



CLASSROOMS FIRST INITIATIVE COUNCIL MINUTES

General Meeting – August 27, 2015 2:30 P.M.

Location: 1700 W. Washington
2nd Floor Conference Room
Phoenix, Arizona 85007

Members Present: Alicia Alvarez, Brian Capistran, Tim Carter, Susan Chan, Annie Gilbert, Kenneth Hicks, Beth Maloney, Greg Miller, Co-Chair Jim Swanson, and Dawn Wallace

Members Absent: Governor Doug Ducey, Superintendent Diane Douglas, Janna Day

Staff Present: Carmen Ronan, Kristin Sorensen

Call to Order, Welcome & Introductions

Mr. Jim Swanson called the meeting to order at 2:31 P.M.

Mr. Swanson then called for an approval of the August 13, 2015 council meeting minutes as presented. Kenneth Hicks motioned for approval and Greg Miller seconded; the motion passed unanimously.

Public Comments

Dr. Dan McCloy defended administrative costs in schools, such as nurses, vice principals, and marching bands. He urged the Council to consider the possible negative effects of cutting administrative funding while increasing administrative duties.

Joe Geusic stated that increases and dips in school spending in Arizona are correlated with the health of the economy, and school funding has not increased according to the consumer price index. He lamented that school choice can lead parents to send their children to schools with ample resources in other neighborhoods, while not paying extra taxes in their own neighborhoods.

Jim Hall of Arizonans for Charter School Accountability expressed concern about administration spending in charter schools. He encouraged the Council to add weights to the school funding formula based on student needs (e.g., ELL, Free and Reduced Lunch).

Presentation: School Finance Data System, Arizona Department of Education (ADE)

Aiden Fleming, Deputy Director for Policy Development and Government Relations at ADE, stated that previously Arizona had an inefficient financial data system and inefficient policy. He added that since 2010 the state has invested \$38 million dollars to build an efficient system, but the system is still built upon inefficient policy.

Mark T. Masterson, Chief Information Officer at ADE, described changes to the new system. Under the old, more inefficient system (which is currently being used), districts are asked to feed data to the system 250 times per year (sometimes for duplicative data). The new system is more flexible and efficient, and will extract data from districts 150 times per year. Mr. Masterson added that weights are now configurable (e.g., changing a weight from 5% to 7%) and data can be processed within 24 hours.

Mr. Fleming said currently ADE can collect and calculate data, but the data is mainly used to make payments (i.e., it is not analyzed to use for auditing purposes). He said the new system, Arizona Education Data Server (AZEDS), is running concurrently with the old system. He also described the types of changes that can be easily made to the system, such as modifying weights.

Susan Chan asked how special education students would be treated in the new system if they transfer after the 40th day of school. Mr. Masterson said for in-state students all historical data will go to the new school and updated data can be viewed every day. Lyle Friesen, Director of School Finance at ADE, said the funding will work the way it does today if the law does not change. Greg Miller asked what could be done about students transferring after the 100th day. Mr. Masterson responded that an ADM calculation change would be needed, and the system can do that.

Dawn Wallace asked if the new system can recognize multiple enrollment dates, calculate, and produce a payment in the current year that more accurately reflects the enrollment count. Mr. Friesen said he believed the system could do this. Ms. Wallace asked if the system will allow the addition of variables. Mr. Masterson affirmed. Ms. Wallace asked if the formula can be changed (e.g., adding or collapsing weights) for each type of educational system (e.g., AOI, JTEDs). Mr. Masterson responded that adding weights such as letter grades is possible.

Mr. Swanson asked if a weight could be made that is conditional on another weight. Mr. Masterson affirmed. Mr. Swanson asked if the system can calculate payments at the individual/child level. Mr. Masterson affirmed.

Ms. Wallace asked if the system can calculate payments by school. Mr. Masterson affirmed, adding the system could disaggregate LEA data by school for reporting purposes.

Tim Carter asked: if districts, charters, JTEDs and AOIs all have the same policies, procedures, and statutes, how long will it take to operationalize the IT to support that, and what is the potential total cost? Mr. Masterson responded if the payment engine model stays the same, the payment changes will be implemented in FY17 in time for SY18. He could not estimate a cost, but said changes to inputs from vendors is costly.

Ildi Laczko-Kerr of the Arizona Charter Schools Association asked if a legislation change would be required to allow school-level data reports. Mr. Masterson responded that ADE has data store capabilities, but there currently is no funding for an external reporting system.

Ms. Wallace asked what a district must do to get TSL funding. Mr. Friesen responded that there are some 20 data points that must be collected to obtain TSL funding. Ms. Wallace emphasized that the Governor is interested in simplifying data collection, therefore the Council will need to understand the data that must be collected to obtain funding.

Meghaen Dell'Artino of the Education Finance Reform Group (EFRG) asked if the system can generate ADM in a new calendar year if a student has been educated all year at one entity, then studies at a new institution (e.g., an AOI that operates on a longer school day calendar). Mr. Masterson said the system could do it, but it would require a policy change.

