

**Governing Board Agenda**  
**WASHINGTON ELEMENTARY SCHOOL DISTRICT**  
**GOVERNING BOARD AGENDA FOR**  
**SPECIAL MEETING – STUDY SESSION**

**DATE:** May 10, 2012

**TIME:** Special Meeting – Study Session 4:30 p.m.

**PLACE:** Tumbleweed Elementary School, 4001 West Laurel Lane, Room 35, Phoenix, AZ 85029

**CONSISTENT WITH THE REQUIREMENTS SET FORTH IN ARS 38-431.02,**  
**NOTICES OF THIS PUBLIC MEETING HAVE BEEN APPROPRIATELY POSTED.**

A copy of the completed agenda with names and details, including available support documents, may be obtained during regular business hours at the Washington Elementary School District Superintendent's Office at 4650 West Sweetwater Avenue, Glendale, AZ 85304-1505.

**I. SPECIAL MEETING**

A. Call to Order and Roll Call

B. Adoption of the Special Meeting – Study Session Agenda

It is recommended that the Governing Board approve the Special Meeting – Study Session Agenda.

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

**II. STUDY SESSION**

1-29

A. Governing Board Study Session Regarding a Possible Capital Override Recommendation (Jordan Blair, Tumbleweed Elementary Teacher; Mike Cannon, Technology Training Coordinator; Jill Hicks, Community Outreach Specialist; Chris Lieurance, Director of Management Information Systems; Sue Snyder, Director of Organizational Management; Janet Sullivan, Assistant Superintendent for Academic Services)

**III. GOVERNING BOARD AND SUPERINTENDENT ACKNOWLEDGMENTS**

**IV. ADJOURNMENT**

Motion \_\_\_\_\_ Second \_\_\_\_\_ Vote \_\_\_\_\_

NOTES: As a matter of information to the audience, five days prior to any Governing Board Meeting, Board Members receive the agenda along with the extensive background material which they study individually before action is taken at the meeting. Routine matters will be asterisked and approved as consent agenda items. Any member of the Governing Board may remove items from the consent agenda.

Persons with a disability may request a reasonable accommodation by contacting 602-347-2802. Requests should be made at least 24 hours prior to the scheduled meeting in order to allow time to arrange for the accommodation.

(\*) Items marked with an asterisk (\*) are designated as Consent Agenda Items. This implies that the items will be considered without discussion. Consent Agenda items may be removed for discussion and debate by any member of the Governing Board by notifying the Board President or the Superintendent twenty-four (24) hours before regular Board meeting or by a majority of the Governing Board members present at the Board Meeting.

(\*\*) Members of the public who wish to address the Board during Public Participation or on an item which is on the agenda may be granted permission to do so by completing a PUBLIC PARTICIPATION SPEAKER COMMENT form and giving it to the Board's Secretary PRIOR TO THE BEGINNING OF THE MEETING. Those who have asked to speak will be called upon to address the Board at the appropriate time. If interpreter services are needed, please contact Angela Perrone at 602-347-2609 at least 24 hours prior to the scheduled Board Meeting in order to allow sufficient time to arrange for an interpreter to be available.

(\*\*) During open session, the Board shall not hear personal complaints against school personnel or any other person connected with the District. Policy KE is provided by the Board for disposition of legitimate complaints including those involving individuals.

(\*\*) The Board may listen but cannot enter into discussion on any item not on the agenda. Depending upon the number of requests to speak to the Board, time limitations may be imposed in order to facilitate accomplishing the business of the District in a timely manner.

WASHINGTON ELEMENTARY SCHOOL DISTRICT No. 6

TO: Governing Board  
FROM: Dr. Susan J. Cook, Superintendent  
DATE: May 10, 2012

	Action
X	Discussion
X	Information
	1st Reading

AGENDA ITEM: Governing Board Study Session Regarding a Possible Capital Override Recommendation

INITIATED BY: Dr. Susan J. Cook, Superintendent  
SUBMITTED BY: Dr. Susan J. Cook, Superintendent

PRESENTER AT GOVERNING BOARD MEETING: Jordan Blair, Tumbleweed Elementary Teacher; Mike Cannon, Technology Training Coordinator; Jill Hicks, Community Outreach Specialist; Chris Lieurance, Director of Management Information Systems; Sue Snyder, Director of Organizational Management; Janet Sullivan, Assistant Superintendent for Academic Services

GOVERNING BOARD POLICY REFERENCE OR STATUTORY CITATION: BBA; ARS § 15-481

**SUPPORTING DATA**

Funding Source: N/A  
Budgeted: N/A

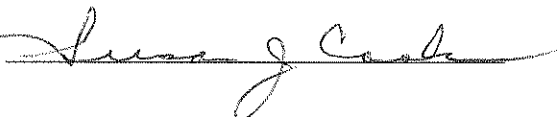
During the June 9, 2011 Governing Board meeting, administration presented the results of several months of work, research, and focus groups and recommended that a November 2011 capital override election would not be in the best interest of the District. Nevertheless, administration clearly recognized the necessity and inevitability of a future capital override recommendation, and efforts were immediately implemented to begin educating staff, parents and community members regarding the current role of technology in K-8 education.

A Capital Override Task Force was organized in Spring 2012 to continue the previous work and consider the feasibility of recommending that Washington Elementary School District (WESD) hold a capital override election in November 2012. During these meetings, task force members, including parents, community members and District staff, explored several related options and identified anticipated ramifications of each.

**SUMMARY AND RECOMMENDATION**

No action required.

Superintendent



Board Action	Motion	Second	Aye	Nay	Abstain
Adams					
Graziano					
Jahneke					
Lambert					
Maza					

Agenda Item II.A.

This study session is intended to provide an opportunity for Governing Board members to converse about WESD's capital override dilemma:

- What consequences will result if WESD does not call for a capital override election in November 2012?
- What consequences will result if WESD does call for a capital override election in November 2012, and it is successful?
- What consequences will result if WESD does call for a capital override election in November 2012, and it is not successful?

In addition, examples of technology will be demonstrated in a classroom environment. Several staff members of the Capital Override Task Force will be present to answer questions and provide information.

Attached are several handouts that were distributed to task force members during their meetings:

- Five-year trend of state capital funding received by WESD (*Attachment A*)
- List of Maricopa County public school districts that do/do not currently have a capital override in place (*Attachment B*)
- WESD Technology Committee recommendations for possible capital override funding (*Attachment C*)
- General overview of Arizona school finance (*Attachment D*)
- Questions posed by a task force member (*Attachment E*)
- "ASBA Analysis: The Auditor General's Report on Classroom Spending for Fiscal Year 2011" (*Attachment F*)
- Advantages and disadvantages of options identified by the task force (*Attachment G*)
- Estimated homeowner impact of a WESD capital override (*Attachment H*)
- Notes from the 3/26/2012 (final) task force meeting (*Attachment I*)

Direction is sought from the Governing Board in anticipation of an action item in June.

