), unadjusted rank would be #26
 - Assumes every other state grows pay 2% in each of the 3 years

What Are Arizona's K-12 Funding Challenges?

- Considerable decentralization of AZ's public school system
 - Declining/flat enrollment in most districts creates budget pressure
 - Massive growth in charters & open enrollment 'spread' the system
- Rising employee costs have limited pay raises
 - Total pension costs have increased 4X since early 2000's from 6% to 23%
 - Rising healthcare costs (example: State of AZ health plan up 21% since 2015)
- Rising costs of special education (SPED)
 - SPED population has outpaced overall student growth by a factor of four
 - Modern programs cost more than formula funds; costs placed on budget
- Demographic challenges (few taxpayers)
 - AZ ranks #49 in % population age 18-64 (Census Bureau, CB)
 - Only state ranking in top 15 for both % young & % old (CB)
- Wealth in Arizona per student
 - AZ ranks #45 in nation for total personal income per K-12 student (CB)
 - AZ ranks #19 for total K-12 spending per \$1000 of personal income (NEA)