



December 2015

## **CLASSROOMS FIRST INITIATIVE COUNCIL**

# REPORT TO GOVERNOR DOUG DUCEY

## K-12 School Finance Findings



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*\*Cover photo features students from Beth Maloney’s 5<sup>th</sup> Grade Classroom at Sunset Hills Elementary School on Constitution Day September 17, 2015.*

## EXECUTIVE SUMMARY

*“Our charge is to ensure that every child – regardless of where they live – has access to an excellent education.”*

*Governor Doug Ducey  
June 26, 2015*

*“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.”*

*Classrooms First Initiative Council  
September 22, 2015*

### STATE OF EDUCATION IN ARIZONA

In Arizona, we have a unique opportunity to reform our public education system. We believe in high expectations and standards, quality in teaching and learning, choice in educational delivery, and we know Arizona public schools represent some of the best in the nation. Over the last decade, Arizona public schools have steadily improved academically, and in 2015, Arizona was one of a few states whose NAEP results improved. Unfortunately, approximately 60,000 Arizona students attend “D” and “F” schools. While our institutions of higher learning are seeing increased enrollment, 225 Arizona high schools (46.1% of schools) sent ten or fewer high school graduates to postsecondary education. These statistics tell us we have much more to do.

Along with strong emphasis on academic results and accountability, Governor Ducey and policymakers are focused on providing much needed resources to our public schools. In May 2016, voters will be asked to approve a measure that will put \$3.5 billion over ten years into Arizona’s public K-12 classrooms. There is no doubt that this herculean effort, along with strong academic reforms, will change the trajectory of performance outcomes for Arizona’s students and elevate the value-added conversations that are happening in every corner of our state, among community and business leaders, institutions of higher learning, educators, parents, and the students themselves, that Education Matters!

## STATE OF SCHOOL FINANCE IN ARIZONA

In the past six months, the Classrooms First Initiative Council (“the Council”) has discovered much about our 35-year-old system of funding public schools. Since its inception, the “equalization formula” has morphed into a complex system of property taxes, state funds, and numerous other revenue sources controlled at the school district (voter and non-voter approved) or charter level. These intricacies create a funding “onion” where every layer that is uncovered reveals another layer that is inexplicably and inefficiently connected.

### SUMMARY OF FINDINGS

Over the last six months, the Council has made great progress on issues related to funding equity, transparency, and portability of student funding and alignment of education funding to academic results. The following represents the findings of the Council to date:

#### Funding Formula Findings

- ***Finding 1:* A single funding formula for all Arizona public schools is achievable but must take into consideration differences in education delivery and funding formula and statutory inequities among public schools, such as bonds, overrides and desegregation.**
- ***Finding 2:* The objective of an equitable and fair funding structure should be a system that has standardized property tax rates, combined with state General Fund appropriations, that contribute to all K-12 students.**
- ***Finding 3:* Several variables in the funding formula may be collapsed into a base per-pupil amount for simplicity, efficiency and flexibility in funding distribution.**
- ***Finding 4:* School finance statutes and policies should be rewritten, reorganized, and more easily accessible for policymakers, business leaders, educators, administrators, and parents to interpret and apply for their own respective needs.**
- ***Finding 5:* Allocation of resources for school districts should be made more flexible through lump sum funding, accounting and fund simplification, and full expenditure flexibility.**
- ***Finding 6:* Due to concerns addressed by the Arizona Department of Education, Council members, and through public comment, policymakers should consider a phased-in approach to the transition to current-year funding for school districts in FY2017.**
- ***Finding 7:* The alignment between performance and funding should recognize the excellence of high-performing schools through a tiered “Achievement Weight” that rewards high-performing, low-socioeconomic schools on the highest funding tier.**