Washington Elementary School District  
**STATE CAPITAL FUNDING (5-year trend)**

<u>Funding Source: Building Renewal</u>					<u>Funding Source: Soft Capital</u>					<u>Funding Source: Unrestricted Capital</u>				
Fiscal Year	Formula Allocation	Revenue Received	Unfunded Amount		Fiscal Year	Formula Allocation	Revenue Received	Unfunded Amount		Fiscal Year	Formula Allocation	Revenue Received	Unfunded Amount	
2007-08	\$6,034,492	\$1,368,618	(\$4,665,874)		2007-08	\$5,203,234	\$5,203,234	\$0		2007-08	\$5,220,809	\$5,220,809	\$0	
2008-09	\$6,034,492	\$0	(\$6,034,492)		2008-09	\$5,086,373	\$4,553,443	(\$532,930)		2008-09	\$5,103,554	\$5,103,554	\$0	
2009-10	\$6,034,492	\$0	(\$6,034,492)		2009-10	\$4,940,977	\$1,343,858	(\$3,597,119)		2009-10	\$4,957,666	\$4,957,666	\$0	
2010-11	\$6,034,492	\$0	(\$6,034,492)		2010-11	\$4,862,362	\$800,000	(\$4,062,362)		2010-11	\$4,872,362	\$4,872,362	\$0	
2011-12	\$6,034,492	\$0	(\$6,034,492)		2011-12	\$4,685,211	\$0	(\$4,685,211)		2011-12	\$4,701,036	\$2,530,077	(\$2,170,959)	
<b>Total Unfunded (\$28,803,842)</b>					<b>Total Unfunded (\$12,877,622)</b>					<b>Total Unfunded (\$2,170,959)</b>				
<b>BUILDING RENEWAL</b> funding was intended to maintain and renovate buildings and to upgrade internal systems. The formula allocations indicated for 2008-09 through 2011-2012 are <b>estimates</b> based on the actual 2007-08 allocation; because the AZ Legislature has not funded the Building Renewal program at all since 2007-08, no <b>actual</b> annual allocation calculations have been provided to WESD for 2008-					<b>SOFT CAPITAL</b> funding is used primarily to purchase classroom furniture and equipment, as well as textbooks and instructional aids.					<b>UNRESTRICTED CAPITAL</b> funding is a flexible funding source. Each year, WESD has used a portion to maintain salaries in the Maintenance and Operations (M&O) fund while budgets have been decreasing. The remainder has been used to offset the funding losses in the other capital funds.				

**RECAP: UNFUNDED CAPITAL - WESD - FY08-FY12**

Funding Source	Unfunded Amount
Building Renewal	(\$28,803,842)
Soft Capital	(\$12,877,622)
Unrestricted Capital	(\$2,170,959)
<b>TOTAL</b>	<b>(\$43,852,423)</b>

As the information above shows, over the past five years, the Washington Elementary School District has **NOT** received nearly \$44 million of allocated capital funding from the State of Arizona...money that could be used on buildings, buses, textbooks and most of all, technology.

# WHICH PUBLIC SCHOOL DISTRICTS IN MARICOPA COUNTY CURRENTLY HAVE A CAPITAL OVERRIDE?

Source: <http://www.maricopa.gov/Finance/PDF/Tax/TaxLevyBook2011.pdf>

## Public School Districts in Maricopa County That Currently Have a Capital Override

District	Property Tax Levied (Annual Amount)	Voter Override-Capital Outlay 2011 Tax Rate
Avondale #44	\$649,251	0.1706
Deer Valley #97 (Unified)	\$7,496,048	0.3277
Fountain Hills #98	\$740,982	0.1555
Fowler #45	\$481,617	0.169
Gilbert #41 (Unified)	\$9,394,705	0.5366
Higley #60	\$1,814,801	0.3846
Kyrene #28	\$6,657,265	0.3243
Laveen #59	\$876,115	0.406
Madison #38	\$4,585,201	0.4436
Murphy #21	\$249,823	0.1839
Paradise Valley #69 (Unified)	\$9,094,249	0.276
Phoenix #1	\$2,276,883	0.2945
Riverside #2	\$363,074	0.09
Scottsdale #48 (Unified)	\$9,853,645	0.1987
Tempe #3	\$4,877,590	0.3083
Tempe Union #213	\$5,797,809	0.1595
Tolleson Union #214	\$4,156,165	0.3794
Wilson #7	\$955,194	0.8562

## Public School Districts in Maricopa County That Do NOT Currently Have a Capital Override

Agua Fria Union #216	Glendale #40	Pendergast #92
Aguila #63	Glendale Union #205	Peoria #11 (Unified)
Alhambra #68	Isaac #5	Phoenix Union #210
Arlington #47	Liberty #25	Queen Creek #95 Unified
Balsz #31	Litchfield #79	Roosevelt #66
Buckeye #33	Littleton #65	Saddle Mountain #90
Buckeye Union #201	Mesa #4 (Unified)	Sentinel #71
Cartwright #83	Mobile #86	Tolleson #17
Cave Creek #93 (Unified)	Morristown #75	Union #62
Chandler #80 (Unified)	Nadaburg #81	Washington #6
Creighton #14	Osborn #8	Wickenburg #9 (Unified)
Dysart #89 (Unified)	Palo Verde #49	
Gila Bend #24 (Unified)	Paloma #94	

32.73% of Maricopa County Public School Districts currently have a capital override in place

**WESD Technology Committee**  
**Capital Override Recommendations** (Revised 4/30/2012)

Shaded areas indicate differences between the \$21 million option and the \$35 million option. For information about the \$55 million option and the \$68 million option, please refer to the bottom of this page.