Ms. Laczko-Kerr asked if it is possible to have multiple school day calendars within an LEA. Mr. Friesen said this would require statutory change. Mr. Masterson said the system could accommodate this change, but it would be difficult.

Emily Anne Gullickson of A for Arizona asked how long it would be before new weights could take effect. Mr. Masterson said it would likely take approximately two years.

Mr. Swanson asked if ADE would be able to provide a demonstration of AZEDS and AZDash at a Classrooms First Initiative Council meeting. Mr. Masterson said he could provide a presentation.

Update: Equitable Funding Structure Working Group

Eileen Sigmund of the Arizona Charter Schools Association provided an executive summary of the working group's discussion. Ms. Sigmund gave a concept overview of a uniform funding structure for all LEAs: an equalization base would go to all students, whereas equity funding would be a student-specific allocation based on individual needs. The group also emphasized that trends predict an increasing number of students qualifying for Free and Reduced Lunch in upcoming years. Ms. Sigmund said Arizona provides a K-8 weight and 9-12 weight, while New York provides the highest weight during middle school years. She also emphasized that the number of instructional hours required per year are different based on grade level and type of LEA, but required instructional hours do not positively correlate to funding levels.

Update: Incentives for Excellence Working Group

Ms. Laczko-Kerr and Ms. Dell'Artino provided an executive summary of the working group's discussion. Ms. Dell'Artino reported the working group discussed conforming financial statutory regulations for districts and charters, increasing spending flexibility, and expedited certification for high-performing schools. Ms. Laczko-Kerr said the group created a draft model of achievement weights based on the current A-F system and poverty categories, with the largest weights going to high-poverty schools. The recommended definition of a gainer is: any total point change from 2013 to 2014.

Ms. Wallace asked how gain will be defined in the new A-F system. Ms. Laczko-Kerr replied measuring gain will likely recognize multiple measures (e.g., LEA-specific measures), and may be calculated over multiple years.

Ms. Wallace asked Beth Maloney how capturing gain in an accountability system is reflected in the classroom. Ms. Maloney responded that she focuses more on the students in front of her than the school's letter grade. She noted that the letter grade system affects teacher recruitment, with teachers wanting to move to higher-grade schools.

Ms. Maloney asked if loss of reciprocity from other states could occur due to potential self-certifying of teachers. Ms. Dell'Artino replied that the legislature is discussing allowing reciprocity from other states and allowing A-performing districts to streamline the certification process. Ms. Maloney

stressed that knowing content is not the only important factor in teaching; pedagogy plays a significant role. She encouraged the Council to focus on keeping certified teachers by fixing issues inside the classroom, not pulling in subject matter experts who will suffer the same effects that currently drive out teachers.

Update: Student Centered Learning Priorities Working Group

Consultants Janice Palmer of the Arizona School Boards Association and Becky Hill of the Arizona Chamber of Commerce provided an executive summary of the working group's discussion. Ms. Hill said their working group discussed moving away from a seat time funding model to a competency-based funding model that allows students increased ability to learn at their own pace. She added that some competency-based education is happening in Arizona already, but it has not been taken to scale. Additionally, funding and accountability systems for non-seat time models are unclear (e.g., how does funding work for a competency-based model that allows advanced students to use multiple education providers?). Ms. Hill also informed the Council that there is already competency-based education legislation in the state, but supporting Board rules have not been fully fleshed out yet.

When prompted by Ms. Wallace, Brian Capistran said he is not sure if AP courses count as a competency-based model because all students still have the same amount of seat time before they take the AP exam.

Mr. Carter said whatever models we use, the legislature and the public need to trust the model. Ms. Hill said the working group could provide further information about existing models in Arizona.

Ms. Palmer said their group also discussed the 2007 special education cost study, which showed a \$145 million shortfall in funding for groups A and B. EFRG has also extrapolated that the shortfall would be about \$400 million if the formula stayed static from 2007 until now. The group largely agreed the cost study needs to be redone. The group also discussed whether the group B weights established in 2007 should stay the same and whether special education therapies are health care issues. Ms. Parmer continued, saying Arizona does have a special education extraordinary needs fund but it has never been funded, and it is only applicable to school districts. This led the group to talk about actually providing funding, expanding the fund to all schools, and reviewing the extraordinary needs criteria within the statute. The group also talked about the \$2 million IDEA Part B funding for high-risk students, which is tightly regulated (i.e., only available for students who are new to a school), and not all available funding is accessed. Mr. Swanson emphasized that the special education system is underfunded by and estimated \$440 million – money that is being spent in the system today that is not funded appropriately. Ms. Palmer added that because schools are required to provide special education services, the lack of special education funding results in resources being taken away from non-special education students.

Ms. Hill said the working group discussed incorporating student, teacher, and special education supports into the definition of classroom spending.

Next Meeting

Mr. Swanson advised that the Council will have its next meeting on September 10, 2015.

Adjourn

With no further business before the Council, Mr. Swanson adjourned the meeting at 5:07 P.M.