

School Finance Reform: What are Arizonans Thinking About the Issue?

Community Forums Data Analysis



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Background

In 2007 ABEC entered into a collaborative partnership with Maricopa Community Colleges' Center for Civic Participation to infuse public engagement as a component of ABEC's School Finance Reform Initiative. Between June 2008 and May 2009, a series of 9 community forums were convened across the state regarding the issue of School Finance Reform (see Addendum A). This first phase of forums explored the current status of school finance in Arizona and laid the foundation for a second, future series of forums to explore proposals for changes in school finance.

These forums are based on the premise that public engagement is crucial to the success of any public reform effort. If the review of school finance results in an effort to create change, it will take collective action statewide; action that should be based on an understanding of this complex issue by key civic leaders. By engaging the public in a constructive way, deliberating about the issue, they can play a role in the issue reform process.

The goal of this first series of forums was to build an understanding of school finance among key community stakeholders and engage their critical thinking about the issue. This also helped to create a climate of readiness to engage in and support change among key community leaders statewide.

Each forum began with a presentation about school finance - a 'primer' on the basics of school funding including issues such as bonds, overrides, property tax and weighted groups. After the presentation key community leaders were engaged in a discussion about school finance. Data was collected during the discussion and from feedback surveys used during and at the conclusion of each forum.

Stakeholders were identified and recruited by local business and education "conveners" in order to assure diversity of perspectives on the issue. A recruitment tool was designed (see Addendum B) in order to assist conveners in thoughtfully identifying a wide range of participants. More than 300 stakeholders participated in the forums including parents, students, elected officials, business leaders, educators, nonprofit/faith based organizations, civic organizations and leaders, government, foundation/investors, associations, school board members and retirees.

Forum Model

Each forum utilized the same forum design to elicit deliberation (see addendum C). Stakeholders were specifically asked their concerns and thoughts about school finance as related to Equity, Efficiency and Adequacy. At the end of the forum, participants were asked to 'vote' on which value they considered most important to them. Values were defined in the following manner:

Equity – Is it Fair? Does the current system of school finance in Arizona seem fair? Are state and local funds distributed in a way that most schools have a similar amount to spend per student, regardless of their local community's wealth? Are all students being served equitably? Are students' special needs being met?

Efficiency – Does it work? Are state and local funds distributed in an effective and efficient manner? Are the funds provided to each school district being spent wisely, in the most efficient manner possible? Are we getting bang for our buck?

Adequacy – Is there enough? Are there enough funds in the system? Does each school have enough money to ensure that all students meet the current state standards?

At the conclusion of each forum, participants were also asked to complete a survey that asked for feedback on the most important thing learned during the forum, remaining questions/concerns about school finance, purpose of K-12 education in AZ, and how ABEC could support their continued involvement in this initiative.

Data Results - What are Arizonans thinking about school finance?

What They Said

When asked what was the most important thing learned during the forum, participants responded with several common themes.

Forum participants were in general agreement that the forum provided a **better understanding** of school finance. Many came away with an increased knowledge base on the sources of funding, school funding formulas, and the budget process. The presentation provided a solid foundation for the issue while also making participants acutely aware of the complexity of the issue and how much more there is to learn and understand.

I have a much clearer picture of how school financing works.

The issue is very complex.

Another group of responses had a common theme of **inequity**. While the participants did not necessarily name their responses in this manner, the comments shared this theme of inequity in the funding system:

- “overrides not equitable across poor and rich districts”
- “how some schools are more highly funded than others”
- “tax credits will support schools from communities who have more funds”
- “charter schools are getting more money with less requirements”
- “unfunded mandates plus bureaucracy and interference = negative impact”
- “mandates created for large urban schools are impossible for rural communities”

The interaction... The exchange of ideas... The diverse audience... Varying viewpoints...

In general, participants were also pleased with hearing others’ thoughts on the issue and the many **different perspectives** about school finance. Having a variety of stakeholders in the room together grappling with the same issue seemed to be of value for the majority of participants. The different perspectives from educator, business, parent, and community points of view were appreciated. This also coincides with survey responses asking participants what they liked most about the forum experience. The

opportunity to have a well-facilitated discussion in a safe environment with a diverse mix of participants was the most common theme.

Remaining Questions and Concerns

Participants were asked about the questions and concerns they still have about the school finance issue. Several specific themes emerged.

