

ARIZONA SCHOOL FUNDING AND ADEQUACY OF FUNDING*

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Abstract

This article explores the funding and adequacy of funding in Arizona Schools. A survey of district superintendents statewide taken in 2005 is analyzed and discussed.



NOTE: This module has been peer-reviewed, accepted, and sanctioned by the National Council of Professors of Educational Administration (NCPEA) as a scholarly contribution to the knowledge base in educational administration.

This brief provides a summary and analysis of a survey taken in the fall of 2005. The survey was conducted with a distribution of questionnaires to all of the district superintendents in the state of Arizona. Responses were received from 116 individuals out of a population of 227 or a 51 percent response rate. These superintendents represented all three types of school districts, as shown in Table 1 below. The information in Table 1 demonstrates the respondents were not significantly skewed by type of district and are representative of the population.

Table 1

Responses by type of district and percentage response

	Number Responding	State Total**	Percent Response
Unified (K-12)	57	95	60
High School (9-12)*	12	25	48
Elementary (K-8)	47	107	44
Total	116	227	51

Table 1

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*High School and Vocational/Technical Districts **Accommodation Districts are not included.

Attached to this brief (Appendix A) is an item analysis for each question, demographic information for the respondents (Appendix B) and comments written by the respondents (Appendix C). The comments are divided by size of district.

The analyses of responses are combined with a brief background explanation as a part of the overarching state policies. The analysis of responses is separated into two sections:

1. Arizona school funding system issues
2. Recommendations from the Rodel Foundation study on issues of adequacy

The author has examined the survey results by type of district, size of district and gender of respondent to determine whether these factors had any influence on the answers provided by the respondents. Without exception there are no significant differences when items are separated for the dimensions of size, type of district or gender of the respondent. This finding presents the notion that either the problems (as represented by this questionnaire) of superintendents are similar regardless of the type or size of district or that the thinking of superintendents is similar regardless of the type or size of district in which the position is held.

The analyses of the results of this survey presented in this brief are from section A of the questionnaire which addressed Arizona school funding issues. Section B of the survey, which addressed Arizona standards and assessment, has been presented in a separate brief.

The design of the instrument was such that the author was able to analyze broader questions overlaying the individual items. The ability to cluster questions as a part of the instrument development was to enable the researcher to examine policies that have been guiding the direction of education in Arizona. This analysis was performed to determine the general sentiment of superintendents regarding particular issues of educational policy. Part II provides a delineation of the overlying policy areas and an analysis of superintendents' responses.

The analysis of the responses to school funding issues from Arizona's superintendents was broken down into five policy areas:

1. How sufficient is the current funding provided through state aid?
2. Is access to and amount from the local property tax appropriate?
3. What is the impact of the legislature's policy of inflation only adjustments to the Base Support Level?
4. How well is Students FIRST (Arizona's capital support program) working?
5. Would consolidation of school districts in Arizona increase financial efficiency?

Arizona Funding System

In national comparisons of per-pupil expenditures for public education made between 1994 and 2003, Arizona has ranked in the bottom five states, leading only Utah in recent years. This has not always been the case. Over four decades, Arizona's per pupil expenditure declined from above the national average to well below the national average.¹

In 1973 plaintiffs in Arizona filed a lawsuit alleging its method of funding schools was not equitable.² (Similar suits have been filed in many states.) The Arizona Supreme Court denied the suit on its merits, but the lawsuit nonetheless opened the door for change. At the time, Arizona funded schools in similar fashion to other states: the state guaranteed a minimum level of funding, and local school boards had access to the property tax, although property tax increases were subject to voter approval. Like other states, the districts with a higher property wealth base tended to spend more for education than those of lower property wealth.

The success of an equity lawsuit in California (*Serrano v. Priest*) prompted the Arizona legislature to reform school funding by adopting a new "equalizing" formula. This reform greatly limited a local school board's access to the property tax base, placing the legislature in charge of the overall level of school funding.

