

# Phoenix Union High School District

## Desegregation Funding: History and Impact



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## History and Impact of Desegregation Funding in PUHSD

As a public education institution that replaced inequity with innovation, Phoenix Union High School District plays an integral component of the future outcomes shared by Phoenix and Arizona, as well as the collective success of students coming from families of the greatest need.

Desegregation funding makes up approximately 24 percent of the district's budget, allowing PUHSD to develop a series of magnet programs in areas such as aerospace, bioscience, police and fire science, and computer coding. PUHSD also has launched the state's first and only Montessori High School, as well as doubled the state average spent on support services for students to help ensure their security, well-being and achievement.

Desegregation funding supports a variety of programs and schools, both directly and indirectly, yet it remains politically threatened, with bills introduced regularly to curtail the revenue source. These legislative efforts would have ended \$211 million in desegregation funding for 18 school districts including PUHSD.



Desegregation funding is somewhat of a misnomer. The term brings to mind images of forced busing and is fraught with emotional response. When it comes to desegregation funding in PUHSD, however, the additional tax dollars has been used to open new schools and provide additional educational opportunities and new pathways to college. The word desegregation, while somewhat inaccurate in this case, continues to be applied in response to legal actions dating from the 1980s to alleviate inequities. In fact, desegregation funding may be used to remedy a wide variety of civil rights violations that are not necessarily desegregation in nature.

PUHSD desegregation funding comes from a property tax imposed in addition to those generally allowed by state law. The imposition of this tax, without a direct vote of support from district property owners, has been a point of contention for some legislators, school district officials insist that the funding is essential to carrying out its core mission: "Preparing Every Student for Success in College, Career and Life."

Understanding the role and importance of desegregation funding to the district requires an understanding of the demographic and legal history of PUHSD, as well as some of its successes.

## History

Established in 1895, Phoenix Union High School District today encompasses 220 square miles, with 20 schools and 27,700 students. PUHSD saw tremendous increases in enrollment in the decades immediately after World War II, growing from just two schools in the early 1950s to 11 full-service high schools by the late 1970s.

As Phoenix grew into a major metropolitan area, the character of the district began to change, acquiring maturation problems common to the largest cities in the nation – poverty, population shifts to the suburbs and racial tensions caused by inequities. Children from the post-war population boom in Phoenix were beginning to age out of the district and the next generation of schoolchildren was living in the suburbs, outside of the district. As a result, PUHSD faced flat enrollments and a shrinking tax base.

## Lawsuits

In response to the decline in enrollment and revenues, the district decided to close four campuses: Phoenix Union, North, West and East high schools. Students were consolidated at the remaining schools (Figure 1).

In the late 1970s two lawsuits were filed, claiming that the district was discriminating against ethnic minority and low-income students in part by closing schools in their neighborhoods and forcing them to travel long distances to the remaining schools.

There also were allegations that resources were unfairly allocated across the district, with minority and low-income students not offered the same services and educational opportunities as others.