**PROTOTYPICAL CLASSROOM TECHNOLOGY**

<b>\$21 Million Option</b>	<b>\$35 Million Option</b>
• Interactive White Board	• Interactive White Board
• Document Camera	• Document Camera
• Projector	• Projector
• Classroom Sound System	• Classroom Sound System/ <b>Voice Augmentation</b>
• Teacher Station	• Teacher Station
• Additional Wireless Student Computers <ul style="list-style-type: none"> <li>◦ Grades 3 through 8: <b>8</b> devices and recharging station located in each classroom</li> <li>◦ Grades K through 2: <b>4</b> fixed computers (<b>plan to use existing 2006 computers to fill this need</b>) with appropriately sized furniture</li> </ul>	• Additional Wireless Student Computers <ul style="list-style-type: none"> <li>◦ Grades 3 through 8: <b>16</b> devices and recharging station located in each classroom</li> <li>◦ Grades K through 2: <b>6</b> fixed computers with appropriately sized furniture</li> <li>◦ <b>Classroom management software</b></li> </ul>
•	• <b>Integrated Science Lab Technology</b>

**SCHOOL-BASED TECHNOLOGY**

<b>\$21 Million Option</b>	<b>\$35 Million Option</b>
• Video Production	• Video Production
•	• <b>Synchronized Time System</b>
• Bell/Intercom - managed through the data network	• Bell/Intercom - managed through the data network
•	• <b>Cameras – still and motion</b>
•	• <b>Presentation System</b>
• School Sound Systems	• School Sound Systems

**DISTRICT-WIDE TECHNOLOGY**

<b>\$21 Million Option</b>	<b>\$35 Million Option</b>
•	• <b>Update Network Infrastructure and Supporting Resources</b>
•	• <b>E-Books</b>
	• <b>E-Readers</b>
• Learning Management System/Course Management System	• Learning Management System/Course Management System
•	• <b>Update Assessment Tools</b>

**ALL OTHER RECOMMENDATIONS**

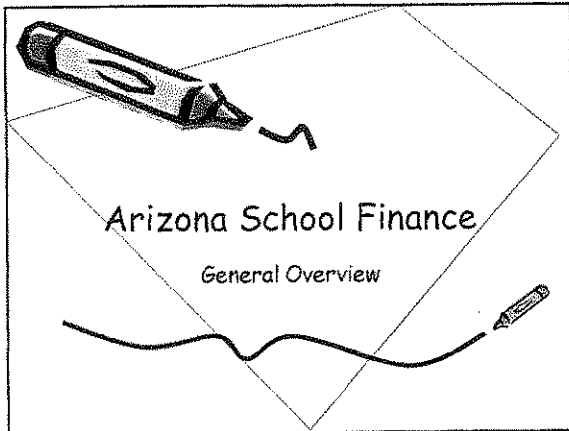
<b>\$21 Million Option</b>	<b>\$35 Million Option</b>
• System Management Software – <b>free</b>	• System Management Software – <b>paid</b>
• Video Conferencing – <b>free</b>	• Video Conferencing – <b>paid</b>
•	• <b>Distance Learning Lab</b>
•	• <b>Upgrade Legacy Software</b>

**\$55 Million Option:**

All components of the \$35 million option, with balance of funding allocated to refreshing student computers, including those in computer labs and libraries

**\$68 Million Option:**

All components of the \$55 million option, plus funding that would enable equipment, including network infrastructure, to be refreshed twice during the seven-year override




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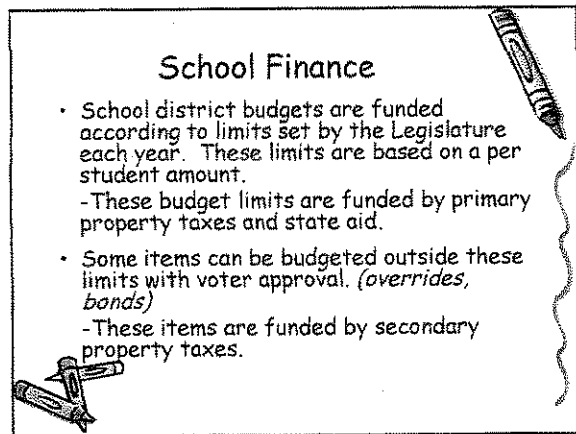
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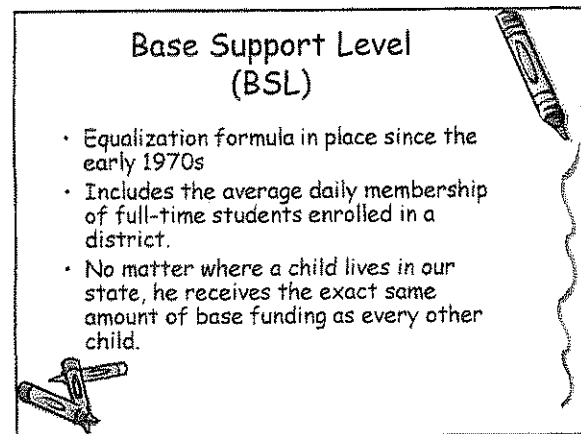
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## "Weights" Added to the Base

- Added to the base support level are additional funds for more costly types of instruction. These are "weights" for:

Special Education  
English Learners  
K-3 Students\*



\*There used to be a weight for Kindergarten to pay for Full-Day Kindergarten. That was eliminated in 2010.

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## Capital Funding Formulas

- There is a formula to calculate Soft Capital.

*Unweighted Student Count X Soft Capital Allocation*

- WESD uses Soft Capital funding for items such as textbooks, classroom furniture and equipment, other instructional aids.



*FY2012 allocation is \$4,685,211 -  
actually funded is \$0.00*

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## Capital Funding Formulas

- There is another formula to calculate Capital Outlay Revenue Limit (CORL)

*Unweighted Student Count X Capital Outlay Base X CORL  
Growth Factor*

- WESD uses this funding for furniture, equipment, computers, buildings, other items that last a while.




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## Capital Funding

- Capital funds are typically not allowed to be used for anything but capital items.
- The only exception to this rule is the ability to transfer CORL to M&O during the budget adoption process each year.



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## Local Extras (outside the limits)

- School districts are allowed to increase their funding through voter approved overrides and bonds.

*M&O Overrides\* = 15% of Revenue Control Limit*

*Capital Overrides = 10% of Revenue Control Limit*

*Bonds*

\*In 2010, the State passed a law that ended the K-3 Override possibility for future elections, and increased the maximum amount of an M&O Override from 10 to 15%



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## Revenue Control Limit

- Weighted Student Count is multiplied by the Base Level amount.
- Adjust the Base Level by TEI multiplier (based on teacher experience).

Add:

- Transportation Support Level - based on number of students being transported and number of miles per eligible student.
- These amounts are all added together to determine the Revenue Control Limit for a school district.



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## How Does the Override Affect the Tax Rate?

- Overrides are funded from the secondary property tax levied to taxpayers.
- All money collected from taxpayers through the secondary tax rate is deposited into district accounts to fund voter approved overrides and debt service (bonds).




