



CLASSROOMS FIRST INITIATIVE COUNCIL MINUTES

General Meeting – September 22, 2015 2:30 P.M.

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

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

Members Absent: Governor Doug Ducey

Staff Present: Carmen Ronan, Kristin Sorensen

Call to Order, Welcome & Introductions

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

Mr. Swanson said he met with Governor Ducey last week to talk about the work of the Council to date. The Governor expressed his gratitude for the hard work of the Council and recognized the complexity of the issues the Council is dealing with. Governor Ducey also expressed his regret for not being able to attend the Council meeting due to his travels to Washington DC for the visit of Pope Francis.

Mr. Swanson then called for an approval of the September 10, 2015 Council meeting minutes as presented. Greg Miller motioned for approval, Susan Chan seconded, and Superintendent Diane Douglas abstained; the motion passed.

Public Comments

Joe Geusic expressed his belief that education is an investment. He encouraged the Council to create a funding formula that all interested parties can agree on.

Ken Garland of Flagstaff Unified School District (USD) said Arizona has a satisfactory funding formula, it just needs to be funded. He advocated that districts should retain their ability to use bonds and overrides.

Presentation: Preliminary Framework

Mr. Swanson presented the preliminary framework of the Council's recommendations. He noted that he provided Governor Ducey with a very similar presentation.

Mr. Swanson began by describing the history and guiding principles of the Council to date. He then described areas of agreement and issues for continued discussion for the Equitable Funding Structure (EFS) Working Group. To improve the clarity of the formula (i.e., make it more understandable), the Council would like to: make an annual publication of the student funding formula available to all parents in the state, create a website for parents to calculate how much their child generates in funding, reorganize and condense Title 15 school finance laws, and operationalize school finance laws in State Board of Education rule. To make the formula more uniform across all public schools, the Council would like to make the following funding areas the same for district and charter schools: base level support (i.e., per pupil funding), grade-specific funding, school-type funding (e.g., small, rural, or quality), additional assistance, student-specific funding, and lump-sum flexible funding (more like a block grant). To make the formula more equitable, the Council would like to move Group A weights into the base level funding amount and modify “teacher weights” (i.e., 1.25 percent for evaluations and TEI) by collapsing them into the base or repurposing them. Some of the issues for continued discussion the Council outlined are: equalization of the property tax base across the state, funding capital through a base funding or per student mechanism (versus bonds and overrides), and real costs of special education and transportation.

Tim Carter asked if there was a sense of the cost of an annual publication of the student funding formula and if the website that will calculate individual funding per child would be an ADE website. Mr. Swanson said he believed the content would be hosted on an ADE website. Kenneth Hicks suggested that the data could be included in the Superintendent’s Annual Financial Report, and Dawn Wallace added that other non-governmental entities would likely be willing to provide the document.

Mr. Carter commented that there is a desire to make teacher weights equitable. Mr. Hicks added that the Council had also discussed allowing charter schools to participate in teacher weights. Mr. Swanson said a special education cost study should help resolve questions around what to do with Group A weights.

Mr. Carter said part of the current-year funding discussion should be around implementation of conversion. Mr. Hicks reminded Council members that districts do not receive all current-year funding because it is an allocation.

Mr. Swanson outlined areas of agreement and issues for continued discussion for the Student Centered Learning Priorities (SCLP) Working Group. The Council would like to normalize special student demographics for equity by: funding special education students at the 2007 cost level, funding the existing “Extraordinary Special Needs Fund” to address high-cost students for all public schools, and improving teacher recruitment and retention through human capital policies. The Council would also like to improve transparency by: requiring school-level reporting of financial data and publishing school-level allocations (as opposed to district level allocations) online, which would eliminate the need for the current Auditor General classroom spending report. Some of the issues for continued discussion the Council outlined are: a funding mechanism for teacher recruitment and retention policies, and at-risk “Opportunity Funding” for low-socioeconomic schools regardless of performance.

Susan Chan mentioned that the Working Group had a discussion around updating the Extraordinary Special Needs study.

Mr. Carter expressed concern that there was not consensus around school-level budgeting and reporting. Mr. Swanson said discussion could continue on the topic.

Mr. Swanson outlined areas of agreement and issues for continued discussion for the Recognition of Excellence (ROE) Working Group. The Council proposes using the letter grading (A-F) system to provide additional funding to schools that are high-achieving “A” schools and “B” and “C” schools showing significant gain. Funding would vary based on the wealth of the school, with lower-wealth schools getting a higher multiplier. The Council wants to support professional training for principals. It also wants to provide regulatory relief from operational and financial statutes for “A”-rated schools and conform school district and charter systems to reward outcomes rather than process. Some of the issues for continued discussion the Council outlined are: streamlining the state certification process to ensure more efficient Arizona certification and reciprocity processes, allowing high-performing school leaders an option for school-based budgeting and use of existing vacant buildings by high-performing schools.

In term of regulatory relief, Mr. Hicks said schools are randomly selected for auditing at the district level, so if many schools could be exempted from auditing, this could affect the ability of districts to attest to internal controls of a system. Mr. Swanson acknowledged the need to further develop recommendations around auditing done by districts.

Superintendent Diane Douglas expressed concern about giving waivers for financial compliance based on student achievement because she was not sure there was a correlation between the two factors.

Mr. Swanson asked Council members if they would consent to potentially reforming Working Groups. There were no objections from the Council. Mr. Hicks said he might want to see more impact analysis to determine how increases and decreases in funding levers would affect the system.

Several council members expressed interest in incorporating more public comment; Ms. Wallace and Mr. Swanson said they would help facilitate public comment through several channels.

Next Meeting

Mr. Swanson advised that the Council will have its next meeting on October 8, 2015.

Adjourn

With no further business before the Council, Mr. Swanson adjourned the meeting at 3:46 P.M.