- *Finding 8:* **High-performing public schools should have the flexibility to expand and replicate without the burden of regulatory, formulaic, and structural constraints.**
- *Finding 9:* **School administrators should, where appropriate, seek to empower school leaders to be more actively involved in decision-making about school-level staffing, budgeting, and reporting processes.**
- *Finding 10:* **The state should conduct an updated cost study, or use the 2007 cost study for special education students, to identify the true costs of special education.**
- *Finding 11:* **Statutes should be updated regarding the “Extraordinary Special Needs Fund” for high-cost special education students.**
- *Finding 12:* **Policies should be identified for recruitment and retention of highly effective teachers.**
- *Finding 13:* **School-level reporting is more useful than the “Annual Dollars into the Classroom Report” in showing how the funding each student generates is allocated and expended.**
- *Finding 14:* **Schools located within low-socioeconomic communities often face unique academic challenges.**

#### **Additional Findings:**

- *Finding 15:* **While outside the scope of the funding formula, the expiration of Proposition 301 is beginning to create financial uncertainty for all public schools.** Proposition 301 funds currently account for a large portion of state education policy infrastructure and funding (\$624 million in FY2015). Proposition 301 is due to expire June 30, 2021, and, if not renewed, the significant resources many public schools have invested in classroom spending and teacher salaries – resources schools now rely heavily on – would be lost.
- *Finding 16:* **Current statutes on the sale and lease of vacant buildings should be modified to allow school districts to sell or lease unused and under-utilized facilities more quickly.** Additionally, the School Facilities Board (SFB) should be commissioned to catalogue a more accurate inventory of “under-utilized” space. Currently, the SFB must produce a report that provides the locations of vacant schools, but does not report on under-utilized facilities.
- *Finding 17:* **An extension of 6-9 months is needed for the Council to complete its charge.** At the Council’s November 19, 2015 meeting, the members in attendance agreed that, given the opportunity, they would like to continue the Council’s work

beyond December 2015. Authors of the original 1980's school finance reform stated in testimony that those efforts were undertaken over 18 to 24 months. This decision to ask for an extension was not taken lightly; however, the magnitude of the issues and the desire to be thorough and thoughtful led the Council to conclude more time was necessary. If approved, the Council will provide a timeline for next steps of the Council's work by the end of January.

## THE COUNCIL'S MEMBERSHIP

*"The Council's charge is to develop a funding formula that recognizes and rewards performance, efficiency, and innovation through flexible distribution of funds for every successful education delivery model."*

*Governor Doug Ducey  
May 22, 2015*

Governor Doug Ducey issued Executive Order 2015-02 on January 12, 2015, establishing the Council, which he charged with creating a modernized school finance code to ensure adequate funding for teachers and classroom instruction and ultimately a stronger workforce for the State of Arizona. Preliminary recommendations were due by September 2015, with final recommendations due in December 2015.

On May 22, 2015, the Governor announced the team of business and education leaders charged with simplifying and modernizing the current school finance formula. The Council is co-chaired by the Governor and James T. Swanson, President and CEO of Kitchell. Additional members include:

- The Honorable Diane Douglas, Superintendent of Public Instruction
- Greg Miller, President, State Board of Education
- Janna Day, President, State Board for Charter Schools
- The Honorable Tim Carter, County School Superintendent, Yavapai County
- Brian Capistran, Superintendent, Glendale Union School District
- Alicia Alvarez, Principal, Alta Vista High School
- Susan Chan, Administrator, Kingman Academy
- Beth Maloney (AEF Arizona Teacher of the Year), Elementary School Teacher, Dysart Unified School District

- Annie Gilbert, Director of School Operations & Finance, Ball Charter Schools
- Ken Hicks, Chief Financial Officer, Peoria Unified School District
- Dawn Wallace, Education Policy Advisor to Governor Ducey

Additionally, the Council solicited the technical and policy assistance of the Center for School Funding Portability at the Reason Foundation, the Arizona School Boards Association, A for Arizona, the Arizona Chamber of Commerce and Industry, Foundation for Excellence in Education, the Goldwater Institute, the Center for Student Achievement at the Arizona Charter Schools Association, the Arizona Association of School Business Officials, and the Education Finance Reform Group.