The new equalizing formula was based on the principles usually contained in a "foundation" formula, setting a "Revenue Control Limit" (RCL) for schools and establishing a formula that contained three components:

¹U.S. Department of Education, National Center for Education Statistics, *Statistics of State School Systems*, retrieved February 17, 2003: <http://nces.ed.gov/> (<<http://nces.ed.gov/>>)

²King, Richard A., Swanson, Austin D., Sweetland, Scott R. (2003). *School Finance: Achieving High Standards with Equity and Efficiency*. New York, NY: Allyn and Bacon. P. 277 and 278.

a) the state-guaranteed per-pupil funding level, (known as the Basic Support Level or BSL);
 b) the student count (known as Average Daily Membership, or ADM), with weights based on certain demographic details (such as grade level and disability), for each student; and
 c) a local contribution based on a Qualifying Tax Rate and local district equalized valuation of property. The legislature sets the Qualifying Tax Rate (QTR) for local school districts. Establishing the BSL and QTR is an annual task for the legislature.

The intent of the legislature in creating this new funding system was made clear in the language used in the bill and the terminology of the formula:

The legislature intends by this act to increase the authority and responsibility of local school boards in determining how revenues will be utilized. Beginning in the 1980-81 fiscal year disparities in operational revenues among districts will be reduced on an annual basis until complete equalization is reached in the 1985-86 fiscal year.³

In response to questions regarding sufficiency of funding (Table 2), 51 percent of Arizona's superintendents do not find fault with the existing formula as a method of distributing state dollars fairly. A large number of respondents to this question (21 percent) indicated a neutral position and 18 percent indicating disagreement with the formula being a fair mechanism for distributing state aid. However, when asked about the level of funding provided through the Base Support Level, 86 percent disagreed with the BSL being sufficient to support the programming needs of their districts. Further, 80 percent express that funding and the formula would be improved by adding a weight for students who live in poverty.

Table 2.

How sufficient is the current funding provided through state aid? Questions: 1, 2 and 5.

Q #	Question % Respondents (N=116)
1	The system of a Base Support Level modified by weighted student count, works well for distributing state dollars fairly.strongly agree 5% agree 46% neutral 21% disagree 11% strongly dis. 17%
2	The Base Support Level is sufficient to meet the programming needs in my district.strongly agree 1 % agree 5% neutral 8% disagree 34% strongly dis. 52%
5	A pupil weighting for students in poverty should be added to the formula.strongly agree 41% agree 39% neutral 9% disagree 9% strongly dis. 2%

Table 2

In summary, it would appear that responding superintendents think the formula is working in distributing dollars fairly but that the weighted pupil approach needs an adjustment to recognize the extra expense of programming for pupils living in poverty. There is also a very strong sentiment, overall, there is not sufficient state funding to support the programming needs of students

Local Districts' Access to the Property Tax

In the revised school funding system, legislative restrictions were placed on access to the local property tax. Local school districts did retain some local discretion for supplementing the funding from the state. This discretion was built into the new system through a mechanism called budget "overrides" which required voter approval. Through overrides a school district may increase its operating revenue, from local taxes, up to by 10 percent of the limit (Revenue Control Limit or RCL) established by the legislature. In addition,

³Hunter, Michael, Gifford, Mary, (2000). School Finance Primer: a taxpayers guide to public school finance. Goldwater Institute, Phoenix , AZ.

with a separate vote, unified (K-12) and elementary (K-8) districts may increase operating revenues by 5.0 percent of the RCL specifically for K-3 programs.⁴

As an accountability measure, overrides were designed to have a life span of seven years after which they expired. Because of legislated reductions in override revenue for the final two years of the seven year period, a local school board that wishes to maintain a stable source of revenue from overrides must submit the question to the voting public every five years. Increased use of overrides and increases in the amount of overrides during the 1990's and early 2000's expanded the local contribution for education support.

Table 3.

Is access and support from the local property tax sufficient? Questions: 3, 4 and 6.

