



**GOVERNING BOARD AGENDA ITEM
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

DATE OF MEETING: **January 31, 2023**

TITLE: **Study and Approval of the Governing Board’s Legislative Priorities for the 2023-2024 Fiscal Year**

BACKGROUND:

School district governing board members regularly advocate for public education by raising awareness and engaging in dialogue with legislators and the community through an established list of legislative priorities. This agenda item is provided to permit Amphitheater’s Governing Board to develop its legislative priorities for the 2024 Arizona’s legislative session to address Fiscal Year 2023-2024. These legislative priorities will then assist to guide and direct Amphitheater’s representatives as they communicate with Arizona legislators to effect legislative actions to benefit the District, its students, and its staff. They will also help ensure that the Board’s philosophies and mission are communicated properly and consistently during the legislative process.

The legislative priorities set by this agenda item will be separate from, but may overlap, those adopted by the Arizona School Board Association (“ASBA”) earlier this year. As a voting member of the ASBA, Amphitheater’s Governing Board provides input to ASBA annually to assist ASBA to form its own legislative agenda with an eye toward benefitting all public schools in the state. As a reminder, the Board previously studied and responded to ASBA’s request for input into that organization’s legislative agenda, and Board representatives have already attended ASBA’s legislative meetings for that purpose.

This agenda item will address a legislative agenda specific to Amphitheater Public Schools. A proposed list of potential discussion items based on the list of priorities approved by the Governing Board last year, as well as other discussion topics that may benefit the District and its students and staff, is provided as potential “talking points” to illustrate issues and discussions that the Board may wish to consider as it approves a list of legislative priorities for the District.

1. Fix the Aggregate Expenditure Limit (AEL) Restriction for Public School Districts

- The Aggregate Expenditure Limit is a Constitutional Amendment passed by Arizona voters in 1980 which created a spending limitation for school districts based on the aggregate expenditure of all districts. This limitation excludes charter schools. It only applies to district public schools.
- For the past 2 years, school districts throughout Arizona have faced mid-year budget cuts due to the AEL. Although the state approved an education budget that authorized public school districts to receive a certain amount, the restriction on school district spending imposed through the AEL precludes school districts from spending the full fiscal year budget authorized to them by the state.
- Unless the state legislature approves waiving the AEL by March 1, 2023, public school districts have to stop all spending on March 1 even though the state budget distributed funds to them based on a significantly higher budget designed to fund the district through June 30, 2023.
- On September 27, 2022, the Governing Board approved a resolution that called on then Arizona Governor Ducey to convene a special session of the Legislature for the purpose of authorizing the expenditure of the funds the Legislature appropriated in this year’s budget. School district governing boards throughout the state adopted similar resolutions, and administration worked with the other school districts to deliver the signed resolutions to the Governor.
- In addition, school district superintendents throughout the state signed a letter in September 2022 to then Arizona Governor Ducey to request that a special session be called prior to the general election with the purpose of fixing the AEL.

- No special session was called, and although bills have been introduced in both houses during this current regular legislative session to waive the AEL, they have not been prioritized by the leadership in either house of the state legislature.
- The current estimated impact to school districts if an AEL fix is not enacted, is a budgetary cut in excess of \$1.3 billion. As some of the largest employers in our respective communities these cuts will devastate our local economies and the families in our communities, not to mention the aggregate effect on the state economy.
- The legislature needs to take immediate action to waive the AEL this year so that school districts do not face budget cuts this year and can continue to operate through June 30, 2023. Approval should occur early and without restriction. It would be detrimental for political parties or individual legislators to circumvent approval of a bill to increase the educational spending limit or use public school districts for political gain by tying other interests to the bill.
- The legislature needs to fix the AEL permanently so that it is no longer an annual concern for Arizona's school districts. It is inequitable for this state to keep an AEL in place that annually limits state-approved education spending for school districts while there is no such limit impacting charter schools funding.