## LAUNCH OF THE COUNCIL

On June 26, 2015, Governor Ducey launched the first meeting of the 13-member Classrooms First Initiative Council with a speech that outlined the principles for the Council's work:

*Do what's best for our kids!*

*Academic outcomes must be the cornerstone of a funding system that drives success.*

*Efficiency should be rewarded with flexibility.*

*Ensure that parents know exactly how and where a school's resources are being allocated and spent. It's a matter of transparency, and parents deserve that.*

*Great schools do not exist apart from great leaders – draw principals into the school's budgeting process.*

*Design a school funding formula that everyone can understand.*

*Let's get one formula right...and apply it to every school equitably.*

Based on these principles, the Council identified three working groups of Council members to focus on specific questions: a) Equitable Funding Structure, b) Student Centered Learning Priorities and c) Recognition of Excellence (see Exhibit III for Working Group descriptions).

## PUBLIC MEETINGS

On July 9, 2015, the Council approved a timeline and meeting schedule for both the full Council and Working Groups. Although the Council's meetings were not subject to open meeting law, agendas were posted 24 hours in advance of all meetings, minutes/audio were taken and approved, quorums were maintained, and all agendas and documents were posted online within three days at [www.education.azgovernor.gov](http://www.education.azgovernor.gov) (see Exhibit III for meeting schedule).

In addition, the Council convened two "On the Road" meetings in Prescott on October 8, 2015 and in Tucson on October 22, 2015. The purpose of these meetings was to solicit in-person public comment on school finance reform ideas. The Council also requested an online public comment submission form (found at [www.education.azgovernor.gov/edu/form/submit-feedback-council](http://www.education.azgovernor.gov/edu/form/submit-feedback-council)).

## BACKGROUND INFORMATION

### UNDERSTANDING SCHOOL FINANCE

The state provides for basic instructional and operational functions of schools. Funding is based on size, number of students (with special needs and language minorities), and teacher characteristics. Charter school funding comes entirely from the state's General Fund. School district funding is derived from revenues from the state's General Fund, a state-determined local property tax, and other non-voter approved and voter-approved locally determined property taxes.

The "equalization formula" is composed of: a) a base amount that is provided to all students, b) teacher funds (based on experience and evaluation systems) for school districts but not charter schools, c) student characteristics (Group A and B weights) provided to all students and d) additional assistance provided to school districts and charter schools, in different amounts.

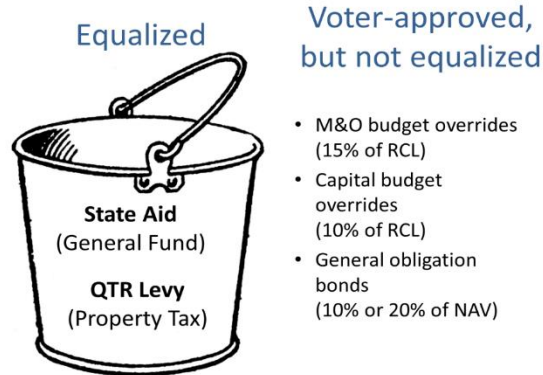
School districts may generate supplemental funding through non-voter approved (desegregation, adjacent ways, transportation, dropout prevention, small school adjustment) and voter-approved (bonds and overrides) property taxes. While all school districts have access to these taxing mechanisms, not all may reasonably be able to pass these measures. There are state and federal grants that are provided to some public schools, and the amounts may vary on a per-student basis. Charters are not authorized to assess a local property tax.



In 2000, the voters approved Proposition 301, which included a separate .6-cent sales tax to support a variety of K-12 and higher education programs, including additional teacher base and performance pay in K-12 schools. Additionally, the voters approved an annual inflationary index to the per-pupil amount provided to schools. For many years, this inflationary index was fully funded; however, during several recession years in Arizona, inflation was not fully funded. In 2010, public schools sued the state, and for five years this case remained in litigation. In October 2015, under the leadership of Governor Ducey and the members of the Arizona Legislature, and in conjunction with the education community, the parties entered into a settlement agreement that will generate \$3.5 billion for public schools in the next ten years. Voters will be asked to approve a ballot question in May 2016 that will fund a significant part of this settlement agreement.

