



CLASSROOMS FIRST INITIATIVE COUNCIL MINUTES

General Meeting – August 13, 2015 2:30 P.M.

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

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

Members Absent: Governor Doug Ducey, Superintendent Diane Douglas

Staff Present: Carmen Ronan, Kristin Sorensen

Call to Order, Welcome & Introductions

Mr. Jim Swanson called the meeting to order at 2:32 P.M.

Mr. Swanson then called for an approval of the July 30, 2015 council meeting minutes as presented. Susan Chan motioned for approval and Alicia Alvarez seconded; the motion passed unanimously.

Public Comments

Joe Geusic stated that dollar amounts for capital have gone down for Chandler and Tempe Unified school districts since 2009. He emphasized the importance of the formula having public buy-in.

Doreen Zannis of Support Our Schools AZ (SOSAZ) asked for an understandable formula on behalf of parents. She also encouraged the Council to reach out to SOSAZ to allow them to be informed voters and support Council efforts.

Jim Hall of Arizonans for Charter School Accountability expressed concern that Arizona does not moderate how charter schools spend tax dollars. Mr. Hall claimed that Alta Vista High School recently approved a budget that allocates 50% more funding towards administrative costs than classroom spending. He urged the council to ask tough questions about charter school spending.

Erin Hart of Expect More Arizona (EMA) said education funding and teacher retention and recruitment were the top education issues identified by EMA's partner survey. She voiced EMA's hope that there is an increase in new funding into the system, that the Council identifies a sufficient base level for per-pupil-funding, and that the Council supports funding that provides equitable opportunity and access for all public school children.

Update: Equitable Funding Structure Working Group

Kenneth Hicks asked consultants Ildi Laczko-Kerr of the Arizona Charter Schools Association and Chuck Essigs of the Arizona Association of School Business Officials to provide an executive summary of the working group's discussion. Ms. Laczko-Kerr stated that their group assessed a phase-in structure of equitable K-12 finance based on a student allocation model with the intent of redesigning the system to restore an equalized base for all students.

Ms. Laczko-Kerr presented information to Council members on several objectives involved in an equalized base funding system:

- Uniform for public students
- Defines state commitment to students - wherever they are enrolled
- Addresses student needs
- Equalized tax burden for the equalization base funding (overrides and facilities are not included)
- State funding cannot control federal funding and other grants

Ms. Laczko-Kerr also presented major inequities of an equalization formula:

- Teacher Experience Index (TEI)
- Teacher Compensation\Evaluation (1.25%)
- Additional assistance:
 - District: transportation, technology and textbooks
 - Charter: ALL capital, transportation, technology and textbooks
- Small School Weight (?)
- AOI (Online) (.95 full-time/.85 part-time)

Ms. Laczko-Kerr said her working group discussed revenue sources for funding an equalization base, including assessing standardized property tax rates and state general fund appropriations. The concentration was primarily on operational funding; capital funding will be discussed during the next meeting.

In terms of special education funding, Mr. Essigs mentioned that if schools do not adequately fund special education, money must be taken from other areas by the district or charter because special education services are mandated by state and federal law.

Mr. Swanson asked the consultants how to manage inequities that are not controlled by the state. Mr. Essigs said that a funding system needs to adequately fund all student needs, and a system is unfair if it provides equal resources for students of unequal needs. Ms. Laczko-Kerr said the system should have both an equalized base and provide additional services to students with additional needs.

Mr. Swanson asked for information about the state's history on funding additional instruction days. Mr. Essigs explained that Arizona had 175 days of instruction for many years, then funding from Prop 301 paid for an additional five days. Then there was a revision in statute that school districts and charters could receive a 5% increase in funding for 200 days. He said many charters and school districts do not have a 200 day calendar because they feel the 5% increase in funding is insufficient to fund an additional 10 days. Greg Miller added that most industrialized countries have 200-220 days of instruction, and the greater the instructional need, the more seat time it takes to reach education goals; he advocated for a longer school-year calendar. Mr. Hicks asked if funding for the extra five days expires when Prop 301 expires. Mr. Essigs replied that he believes the funding does

expire.

Update: Incentives for Excellence Working Group

Consultants Lisa Graham Keegan of A for Arizona and Meghaen Dell'Artino of the Education Finance Reform Group provided an executive summary of the working group's discussion. Ms. Dell'Artino summarized recommended modernizations to Title 15 that would make rules for districts and charter schools the same. She also said the working group discussed incentives for "A" districts like: streamlining certification or self-certification of teachers, teacher reciprocity across state lines, modernizing teacher contracts, and providing administrative relief for performing schools to avoid adding burdens for districts that are innovative and high-performing.