2. Provide Adequate Funding for K-12 Education

- Article XI, Section 1. A., of the Arizona Constitution sets forth that, "The legislature shall enact such laws as shall provide for the establishment and maintenance of a general and uniform public school system..." Section 10 requires that, "... the legislature shall make such appropriations, to be met by taxation, as shall insure the proper maintenance of all state educational institutions, and shall make such special appropriations as shall provide for their development and improvement."
- The legislature has not only failed to meet its constitutional duty, but has violated that duty as well by cutting essential funding to schools.
- Recent efforts by the state to restore capital funds through the creation of the District Additional Assistance does not reimburse the more than \$107 million dollars in capital funds denied to Amphitheater Public Schools by the state for the decade that followed the 2009 recession.
- The State of Arizona needs to revise its funding system to support the increased expectations for Arizona student achievement to enable Arizona's youth to remain competitive with the rest of the country. Current federal and Arizona state requirements demand higher levels of student achievement, but the state legislature has not revised its current education funding formula to address those ever-increasing requirements.
- The inflation limit in Prop 123, which sets a 2% limit on the maximum amount of increased funding that the state must provide school districts to address inflation, is unrealistic. A 2% budget increase this year does not accurately account for the high inflation rates currently faced by school districts. The state's mandatory minimum wage increases are tied to true inflation amounts, and for the past two years, the mandatory minimum wage increase that goes into effect in the middle of the state's fiscal year (January 1) has exceeded the funding increase provided by the state for public education and drastically exceeded the maximum 2% increase currently mandated for school districts. The state recognizes this because the funding increases provided for other state-controlled budgets, such as funding increases for state employees and law enforcement agencies, were higher than the funding increases approved for schools. Arizona's education funding approved for school districts for FY 2023-2024 should accurately account for current inflation to enable school districts to comply with the mandatory minimum wage increase and still having sufficient funds after that to account for the higher product costs caused by inflation and to provide, at a minimum, cost of living wage increases for the dedicated teachers and other public servants who earn above minimum wage.
- The Arizona legislature continues to create laws designed to increase student success, *i.e.*, mandatory dyslexia testing in elementary schools, but it does not provide additional funding to support those mandates despite the considerable costs that they require from school districts for implementation.

- State legislators, not our schools and our conscientious and committed educators, are failing our students. Simple changes are available to the state’s legislators to increase the state’s education funding budget, *i.e.*, an excise tax would provide a new funding source for public education in a budget-neutral manner for Arizona’s taxpayers.
- The Arizona legislature needs to revise Arizona’s current public education funding system to establish consistent and reliable funding sources that will adequately fund public school districts in each of the following essential areas:
 1. Increase Per Student Spending in the State’s Public Schools: Increase support for Arizona’s students to provide greater learning opportunities in the areas of special education, gifted education, sheltered English immersion, and career and technical education.
 2. Provide Adequate Funding for Special Education: Continue to make changes to correct the state education funding formula for special education dollars to address special education through Group B weighed formulas. Despite the steps that the legislature made 2 years ago, the fact that current education funding formulas still provide for special education services through Group A funding wastes of tax dollars by giving school district funds identified for special education services to charter schools who are not obligated to provide the special education services required of public school districts.
 3. Provide Competitive Compensation for Public School Employees: Provide sufficient funds to attract and retain the best and most qualified school staff so that Arizona students are competitive with the rest of the United States.
 4. Attract College Graduates to the Teaching Profession: Provide sufficient funding to encourage qualified professionals to enter the teaching profession, particularly in high needs areas such as science, math, technology, special education, Sheltered English Immersion, and career and technical education.
 5. Address Minimum Wage Compression for Public School Employees: Provide sufficient funding to enable school districts to address wage compression experienced due to the annual minimum wage increases required by the Arizona Healthy Families and Minimum Wage Act and wages increases implemented by the City of Tucson that are driving up competitive wages rates throughout Pima County. As a state-funded service provider, the current funding system circumvents the ability for public school districts to attract and retain highly qualified professionals by offering competitive wages.
 6. Properly Maintain and Secure Public School Buildings: The current education funding system employed to assist public school districts to maintain and secure public schools does not benefit school districts or students. The process developed by the state legislature that requires school districts to request funds for building repairs and updates through the School Facilities Board (“SFB”) is time and labor intensive, and it is difficult for school districts to obtain sufficient funds to address needed repairs. Moreover, reliance on the state’s general fund to cover repairs approved by the SFB limits the funding available throughout the state for repairs and pits school districts against each other in a fight for available funds from the SFB. School districts should receive sufficient funding as part of the state’s education funding formula to address maintenance and repairs for their own buildings. In addition, it is not sufficient for the state legislature to continue to rely solely on the state school safety grant as a viable resource for school safety. Increasing grant funds alone, without taking action designed to increase available law enforcement officers and mental health professionals available to schools for hire through the grant, does not adequately support school safety. When schools cannot hire a school resource officer, social worker or counselor through the school safety grant funds, the unused funds revert back to the state since the school cannot use those grant funds for other purposes, such as hiring more campus security personnel, monitors or paraprofessionals to have more adults on the campus. Also, despite significant public concern about school safety and heightened scrutiny over recent tragedies at schools in other states, Arizona’s state legislature has not appropriated unencumbered funding for schools to increase safety and security. The

legislature needs to take appropriate steps to ensure that every public school in the state has an assigned school resource officer and mental health professional on campus.

