



STAND
for children

PROPOSAL TO CLASSROOMS FIRST COUNCIL

June 21, 2016

THANK YOU FOR THE OPPORTUNITY

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- Community input is appreciated
- Quite a few proposals/ recommendations with varied themes
- Several key themes are clear
 - Property tax reform
 - Formula reform
 - Account for low income / ELL
 - Reward performance

STAND FOR CHILDREN ARIZONA SCHOOL FINANCE PRIORITIES

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- Based on
 - ▣ National best practice research
 - ▣ Arizona education policy experience
 - ▣ Parent input
 - ▣ Business-led Advisory Board feedback

SFC AZ PRIORITY 1

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- Ensure the formula is based on current cost drivers
 - Conduct or commission an updated special education cost study, or use the 2007 cost student for special education students, to identify the true costs of special education
 - Conduct or commission a broader cost study to underpin any school formula element, in addition to special education

SFC AZ PRIORITY 2

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- Compensate for the socioeconomic factors that affect student learning
 - Add additional funds to the state-funded system specifically for targeted reading intervention in high poverty schools, to ensure state funds are being used strategically to address key issues; this could include technology investments, teacher training, and innovative reading programs
 - Consider other student-based weights tied to participation in other high-cost programs and services, such as advanced career and technical education or gifted education; these funding levers could provide incentives to schools to provide industry certification programs that lead to high-wage jobs out of high school

SFC AZ PRIORITY 3

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- Ensure equal access to revenues among districts and charters at a comparable tax rate
 - Clearly map out ALL funding mechanisms in the K12 finance system, similar to finding 4 and 13
 - Consolidate funding mechanisms where possible, and create more transparency for each funding stream
 - Eliminate the ability to access property tax revenue without voter approval
 - Conduct / commission a report to identify consensus on Education funding source that is equitable, sustainable and transparent, specifically addressing the current use of property tax, the Qualifying Tax Rate, and local bonding

SFC AZ PROPOSAL IS NOT UNIQUE

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- Several proposals echoed our key themes
- Several proposals drilled down into viable specifics, providing the Council with a baseline for specific reform

THEME 1

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- Property tax reform
 - Ranging from establishing a statewide property tax, to fixing the “QTR” these proposals do three things:
 - Create more stability and predictability
 - Increase equity
 - Potentially increase revenues (also a very common theme)

THEME 2

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- The current formula, itself, needs to be revised both to include more accurate special education weights, but also to modernize other factors
 - This reform would have the biggest impact on driving “performance based budgeting” decisions, but is also the most politically charged
 - You get what you measure

THEME 3

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- Account for low income, ELL, and rural costs very intentionally
 - ▣ Transportation is also a highly sensitive issue
 - ▣ This can be done via formula weights, or other types of grants and funds

THEME 4

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- Reward performance
 - Supported by multiple respondents
 - Does not necessarily need to conflict with other recommendations

WHAT DOES THIS MEAN?

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- The council's 14 initial recommendations all have the potential to impact student outcomes by better aligning funding to reality
- Many community groups agree on several of the recommendations
- These recommendations should become the priority of the Council's next phase of work

ADDITIONAL OPPORTUNITY

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- Arizona's progress meter alignment
 - Education
 - Jobs
- Achieve60AZ alignment
 - Community driven, statewide post-secondary attainment goal

THANK YOU!

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