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## How Does the Override Affect the Tax Rate?

- The secondary tax rate has increased over the last two years in WESD because the assessed valuation in the district has decreased.
- The cost to a taxpayer may vary depending on whether the value of their home increased or decreased.
- The Capital Override will be a new levy and will increase the total levy.




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ESTIMATED HOMEOWNER IMPACT OF WESD CAPITAL OVERRIDE - \$6,000,000 per year  
(This amount is based on estimated 6-year average assessed valuations and optimum revenue controlling amount)

Listed below are various assessed values of homes and the estimated cost of the Capital Override to the homeowner in the 2012-13 fiscal year:

	2012-14	2013-14	2014-15	2015-16
Home Estimated Assessed Value	100,000	137,440	200,880	300,320
Homeowner Ship	0	0	0	0
Adjusted Assessed Value	100,000	137,440	200,880	300,320
Assessed Value per \$100	100	102	102	102
Secondary Tax Rate for WESD Capital Override	0.4878	0.4878	0.4878	0.4878
Secondary Tax Amount Tax Amount for WESD Capital Override	0	65.76	97.89	146.85




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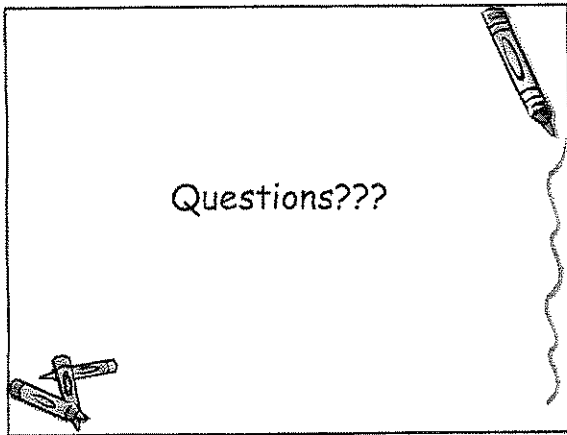
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## QUESTIONS

1. **List of current education-related bills in the legislature**  
*Please see attached.*
2. **Who advocates for education issues? Is there a WESD lobbyist or someone for all the schools? How does this process work exactly?**  
*Please see attached. Nearly all of Arizona's education "alphabet" groups have lobbyists, as do many of the public school districts. It is not clear from the AZ Secretary of State Web site which lobbyists are paid and which ones are not. WESD does not have a lobbyist; however, our District is actively involved in many of the alphabet groups. Therefore, we benefit from their lobbying efforts. Also, all WESD employees are advocates for the District and for public education in Arizona.*
3. **How do all the ABC groups play into this - SOSAZ, Expect More, etc...How come there are so many? How do they impact legislation?**  
*While all of the groups advocate for education in Arizona, each represents a particular interest or combination of interests. All of the groups agree that funding for Arizona public schools is inadequate; however, beyond that concept, their viewpoints are largely divergent.*
4. **The biggest problem is that no one understands how public education is funded - how is it possible that we don't receive the \$ we are supposed to? How can they do that? How come no one knows?**  
*(Cathy – "Arizona School Finance General Overview" PowerPoint)*
5. **The advocacy impact - PTA vs. PTO**  
*Please see attached. There are two versions of the tables that compare PTA and PTO; one was developed by PTA and the other by PTO. Both groups can serve in an advocacy capacity. As a national entity, PTA would likely provide its member groups more extensive advocacy resources.*
6. **Do we have a script to use to talk to neighbors, PTA members, the average person to explain the Capital Override - why we need it, how we got in this situation, what the impact will be to the taxpayer?**  
*If the task force recommends that the Governing Board call for a capital override this November, District personnel will prepare materials to accompany the Board recommendation, including talking points, FAQs, etc. If the Board approves the recommendation, those materials can be shared and distributed as a means of educating voters. Director of Communication Services Carol Donaldson has*

*already begun a draft of WESD Capital Override Talking Points (attached). If any task force members are interested, a subcommittee can be formed to pursue further development of collateral materials.*

**7. Are we working on a long term solution?**

*Our long-term solution was to budget money each year for technology; however, in light of capital funding withheld by the state, that budgeted money has had to be used for other purposes. The District would be open to considering proposals from task force members and others regarding alternate long-term solutions.*

**8. What has WESD already done to stretch the shrinking dollars? Is there a list of cuts and reductions?**

*(Cathy)*

**9. What will be our strategy in order to be successful?**

*Invest in Education!, the political action committee that supports WESD bond and override elections, will develop strategies for success. That group includes members who have participated in previous successful campaigns.*

## 2012 Legislation with Legal Implications

### Charters

- **SB1223 (charter schools; closure requirements)** establishes notification requirements for charter school closures; puts in statute that charters must follow Open Meeting Law.
- **SB1424 (charter schools; charters; renewals; revocations)** makes changes to statutes relating to charter school charters, renewals, and revocations and creates requirements and a processing fee for a new charter application.

### School Personnel/Anti-union

- **SB1256 (collective bargaining agreements; teachers; transfers)** prospectively prohibits a district governing board from entering a collective bargaining agreement that requires the transferring or reassigning of a certificated teacher employed at a school within the district during the previous year to another school within the same district during the next year.
- **SB1485 (unions; public employees; prohibition)** prohibits the state and political subdivisions from recognizing a union or bargaining.
- **SB1486 (public employees; activities; union; compensation.)** prohibits a public employer from compensating a public employee or third party for union activities.
- **SB1487 (government employees; union dues; withholding)** prohibits the withholding or diversion of any portion of a public employee's wages to pay for labor organization dues.
- **HB2264 (ASRS; employee; employer contributions; rate)** passed on a 9-0 vote, which reverses the current 47% employer and 53% employee contribution rate split to the original 50%/50% split for the Arizona State Retirement System. ASBA supports.
- **HB2497 (school teachers; multiyear contracts)** allows a district governing board to offer a teaching contract for up to three years. ASBA supported on the basis of flexibility and local control.
- **HB2501 (charter schools; previously certificated teachers)** prohibits charter schools from employing a teacher with a surrendered teaching certificate. ASBA did not take a position.