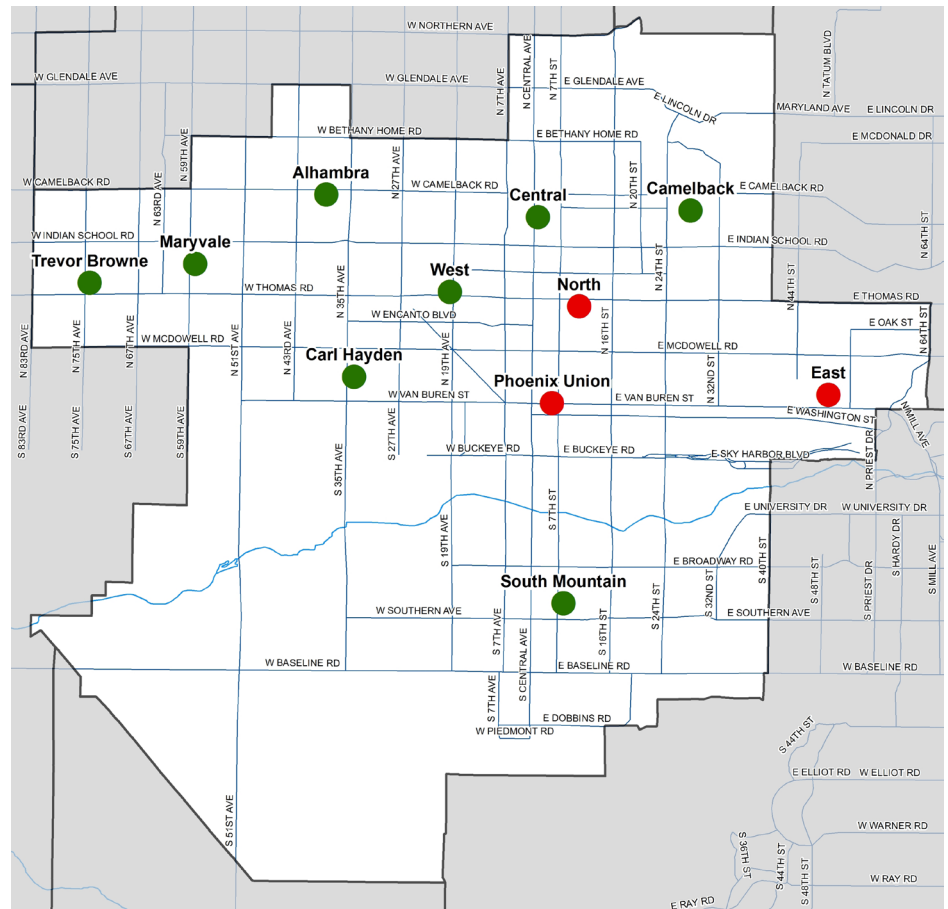
The two lawsuits were eventually combined into the *Castro* suit, whose settlement resulted in the renovation and re-opening of North High.

## Consent Decree

In 1985, the United States Office of Civil Rights (OCR) filed a Consent Decree against the districts, which combined aspects of the *Castro* settlement with additional requirements worked out between PUHSD and the OCR. The Consent Decree outlined the required steps for the district to be in compliance with both federal law and terms of the *Castro* settlement. Highlights of the decree included:

- Establishment of magnet programs on campuses across the district. (As of 2017, PUHSD operates 11 magnet programs specializing in areas such as Aviation, Medical/Health Studies, Performing Arts, and Computer Science.)
- The continued operation of North High School, and the construction of Cesar Chavez and Betty Fairfax high schools.
- Continued summer school programs.

Figure 1



PUHSD in 1978

- Establishment of a district public relations office.
- Increased campus security measures.
- Increased transportation options for students.

In 2005, the United States District Court found that PUHSD had complied with the Consent Decree and “remedied the vestiges of the past dual system to the extent practicable.”<sup>1</sup> This decision was contingent the completion of Betty Fairfax High School on South 59th Avenue.

The court’s ruling did not mean that discrimination had been eliminated in PUHSD but rather that the district had put in place programs to address the inequity and keep it in check. The ruling, however, allowed the court the option of re-asserting its authority over the district “if the Arizona Legislature takes any action at any time that would have the effect of decreasing, terminating, or otherwise interfering with funding for existing and ongoing desegregation programs.”

## Unitary Status

Finally, in early 2008 with the opening of Betty Fairfax High School, the court determined the district to be fully in “unitary status,” and ended its supervision of PUHSD. However, this was not an absolute release from the district’s obligations under the Consent Decree. This final ruling stipulates that the withdrawal of supervision is subject to the conditions set out in the court ruling, as shown above. An attempt to reduce or eliminate the district’s desegregation funding, and the resulting decrease in services to district students, could trigger further intervention in the district by the federal court or prompt another lawsuit.

## Additional Funding

Although the district is now out from under control of the federal court, the funding source for the programs mandated by the *Castro* suit and the Consent Decree remains in place. These funds support the programs that target the problems addressed by the past legal actions.

