

# Classrooms First Initiative Council

## Preliminary Framework

September 22, 2015



---

Office of the Governor

# Classrooms First Initiative Council Charge

*Ensure that every child – regardless of where they live  
– has access to an excellent education.*

- Governor Doug Ducey  
Classrooms First Initiative Council Speech  
June 26, 2015

2



# Vision Statement

**Arizona's children will have access to a high quality education that promotes excellence and school choice and is equitably funded through a system of clarity, transparency, and recognition of results.**



# Governor Ducey's Principles: What's Best for Our Kids

- ✓ Single formula everyone can understand
- ✓ Focus on academic outcomes
- ✓ Efficiency and flexibility in funding
- ✓ Normalize underfunded levers to ensure equity
- ✓ Transparency in school level budgeting
- ✓ Empowering school leaders



# Meetings:

## June 26, 2015 – September 10, 2015

- Five all-day public meetings
- Working Groups a.m.
- Full Council p.m.
- Consultants
- Presentations



# Working Groups

Equitable  
Funding  
Structure

**CLARITY**

Student-  
Centered  
Learning  
Priorities

**TRANSPARENCY**

Recognition of  
Excellence

**RESULTS**

6



# EQUITABLE FUNDING STRUCTURE

FORMULA CLARITY  
FORMULA UNIFORMITY  
FORMULA EQUITY

7



# Current Funding Process: Equalization Formula

- The state formula provides for basic instructional and operational function of schools:
  - Charter student funding comes entirely from the state's General Fund
  - District student funding comes from diverse sources including state's General Fund, local property taxes, and bonds and overrides





# Formula Clarity: Understandable and Clear

- Annual publication of *student* funding formula available to all parents in the state
- Website for parents to calculate how much their child generates in funding - wherever the child is enrolled
- Reorganize and condense Title 15 school finance laws
- Operationalize school finance laws in State Board of Education rule and/or policy handbooks not in statute



# Formula Uniformity (Future): Structure of a Single Formula for All Public Schools

- Base Level – Per Pupil Funding
- Grade-Specific Funding
- School-Type Funding (small, rural, or quality)
- Additional Assistance (Same for school districts & charter schools)\*
- Student-Specific Funding
- Lump-Sum Flexible Funding

\*Components TBD – see Issues for Continued Discussion

10



# Formula Equity: Equal Funding for Each Student

Group A  
Weights

- Move into base level\*

“Teacher  
Weights”

- Collapse or repurpose\*

\*Subject to inflation factor

11



# Issues for Continued Discussion at Council

- Consolidation of QTR/SETR rates into one rate
- Equalization of property tax base
- Formula Capital vs. Bonds/Overrides
- One definition of “Additional Assistance” amount for all public schools
- Special Education (real costs vs. formula)
- Transportation (real costs vs. formula)
- Grade Level Weights rationale



# Issues for Continued Discussion at Council

- Online Schools
- Joint Technical Education Districts
- Desegregation/Adjacent Ways
- Current-Year Funding for school districts
- Concurrency of Average Daily Membership
- Proposition 301



# STUDENT CENTERED LEARNING PRIORITIES

FUNDING LEVERS  
TRANSPARENCY **14**



# Funding Levers:

## Normalize Special Student Demographics for Equity

- Fund special education students at 2007 cost (most current)\*
- Fund the existing “Extraordinary Special Needs Fund” to address high-cost students/percentages for all public schools\*
- Human Capital (Teachers) policies for recruitment and retention\*\*

\*New funding    \*\*Reallocation of existing funding

15



# Transparency: How Resources are Allocated

- School Level Budgeting and Reporting
  - Applies to all school district and charter schools
  - Redesign of Annual Financial Reports
  - Revise Uniform System Financial Records
  - Require clear and concise school-level reporting of financial data
  - Align spending categories to capture broader definition of classroom spending (instruction, instructional and student support)
  - Publish school-level allocations (total revenues per student vs. actual allocation) on school website
- Eliminate the Current Auditor General Classroom Spending Report





# Issues for Continued Discussion at Council

- Funding mechanism for teacher recruitment and retention policies
- Achievement Gaps: At-risk “Opportunity Funding” for all low-socioeconomic schools regardless of performance
  - Schools with high density of low-income students more likely to have academic challenges
  - Trigger implementation of new strategies to support students
  - Permanent or transitional?



# RECOGNITION OF EXCELLENCE

RESULTS  
LEADERSHIP  
REGULATORY RELIEF **18**



# Defining Excellence: Scores and/or Gain

Schools as Defined by  
A-F Letter Grading System  
(Currently in Redesign)

“A” schools  
demonstrating  
excellence

“B” and “C”  
schools showing  
significant gains

# Results:

## Academic Outcomes

- School Level Achievement Funding as *additional funding*:\*
  - "A" schools
  - "B" and "C"-grade schools showing significant gains
  - Vary according to degree of low-income students being served in a school
    - 1.0 multiplier for high-wealth
    - 1.5 multiplier for mid-wealth
    - 2.0 multiplier for low-wealth

\*New funding

20



# Leadership: Great Leaders

- Support professional training for Principals
- State partnership with philanthropy and local funding for school leader academies



# Regulatory Relief: Operational Flexibility

- Revise existing statute (ARS 15-215) to allow “A”-rated schools to receive exemptions from operational and financial statutes and rules including:
  - Financial Audits
  - Procurement
- Conforming school district and charter systems including:
  - USFR
  - Budget Capacity/Restriction of Funds
  - Special Education Allocation Funding



# Issues for Continued Discussion at Council

- Understanding the redesign of A-F
- Streamline state certification process to ensure more efficient Arizona certification and reciprocity processes
- Allow high-performing school leaders an option for school-based budgeting
- Use of existing vacant buildings by high-performing schools
  - Empty school buildings – sale or lease of land and buildings without voter approval
  - Excess space in school systems – accurate measurement of “under-utilized space”