### Vouchers/Private Tax Credits

- **SB1047 (NOW: tax credit; student tuition organizations)** creates an additional tax credit for private schools (\$500/single; \$1000/joint) and includes an annual inflationary increase for the tax credit, except that they cannot be adjusted downward. In addition, it removes the requirement that a school annually administer and make available to the public aggregate test scores of its students on a nationally norm-referenced test, preferably AIMS and that teaching staff and personnel with unsupervised contact with students be fingerprinted. allows treasury

stock, in addition to the current cash contribution, to count towards the STO corporate tax credit and the cash value of the treasury stock for the individual STO tax credit. Further, the bill expands the use of these monies for private preschools that serve disabled students, in addition to private elementary and secondary schools. In addition, it prohibits the "knowing collusion" with any other STO to exceed the monetary limits prescribed. Of even greater concern, SB 1048 removes the requirement that a "qualified school" annually administer and make available to the public aggregate test scores of its students on a nationally norm-referenced test, preferably AIMS, as well as the safety requirements that teaching staff and personnel with unsupervised contact with student be fingerprinted. Legislation effective as of June 30, 2012. ASBA opposes.

- **HB2626 (empowerment scholarship accounts; expansion)** expands the current special education empowerment account by allowing empowerment accounts for students who: 1) attends a school or school district labeled a D or F; 2) is a previous recipient; 3) is a child of parent or guardian who is a member of the US Armed Services; or 4) is a child who attended a public preschool program in the previous school year. The bill also allows monies to be used for "services provided by a public school, including individual classes and extracurricular activities." ASBA opposes.

#### School Finance/Business

- **SB1456 (school finance revisions)** takes us back to 100-day ADM counts and has some audit parameter language. ASBA supports.
- **SB1060 (school districts; procurement practices)** allows the maximum dollar amount of a single job order for job-order-contracting construction services to be \$1 million or a higher or lower amount prescribed by a governing board policy and is limited to no more than 5 years unless the governing board determines in writing that a longer contract is beneficial. Further, it allows a school district to establish an internal service fund to consolidate Title 1 monies with other federal, state, local and nonprofit monies. ASBA supports.
- **SB1199 (charter schools; audit frequency)** removes the requirement that a charter school change auditors at least every 6 years for their annual audit.
- **HB2180 (schools; pilot; outcome-based funding)** establishes a four-year outcome-based funding pilot program and allows school districts and charter schools to submit applications to the State Board of Education (SBE) to participate in the pilot program. ASBA supports.
- **HB2260 (schools; ADM calculations)** restricts a student who is enrolled in a public school and takes an AOI course from generating AOI ADM between May 1<sup>st</sup> and July 31<sup>st</sup> and allows AOI to charge a student tuition if the student enrolls in AOI between April 1<sup>st</sup> and July 31<sup>st</sup>. ASBA supports.
- **HB2270 (school districts; fiscal crisis teams)** passed on a 9-0 vote. This bill allows the State Board of Education (SBE) to appoint a fiscal crisis team for a district that the Board determines is insolvent or financially mismanaged. ASBA supports as it provides more flexibility to the SBE to assist a struggling district and to do so in a less intrusive way.



- **HB2405 (schools; bonded indebtedness; temporary increase.)** temporarily increases bonding capacity limits for school districts. ASBA supports.
- **HCR2043 (tax increases; ballots; vote requirement)** would put on the 2012 November General Election ballot to require a 2/3 vote for initiatives and referendums, including bonds and overrides, to take effect and is retroactive as of November 5, 2002. ASBA opposes.

### School Accountability

- **SB1458 (schools; achievement profiles)** requires ADE to transition completely to the using letter grades for school achievement profiles in the 2012-2013 academic year, a year early. ASBA supports.
- **HB2598 (schools; classification labels; parental involvement)** Includes as a criteria for determining a school's ranking the extent to which the school attempts to foster parental involvement
- **HB2622 (school rankings; display; time period)** prohibits a school from displaying a classification or ranking that is no longer current. ASBA is neutral, as we agree that current labels should be displayed; however, was concerned about the unintended consequence of not allowing previous honors bestowed. The Committee was amenable to an amendment on the floor to address that issue.
- **HB2663 (underperforming school districts; reclassification)** enables a "D" school to become an "F" school in less than three years if the State Board of Education (SBE) determines that the school is not reasonably likely to achieve an average level of performance. ASBA supports.

### School Operations

- **SB1035 (schools; athletics; heat safety)** passed on a passed on a 20-9 vote. This bill requires school district governing boards, in consultation with AIA, to develop policies and procedures for district sponsored athletics to incorporate guidelines, information, and training about the heat index, dangers of dehydration, heat stroke, and other heat-related symptoms and conditions. ASBA is neutral.
- **SB1061 (national school lunch program; optional)** makes it optional for elementary, middle, and junior high schools to participate in the national school lunch program and makes it permissive for high schools.
- **SB1185 (school resource officer; duty; obstruction)** directs ADE to not distribute funding awarded by the School Safety Program to a school district if an action of the district obstructed, impaired or hindered the performance of a district school resource officer.

- **SB1455 (tax credit; education transformation fund)** allows a premium and corporate tax credit for funding to public schools to implement transformative educational practices, improve academic performance, fund improvements and enhancements to statewide data systems and to purchase software and technology for the use of all public schools.
- **SB1462 (schools; bullying policies; definition)** Defines bullying; requires charter schools to adopt bullying policies; allows districts to go after off-campus bullying if substantial disruption exists; requires annual training for administrators and teachers on bullying; allows districts to not communicate reason for bullying to parents.
- **HB2161 (teachers; specialized certification)** creates a specialized teaching certificate, administered by the State Board of Education, for classroom teachers with expertise in science, technology, engineering or mathematics (STEM) fields. ASBA supports.
- **HB2349 (medical marijuana; cardholder; campuses; prohibition)** prohibits any person from using or possessing marijuana on a school campus or in a child care facility and contains a Proposition 105 clause. ASBA supports.
- **HB2463 (school districts; paychecks; dues payments)** was held. This bill would allow a school district to belong to Chambers of Commerce. ASBA supported due to the important relationship, especially in the rural districts, school districts and Chambers have; however, also highlighted the lack of fairness in not allowing districts to have that same opportunity with ASBA.

### School Curriculum

- **SB1033 (schools; ELL instruction; hourly requirements)** passed on a 29-0 vote. This bill requires a school district or charter school to reassess a student's English language development and determine an appropriate plan of development that 2-4 hours per day of English language development if the student is classified as basic or below standards for two or more years in an ELL program and also allows a school district or charter school to reduce the daily English language development to 2 hours per day, with at least 1 hour devoted to grammar, for a student that is classified as intermediate at the end of the 1<sup>st</sup> year of participation in an ELL program. ASBA supports.
- **SB1059 (school property; community use; liability)** provides immunity from liability to schools if they choose to open their school grounds for use during non-instructional hours. ASBA supports.
- **SB1255 (school courses; mastery of competency)** directs the SBE to establish competency-based educational pathways that allow a student to advance when they can demonstrate mastery of a subject. And requires the SBE to develop rules for the competency-based system. ASBA supports.
- **HB2075 (schools; consolidation; unification)**

- **HB2563 (schools; elective; biblical influence)** passed as a strike everything amendment on a vote. This bill requires the SBE to include concepts of the history and literature of the Old and New Testament in History or English Arts standards, or both, and allows school districts and charter schools to offer a high school elective course designated as "The Bible and Its Influence on Western Culture." ASBA is neutral, as it is a local district option.