## Source

Desegregation funding for PUHSD comes from an increase to the property tax levied on property owners in the district.<sup>2</sup> The district was able to implement this additional tax without seeking a vote. As a local source of funding, the desegregation levy is independent of and addition to funding from the State of Arizona and the federal government. It is also exempt for the taxation limits imposed on districts by state statute.

Desegregation funding amounted to \$54.4 million for PUHSD in 2016, comprising about 24 percent of the district’s \$224.4 million total Maintenance and Operations budget. This funding represents a property tax burden on district residents of about \$1.29 per \$100 assessed valuation. The owner of a \$200,000 home in the district will pay \$1,012 in property taxes to PUHSD, with desegregation funding representing \$258 of that total.

## Impact of desegregation funding

At nearly a quarter of the district’s budget, desegregation funding directly affects many areas of district operation and indirectly influences all aspects of the district. The presence of desegregation funding allows the district to function with funding that is considerably above the per-pupil state average. Removal of one-quarter of the district’s funding would clearly have an effect on operations but the precise impacts would be determined through policy decisions made by district leadership. Some sense of the scope of potential changes can be realized by looking at the programs currently supported through the desegregation funding.

Desegregation funding has lifted PUHSD’s total per-pupil expenditures well above the state average. In fiscal year 2016, per-pupil funding in the district was \$10,501, which was 29 percent higher than the \$8,192 for high school districts statewide.<sup>3</sup> This level of funding places the district near the national average for per-pupil expenditure, which stood at \$11,009 in FY 2014, the most recent year for which data is available.

State law caps the amount the district can expend on desegregation efforts at no more than the amount spent in FY 2009.<sup>4</sup> Statute also recognizes that desegregation efforts will be ongoing after release from the initial court decree:

*The governing board may budget for expenses of complying with or continuing to implement activities that were required or permitted by a court order of desegregation . . .*<sup>5</sup>

Under terms of the Consent Decree, PUHSD opened three full-service high schools, as well a number of specialty schools and magnet programs (Figure 2).

Maintenance and operations at North, Chavez and Fairfax high schools are 100 percent funded through desegregation money.

The academic portion of Metro Tech’s budget is supported by desegregation funding. Metro Tech is located at the campus of the former West High School. Desegregation funding supports magnet programs throughout the district and are

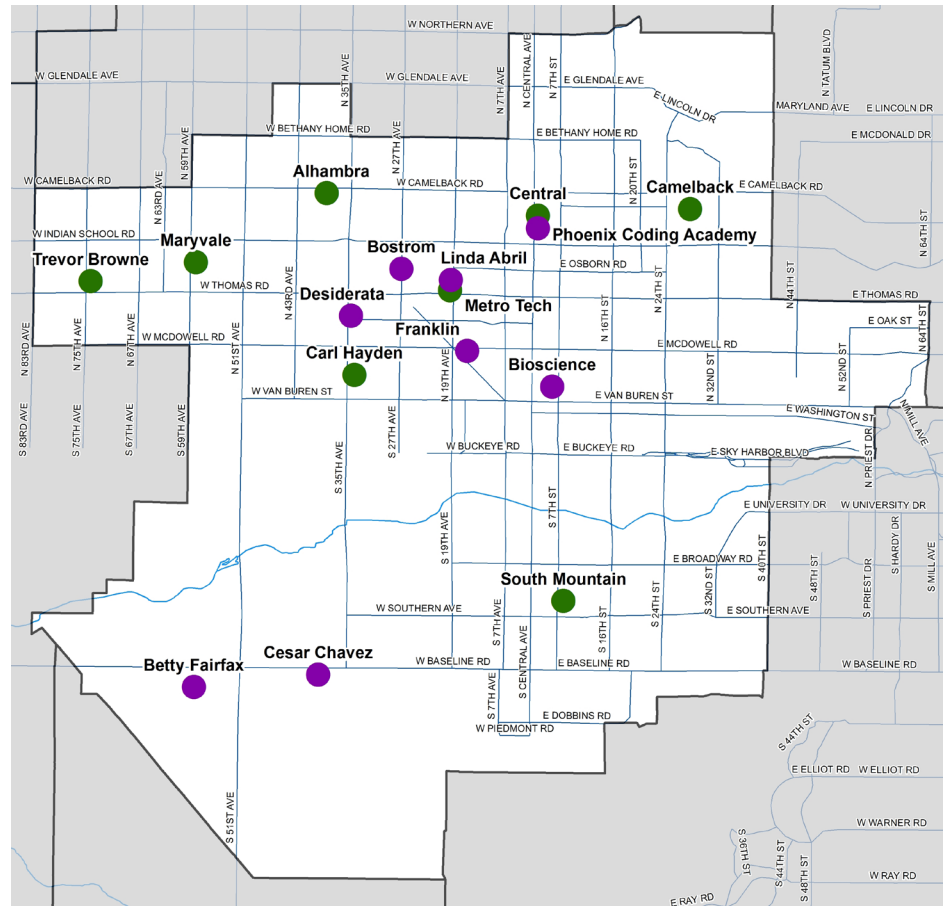
located on the larger campuses, such as Aviation and Aerospace at South Mountain. Stand-alone specialty schools such as Franklin Police and Fire High School are not funded by desegregation dollars.

