

ARIZONA STATE LEGISLATURE
Forty-fifth Legislature – Second Regular Session

SCHOOL DISTRICT UNIFICATION AND CONSOLIDATION COMMISSION

Minutes of Meeting
Thursday, October 3, 2002
House Hearing Room 1 -- 1:00 p.m.

(Tape 1, Side A)

Mr. Huppenthal called the meeting to order at 1:08 p.m. and attendance was noted by the secretary.

Members Present

Senator Aguirre
Senator Bee
Senator Jarrett

Representative Landrum
Representative McClure
Representative Huppenthal, Chairman

Brett Agenbroad
Judy Bock
Dr. James Buchanan
Dr. Chuck Essigs
Jay Kaprosy
Dr. Mary Belle McCorkle

Susan Bitter Smith
Dr. Sandra Dowling
Michael Hunter
Tee Lambert
Carol Lee
Keith Vaughn

Members Absent

Edward Boot

Speakers Present

Brian Lockery, Majority Research Analyst, Education Committee
Dr. Michael Ford, Kingman Unified School District

Introductions

At Mr. Huppenthal's request, the Members introduced themselves.

Presentation by Staff

Brian Lockery, Majority Research Analyst, Education Committee, reviewed the purpose of the Committee (Attachment 1, Page 13) and Select Statutes from Title 15, Chapter 4, Article 3 (Attachment 2). He provided a memorandum from the Joint Legislative Budget Committee regarding Analysis of School District Administrative Costs for FY 2001 (Attachment 3).

Discussion

Mr. Huppenthal related that national research on unification and consolidation indicates that smaller class sizes, schools, and school districts work better, but one benefit of unification appears to be a reduction in dropout rates, particularly in eighth, ninth, and tenth grades, and in some cases, the reduction is dramatic.

When Senator Aguirre questioned the need for the Commission, Senator Jarrett said she is interested in exploring whether or not students are better off in unified schools that have the same goals and if money can be saved that could be diverted to classrooms and teachers.

Mrs. McClure commented that one school district in Pima County has 63,000 students and seven assistant superintendents, and administrative costs are higher than other school districts in the county. It may be necessary to consider cutting the size of some school districts.

Mr. Hunter related that about 50 out of the 226 school districts in Arizona qualify for a small school adjustment because they meet the criteria of fewer than 100 or 125 students in K-8 or ninth through twelfth grades respectively; however, it is not an adjustment, but a complete lifting of the spending caps other school districts have. Small schools lack the economies of scale to make a go of it with only education formulas, so the extra money is needed; however, because of inequities in the property tax bases, many of the rural school districts have enormous primary tax rates that actually generate a relatively small amount of money as a percentage of the revenue control limit. He surmised that the Commission will have an opportunity to determine if consolidation could result in providing more economies of scale and perhaps reduce the need for the adjustment and property tax implications.

Mr. Huppenthal stated that with a \$10 primary tax rate in some of those districts, the tax base is destroyed. In addition, some school districts spend \$14,000, \$15,000, or \$20,000 per student, so something is not right.

Ms. Lambert noted that she is a parent who has been actively involved in school districts for the past 13 or more years. She is concerned because the curriculum in elementary schools does not match the curriculum at the high schools. She noted that in the Phoenix Union High School District, eight elementary schools feed into a high school, and there are eight K-3 curriculum directors when that kind of service could be consolidated, saving more money for classrooms.

Senator Bee remarked that he represents urban and rural counties. In the rural counties, there are approximately 24 school districts, including some transportation districts. A major problem that arises when consolidation is brought up is how to deal with tax liabilities already assumed by voters in the individual districts.

Mr. Lockery explained that the statute addresses the issue in Section 15-459, Subsections N, O, and P (Attachment 2, Page 11).

Dr. McCorkle agreed that research shows that smaller is better, especially in terms of school size. She made the following points:

- In reviewing studies on administrative costs, it is important to know the definition of “school level staff with administrative duties” because Tucson Unified School District (TUSD), so alluded to by Mrs. McClure, has a priority for counselors and full-time certified librarians, so she would need to know if those are counted.
- Something to be careful about is the number of schools in a district. TUSD has about 10,000 less students than Mesa, but many more schools. TUSD has 106 elementary schools, which means the six assistant superintendents, one associate, and one superintendent have 15 schools each, whereas many school districts in the state have a full-time superintendent and a full-time principal for one or two schools. While it is a political nightmare, consolidation of school districts makes sense, and having served as assistant superintendent in two unified school districts, the curricular issue is vital as far as K-12 unification.
- There is a Phoenix cooperative, but in Tucson some of the business and maintenance services might be consolidated. For example, the Director of Purchasing could buy for the entire county.
- She currently works in a small Cochise County K-12 unified district, but two or three small elementary schools have one school, one principal, and one superintendent that the larger city could probably administer because the students attend high school there. Parents may not be happy, but there would probably be some cost savings.

Senator Jarrett pointed out that consolidation and unification are different and should be reviewed separately.

Presentation by Dr. Michael Ford, Kingman Unified School District

Dr. Michael Ford, Kingman Unified School District, stated that he has been a resident of Kingman since 1990, and discussions on unification took place long before that time. Kingman is growing at about five percent per year, but it was virtually impossible for the schools to unify under previous legislation. He explained that there were 200 voters on the Arizona strip who had nothing to do with Kingman Unified except to pay tuition into Clark County for students to attend high school. He was the high school superintendent of two schools with two principals, so administrative costs were higher because of the system set up by the state years ago. During discussions on what could be done to improve services to students, the driving force was having a scope and sequence in the K-12 curriculum that was unified, smooth, and as seamless as possible.