Need for system overhaul. Consistent comments across multiple communities point to a need for a “new paradigm” of school funding. Participants want a revamping and overhaul that goes far beyond a ‘tweaking’ of the current system. Stakeholders want a “plan that is fair and efficient that will change the education experience in Arizona.”

While participants desire a new funding system, questions remain about where the revenue will come from in the future. Participants question **what will be the sources of revenue** for education? Will there be a new tax structure and what role, if any, will state trust land play?

Stakeholders were in agreement across communities that a **public “movement”** is and will be necessary for system overhaul. If changes in school finance are to be successful it will take an increase in the number of people educated about and engaged in the issue. This includes engaging a variety of stakeholders in the issue as well as taking a look at “how legislators who have a stranglehold on education funding can be convinced to take a fresh look.”

Values Discussion

After a discussion about school finance in regards to equity, efficiency and adequacy, forum participants were asked to vote on the value of most importance to them. It is noteworthy that in discussing values of the school finance system, common themes emerged for each. These themes appeared in multiple communities and in multiple survey responses, not just those limited to this values discussion portion of the forum. Vote results (total of all forums), participant quotations, as well as common themes regarding each value are as follows.

Equity – 13.5 Votes

- **State v Local Control** – “State controls create a loss of control at the local level.” “The funding process should be simplified and local districts given more control to meet the individual community needs.” “How does the state of Arizona expect rural counties to continue providing the same level of education as non-rural areas?” “Complexity of funding...limits decisions at the local level.” “Funding methods need to be reviewed on a regular basis with more control left to local communities.”
- **Public v Charter** – “Charters are not at a level playing field with public schools (i.e. special needs)” “the charter schools are getting more money with less requirements.” “Charter schools need to change...have to follow regulations that public schools are required to follow.” “Question the equity between public and charter schools (revenues, expenses, savings)” “Tenure restrictions are based on seniority not effectiveness. Public schools are at a disadvantage.”
- **High Income v Low-Income Communities** – “Ability to raise money is inequitable.” “Equalization effort doesn’t work – wealthier districts can still generate extra dollars.” “Overrides more

burdensome on property poor district taxpayers.” “Tax credits will support schools from communities who have more funds.” “Bonding capacities are not equitable” “Overrides cost more for poor areas”

- **Problems with the Formula** – “Formulas don’t accommodate different cultures of district.” “The basic formula is fair but the add-ons are not equalized and not fair (i.e. ELL)” “Formula tries to provide equity but we can’t be all things to all.” “Stop unfunded mandates” “Funding formula caps education funding and inhibits improving Arizona education.”

Formulas are capricious – equally unfair regarding how much it costs to educate kids.

Efficiency – 36.5 Votes

- **Transparency** – “Efficient? Don’t know. Not transparent to the community.” “District budgets too complex and less transparent, public does not understand the checks and balances which leads to decreased public support.” “Transparency of school budgets [is still a concern]”
- **Flexibility and Fewer Controls** – “Add flexibility at local level to allow use of dollars in areas of need” “Why not allow all school districts to operate as charters in certification and personnel policies.” “Flexibility needed” “Mandates created for large urban school districts are impossible for rural, local communities.” “No unfunded mandates” “Local control-remove mandates”
- **Focus on Outcomes** – “We don’t talk about desired outcomes only what it takes to run a school district.” “School districts performing well should be rewarded” “We should track improvements over time” “Formula gives no provision for results – only enrollment” “When are you going to talk about student success and outcomes?” “Value post-graduate success (outcomes) more than graduation numbers (outputs).”
- **Problems with the System** – “It’s the systems that are a cause of inefficiency and takes away from dollars to classrooms” “State and federal requirements add to increased administrative costs and inefficiencies.” “Why do we not have a needs based finance system?” “Inefficient system at the state level (SAIS report inaccurate, always change...)” “Schools lack incentives for efficiency”

Efficient is not enough if we are not effective with student learning.

Adequacy – 137 Votes

If it was enough, schools would not have to be experts in fundraising.

No, no, no, schools do not have enough funding.

Why is Arizona so afraid of debt?

- **Rising above Mediocre** – “We’re efficient but not adequate to move up and beyond the average, middle-of-the-road education.” “Arizona does well with ‘not enough’, could do excellent with ‘sufficient’.” “Can’t settle for mediocrity.” “Do we strive only to be adequate? Should strive to be more than adequate, to be in the top 15 states.” “Minimal education? Raise the bar.”