### School Governance

- **SB1253 (elementary school districts; JTEDs; withdrawal)** allows a majority vote by an elementary governing board to withdraw from a JTED and then requires the question be submitted at the next general election ballot.
- **SB1262 (JTEDs; omnibus)** Makes JTEDs board members appointed positions; allows any district that belongs to JTED to withdraw by vote of the board
- **SB1389 (schools; parental intervention)** for any school that has been assigned a letter grade of d or f pursuant to section 15-241, the parents or legal guardians of pupils attending that school and parents or guardians of pupils attending a school that feeds into that school may submit a petition to the school district governing board to request that the governing board take one of the following actions: *50% plus*
  - 1. close the school.
  - 2. convert the school to a charter school.
  - 3. replace the existing school principal with a different principal who shall be allowed sufficient operational flexibility with respect to staffing, calendars and budgeting to implement a fully comprehensive approach in order to improve student achievement outcomes and increase high school graduation rates.
- **SB1461 (school recordings; retention schedule)** eliminates requirement a school district or charter school to destroy audio or video recordings of their public meetings.
- **HB2810 (school districts; charter school funding)** creates joint legislative study committee on charter school funding options for school districts



# HOUSE OF REPRESENTATIVES

HB 2823

**schools; teachers; principals; evaluation systems**

**Sponsors: Representatives Goodale, Proud, Stevens, et al.**

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DPA Committee on Education

DPA Caucus and COW

X House Engrossed

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## OVERVIEW

HB 2823 makes various changes to principal and teacher evaluations.

## HISTORY

Laws 2010, Chapter 297, required the State Board of Education (SBE) to adopt and maintain a model framework for a teacher and principal evaluation instrument that includes quantitative data on student academic progress by December 15, 2011. The act required school districts and charter schools to annually evaluate teachers and principals by the 2012-13 school year.

## PROVISIONS

### *State Board of Education/Arizona Department of Education*

- Requires SBE to adopt four state performance classifications and guidelines for school districts and charter schools for the teacher and principal evaluation instrument by December 1, 2012.
- Allows SBE to make periodic adjustments to align the model framework for teacher and principal evaluations with state assessment or data changes.
- Requires school districts and charter schools to adopt definitions for the performance classifications in a public meeting and apply the performance classifications to their evaluation instruments by the 2013-14 school year.
- Directs school boards to annually discuss their aggregate performance classifications at a public meeting.
- Requires ADE to post best practices for the implementation and assessment of principal and teacher evaluation systems on its website.
  - The best practices must be from at least a) one large school district in a county with at least 800,000 people, b) one small school district in a county with at least 800,000 people, c) one school district in a county with less than 800,000 people and d) one charter school.
  - Requires the best practices to include detailed information on a) the implementation process for teacher and principal evaluation systems, b) the evaluation weightings, c) the types of qualitative and quantitative elements used, d) the methods in which the evaluations guide professional development and e) the types of decisions the evaluations are used for.

### *Principals*

- Requires school boards to adopt policies for principal evaluations by the 2013-14 school year and implement the policies by the 2014-15 school year. The policies must describe:

Fiftieth Legislature  
Second Regular Session

Analyst Initials \_\_\_\_\_  
February 28, 2012

- The principal evaluation instrument, including the four performance classifications.
- Alignment of professional development opportunities to the principal evaluations.
- Incentives for principals in one of the two highest performance classifications including multi-year contracts and incentives to work at "D" or "F" schools.
- Transfer and contract processes for principals designated in the lowest performance classification.
- Requires principal performance evaluation systems developed by a school board to meet the requirements of the new evaluation system.
- Directs the school boards to make each principal's evaluation and performance classification available to school districts and charter schools that are inquiring about the principal for hiring purposes.

### *Teachers*

- Instructs every teacher to make student learning the primary focus of their professional time.
- Requires a contract to be offered to a teacher who is beginning their fourth year of teaching and has been designated in one of the two lowest performance classifications.
- Specifies that a teacher who has not been employed for more than the major portion of four consecutive years, is under contract and has been designated in one of the two lowest performance classifications is not provided with the right to a hearing.
- Allows a teacher who has been employed for the major portion of three or more consecutive years and is designated in the highest performance classification for two consecutive years to be offered a multi-year contract of up to three years and be eligible for incentives to work at "D" or "F" schools.
- Prohibits a teacher who has been employed for the major portion of three or more consecutive years, is designated in one of the two highest performance classifications and has transferred into a "D" or "F" school from being subject to a lower performance classification until the teacher's third year at the "D" or "F" school.
  - Stipulates if the principal is designated in the lowest performance classification, the use of a performance classification for employment decisions could be further delayed.
- Prohibits a teacher who has been employed for the major portion of three or more consecutive years and is designated in the lowest performance classification for two consecutive years from being transferred as a teacher to another school in the district unless:
  - The district has issued a notice of inadequacy of classroom performance and approved a performance improvement plan for the teacher, and
  - The school board has approved the new placement as being in the best interests of the students.
- Limits the teacher to one transfer.
- Restricts teachers who continue to be designated in one of the two lowest performance classifications from being permitted to transfer to another school.
- Requires dismissal of a teacher who has been employed for the major portion of three or more consecutive years and is designated in the lowest performance classification for two consecutive years, or for at least three of the last five consecutive years.

- Allows the school district to choose to keep the teacher if the teacher participates in district-sponsored professional development that is aligned with the performance improvement plan and is focused on the areas that the teacher needs to improve in.
- Removes provisions related to specific procedures for the teacher performance evaluation system.
- Requires at least two actual classroom observations in a complete and uninterrupted lesson and specifies that each observation must be separated by at least 30 calendar days and written results of each observation must be provided to the teacher within 10 business days of the observation.
- Removes provisions related to the frequency that teachers must be regularly evaluated.
- Makes copies of a teacher's performance classification confidential, except that it may be released to school districts and charter schools that inquire about the performance of the teacher for employment purposes.
- Requires school district policies pertaining to the transfer of teachers from one school to another to take into consideration the current distribution of teachers across all performance classifications and the needs of the students in the school district.
- Requires a contract renewal for the next school year to be offered to a teacher who is not designated in the lowest performance classification and was offered a contract in the prior year, unless the teacher receives notice of the school board's intent not to offer a contract and to be dismissed.
- Instructs school boards to develop a definition of inadequacy of classroom performance that aligns with the performance classifications.