As mentioned above, the state does presume control of the local property taxes that are used to fund schools. The Qualifying Tax Rate (QTR) determines the amount of equalization assistance school districts will receive. The State Equalization Tax Rate (SETR) is levied statewide to also provide equalization assistance. Other state-controlled factors that affect local property taxes for education are: Truth in Taxation, a formula that adjusts the QTR and SETR to reflect changes in the current value of existing property; the Homeowners Rebate, which is a reduction in school district property taxes for owner-occupied homes; and the 1% Constitutional Cap, which has historically been a state subsidy for property taxpayers with an effective tax rate of greater than \$10 per \$100 of net assessed valuation (see Exhibit IV.a for historical list of state-controlled local property tax rates).

There are other types of school district taxing authorities including: a) non-state aid districts, where the QTR is sufficient to pay for the entire equalization amount, b) MQTR, minimum QTR districts that generate excess QTR and transfer to the state General Fund (usually a huge property owner in a small district), c) Joint Technical Education District (JTED) QTR, five-cent rate for JTED districts and d) unorganized areas, where property owners pay one-half of the QTR (large retirement communities).

**FIGURE 1 | Illustration of Equalized Versus Non-Equalized Taxing Mechanisms**

## UNDERSTANDING SCHOOL ACCOUNTABILITY

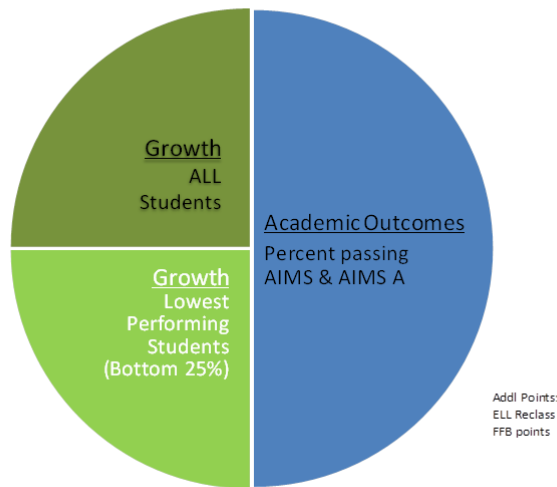
The state's current school accountability requirements can be found in Arizona Revised Statute § 15-241 and consist of student-level performance indicators, models based equally on growth and academic outcomes, and other indicators of school performance (English Language Learner reclassification and dropout rates). Federal guidelines set annual measurable objectives such as testing quotas of 95% of all students, unique yearly targets for subgroups of students, and annual increase in proficiency for all Arizona students. Until FY2015, the AIMS test was the instrument used to determine proficiency scores and starting in FY2016, it will be based on AZMerit.

The State Board of Education reported to the Council that the A-F system will be amended in the spring 2016 based on the following philosophical agreements:

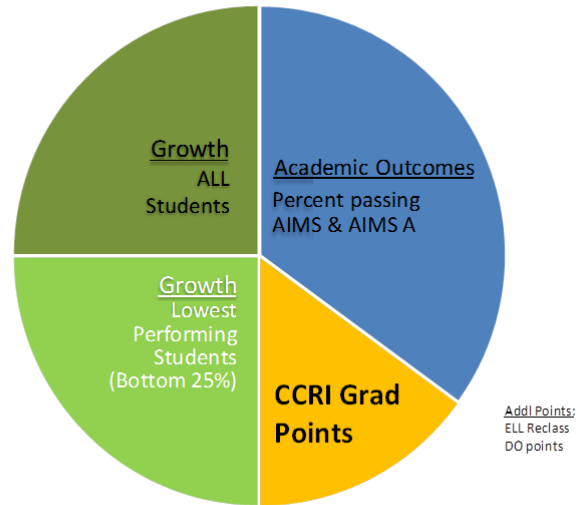
- The A-F profile will examine solely academically relevant information.
- Multiple measures of performance provide more information about a school's quality than a single test score.
- The Achievement profile must recognize academic growth as an essential element of measurement. Schools must not be penalized for low scores if significant gains are made through the course of the academic year. However, at least one year's growth must remain the expectation to ensure students stay on pace to graduate prepared.
- "A" schools must be truly excellent in their preparation of students for college and work as measured throughout the P-20 and career readiness system.
- All schools must have the opportunity to achieve "A" status.
- The system must meaningfully balance simplicity with transparency.

