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







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





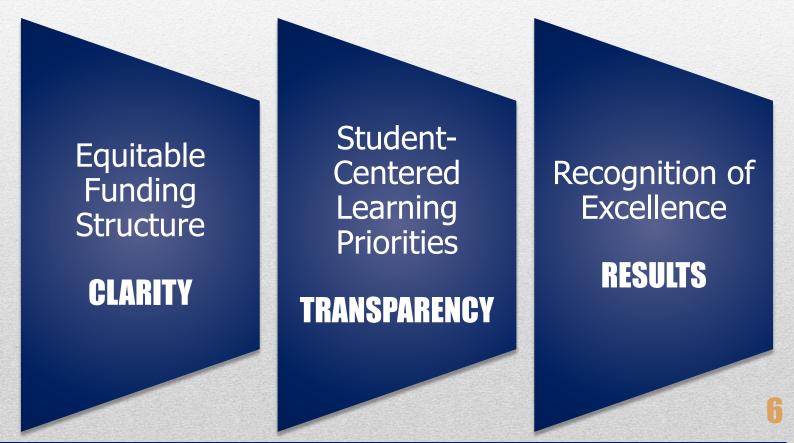
Meetings: June 26, 2015 – September 10, 2015

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





Working Groups







EQUITABLE FUNDING STRUCTURE

FORMULA CLARITY
FORMULA UNIFORMITY
FORMULA EQUITY







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

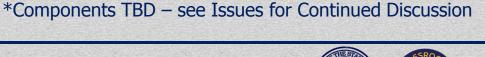
- Annual publication of student funding formula available to all parents in the state
- Website for parents to calculate how much their child generates in funding - wherever the child is enrolled
- Reorganize and condense Title 15 school finance laws
- Operationalize school finance laws in State Board 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







Formula Equity: Equal Funding for Each Student

Group A Weights

Move into base level*

"Teacher Weights" Collapse or repurpose*

*Subject to inflation factor





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**



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
 - o Permanent or transitional?





RECOGNITION OF EXCELLENCE

RESULTS LEADERSHIP REGULATORY RELIEF







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





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:
 - o 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 schoolbased 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"



