
Community Colleges Funding

Senate Education Committee

January 15, 2025



Community Colleges Funding Sources

- Total FY 2026 Revenues for All Districts

- The FY 2026 Baseline includes \$101.7 million from the General Fund.
 - Includes statutory funding, rural aid and remedial and workforce appropriations.
- Non-Appropriated revenues total \$2.0 billion.
 - This amount includes tuition and fees, property taxes and grants.

Non-Appropriated Revenue Sources	\$ in M
Tuition and Fees	349.5
Property Taxes	1,077.4
Grants	453.4
Other Non-Appropriated Funds	<u>137.9</u>
Total	2,018.3

Community College Statutory Funding

- Operating and STEM Aid

- Operating Aid is appropriated for operating and maintenance expenses.
 - Calculated by multiplying the change in enrollment by the average operating aid per FTSE for the current year.
 - Operating Aid for Maricopa and Pima has been suspended since FY 2016.
 - The FY 2026 estimated formula is \$13.8 million.
- STEM and Workforce Programs State Aid is appropriated to fund partnerships, faculty, technology equipment, student services, facilities, and property needs.
 - Calculated by multiplying total enrollment by \$210 for districts with 5,000 students or less and \$160 for districts with greater than 5,000 students.
 - STEM Aid was suspended for Maricopa and Pima from FY 2016 to FY 2020.
 - The FY 2026 estimated formula is \$15.1 million.

Community College Statutory Funding

- Equalization Aid

- Equalization Aid is appropriated to districts with property tax bases that are less than the minimum assessed valuation.
 - Includes Cochise, Graham, Navajo, and Yuma/La Paz.
 - Minimum assessed valuation is revised annually by the average change in assessed valuation for all rural districts.
- Equalization Aid is paid based on the difference between the minimum assessed valuation and the actual assessed valuation.
 - Calculated at the lesser of \$1.37 per \$100 of the district's assessed valuation or the district's levy rate.
- The FY 2026 estimated formula is \$49.0 million.

Community College Statutory Funding

- Tribal Community Colleges

- Additional state aid is provided to qualified tribes that instituted a compact with the state to receive a portion of TPT revenues.
 - Includes Diné College, Navajo Technical College and Tohono O'odham Community College.
- Each recipient receives \$1,750,000, or 10% of all TPT revenues collected on the reservation, whichever is less.
 - The FY 2026 estimate is \$1.4 million.

Community College Statutory Funding

- Unestablished Rural Districts

- If a county does not have an established district (Apache and Greenlee), it is responsible for paying the cost of their students attending other districts.
- The General Fund pays the initial cost of these students and then withholds county TPT revenues to offset costs.
- The budget historically includes additional reimbursements to Apache and Greenlee for the cost of student in other districts.
- In FY 2025, the total cost of students from Apache and Greenlee counties was \$6.1 million.
 - General Fund net costs are \$4.9 million.
 - Apache and Greenlee net costs are \$1.2 million.

Community College Funding

- Other Rural Aid

- Rural Aid is appropriated to the 10 rural districts (excludes Maricopa and Pima) and allocated based on each district's share of actual enrollment.
- Rural Aid is not statutory funding. The Legislature has appropriated Rural Aid at some level in the budget since FY 2022.
- The FY 2025 budget included \$14.0 million ongoing from the General Fund.

Appendix

Community College Statutory Funding

- Estimated FY 2026 State Aid by District (\$ in Thousands)

	Operating Aid	STEM Aid	Equalization Aid	Rural Aid	Total
Cochise	3,818.6	1,021.1	11,812.6	2,703.6	19,355.9
Coconino	1,426.5	314.3	0	901.8	2,642.6
Gila	158.7	91.7	0	252.8	503.2
Graham	1,808.1	465.9	22,496.5	1,244.5	26,015.0
Maricopa	0	8,441.6	0	0	8,441.6
Mohave	1,056.6	430.5	0	1,202.5	2,689.6
Navajo	1,430.4	295.5	12,885.2	852.6	15,463.7
Pima	0	1,855.6	0	0	1,855.6
Pinal	1,082.9	654.8	0	1,807.4	3,545.1
Santa Cruz	45.1	38.0	0	99.9	183.0
Yavapai	555.9	710.2	0	1,955.3	3,221.4
Yuma/La Paz	<u>2,402.0</u>	<u>820.6</u>	<u>1,786.4</u>	<u>2,979.6</u>	<u>7,988.6</u>
Total	13,784.8	15,139.8	48,980.7	14,000.0	91,905.3