Q #	Question/ % Respondents (N=116)
3	The Qualifying Tax Rate (QTR) for the formula does not put an unfair burden on the local taxpayers in my district.strongly agree 10% agree 45 % neutral 22% disagree 20% strongly dis. 3%
4	Local school districts are too reliant on the property tax.strongly agree 9% agree 39% neutral 24% disagree 25% strongly dis. 3%
6	The override system is a fair adjustment for local school districts to supplement the support provided by the state.strongly agree 4% agree 25% neutral 8% disagree 43% strongly disagree 20%

Table 3

When queried about the impact on local taxpayers of the real estate tax to support public schools through the formula driven Qualifying Tax Rate, 55 percent of the responding superintendents expressed they agreed the burden was not unfair. However, one in five was neutral on the fairness of the QTR property tax and one in four expressed that the QTR driven local property was an unfair burden.

Arizona, usually considered a low property tax state, is too reliant on the property tax to fund schools. This sentiment was expressed by nearly half (48 percent) of responding superintendents. (This may not be a response to the QTR, as seen in question 6.) Nearly a quarter (24 percent) of the respondents was neutral on the question of too much reliance on the property tax and 28 percent disagreed that local school districts were too reliant on the property tax.

The override system, placed into Arizona's funding structure to preserve some local school district access to the local property tax for operating revenue, is not perceived as a fair system of supplement to state support by 63 percent of the responding superintendents. Eighteen percent were neutral on this question and only 29 percent thought that overrides were a fair adjustment of support for local schools.

Superintendents are saying the dollars raised for local schools through the formula (QTR) does not put an unfair burden on local taxpayers and yet school districts are too reliant on the property tax. One could draw the conclusion that reliance on the override system is making local school districts too dependent on the property tax and that the override system is not a fair system on which to rely.

The Policy of Slow Growth in Education Spending

During the seven year period of 1994 to 2000 the Base Support Level increased \$168 (7%) while the Arizona per pupil expenditure increased \$833 (18 %) and the U.S. average per pupil expenditure increased \$1635 (28 %). The effect of attempting to slow the growth of spending on education through minimal increases in the foundation level was twofold. First, Arizona's expenditure per pupil dropped in rank from

⁴Override Election, Budget Increases. ARS §15-481

39th to 49th out of fifty states. Second, and perhaps an unintended consequence, the state’s percentage of the share of the cost of education declined, shifting a greater burden onto the local property tax.⁵

In more recent years the Arizona legislature has espoused a policy of maintaining a level funding for schools by providing only inflationary adjustments to funding schools.⁶ As an additional note the legislature had removed (in 1995) the provision of the law reforming funding which had required an inflationary adjustment.

The author queried the Arizona’s superintendents on the results of a continuation of this policy (Table 4). If the policy were to continue, three-quarters (73 %) of the responding superintendents say there will be program reductions in there district within the next three years. Sixteen percent remained neutral and 11 percent disagreed with the possibility of program reductions. Similarly, when asked about the possibility of personnel reductions under the inflation only policy, sixty-three percent indicated that personnel reductions would take place. With this same question of personnel reductions slightly over a quarter of the respondents were neutral (27%) while ten percent disagreed with the possibility in the next three years. Supporting the supposition that minimal increases in state support shifts the burden of financial support back to the local property tax, seventy-one percent of the respondent superintendents agreed that inflation only increases in state aid would result in a need for an override for increased local support. Twelve percent disagreed with this notion and seventeen percent were neutral on the override question.

Table 4.

What is the impact of the legislature’s policy of inflation only adjustments to the Base Support Level? Questions: 11, 12 and 13.

Table 4. What is the impact of the legislature’s policy of inflation only adjustments to the Base Support Level? Questions: 11, 12 and 13.	
Q #	Question/ % Respondents (N=116)
11	If state aid increases at the rate of inflation only the effect will be program reductions in my district in the next three years.strongly agree 28% agree 45% neutral 16% disagree 10% strongly disagree 1%
12	If state aid increases at the rate of inflation only the effect will be personnel reductions in my district in the next three years.strongly agree 22% agree 41% neutral 27% disagree 9% strongly disagree 1%
13	If state aid increases at the rate of inflation only the effect will be the need for an override for increased local support in the next three years.strongly agree 36% agree 35% neutral 17% disagree 9% strongly disagree 3%

Table 4

It would appear that the vast majority of superintendents are aware of the ramifications of inflation only increases in state aid: program reductions, personnel reductions and the necessity of going to their local constituents for a tax increase to supplement minimal state support.