FIGURE 2 | Traditional School Accountability Model

### Elementary School 2013-2014



### High School 2013-2014



## UNDERSTANDING STUDENT CENTERED LEARNING LEVERS

The current funding formula includes several funding levers that are student-specific: a) Group A weights that can be used for any student but are statutorily provided to the special education to gifted pupil spectrum, b) Group B weights, which are primarily used for special education pupils, but do include funding English Language Learners and reading interventions. Schools with large subgroups of students, including low-socioeconomic, may receive state and federal grants, and c) Teacher weights, which are generated through teacher data but are not specifically required to be used for teacher pay.

## BACKPACK FUNDING

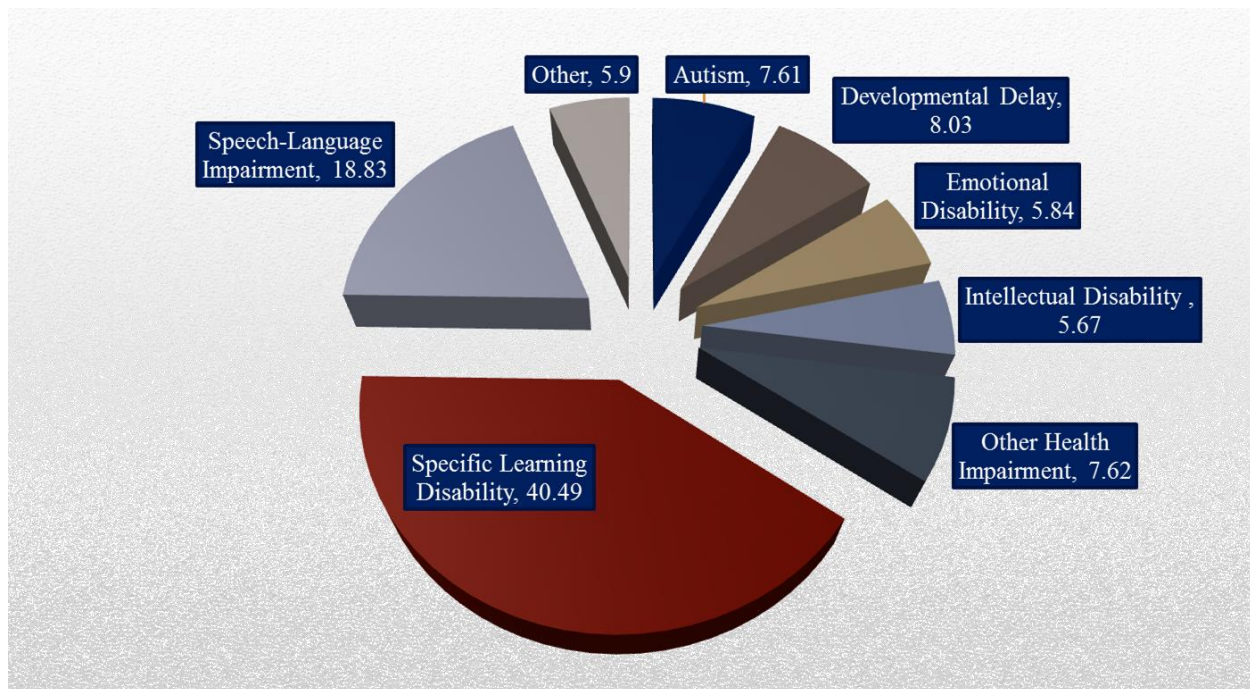
The broad concept of portable funding that follows the child goes by several names including results-based budgeting, weighted student funding, “backpacking,” or fair-student funding. In every case the meaning is the same: dollars rather than staffing positions follow students into schools. Resources are weighted according to the individual needs of the student. Since 1980, Arizona has had weighted operational funding statewide based on individual students, but the money may not follow the students into the school they attend. Instead, the governance of the school system determines how much each school will receive through a system-wide budgeting

process built on a structured staffing model. Proponents of backpack funding believe that school level administrators are granted the right to make autonomous decisions about what is best for their students within a system standard of performance. Additionally, this idea pushes spending transparency to the school level for parents to evaluate how resources are being used to educate their children.