Ms. Graham Keegan summarized additional discussion around incentives for schools. She stated that Arizona has trouble holding onto and recruiting teachers because of a lack of proper resources; and resources should go into schools that know how to leverage them so, over time, the best schools can grow. To gravitate toward all "A" schools, the working group believes A-F needs to be rational, an "A" needs to be achievable for all schools, and an achievement district can be used as a magnet to draw others into similar behavior. The working group discussed how incentives could increase the number of students in "A" schools by:

- Existing "A" schools getting bigger
- Existing "A" schools spawning offshoot schools
- Existing "A" schools inspiring other schools to replicate "A" school practices
- Creating new "A" schools

Ms. Graham Keegan described the group's incentives proposal. Details are as follows: for "A" schools, additional dollars can be given through school weights. Quality weights for high-performing schools with an X multiplier would go to schools with fewer than 20% free and reduced lunch students, 1.5X would go to schools with 20-60% free and reduced lunch students, and 2X to schools with more than 60% free and reduced lunch students. A smaller weight would be given to "B", "C", and "D" grade schools that have high gain scores and can prove they are engaged in a systematic improvement process. Ms. Graham Keegan said low-income "A" schools have particular trouble keeping good staff, so they should receive assistance to sustain excellence, which will help increase the number of students in "A" schools.

Alicia Alvarez asked how dropout students or students deficient in credits would work into the A-F scale. Ms. Graham Keegan replied that the state's current alternative A-F standard applies to certain special needs classes of students (like dropout students), so this alternative formula would probably continue to be separate.

Ms. Wallace asked Ms. Graham Keegan to expand upon "B" schools "on their way" to an "A". Ms. Graham Keegan said the Achievement District would be a place where higher quality schools will partner with schools that want to be on their way to an "A". Mr. Miller suggested "on the way" schools could possibly be given a .5X weight.

Ms. Wallace said she was interested in delving deeper into administrative constraints and suggested that the consultants present information about procurement practices to understand potential areas to scale back.

Mr. Miller mentioned that Arizona's administrative costs are 10-11%, which is somewhere between

2-5% below the national average. He said the Council should tout the state's administrative efficiency and lean operations.

Mr. Swanson asked if there is a reason to have a uniform teacher contract across the state. Ms. Dell'Artino replied that current year funding imposes a different set of circumstances for districts because they have teacher contracts; charters are not held to this same standard.

Mr. Swanson asked if the current certification structure in the state is hurting our ability to recruit and retain teachers. Ms. Graham Keegan responded affirmatively, saying reciprocity needs to be addressed, and the group should consider letting high-performing schools certify their own staff.

Mr. Swanson asked how incentives for high-performing schools would be implemented. Ms. Graham Keegan responded that there should be sufficient data to determine A-F grades and gain scores three years from now. She said the new A-F will likely be broader and have additional indicators. Ms. Wallace said the Governor is interested in having the A-F system recognize local assessment (e.g. Galileo, NWEA).

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. Palmer outlined the working group's discussion around transparency. The group's primary transparency concern is that the current formula is designed for experts and is difficult to understand. During their meeting, they recommended several options for how to improve transparency. One recommendation is finding a process for finance stakeholders to redesign one-stop-shop annual financial reports.

Ms. Hill said that while the Equitable Funding Structure Working Group is focused on redesigning the formula, the Student Centered Learning Priorities Working Group will focus on communicating the formula to parents. Final recommendations between the two working groups will be aligned.

Ms. Hill summarized the working group's discussion of teacher recruitment and retention. She said the group talked about pay and school culture/working conditions as the primary policy levers. She said national comparisons play a big role in where teachers choose to work; and in terms of national standing Arizona is near the bottom in starting pay, and somewhere in the middle in average pay. She said Arizona needs to communicate nationally how much of its resources are going into the classroom (including local bonuses, 301 pay, etc.).

In terms of school culture, Ms. Hill described how student achievement, student outcomes, teaching practice, and teacher retention can be improved by allowing teacher leaders to mentor and coach struggling, new, and/or mid-career teachers who want to improve. She said the Arizona Master Teacher Program at the Arizona K-12 Center improved teacher retention at high-poverty schools by 20%. Ms. Palmer informed Council members that there are options to leverage dollars via public private matches and partnering with philanthropies. Ms. Alvarez asked what mentor programs cost. Ms. Hill responded that programs generally cost \$1,500-\$2,000 per teacher for training and \$3,000-10,000 per teacher for a stipend. She said taking the lower end cost of \$4,500 per mentor (training plus stipend), a one to eight part time release mentor master teacher program would cost approximately \$15-\$25 million. Brian Capistran asked if estimated costs include upfront professional development. Ms. Palmer responded that upfront professional development comes from

the district or charter; then a teacher or principal applies to a mentorship program.

Next Meeting

Mr. Swanson advised that the Council will have its next meeting on August 27, 2015. He also shared that representatives of the Superintendent of Public Instruction will be present to talk about the new financial data system.

Adjourn

With no further business before the Council, Mr. Swanson adjourned the meeting at 4:21 P.M.