Students F.I.R.S.T. for Capital Development

The year 1994 was an eventful year for school funding in Arizona. First, there was the passage of the charter school legislation and then the Arizona Supreme Court decided that the manner in which capital

⁵U.S. Department of Education, National Center for Education Statistics, Statistics of State School Systems, retrieved February 17, 2003: <http://nces.ed.gov/> (<<http://nces.ed.gov/>>)

⁶Arizona Joint Legislative Budget Committee, K-12 Funding (M&O, Capital and All Other) FY 1995 through FY 2004. Retrieved March 3, 2003: www.azleg.state.az.us/jlbc (<<http://www.azleg.state.az.us/jlbc>>)

development for schools was delegated to local determination was not in keeping with the “general and uniform” language of the Arizona constitution. The case was *Roosevelt v. Bishop* and the Court’s decision forced the legislature into reforming how the State paid for capital construction. In 1996, two years after the *Roosevelt* decision, the Arizona Supreme Court gave the legislature two years (until the close of the 1998 legislative session) to develop an acceptable solution or face closure of the state’s schools by the Court. The Students FIRST (Fair and Immediate Resources for Students Today) legislation was signed into law in July of 1998.⁷

The law established a new Arizona School Facilities Board, charging the Board with the responsibility for creating standards for school facilities and administering appropriations for school construction and renovation. These appropriations were funneled through three separate funds: New School Facilities; Building Renewal and Deficiencies Correction. The legislation removed bonds sold by local school boards as a primary funding source for school construction, leaving a reduced capacity for Districts to sell bonds to supplement construction funds from the School Facilities Board. Rather than using the state’s bonding capacity to fund school construction, the legislature determined that funding for Students FIRST construction would be provided through annual appropriations. In this decision the Arizona legislature differs from capital assistance provided in most other states. Most other states fund capital assistance for schools through a state supported bonding program.

The legislature’s position against bonding ended in 2000 with a forecast, from then Governor Jane Hull’s Office, of an upcoming downturn in state revenues. In response from the legislature a provision was incorporated into Proposition 301 (a statewide increase in sales tax of six-tenths of a percent) allowing the Arizona School Facilities Board to sell \$800 million in construction bonds. The bonds were to be repaid by way of a dedicated revenue stream from the sales tax increase contained in the proposition.⁸

Respondent superintendents give a mixed picture of the support from Students FIRST (Table 5). Sixty-three percent agree Students FIRST has helped their district. Interestingly, one in five (20 %) remain neutral on the question of assistance through this measure and 18 percent disagree. The timeliness of support through Students FIRST gets a very mixed response. Half (49 %) of the responding superintendents disagreed that support was timely while thirty-five percent agreed that it was timely. There is strong agreement (67 %) with the idea Students FIRST should be expanded.

Table 5.

How well is Students FIRST (Arizona’s capital support program) working? Questions: 7, 8 and 9.

Q #	Question/ % Respondents (N=116)
7	Students FIRST assistance has helped my district.strongly agree 9% agree 54% neutral 19% disagree 11% strongly disagree 7%
8	Students FIRST assistance has been provided in a timely manner.strongly agree 3% agree 32% neutral 16% disagree 37% strongly disagree 12%
9	Students FIRST should be expanded.strongly agree 28% agree 39% neutral 20% disagree 9% strongly disagree 4%

Table 5

⁷Geiger, Phillip E. (August, 2001). *Arizona Takes on School Construction and Renovation*. School Business Affairs , vol. 12, pp. 38-43

⁸Davenport, Debra K. (2002) *Arizona Public School Districts, Planned Uses of Proposition 301 Monies*. Retrieved February 11, 2004: www.auditorgen.state.az.us (<<http://www.auditorgen.state.az.us/>>)

Arizona's capital development program, Students FIRST, is perceived by a great majority of respondents as having helped their district and a similar majority sees a need to expand the state's capital support. However, superintendents tend to express a lack of timeliness in the support that is provided.