## SPECIAL EDUCATION

Nationally, the population of students with disabilities has increased from 10% of the public school population in 1980 to 13% in 2010 (National Center for Education Statistics). In Arizona, 43% of special education students are Latino, 40% are White, 6% are African American and 6% are Native American.

**FIGURE 3 | Arizona Special Education Populations**



Funding for special education included federal funding under the Individuals with Disabilities Education Act (IDEA) through a formula based on the state's share of special education students. However, IDEA is not fully funded. In the original IDEA legislation, Congress committed to funding special education spending at 40% of estimated cost; however, in FY2014, IDEA funding covered only 16%. Because schools are still legally required to provide the necessary services and supports, the difference is assumed by the state and local school districts.

## THE SIGNIFICANT ROLE OF THE TEACHER

The American workforce is changing. Nowhere is that statement truer than in the teaching profession. Though there are small declines in the number of candidates entering teacher preparation programs, the biggest challenge is to retain these individuals once they enter the classroom. *Forbes* reports that, for Millennials, “job-hopping is the new normal.” This means employers must devise both pay and non-pay strategies for getting and keeping a sufficient supply of prepared and effective educators.

Recognizing the Governor’s belief that the quality of teaching and learning in the classroom is the greatest indicator of student success, the Council focused on identifying strategies to recruit and retain talent within our region. We know that teachers do not have a traditional corporate ladder. Combined with the reality that many young teachers will leave the profession earlier than prior generations, we must redesign career trajectories and salary schedules to provide the best pay and leadership opportunities earlier. Further, the challenges of hard-to-staff schools must be addressed in preparation, retention, and pay strategies.

## UNDERSTANDING SCHOOL GOVERNANCE

The American system of education is unique compared to the rest of the world in that school boards are made up of members who are not necessarily “experts” in education but are there to represent the views of the community in setting policy. Elected school board members, who are residents of their communities, are tasked with ensuring that what makes their community unique is valued and protected.

In order to define the “community,” school districts were created as “political subdivisions” of the state and were granted “local control” to set the direction (vision, mission, goals), establish policies and procedures, provide support, ensure academic, financial and operational accountability and advocate for students. School board members set the overarching policy and the Superintendent carries out the policy. State statutes grant school boards mandatory responsibilities (setting a budget, managing school property, prescribing curricula, school discipline) and permissive activities (contractual agreements, expelling students). Most duties are delegable, other than hiring and firing of personnel, passing a budget, and evaluating the Superintendent.

## UNDERSTANDING SCHOOL DISTRICT BUDGETING

School district governing boards must adopt their next year's budget by July 15 each year. In the winter preceding the budget, Superintendents and business managers consult with the Board, administrators and school-level staff on funding priorities. The adoption of school district budgets must occur during a public meeting.

Financial accountability for schools includes independent financial audits, Arizona Department of Education audits and Auditor General financial and performance audits, including the "Annual Dollars in the Classroom Report." Charter schools are also subject to independent financial audits and may be further scrutinized through their contractual agreement with their charter sponsor.

## EQUITABLE FUNDING STRUCTURE WORKING GROUP FINDINGS

***Finding 1:*** A single funding formula for all Arizona public schools is achievable but must take into consideration differences in education delivery and funding formula and statutory inequities among public schools, such as bonds, overrides and desegregation. However, questions and complex structural issues remain around the question of how "additional assistance" would be determined in the same way for school districts and charter schools. The issue of school capital finance is an important legal and constitutional issue embedded in this discussion. This is the main area the Council will study if the Council is extended. This finding and several others will require the development of a detailed "School Funding Model" that can be used to analyze the changes to the allocation of dollars within the system and the potential effects it will have at the district and charter levels.

***Finding 2:*** The objective of an equitable and fair funding structure should be a system that has standardized property tax rates, combined with state General Fund appropriations, that contribute to all K-12 students.