3. Maintain Desegregation Funding

- Desegregation funding is an important source of funding for school districts who have additional obligation imposed by a desegregation or OCR order.
- Desegregation and OCR orders typically mandate that school districts undertake some form of corrective action, through the implementation of new programs, services or policies that impose new and additional obligations.
- A.R.S. §15-910 (the desegregation funding statute) provides a separate source of revenue for school districts compelled to implement new programs and services by operation of court orders or OCR decrees.
- Programs and services of school districts directly serving Arizona’s children deserve no less protection than the general fund of the State.

4. Provide User-friendly and Practical Reporting Requirements and Provide Funding Support for the Same

- Federal and state reporting and data requirements combine to create a substantial administrative burden for school districts.
- The state continues to change its reporting requirements to require different and new types of information from school districts.
- State reporting requirement changes are made without input from or sufficient notice to school districts. For example, departments within the Arizona Department of Education (ADE) require periodic reports from school districts. ADE requires school districts to submit the report in the format specifically identified by the ADE responsible for the report. This year, the District faced multiple changes to ADE reporting requirements with little or no notice simply because ADE made personnel changes within the department requiring the report.
- The worthy goal of putting more funds in the classroom must be reconciled with the ongoing effort to put more burden in administrative functions.
- Limit the ability for the Arizona Department of Education to place restrictions on how a school district can spend funds provided by the federal government. For example, even though the federal government approved Elementary and Secondary School Emergency Relief Act (ESSER) and identified the specific ways that schools could use those funds, the Arizona Department of Education imposed additional restrictions that further limited the ability of schools to use their ESSER funds.

5. Protect and Support Educator Due Process Rights

- While the interests of the student must be the paramount focus of all education decisions and policies, those interests will never be met if educators are led to believe that their rights do not matter.
- A careful balance must be drawn between ensuring students receive services from the most-qualified and effective staff possible and protecting the rights of teachers to due process and opportunities for professional growth.
- Legislative mandates for evaluation outcomes, loss of continuing status, and dismissal from employment deprive school boards of necessary local control.
- State mandates ignore inherent deficiencies in state and data systems that have not been supported with capital funding from the state.

6. Establish a School Funding Program that Meets Post-Pandemic Needs of Arizona Families

- Student enrollment and attendance across the state were significantly and unexpectedly changed during the pandemic. Two years’ later, student enrollment has not returned to pre-pandemic levels as families have continued to pursue options to learn from home. This fall, community concerns remained high as public health departments advised about the lack of hospital beds due to the threat of a “triple-demic” from high transmissions of COVID-19, influenza, and the respiratory syncytial virus (RSV). Current school district funding laws do not allow school districts to offer remote learning options for students unless the student enrolls in an approved

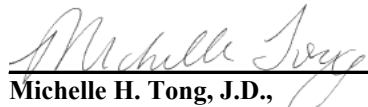
Arizona Online Instruction (AOI) program like the Amphitheater District's Amphi Academy Online. Traditional schools risk loss of funding when students are not physically present at their school because they must isolate or quarantine due to illness or concerns about high community virus transmissions, and there is no current funding plan in place to allow schools to receive funds for remote instruction and services that they currently provide for students when they are not "physically" present at school to avoid learning loss related to the pandemic.

- Since the current funding model for Arizona schools is based on student attendance during the first 100 days of schools, a new funding model is necessary to hold school districts harmless from unexpected attendance changes due to high levels of illness in the community.
- Other states have made changes designed to assist students to continue learning even when they are not physically at school. The Arizona legislature should follow suit and approve a funding formula that prevents Arizona's students from falling even further behind students in other states that already spent more per pupil for public school education. Arizona's schools should not be funded based on a student's physical presence at the school in the first 100 days of school and, instead, should enable enrolled students to be educated in a manner that permits the student to learn through personalized instruction designed to suit the needs of the student and their family.

RECOMMENDATION:

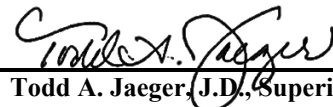
This item is presented for the Board's consideration and approval of the recommended legislative priorities.

INITIATED BY:



Michelle H. Tong, J.D.,
Associate to the Superintendent and General Counsel

Date: January 25, 2023



Todd A. Jaeger, J.D., Superintendent