Economic Efficiency and Consolidation of School Districts

In the past three years various forms of legislation has been introduced to consolidate or reduce the number of school districts in Arizona.⁹ One of the arguments consistently advanced for this reorganization of schools is economic efficiency. The author included this question for superintendents, in order to solicit their opinion on the notion of economic efficiency (Table 6). An unusually large number of respondents (37 %) chose to remain neutral with their response with a slightly larger number (42 %) disagreeing with the idea consolidation would bring economic efficiencies. Only 18 percent agreed.

Table 6.

Would consolidation of school districts in Arizona increase financial efficiency? Question: 10.

Q #	Question/ % Respondents (N=116)
10	Fewer school districts in the state would increase financial efficiency within the state.strongly agree 5% agree 16% neutral 37% disagree 22% strongly disagree 20%

Table 6

Superintendents are much divided on the idea of the economies of consolidation. A very strong minority disagree with this idea as one in five strongly disagreeing. It would appear that the majority of superintendents are either neutral or in agreement that there are economic efficiencies to be achieved with school district consolidation.

Rodel Foundation's Lead with Five

In February 2005 Rodel Foundation of Arizona released Lead with Five: Five Investments to Improve Public Education. The report is a distillation of a more extensive study of the adequacy of school funding in Arizona that was funded by the foundation. The Rodel report recommends five essential means for improving public education and increasing student performance in Arizona. Lead with Five also provides cost estimates (totaling an additional \$1883 per student) for adopting each of these reforms as well as references to the educational research, which provided a background framework for the recommendations presented. The five recommended education reform investments are:

1. Provide full day kindergarten for all students.
2. Prepare and recognize teachers for high performance.
3. Create smaller schools.
4. Reduce class size.
5. Provide one-on-one tutoring and other extra help for struggling students.¹⁰

Inherent in these recommendations are two questions. First, is the funding provided by the Arizona legislature adequate to meet the needs presented by Arizona's existent and burgeoning student population? Second, and more fundamental than the first question, does the level of funding make a difference in student learning? In order to explore these questions, a basic understanding of equity and adequacy (as school funding concepts) should be reviewed.

Equity, as a consideration in funding of public schools, is a well established and well litigated concept. Numerous states' legislatures have been ordered, by their judiciary, to change the mechanisms of how schools

⁹Data source the Arizona Department of Education, Annual Report of the Superintendent of Public Instruction, 2006.

¹⁰The entire "Lead with Five" report may be found at www.rodelfoundationaz.org. The last page of the Rodel report provides a link to the report systemic report from Lawrence O. Picus and Associates: "An Evidence-Based Approach to School Finance Adequacy in Arizona".

are funded due to litigation regarding equity.¹¹ The concept of equity is a fairness issue, which asks the question: Are all students being provided with relatively the same financial support?¹² The efforts to bring about equity in resources were related to the disparate local resources for school districts based on differing real property distribution and the reluctance of legislatures to balance school funding between property rich and property poor school districts.

The Arizona legislature responded to the pressure for equity in 1980 by reforming the manner schools were funded with a new “equalizing” formula that greatly restricted local school boards’ access to the local property tax and increased the state’s role and control of funding education.¹³ All things considered, Arizona has achieved a relative degree of equity in school funding over the past two decades.

Table 7.

Do superintendents support the adequacy of education recommendations of the Rodel Foundation report “Lead with Five”? Questions: 14, 15, 16, 17 and 18.