***Finding 3:*** Several variables in the funding formula may be collapsed into a base per-pupil amount for simplicity, efficiency and flexibility in funding distribution. For example, Group A weights and teacher weights are applied to all students. Originally intended to support a specific purpose, these dollars are now broadly allocated.

***Finding 4:*** School finance statutes and policies should be rewritten, reorganized, and more easily accessible for policymakers, business leaders, educators, administrators, and parents to interpret and apply for their own respective needs. Parents should have digital access to annual information that explains how their child generates funding for their school. Additionally, a legislative effort should be made by the Arizona Department of Education, the State Board of Education, and business managers from all levels of public schools to reorganize and condense Title 15 school finance laws and to operationalize these laws in rulemaking or policy handbooks, rather than statutes.

***Finding 5:*** Allocation of resources for school districts should be made more flexible through lump sum funding, accounting and fund simplification, and full expenditure flexibility. Unlike charter schools, school districts' financial accounting structure is constrained, and as a result it creates inefficiencies and unnecessary spending behaviors.

***Finding 6:*** Due to concerns addressed by the Arizona Department of Education, Council members, and through public comment, policymakers should consider a phased-in approach to the transition to current-year funding for school districts in FY2017. Based on information provided by the Arizona Department of Education, Council members and many education officials, the Council shares the concern expressed by members of the public that there are technological, statutory and implementation issues that should be resolved before full implementation of current-year funding.

## RECOGNITION OF EXCELLENCE WORKING GROUP FINDINGS

***Finding 7:*** The alignment between performance and funding should recognize the excellence of high-performing schools through a tiered "Achievement Weight" that rewards high-performing, low-socioeconomic schools on the highest funding tier. The redesign of the A-F rating system provides an excellent opportunity to create synergy between how we measure performance and how we fund schools, but only if an "A" rating is realistic, honest, and achievable, and rewarded through financial and regulatory incentives. The performance funding system, which the Council believes should be embedded in the school finance formula, should strive to reward the greatest number of students in "A" quality schools, as well schools on their way to an "A", such as "B" and "C" schools with significant growth.

While the redesign of the A-F rating system is outside the scope of the Council's work, several presentations made to the Council by the JTEDs reinforced the prevailing public opinion affirming on the value of career and technical education, particularly in workforce programs that lead to industry certification. In many conversations, the Council agreed that the new rating system should have a strong college and career readiness index, including performance indices such as industry certifications in high demand fields, completion of AP placement courses and tests, dual enrollment, and International Baccalaureate coursework.

***Finding 8: High-performing public schools should have the flexibility to expand and replicate without the burden of regulatory, formulaic, and structural constraints.*** Current Arizona Revised Statute § 15-215 allows a school district or charter school that has an "A" grade for at least two of three consecutive years to be exempt from certain statutory restrictions including teacher certification, health and safety, state academic standards and assessment, financial compliance and procurement, and school accountability. To note, there are many other regulations that are not included in this statute. To date, no school district or charter school has been granted an exemption. The State Board of Education should be encouraged to review its evaluation criteria and the list of regulations from which high-performing schools may be exempt.

***Finding 9: School administrators should, where appropriate, seek to empower school leaders to be more actively involved in decision-making about school-level staffing, budgeting, and reporting processes.*** School districts and charter schools should develop more robust internal systems in which principals and other school leaders are involved in budgetary decisions, not only at their school level, but are also empowered to be more impactful in school system-wide budgetary decisions.

## STUDENT CENTERED LEARNING PRIORITIES WORKING GROUP FINDINGS

***Finding 10: The state should conduct an updated cost study, or use the 2007 cost study for special education students, to identify the true costs of special education.*** In 1980, the distribution of special education students in public schools was evenly spread out; however, with more opportunities for parents to choose which schools their children attend (open enrollment and charter schools), special education student populations have become more concentrated in some schools. The net effect of the uneven distribution and the unmet costs of



special education services is that a general education student's backpack funding is often used to address the mandatory costs of special education. The first step to student funding portability is to recognize the actual costs of each student and ensure that each student's backpack is truly his or her own.

