



All Arizona children deserve a system accountable and invested in their educational success.



School Finance Reform

An initiative of the Arizona Business & Education Coalition

In today’s school finance system, there is no direct connection between the money spent on education and student learning. The current school finance system was last updated in the ‘80’s – a full 30 years ago. The school finance formula is complex, the system lacks transparency, it is impossible to track school district expenditures to the student, and the system of funding was developed without a connection to student performance. The funding system is a piece of the bigger picture regarding what we expect from our children, how we track and measure our success with teaching and learning, and how we use our scarce dollars to best meet the needs of all students. Now is the opportunity to do our best to connect student learning to resources.

Arizona’s public school finance system must be connected to student learning and outcomes.

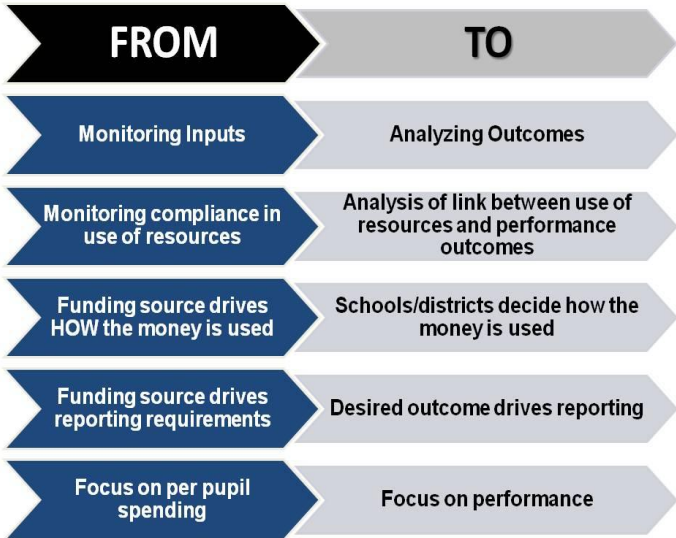
ABEC has developed a comprehensive “set” of proposals, one dependent on another and focused on student learning. These proposals are intended to be adopted together and phased

in, beginning with having high expectations in place. Foundational to ensuring accountability is a statewide data system that can track expenditures, best practices, and provide data for analysis.

The new system ABEC hopes to create would allow for a fundamental shift in how policymakers look at the relationship between resources and student learning. If Arizona puts such a system in place, we can move:

“Education needs to be redesigned to support student performance. To get there, a more fundamental analysis and approach to resource management is needed, one that steps back from incremental funding increases, new programs and conventional practices to tackle the more basic question: How can resources support ... ambitions for student learning?”

~ Dr. Jacob Adams, Claremont Graduate University Professor and founding director of the School Finance Redesign Project



The following is the set of ABEC proposals (details are included in its School Finance Initiative Report):

✓ *Arizona's school funding system should support high expectations for student success.* Arizona's current measure of student success is a test (AIMS) based upon state standards at the 10th grade level. This standard of academic excellence short changes our children and our state. Arizona's school funding system should be linked to and support high expectations for student success.

✓ *A statewide data system must enable us to identify where our money is being spent and what is working and what is not.* ABEC's school finance reform initiative advocates building a statewide data system that links school funding to learning strategies that show evidence of success. In addition to linking student performance to enrollment and staffing, the data system must be able to track expenditures to the school level as well as to identify and track best practices.

✓ *The school funding level should be based on evidence of effectiveness.* Historically, establishing funding levels for Arizona's schools has been based upon guesswork about anticipated state revenue. However, an Arizona study has identified effective evidence-based practices – those strategies that have been proven successful by research or recommended as best practice by professional associations – and Arizona's school funding system should now be linked to what works.

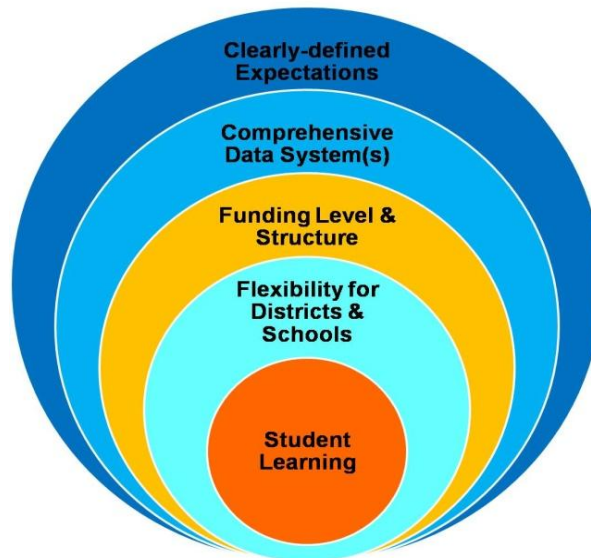
✓ *School districts should be given financial flexibility coupled with accountability.* The current funding system in Arizona is prescriptive and often prevents educators from allocating money in the best interest of their schools and community. ABEC's school finance reform initiative advocates funding to school districts allocated in a "lump sum" to allow local control in how the money is spent. However, if school districts are not meeting identified benchmarks for student achievement, they will lose some flexibility and be required to reallocate current spending to evidenced-based teaching and learning practices.

✓ *The costs of building new schools should be shared between local communities and the state.* All new school construction is now funded by our state's general fund. This siphons away money needed to support the operation of Arizona's systems. To free up state funds, ABEC proposes that local communities and the state share the cost of building and maintaining our school buildings.

✓ *To improve efficiency, it is also time to get wasteful laws off the books.* Certain laws in Title 15 and State Board Rules governing education in Arizona are outdated and force school districts to spend time and money trying to comply. These outdated laws waste tax dollars, are a barrier, and should no longer be on the books. ABEC proposes that a taskforce be created to remove laws that inhibit flexibility for educators in how they spend their funds.

✓ *Ultimately, Arizona's school funding system must rely upon a workable statewide tax structure.* The tax structure in our state has been under examination for several years. To assure that our systems are funded by a consistent, stable, fair revenue stream, our statewide tax structure needs to be reformed.

We now have a golden opportunity to reform Arizona's school finance system. The need for school finance reform has never been greater. With our state facing a serious financial crisis, the pressure to use scarce tax dollars in the most efficient, effective ways possible creates a golden opportunity to create a more effective school funding system linked to increasing levels of student achievement.



The ABEC proposals are dependent on one another and are intended to be adopted together and phased in, beginning with having high expectations and an effective statewide data system in place.

 For more information, contact:
Susan Carlson, Executive Director
Arizona Business & Education Coalition
602-261-6700 ■ susan@azbec.org ■ www.azbec.org