Q #	Question/ % Respondents (N=116)
14	Recommendations to improve education in Arizona: provide all day kindergarten for all students.strongly agree 66% agree 24% neutral 5% disagree 3% strongly disagree 2%
15	Recommendations to improve education in Arizona: prepare and reward teachers with increased compensation being tied to individual and/or school performance.strongly agree 35% agree 42% neutral 9% disagree 10% strongly disagree 4%
16	Recommendations to improve education in Arizona: create smaller schools, including creating “schools within schools” to take advantage of existing facilities.strongly agree 22% agree 54% neutral 19 % disagree 4% strongly disagree 1%
17	Recommendations to improve education in Arizona: reduce class size at the K-3 level to between 15 and 18 students.strongly agree 47% agree 40% neutral 6% disagree 7% strongly disagree 0%
18	Recommendations to improve education in Arizona: provide one on one tutoring for struggling students utilizing certified teachers.strongly agree 39% agree 48% neutral 6% disagree 6% strongly disagree 1%

Table 7

Adequacy, while imbedded in the concept of equity, has emerged as a more predominate force in school funding litigation and finance reform during the 1990s. The overall concept of “adequacy” is a sufficiency question: Is the level of school funding allocated sufficient to provide the programming for all students to achieve to a high minimum standard?¹⁴

¹¹Greene, Tristan D. (2002). Overview of education finance litigation. Little Rock, Arkansas: Arkansas Policy Forum on Education Finance. p. 1

¹²Ibid, p.2.

¹³Wiggall, Richard L. (2004). The condition of school funding: 2004”, Tempe, Arizona: Arizona State University, Arizona Education Policy Institute.

¹⁴Odden, A. & Picus, L.O. (2004). School finance: A policy perspective (3rd edition). New York: Mcgraw Hill. p.121

Superintendents were queried regarding their support for the recommendations of the Rodel Foundation report (Table 7). Full day kindergarten was supported by 90 percent of the respondents and is a measure that has been adopted by the Arizona legislature since the collection of data in this questionnaire.¹⁵ The remaining four recommendations have not met the same level of legislative success although strongly supported by the respondents.

Analysis of Responses Related to Funding Adequacy

While support was strong (77 %), the recommendation to reward teachers by having their increased compensation based on individual or school performance, there also were a large number of respondents (19 %) who remained neutral. Only 5 percent disagreed with teacher compensation having a performance component.

The need to create smaller schools including creating schools within schools as a means to achieve this recommendation was also supported by 76 percent of respondents. While nearly one in five (19 %) remained neutral, only five percent disagreed. Reducing class size in the primary years (K-3) was an idea that 87 percent of superintendents agreed with almost half (47 %) strongly agreeing. Only 13 percent were either neutral (6 %) or disagreed (7 %). The final recommendation of providing one on one tutoring by certified teachers for struggling students was supported by 87 percent of the respondents. Only 6 percent were neutral and 7 percent disagreed.

Superintendents are strongly supportive of the Rodel Foundation recommendations for improving education. Nine in ten superintendents supported all day kindergarten. Nearly eight in ten superintendents want to see increases in teacher compensation based on improved performance of either schools or individuals. Three-quarters of the responding superintendents would like to see smaller schools including creating schools within schools in existing facilities. Almost nine in ten superintendents want class sizes reduced to between 15 and 18 students in kindergarten through third grade. Again, nearly nine in ten agree with one tutoring provided by certified teachers to struggling students.

Summary of Findings

It would appear that responding superintendents think the school funding formula is working for distributing dollars fairly but the weighted pupil approach needs an adjustment to recognize the extra expense of programming for pupils living in poverty. There was also a very strong sentiment that, overall, there is not sufficient state funding to support the programming needs of students.

Superintendents responded the dollars raised for local schools through the property tax (QTR) does not put an unfair burden on local taxpayers; yet school districts are too reliant on the property tax. One could draw the conclusion, based on superintendents' responses, that reliance on the override system is making local school districts too dependent on the property tax and that the override system is not considered to be a fair system.

It would appear that the vast majority of superintendents know the ramifications of inflation only increases in state aid: program reductions, personnel reductions and going to their local constituents for a tax increase to supplement minimal support.

Arizona's capital development program, Students FIRST, is perceived by a great majority of respondents as having helped their district and a similar majority sees a need to expand the state's capital support. However, superintendents tend to see a lack of timeliness in the support that is provided.

Superintendents are much divided on the idea of the economies of consolidation. A very strong minority disagree with this notion with one in five strongly disagreeing. It would appear that the majority of superintendents are either neutral or in agreement that there are economic efficiencies to be achieved with school district consolidation.