Additionally, desegregation funding pays for security at district campuses, supports summer school and English language learner (ELL) programs throughout the district, pays for district public-relations staff and funds transportation costs to shuttle students between the many specialty programs across the district.


### Maintenance of Effort

The continuing presence of desegregation funding in PUHSD represents a maintaining effort required under the terms of the consent decree. The district’s attainment of unitary status and release from the Consent Decree does not mean

Figure 2



PUHSD today



the conditions that prompted the court action have been permanently remedied, only that they are being successfully addressed at this time.

Initial motivation for the Castro suit was the closure of schools that served low-income and minority students. Desegregation funding allowed the district to open schools to serve these populations and fund their continued operation. The granting of unitary status by the court is contingent on maintenance of effort by the district to ensure that solutions prompted by the *Castro* suit remain in place. Although there is no longer direct supervision of district activities by the court, elimination of the programs mandated by the Castro settlement likely would prompt additional court action.

## Direct Support

In addition to fully funding the operation of the North, Chavez and Fairfax campuses, desegregation funding supports a number of magnet programs throughout the district.

The district offers a wide variety of magnet programs at schools to provide students with many opportunities to tailor their education to meet their specific educational needs and interests. There are many magnet programs throughout the district. Some, such as Franklin Police and Fire High School, operate from dedicated, stand-alone campuses while others are supplemental programs at one of the district's comprehensive campuses.

Ten magnet programs operating at five district campuses are funded with desegregation money:

- Global Studies program at Central High School
- Center for Computer Studies at Carl Hayden
- Center for Marine Science at Carl Hayden
- Medical Arts Magnet at Alhambra
- International Baccalaureate Program at North High School
- Communications at South Mountain
- Law Studies at South Mountain
- Aviation and Aerospace at South Mountain
- Performing Arts at South Mountain
- Visual Arts at South Mountain

In addition to the magnet programs, desegregation funding pays for the academic programs at Metro Tech, the district's Career and Technical Education (CTE) campus. Students at Metro Tech can earn two-year CTE certificates that provide specific training in a wide variety of fields ranging from floral design to automotive repair to digital filmmaking. Students from around the district may travel to the Metro Tech campus to augment academic studies at their home school with CTE training. The addition of desegregation money allows academic classes to be held at Metro Tech in addition to CTE classes. This gives students the option to attend Metro Tech full-time and avoid travel from another school in the district.

The consent decree also mandated that the district fund English Language Learner (ELL) services and campus security out of desegregation funds.

Finally, the consent decree dictated that the PUHSD communications department be funded by desegregation dollars. The rationale behind this decision is that the district needs to effectively advertise and promote the magnet programs put in place as part of the desegregation settlement.

## Indirect Support

The schools and programs that are not directly backed through the desegregation funding still receive indirect support from the program. The presence of these additional funds has allowed the district to develop a portfolio of small, specialized schools to supplement their large, comprehensive, traditional high schools. The success of these small schools has prompted the district to begin converting South Mountain High School from a traditional school into a collection of small magnet schools all housed on the same campus. This model allows the economies of scale associated with a traditional campus, including active programs in football and marching band, while providing educational opportunities in specialized areas such as aviation and law.