***Finding 11: Statutes should be updated regarding the "Extraordinary Special Needs Fund" for high-cost special education students.*** Again, Arizona's robust school choice laws allow students to attend the public school of their choice. If a student with extraordinary special needs enrolls mid-year, public schools may not be able to appropriately budget for these high costs. Arizona Revised Statute § 15-774 currently provides guidance on how to apply for unexpected enrollment of a high-cost student with disabilities. Using other states such as Colorado as an example, the statute can be modified to address costs through a tiered approach based on disability category. This is another step to ensuring that each student's backpack remains his or her own.

***Finding 12: Policies should be identified for recruitment and retention of highly effective teachers.*** The Council believes that Arizona needs committed individuals who want to be teachers, who are good at their jobs and who want to stay in the profession for a long time. The Council heard from teachers themselves that they want their profession elevated to high regard, they want to be paid well and they want support and training to do their jobs well. The Council identified strategies such as mentoring programs, bonus and pay mechanisms that attract teachers to hard-to-staff schools, improvement of equity and competitiveness in starting pay and the creation of a variety of leadership training programs by leveraging philanthropy and local dollars. Additionally, the Council discussed how college preparation programs can be incented to recruit top students into the profession. Finally, the Council supports a statewide public relations campaign to celebrate Arizona's teachers and the positive impact they make in the lives of the students in their classroom.

***Finding 13: School-level reporting is more useful than the "Annual Dollars into the Classroom Report" in showing how the funding each student generates is allocated and expended.*** School-level reporting requires clear and concise reporting of financial data (total revenues generated as compared to actual allocation), simpler and more understandable spending categories for parents to decipher, and easy-to-access information posted digitally or available to parents as part of their enrollment packets. While this information exists in its technical form, it is not easy to access. Additionally, the "Annual Dollars into the Classroom Report" does not currently provide data on charter expenditures. School-level reporting for all public schools will

provide more comparable data for policymakers, taxpayers, and parents about the school that their child attends.

*Finding 14: Schools located within low-socioeconomic communities often face unique academic challenges.* Low-socioeconomic schools traditionally enroll more students with achievement gaps, and unfortunately, these students rarely catch up to their peers. Arizona’s recent NAEP scores show that many Arizona students and schools are defying this trend. Schools with students who demonstrate significant achievement gaps employ higher-cost individual intervention strategies to support their students. While the Council is not in agreement on the concept of state-funded “Opportunity Funding” for schools with large numbers of low-socioeconomic students, in either a permanent or transitional funding way, they will consider this issue more closely if an extension of the Council is granted.

## EXHIBITS

- I. Executive Order – January 12, 2015
- II. Press Release – May 22, 2015
- III. Working Groups and Meeting Schedule
- IV. June 26, 2015 Presentations
  - a. School Finance and Accountability
  - b. Funding Levers and Special Education
  - c. School Governance and Budget
  - d. Backpack Funding
- V. July 30, 2015 Presentations
  - a. High School Graduate Data Presentation – Arizona Board of Regents
  - b. Equitable Funding Structure Working Group Presentation
  - c. Incentives for Excellence Working Group Presentation
  - d. Student Centered Learning Priorities Working Group Presentation
- VI. August 13, 2015 Presentations
  - a. Equitable Funding Structure Working Group Presentation
  - b. Incentives for Excellence Working Group Presentation
  - c. Student Centered Learning Priorities Working Group Presentation
- VII. August 27, 2015 Presentations
  - a. Equitable Funding Structure Working Group Presentation
  - b. Incentives for Excellence Working Group Presentation
  - c. Student Centered Learning Priorities Working Group Presentation
- VIII. September 10, 2015 Presentation
  - a. JTED Presentation – Pima County JTED
- IX. September 22, 2015 Presentation
  - a. Preliminary Framework Presentation
- X. November 19, 2015 Presentations
  - a. Importance of Investing in Early Childhood Literacy

- b. Current Year Funding – Arizona Department of Education
  - c. An Equitable Student-Funding Formula – Arizona Charter Schools Association
- XI. Public Feedback for Council