Superintendents are strongly supportive of the Rodel Foundation recommendations for improving education. Nine in ten superintendents support all day kindergarten. Nearly eight in ten superintendents want to see increases in teacher compensation based on improved performance of either schools or individuals. Three-quarters of the responding superintendents would like to see smaller schools; including creating schools within schools in existing facilities. Almost nine in ten superintendents want class sizes reduced to between

¹⁵Kindergarten and special programs. . . . ARS §15-703.

fifteen and eighteen students in kindergarten through third grade. Again nearly nine in ten agree with one-on-one tutoring provided by certified teachers to struggling students.

1 APPENDIX A

RESPONDENT DEMOGRAPHICS

FINANCE and ADEQUACY

Appendix A.

Experience Background and Gender of Responding Superintendents

Years of Experience	1-5	6-10	11-15	16-20	21-25	26-30	31-35	36-40	41-45
How Many Years Have You Been Employed in Education?	0	2	11	7	18	21	35	17	5
How Many Years Have You Been a Superintendent?	48	25	18	6	6	3	0	0	0

continued on next page

How Many Years in Your Current Position?	78	28	5	4	1	0	0	0	0
Your Gender is:	Female 38				Male 78				

Table 8

2 APPENDIX B

ITEM ANALYSIS

FINANCE AND ADEQUACY

Appendix B

Responses Questions 1 to 13 Finance and 14 to 18 Adequacy

Q #	a. strongly agree	b. agree	c. unsure/neutral	d. disagree	e. strongly disagree	no response
1	5	44	20	10	16	1
2	1	6	9	40	60	0
3	11	52	26	23	3	0
4	10	45	28	29	4	0
5	48	46	9	11	2	0
6	5	29	9	50	23	0
7	11	63	20	13	8	1
8	3	37	18	43	14	1
9	33	45	22	11	5	0
10	6	18	40	26	23	3
11	33	52	18	12	2	1
12	26	47	24	11	1	0
<i>continued on next page</i>						

13	42	40	20	10	3	1
Rodel Foundation Recommendations (ADEQUACY)						
14	77	28	4	4	2	1
15	40	49	10	12	5	0
16	25	63	17	5	1	0
17	54	46	7	9	0	0
18	45	56	7	7	1	0

Table 9

3 APPENDIX C

RESPONDENT COMMENTS

FINANCE AND ADEQUACY

1-1001 Students

Equalization assistance formula needed for over-ride and bond elections. Currently only moderate to wealthy districts can pass these measures. Formulas over-all is well thought out – just needs additional dollars. Inflation funding has actually improved the last few years compared to Symington era.

We have 3 employees — extremely small schools should be funded differently. We are always hurting for funds.

We currently have small class size. NCLB & other requirements are placing a heavy burden on staff with more reporting, more details, etc. We can increase our budget buy our small population already feels that taxes are too high.

The major issue in our district is attracting and keeping quality teachers. This, in part, is a funding issue. The other issue, or at least perceived issue, is lack of a coherent plan for increasing the number of teachers available.

IDEA is extremely burdensome both fiscally and with paperwork. Teachers should have portability.

Our district will grow (projected) to over 14,000 students in 6 years. SFB is not helping keep pace with this growth, est. if we unify K-12. Current legislation for funding a new school (9-12) is prohibitive.

We have already had as many overrides as we are able to have. We have full day K, funded by an override, and it has made a significant difference with our students - especially ELL students. Smaller schools and smaller classes don't make a difference unless teachers teach better. We have 12-15 students per class in K-3 and Grade 5 and the good teachers teach them well (as they did w/larger classes) and the less effective teachers don't teach better w/ fewer students. Teacher training is critical and universities need to do a better job of teaching teachers how to teach.

We need more funding to meet our childrens' needs (e.g. SES, ELL, SpEd). Teachers need to be paid well for what they do. Many state pay systems, ours included, start at \$25K. Teachers need to be, at a minimum, \$30K per year to start. (3 of my new teachers qualify for food stamps – this is just not right.

