

ECONOMIC ESTIMATES COMMISSION

Department of Revenue Building



February 24, 2021

The Honorable Douglas A. Ducey
Governor, State of Arizona
1700 West Washington
Phoenix, AZ 85007

The Honorable Karen Fann
President, Arizona State Senate
1700 West Washington, Senate Wing
Phoenix, AZ 85007

The Honorable Russell Bowers
Speaker, Arizona House of Representatives
1700 West Washington, House Wing
Phoenix, AZ 85007

Dear Governor Ducey, President Fann, and Speaker Bowers:

Pursuant to Section 21, Article 9 of the Constitution, the Economic Estimates Commission is submitting the preliminary aggregate expenditure limitation for fiscal year 2021/22 for school districts. The fiscal year 2021/22 preliminary limit of \$6,019,638,192 is computed as shown on the attachment. This expenditure limit represents a decrease of 4.60% over the final fiscal year 2020/21 expenditure limit of \$6,309,587,438.

Please contact Elizabeth St. Clair in the Office of Economic Research and Analysis at (602) 716-6322 if you have any questions.

Sincerely,

ECONOMIC ESTIMATES COMMISSION

Elizabeth St. Clair

Elizabeth St. Clair
Senior Economist

Calculation for Preliminary Aggregate Expenditure Limitation for School Districts

$\frac{\text{2020/21 Student Count (estimate)}}{\text{1978/79 Student Count}}$	X	$\frac{\text{Preliminary 2020 GDP Implicit Price Deflator*}}{\text{1978 GDP Implicit Price Deflator}}$	X	$\frac{\text{1979/80 Aggregate Base Limit}}{\text{1979/80 Aggregate Base Limit}}$	=	$\frac{\text{Aggregate Expenditure Limit for School Districts}}{\text{Aggregate Expenditure Limit for School Districts}}$	X	$\frac{\text{Voter Approved 10\% Increase}}{\text{Voter Approved 10\% Increase}}$	=	$\text{Preliminary FY2021/22 Aggregate Expenditure Limit for School Districts}$
$\frac{858,532}{490,754}$	X	$\frac{113.623}{35.798}$	X	$\frac{\$985,544,934}{\$985,544,934}$	=	$\frac{\$5,472,398,356}{\$5,472,398,356}$	X	$\frac{1.10}{1.10}$	=	$\underline{\underline{\$6,019,638,192}}$

STUDENT COUNT SOURCE: Arizona Department of Education
 SOURCE: Moody's Analytics Jan 2021 (GPD Implicit Price Deflator 2020/ 1978 GDP Implicit Price Deflator)