- **Need for Vision and Leadership** – “How do we define excellence?” “Adequate to accomplish what?” “What should be our goals and expectations?” “Statewide initiative to fund schools – and vision. Legislators won’t do it.” “Good leadership makes the

- difference.” “If you want parent support for change, you need to give a vision/promise of results.”
- **Where Will Funds Come From?** – “Where would funds come from?” “A lot of misunderstanding and disconnect between what taxpayers are willing to do and what legislators are willing to do” “Legislators advocate no new personal taxes and results in more reliance on sales tax revenue” “We need businesses to help advocate for adequate support for schools” “Constantly forced to seek additional support from local taxpayers.” “No [not adequate] – can’t sell electorate on need for more funds... equals more dollars for tax. Must build consensus with electorate.” “Voters agree but disconnect with legislators who don’t support.”

Purpose of Education

In addressing stakeholder questions about the vision for education and how “adequate” is defined, it will be important for ABEC to consider feedback on what the stakeholders think is the purpose of K-12 education in Arizona. Clearly defining a goal for education, desired outcomes for the system and a vision for education in Arizona will be critical to gaining widespread public support for any reform initiative.

When queried about “What is the purpose of K-12 education in Arizona”, stakeholders answered along several themes. Number of responses within each theme and samples are as follows:

Higher Education (85)

- Prep for higher education
- College preparation and readiness
- College – 2 year or 4 year or trade
- Technical Training
- Vocation Training
- Preparation for post-secondary success

Employment (89)

- 21st century workforce
- Develop Arizona’s workforce; A well rounded workforce
- Employability and Employment skills
- Preparation for employment
- Prepare for careers

Citizenship and Productivity (103)

- Create thoughtful citizens of Arizona
- Create future leaders
- Learn to be self-supporting, involved citizens
- Preparation to become productive citizens
- Prepare productive, contributing citizens
- Produce an educated electorate

Life Skills (76)

- Develop life skills
- Interpersonal skills
- Preparation for life management skills
- Well-rounded individuals
- Culturally sensitive

Education & Critical Thinking (72)

- Basic education
- Basic skills
- Critical-thinking skills
- Become lifelong learners
- Overall educational foundation

Community Interests (19)

- Crime reduction
- Economic Development
- Global Competitiveness
- Create a better Arizona
- Economic growth

Implications

Based on participant feedback, several clear implications emerged for ABEC as work on the school finance reform initiative continues. Stakeholders across the state want:

- Continued **education** on the issue. While forums provided a solid foundation in the issue, it also created an awareness about the complexity of the issue and how much there is still to learn and understand.
- Continued **communication** about the issue. Stakeholders want ABEC to keep them informed via email, presentations, speakers' bureau, website updates, continued dialogues and forums.
- Continued **engagement** on the issue. Participants appreciated being engaged in discussion about the issue with a variety of stakeholders and experiencing an active exchange of thoughts and ideas.
- **Legislative impact.** This was a cross-cutting theme that emerged in multiple communities and on different survey questions. The need to "pressure legislators" and "push an initiative now" was cited by participants as something ABEC could specifically do, one of the most important things learned during the forum as well as concerns that remained after the forum.

Keep us informed. Continue to bring us together. More community forums. Email updates. Keep communications going.

It is important to stay engaged in education and it is time to become politically persuasive.