The Arizona system is needlessly complicated and is based on revenue limits that are punitive in nature. The whole system needs to be thrown out and redesigned from scratch.

We cannot afford UNFUNDED Mandates!

Small, rural schools suffer. Funding is biased toward large districts and their economies of scale.

We need to pick up Arizona and move to a state that realizes the importance of education.

Funding unfair to rural areas.

Last year we implemented all day kindergarten, reduced our kindergarten class size to less than 15, assigned K-3 to one administrator and provided intervention tutoring to Kdg. Students. The results were phenomenal – achievement rates skyrocketed.

School Facilities Board — YEA!

I think that the formulas are unfair and 40 & 100 day counts should be when the weather is good. We get "creamed" on 100 days count due to illness throughout the fall and winter days. I think the state should tell us, "Here's your amount" and we go with it. It is too complicated and time consuming.

It is time to simplify all our weighted counts, special adjustments along with all the reporting requirements get ridiculous. We play a lot of games with funding allocations. Establish a significant base rate. Allow increase for "SpEd, ELL and poverty.

Very small districts do not fit "formulas".

We already have an over-ride in place. Just because someone is certified doesn't mean they are "quality" teachers. Some of the best instructors I have seen with children do not have a Bachelors degree.

It is a disgrace to be 48th in spending. Is AZ 48th in state economics? I doubt it. We are growing rapidly. The legislature needs to fund education period!

Our school is classified as highly performing. Consolidation/and a unification would not improve our performance and might have a negative impact.

1001-5000 Students

We are already at our capacity regarding M&O overrides. The entire BSL increase in the past year did not cover the costs associated with health & accident insurance, ASRS contributions and energy costs. Special Education costs far exceed the Group B add-ons, even when including federal support. It would be impossible to provide K-3 class sizes of 15-18 financially.

While questions #17 & 18 are both very desirable, the reality of space and availability of qualified staff do not make it feasible in our current conditions. Without faster Student First approval of schools we do not have rooms. We are currently doing nationwide searches for teachers and are still not able to fill all our current needs.

Capital & M&O K-3 overrides should have equalization otherwise property poor districts cannot raise additional funds in an equitable manner over property wealth districts.

Give funds directly to Districts. Audits can determine proper use of funds. #18 - for after school tutoring.

There is no guarantee that higher pay will produce better teachers.

Put Capital funds back to local Districts rather than a Mged fund at the state level that doesn't meet local District needs.

I would be happy if we could, at least, get the inflation amount!

5001 Students and over

B Bonds, overrides (M&O & Capital) are unfair for districts with low assessed valuation. We don't have equity in Arizona in spite of Roosevelt v. Bishop.

Overrides – we are at max now. The Rodel Report advocates both a reallocation of current resources and increased state support. The whole issue of adequacy is an important one.

As long as the district is growing I have the money I need to operate/I also will need to continue my 10% override.

Override system is fair; however we should adjust the system for a standardized salary schedule state-wide – then communities can decide on use of overrides. The entire education funding system should have a comprehensive review and change.

In reference to #11 – because we are growing rapidly, without growth there will be belt tightening. There remain a number of inequities in school funding: 1) Career ladder funding is available to a fraction of the districts in the state; 2) The costs to fund M&O & Capital overrides varies significantly, depending on property wealth. 3) The costs to educate ELL students and students in poverty are greater than the amount the state & federal governments provide and 4) the preponderance of emergency – certified and under qualified teachers in schools serving students of color and students in poverty.

#13 – This district is currently on a 10% override and will need renewal in 4 years. #17 – It may be unnecessary to reduce K-3 class sizes in all schools based on socioeconomic level of families. Funding should be at least at national average (per pupil)

Poverty plus ELL issue creates a challenge for teachers and schools and are rated accountable or not based on formula made for every one in the state.

When districts experience normal population decline they are penalized by a loss of funds. This means they cut programs or increase class size – how can we “compete” when we are penalized for things beyond our control?

I was unsure of the affect of an inflationary index increase to the formula because it depends on the index. Oversight and inequality accountability for charter schools are issues to address as well.