*Classroom Site Fund*

- Stipulates that the teacher compensation for individual performance must be applied only on the school district's portion of the 40% allocation for teacher compensation based on performance and employment related expenses that exceed the amount allocated for those purposes in FY 2013-14.
- Specifies that for each FY after FY 2014-15, the amount shall be the difference between the portion of the 40% allocation for teacher compensation based on performance and employment related expenses in FY 2013-14 and the current year allocation.
- Requires the compensation amount to account for at least 50% of the cumulative difference in the allocation and be separately designated from any potential school, grade or subject level performance pay.



## ARIZONA SCHOOL BOARDS ASSOCIATION

**ASBA Analysis:****The Auditor General's Report on Classroom Spending for Fiscal Year 2011**

The report was released March 1. This is the eleventh year the Auditor General has released such a report. The report shows "dollars in the classroom" below the national average and at a record low 54.7 percent.

► **The tone of the report summary is very different than it has been in recent years, in that it identifies factors beyond districts' control as the primary reason for the overall reduction in "classroom dollars."**

- State funding has been sliding, yet fixed costs—like the costs of transporting and feeding kids, and plant costs like utilities—remain (and often increase), leaving fewer dollars available for the classroom.
- In a media interview given on the day the report was released, a spokesman for Arizona Superintendent of Public Instruction John Huppenthal said comparisons between Arizona and other states are not valid because of the unique challenges Arizona faces.

► **Eroding state funding and Arizona's very low per-pupil spending, which is significantly below the national average, leave fewer dollars available than ever before to dedicate to classroom spending.**

- Arizona's fiscal year 2009 per-pupil spending of \$7,908 was still nearly \$2,700 less per pupil than the 2009 national average (most recent national data).
- Funding has decreased 5 percent from 2009 to 2011.
- The report noted that fewer dollars for the classroom mean fewer teachers, and our class sizes are rising as a result.
  - In 2009, Arizona's class size was 17.1 students per teacher compared to the national average of 15.3 students per teacher. By fiscal year 2011, Arizona's class size grew to 18.1 students per teacher.

► **"Dollars in the classroom" is an outmoded way of thinking about supporting student success.**

- The real issue should be student achievement—not how resources are allocated to get there; resource allocation must be a local decision that meets the needs of students in the community.
- In a media interview given on the day the report was released, Auditor General Debra Davenport said money is not everything when it comes to student achievement. She said other factors include curriculum, teacher quality, parental involvement, school and class size, student use of technology and poverty rate.

► The “dollars in the classroom” category does not capture all dollars that daily and directly support student achievement.

- Approximately 80 percent of ALL school district expenditures are for direct services to students; this includes all “dollars in the classroom” as well as the vast majority of “non-classroom” dollars.
- The “dollars spent in the classroom” category includes teachers and teachers’ aides, basic classroom supplies, textbooks, software.
- Many other truly essential support services delivered directly to students by front-line staff members including librarians, school nurses, counselors, speech pathologists, audiologists, cafeteria workers and school bus drivers are included in “non-classroom” category.
- Also included in the “non-classroom” category are dollars spent at the schoolhouse level on principals, school secretaries and attendance clerks – the people that provide the support and instructional leadership for our students and teachers.
- Telephone service, electricity/gas, water, waste/garbage disposal, grounds keeping and security required to simply keep schoolhouse doors open, operational and safe for student learning are also included in “non-classroom” dollars (“plant operations”).

► Among Arizona’s greatest challenges is the fact that a higher percentage of Arizona’s students live at or below the poverty level, requiring districts to devote a larger percentage of available dollars to “student support,” such as counselors, speech pathologists, nurses and social workers, which falls outside the Auditor General’s “classroom spending” category.

- Arizona spends 2.3 percent more on student support than the national average.
- Arizona is ranked fifth-highest in the nation for kids living in areas of concentrated poverty, according to a new KIDS COUNT Data Snapshot from the Annie E. Casey Foundation . The Kids Count report, which was released in late February, shows the number of children living in high-poverty communities has increased by 25 percent over the last decade. (Access the full report: <http://www.aecf.org/Newsroom/NewsReleases/HTML/2012Releases/DataSnapshotHighPovertyCommunities.aspx>)

► Arizona’s plant operations cost are higher than the national average by 2.6 percent because our temperature extremes – from mountain to desert – result in higher energy costs.

► Administration costs in Arizona continue to be below the national average, at 9.7 percent this year compared to the national average of 10.8 (and about half that of charter schools).



#### ADDITIONAL INFORMATION

Link to the summary of Auditor General's Report on Classroom Spending:

[http://www.azauditor.gov/Reports/School\\_Districts/Statewide/2012\\_February/AZ\\_School\\_District\\_Spending\\_FY2011\\_Highlights.pdf](http://www.azauditor.gov/Reports/School_Districts/Statewide/2012_February/AZ_School_District_Spending_FY2011_Highlights.pdf)

Link to full report with district pages:

[http://www.azauditor.gov/Reports/School\\_Districts/Statewide/2012\\_February/AZ\\_School\\_District\\_Spending\\_FY2011.pdf](http://www.azauditor.gov/Reports/School_Districts/Statewide/2012_February/AZ_School_District_Spending_FY2011.pdf)

Link to Capitol News Service article on the report (cited above):

[http://eastvalleytribune.com/local/education/article\\_ee04565c-63f0-11e1-9a1e-001871e3ce6c.html](http://eastvalleytribune.com/local/education/article_ee04565c-63f0-11e1-9a1e-001871e3ce6c.html)

## CAPITAL OVERRIDE OPTIONS IDENTIFIED BY TASK FORCE

## OPTION I: NO CAPITAL OVERRIDE

Advantages	Disadvantages	Information Only
No additional burden to taxpayers	Hurts kids	
Might increase likelihood of passing future M&O override	Ultimately, will hurt WESD. People will find other options → will lose students → loss of ADM → loss of funding → impact on neighborhoods	
Saves District the cost of an election	Will be known as district that doesn't keep up or advance	
	In long-term, will cripple us	
	If wait, will intrude on M&O override	