With such a large percentage of the PUHSD budget coming from the funds enabled by the desegregation settlement, a disruption of the funding stream would clearly have an impact on overall operations.

If the funding to operate North, Chavez and Fairfax high schools were to vanish, the mission of these schools would continue. These schools would close, but PUHSD would still bear the responsibility of educating these and all students within the district. To compensate for the loss of desegregation funding, however, PUHSD likely would have to reduce expenditures at all district schools, possibly eliminating non-academic programs and increasing student-teacher ratios to lower staff expense.

If desegregation funding were to vanish, its supported magnet programs might be shut down, at least temporarily. As a result, students in affected programs might enroll in another school or program within the district or a portion might even opt for educational opportunities elsewhere through open enrollment or charter schools.

In any case, loss of desegregation funding – which would amount to the loss of a quarter of the PUHSD budget – would bring about major changes to the district. To balance the budget, many programs would need to be curtailed or eliminated entirely. The district's highly performing, specialized schools such as Bioscience High School and Franklin Police and Fire High School likely would close in order to maintain a basic level of service at the large, comprehensive campuses. Class sizes would increase as the district eliminated teaching positions to save money.

Removal of desegregation funding would force the district to make drastic cuts to programs and would likely either spur the court to reassert itself or prompt another lawsuit on similar grounds to *Castro*.

## Conclusion

Desegregation programs in Phoenix Union High School District have their origins in legal actions that were designed to correct inequities arising from a financial crisis that gripped the district 40 years ago. Although the district is no longer under federal court jurisdiction, it still faces many of the fiscal restraints that prompted the original suit.

Arizona's per-pupil funding is nearly the lowest in the nation, falling some 30 percent below the national average. Even under the best of circumstances Arizona school districts must struggle to meet minimum educational goals. PUHSD contends with several other factors that make educating its students more difficult: It is the poorest high school district in the region with a median household income one-third lower than that of metropolitan Phoenix as a whole;<sup>6</sup> it has extremely high mobility, with 20 percent of district residents moving to a different home each year; students are significantly more likely to be raised by a single parent and to live in a household where English is not spoken; and students are significantly less likely to have parents with a college education.<sup>7</sup>

Desegregation funding helps to address those challenges in an environment where education is otherwise sparsely supported financially. Ending desegregation funding would impose dramatic cuts on the district's operational budget,

forcing the closure of three full-service high schools – North, Chavez and Fairfax – that are 100 percent supported by desegregation funding. Closure of these schools would force students in the heart of the district to travel miles across the district to attend another school. This scenario would replicate the conditions that prompted the *Castro* suit and likely trigger either further court intervention or another lawsuit.

On the positive side, despite the aforementioned challenges PUHSD has an 81 percent four-year graduation rate – 3 points above Arizona’s average graduation rate. The district’s dropout rate (3.2 percent) is less than half of the national average and slightly less than the statewide four-year dropout rate. District officials credit much of PUHSD’s successes to the additional dollars provided by desegregation funding.

## End Notes

<sup>1</sup> *Castro v. Phoenix Union High School District*, CIV 82-302 PHX RCB, United States District Court. 2005.

<sup>2</sup> School Desegregation in Arizona, Arizona State Senate Issue Brief, December 29, 2016.

<http://www.azleg.gov/Briefs/Senate/SCHOOL%20DESEGREGATION%20IN%20ARIZONA.pdf>

<sup>3</sup> Superintendent’s Annual Financial Report, 2016, pp. 52, 63.

<sup>4</sup> Arizona Revised Statutes 15-910(K)7

<sup>5</sup> Arizona Revised Statutes 15-910(G)

<sup>6</sup> \$36,346 median household income for PUHSD, \$54,229 for Maricopa County. Source: Table B19013, American Community Survey 2015 5-year-estimates.

<sup>7</sup> Table DP02, American Community Survey 2015 5-year-estimates.