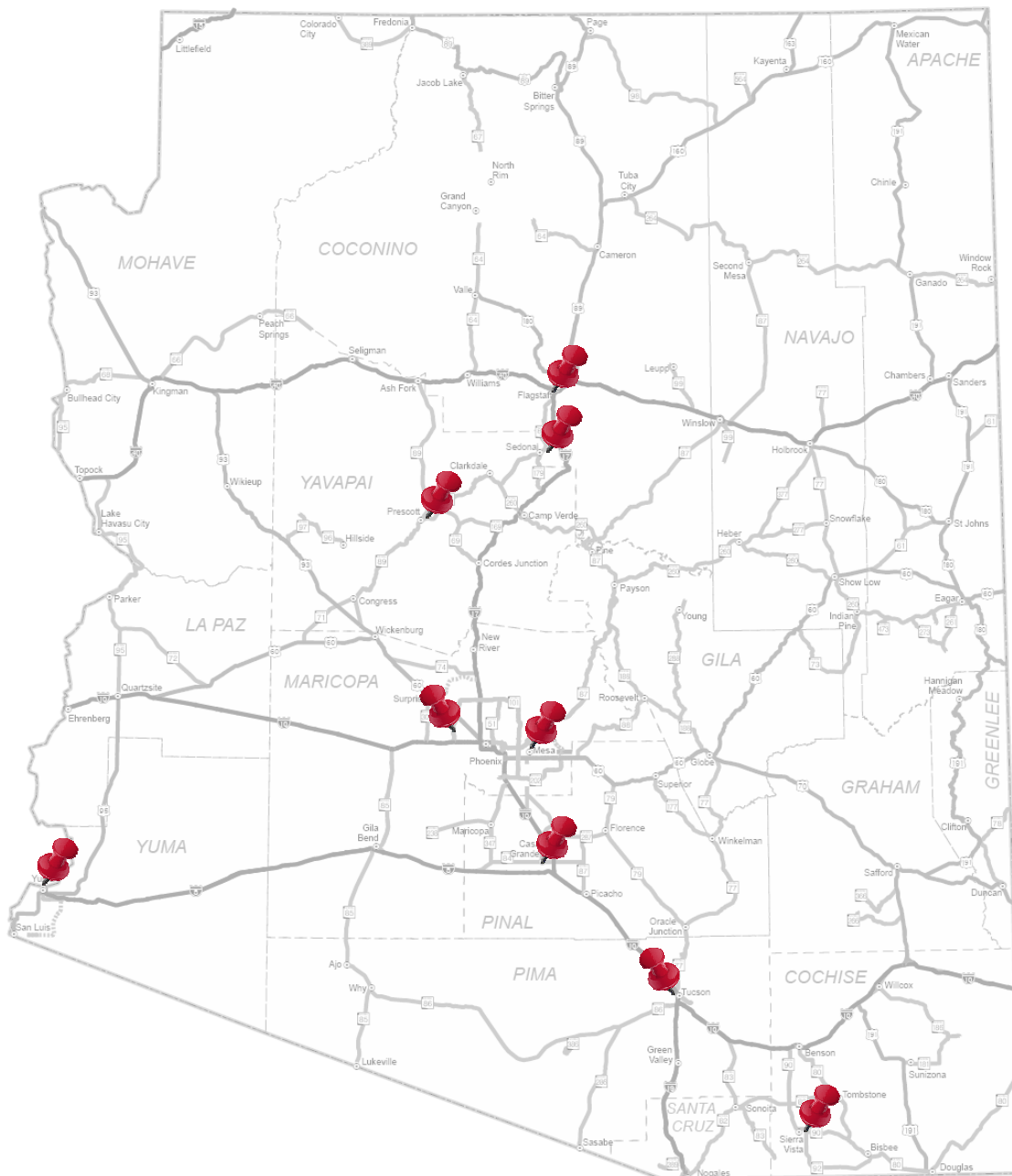
- **System Inequities Addressed.** If a new funding formula is to be developed, it will need to address the perceived inequities in the system including: state v. local control, public v. charter schools, high-income v. low-income communities.
- **Efficiency Issues Addressed.** If a new funding formula is to be developed, it will need to address the perceived inefficiencies in the system including: lack of transparency, lack of flexibility in spending, lack of focus on outcomes, system impediments to efficiency.
- **Adequacy Defined.** If a new funding formula is to be developed, it will need to address issues related to adequacy including how it is defined, what vision we have for education, and where funds will come from to reach a collective vision for education that is focused on outcomes.

ABEC found these forums to be very beneficial to the work on school finance reform. The conversations raised significant philosophical tensions that will need ample discussion as the process moves ahead. Civic leaders in each community approached these discussions with a serious concern about the current and future system of school finance and educational outcomes. As mentioned in the document, they were appreciative of the opportunity to meet and many expressed interest in continuing to be involved. Evidence of that willingness to continue participation was the presence of several forum participants in at the ABEC annual conference in June, 2009.

Next Steps

This document will be distributed to the ABEC board of directors, the ABEC School Finance Leadership Team and working group members, as well as policy makers at the state level. Upon finalization of a school finance "prototype", ABEC plans to return to the community groups to get feedback and discussion on possible trade offs and benefits of a new approach to funding Arizona schools.