## OPTION II: \$21 MILLION CAPITAL OVERRIDE

Advantages	Disadvantages	Information Only
Would be something	Wouldn't do "anything" - hard to motivate voters	
Could be more palatable to voters with regard to dollar amount	What is there to market?	
State has no access to this money	New tax	

## OPTION III: \$35 MILLION CAPITAL OVERRIDE

Advantages	Disadvantages	Information Only
State has no access to this money	Would require several years to refresh computers	
Dollar amount may be more palatable to voters (than larger amount)	At end of 7 years, would be back to current situation	
More "bang for the buck" than \$21 million	"Maintaining" is not what WESD does	
Puts something in every classroom	More non-working equipment in process of rolling out	
Will allow for technology growth	Could take teachers out of comfort zone	Teacher training
Will support instruction for <u>many</u> teachers	New tax	
Will facilitate differentiation of instruction		
Might be easier to pass future renewal of capital override		

## OPTION IV: \$55 MILLION CAPITAL OVERRIDE

Advantages	Disadvantages	Information Only
Closer to dollar amount that state has shorted us	Can't be sure that infrastructure will support technology by end of 7 years	Restrict money above \$35 million for refreshing student computers only
Doing it for kids in the classroom		
Would allow student computer replacement at all schools within two years; impact of override would be evident throughout the District		
Governor's proposal would enable us to direct more money to technology		

## OPTION V: \$68 MILLION CAPITAL OVERRIDE

Advantages	Disadvantages	Information Only
Equates to 2 lattes or 1 movie ticket per month	Voters have already approved K-3 and M&O overrides, as well as bond. For \$100,000 house, cost is \$250 per year, not including capital override	

State has no access to this money	Some perceive this to be the riskiest option	
This would allow kids to get something out of this early on	Foreclosures + elderly + unemployment in community = tough sell	
Would refresh equipment 2 times		
"Go for the gold" - if putting forth effort, go for the maximum		
Opportunity might be more attractive to potential campaign donors		

**ESTIMATED HOMEOWNER IMPACT OF WESD CAPITAL OVERRIDE -**

Approximately \$7.8 million per year (\$55,000,000 total)

*(This amount is based on estimated assessed valuation and estimated revenue control limit amounts)*

Listed below are various assessed values of homes and the estimated cost of the Capital Override to the homeowner in the 2013-14 fiscal year.

	2013-14	2013-14	2013-14	2013-14
Home Estimated Assessed Value	100,000	102,440	204,880	307,320
Homeowner Rate	0	0	0	0
Adjusted Assessed Value	10,000	10,244	20,488	30,732
Assessed Value per \$100	100	102	205	307
Secondary Tax Rate for WESD Capital Override	0.7191	0.7191	0.7191	0.7191
Secondary Homeowner Tax Amount for WESD Capital Override	\$ 71.91	\$ 73.66	\$ 147.33	\$ 220.99

Assessed Valuation and  
Estimated Amounts of  
Secondary (Capital Override)  
Tax Bills

	98,124,728	
\$	9,812,473	
	Assumes AV -7%	Assumes AV -10%
\$	7,857,143	\$ 7,857,143
\$	1,092,703,850	\$ 1,057,455,338
\$	0.7191	\$ 0.7430

The assessed valuation and the estimated amount of the secondary tax bill if the proposed budget is adopted for each of the following:

An owner occupied residence whose assessed valuation is the average assessed valuation of property classified as class three for the current year in the school district.

An owner occupied residence whose assessed valuation is one-half of the assessed valuation of the residence in subdivision (a) of this paragraph (A.R.S. 15-481B-11a above).

An owner occupied residence whose assessed valuation is twice the assessed valuation of the residence in subdivision (a) of this paragraph (A.R.S. 15-481b-11a above).

A business whose assessed valuation is the average of the assessed valuation of property classified as class one, paragraphs 12 & 13, for the current year in the school district.

Assessed values 3.26.12 Tax Info

Full Cash Value	Assessment Ratio	Assessed Value	Override Tax Rate Increase	Tax Amount
\$102,440	10%	\$10,244	\$0.7191	\$73.66
\$51,220	10%	\$5,122	\$0.7191	\$36.83
\$204,880	10%	\$20,488	\$0.7191	\$147.32
\$1,772,241	19.5%	\$345,587	\$0.7191	\$2,484.96

### Notes from the 3/26/2012 Capital Override Task Force Meeting

- Concern about voters' perception of permanent one-cent sales tax initiative
  - Confusion with last year's initiative
  - Voters may think that if the District receives funding through the one-cent tax initiative, why would they need a capital override?
  
- Question posed to task force members: *What if...cost, political/election/campaign implications, etc. were not issues in the discussion regarding refreshing/expanding technology in WESD? Would you support a WESD technology refresh/expansion?*
  - 100% of members present said "yes"
  - Reasons for "yes" responses
    - Not adequate for children to learn technology on their own
    - Technology the wave of the future/present
    - Technology gives children more options and opportunities
    - Children will learn better using technology because it is something they want to do.
    - Having current technology would make us competitive as a district
    - Teachers are more effective when they have necessary tools and resources, including technology.
    - We need to help children become appropriate consumers of technology.
    - Technology is becoming a necessity.
    - Don't know how we could do business in the District without technology
    - Need to maintain current technology; however, our current technology is actually the technology of 2005 so it requires more maintenance
  
- Discussion about the 2013-2014 fiscal year secondary tax cost to homeowners for various capital override proposals
  - \$35 million capital override ≈ \$45-50 per \$100,000 assessed valuation
  - \$55 million capital override ≈ \$72 per \$100,000 assessed valuation
  - \$68 million capital override ≈ \$90 per \$100,000 assessed valuation
  - Approximate annual cost of WESD initiatives for average homeowner in District (estimated average assessed valuation ≈ \$102,440):
 

M&O override	≈ \$100
K-3 override	≈ \$ 70
Bond	≈ \$100
Subtotal	\$270
Capital override	≈ \$100
Total	\$370

- Task Force members present reached consensus to recommend to the Superintendent and Governing Board that a \$55 million capital override be called, to be put before voters in November 2012.
  - Task Force members expressed the following concerns regarding a possible capital override:
    - How palatable will the initiative be to voters?
    - How many other education initiatives will there be on the ballot?
    - Need to develop a strategy to ensure there is a good chance of success
    - Presidential election year – will draw people who would not otherwise vote on a capital override. Wait another year?
  - Suggestions from Task Force members regarding a possible capital override:
    - Coordinate message with other groups in order to educate voters
    - “could go for more, but may not be responsible thing to do”
  - Suggested information to include with Governing Board recommendation:
    - What our kids are missing out on
    - Video of uses of technology by students