APPENDIX IV—Forum Communities



Date	Community	Attendance
#1 June 23, 2008	Mesa, AZ – east side of Phoenix Metropolitan area	36
#2 October 30, 2008	Yuma, AZ	36
#3 November 24, 2008	Phoenix West Valley – west side of Phoenix Metropolitan area	40
#4 January 21, 2009	Tucson, AZ	39
#5 January 27, 2009	Casa Grande, AZ	33
#6 February 12, 2009	Sierra Vista, AZ	36
#7 April 23, 2009	Prescott, Prescott Valley, and Chino Valley communities	27
#8 April 23, 2009	Verde Valley area (Sedona and Cottonwood communities)	25
#9 May 20, 2009	Flagstaff, AZ	34

Total Attendance: 306 Average per forum: 35

ADDENDUM B – STAKEHOLDER DIVERSITY MATRIX

Objectives: 30 participants
 Balanced representation from all 6 stakeholder categories
 Individuals are as culturally diverse as possible

Tasks: Identify 10 individuals for each of the six categories
 Provide contact information for each individual
 Submit contacts to ABEC office

Stakeholders	Level of Perspective
1. Public Sector <ul style="list-style-type: none"> ▪ Superintendent ▪ Higher Education ▪ Elementary Education ▪ Secondary Education ▪ Preschools/ Daycare 	<p>Individuals who can take some action and are "heard" by their peers about what action they should all take.</p> <p>Culturally diverse and underrepresented voices.</p>
2. Private Sector <ul style="list-style-type: none"> ▪ Businesses ▪ Investors/ Funders with interests in education ▪ Chambers of Commerce 	
3. Policy Partners <ul style="list-style-type: none"> ▪ Elected City Official ▪ County Supervisor ▪ School Board Members ▪ Legislators 	
4. Voluntary Sector <ul style="list-style-type: none"> ▪ Nonprofit Organizations ▪ Faith-Based Organizations (i.e. churches, synagogues) ▪ Coalitions/Collaborations ▪ Civic Organizations ▪ Civic Leaders 	
5. Resource Partners <ul style="list-style-type: none"> ▪ Grantors/Donors ▪ Parks and Recreation ▪ Afterschool Programs (i.e. YMCA, Boys & Girls Club, Scouts) ▪ Associations (i.e. Parent/Teacher, Arts) 	
6. Informal Sector (Parent Leaders, Student Leaders, Retiree Leaders) <ul style="list-style-type: none"> ▪ Parents of students in preschool ▪ Parents of students in elementary school ▪ Parents of students in high school ▪ Parents of students in college ▪ Parents of students who are of immigrant families (i.e. booster club, PTO leaders; parents that have served on bond committees and override committees) ▪ High school student ▪ College student ▪ Older adult student (i.e. student leaders, student council, YMCA, Boys' and Girls' club leaders, Scouts in leadership) ▪ Retirees (i.e. AARP or retired teacher contacts, active in community service clubs, literacy projects at local library, serve on city-appointed boards and commissions) 	

ADDENDUM C – FORUM AGENDA

10 minutes	<p>Welcome by Conveners</p> <p>Purpose of the meeting – Susan Carlson</p> <ul style="list-style-type: none"> → <i>Overview of the ABEC school finance project</i> → <i>Purpose of public engagement</i> → <i>Thank you to sponsors</i> → <i>Introduction of Presenters (from the Arizona Association of School Business Officials) and Facilitators (from Maricopa Community Colleges’ Center for Civic Participation)</i>
10 minutes	<p>Forum Process – Lead Facilitator</p> <ul style="list-style-type: none"> → <i>Explanation of the forum agenda, handouts, etc.</i> → <i>Housekeeping & Ground Rules</i> → <i>Introductions of the Participants – ask everyone to introduce him/herself at each table</i>
40 minutes	<p>Overview of Arizona School Finance – Chuck Essigs, AASBO</p> <ul style="list-style-type: none"> → <i>30 minutes content presentation</i> → <i>10 minutes for clarification/Q&A</i>
45 minutes	<p>Discussion – Lead Facilitator</p> <ul style="list-style-type: none"> → <i>At each table, share your thoughts on Equity, Efficiency, Adequacy.</i> → <i>Use worksheet to record initial thoughts</i>
10 minutes	<p>Conclusion</p> <ul style="list-style-type: none"> → <i>Thank you to conveners and sponsors</i> → <i>Next Steps</i> → <i>Complete feedback survey and ‘vote’ on which value (equity, efficiency, adequacy) is most important to you.</i>