He said he began working with feeder districts years ago to improve delivery of service to students. He also talked with different legislators about legislation to eliminate having 200 voters in Littlefield detour what the majority of voters in Mohave County wanted to do in Mohave Union High School District boundaries. The district is composed of just under 10,000 square miles, but some students live in Meadview and ride the bus for an hour and 45 minutes to two hours each way. Students on the other side of the county in Wickieup ride the bus about an hour and 15 minutes, so there were transportation issues involved.

Mr. Ford related that the feeder district boards were initially very hostile and did not want to even discuss unification or have people from the City of Kingman tell them how to run their schools. Over the years, a better rapport was developed and legislation started to take fruition, so he met again with the outlying districts who said they want autonomy, which is provided in the

legislation. It was ludicrous to have two superintendents and two school boards in that size community, and a decision was made that the best thing to do was unify, although the school boards were not unanimous at that point. Eventually, a superintendent retired and an interim superintendent in favor of unification was able to sway her board into talking seriously about the issue. The schools finally unified two years ago after Tempe Union and Representative Laura Knaperek developed legislation.

Mr. Ford advised that unification did not occur overnight. He and his staff moved into the elementary office. Separate districts were run for about eight months and unified board meetings were held to coordinate unification. He pointed out that the boards did not unify to save money, but administrative costs were reduced this year by elimination of three positions, and more will probably be eliminated over time; however, the boards did not want to arbitrarily cut any staff people who had been working for the district for years. Any money that is saved is used for the students.

He indicated that when he realized there would be 10 board members, he was nervous, but everyone worked together to determine what could be done to improve offerings for the students. Many mistakes were made in the process, but the community believes everything went smoothly. He stated that having two boards serve for about 18 months was not a bad experience. In July, the board increased to 13 members from 10 because Chloride and Dolan Springs also unified, increasing the district from 1,400 to 7,800 square miles. The students are still bused because those who attended Dolan Springs live in Meadview. Some high school programs were started to eliminate the long bus ride, but those are in their infancy.

Mr. Ford clarified that there are currently 11 schools in the district, i.e. the old campus that serves ninth graders, the high school that serves grades ten through twelve, seven elementary schools, and an alternative school. He explained to Mr. Huppenthal that in 1990, the school board handed him a bond issue to build a new high school and told him to sell it. The bond for \$24.5 million lost by 84 votes, and it was the third time the school attempted to pass a bond to build a school. As he listened to members of the community, he learned that the first issue was cost, but many people were concerned about what would be done with the old school. After reviewing research on what could be done to decrease the dropout and pregnancy rates, and knowing what ninth graders are like, the board went out the next year to sell a program to build a new high school and remodel the south campus as a ninth grade center. He indicated that parents whose children have had one more year of not attending school with the high school students have been thrilled with the program, but teachers say ninth graders do not have any leadership or role models. He said with growth, restructuring may be necessary, but he believes the district has had 10 years of a very successful program with the ninth graders.

When Mr. Huppenthal asked about the dropout rate of the ninth graders, Mr. Ford conveyed that it was not specifically tracked for ninth grade, but the overall dropout rate, until the state changed the way it is calculated, went from 17 to 7 percent. With the way the rate is currently figured, it is back up to 16 percent, but there is 7.5 percent for the fifth-year cohort, so he will have to wait and see when the fifth-year numbers come out. He attributed the prior decrease to the alternative school and ninth grade campus.

Dr. McCorkle asked what would be done with 13 school board members. Mr. Ford answered that in about four weeks, when an election is held, the number will decrease to five. Several people resigned for different reasons over the last three months, so now there are only eight board members, and only six of those are running for the five board seats.

Ms. Lambert asked if any rebordering of schools was done and why two more school districts decided to unify. Mr. Ford responded that no redistricting took place; however, the area is growing, and building in Kingman goes north and east, so local school district boundaries will have to be restructured. He noted that the new school board will need to make tough decisions next year. He has a list of different configurations ranging from a Kindergarten center to two high schools and two junior highs in a more traditional approach, but the School Facilities Board will not build new schools based on its criteria.

Mr. Hunter commented that he understands that with the Kingman unification process, in the initial year, the former feeder districts into Mohave Union that all had debt service liabilities continued to pay those and a secondary property tax rate was applied, for example, in Hackberry. That debt service rate is gone this year and handled through tuition. Mr. Ford replied that the issue is covered in the legislation. There is still an obligation to pay that debt service until the high school bond is paid off, which will be another nine years, but it is figured into the tuition rate. He added that the business manager made the decision last year to go with assessed valuation for the secondary property tax.

Discussion (continued)

Mr. Huppenthal stated that he would like the Committee to focus on the following areas:

- Benefits of unification, specifically reducing the dropout rate, and how unification can be encouraged if the conclusion is reached that there is a positive impact on reducing dropout rates.
- Tax problems resulting from the small school adjustment and the economic impact on some of the communities that end up with huge property taxes, as well as recommendations for correction.

Senator Jarrett suggested that the definition of “administrators” should be included so everyone knows what is involved in terms of administration costs. Mr. Huppenthal agreed that it would be good to look at the classifications of administration costs and whether those are the same across school districts. He added that perhaps input can be obtained from the Auditor General’s Office.

Ms. Lambert asked if it would be possible to obtain data identifying schools in the state with separate union districts. Mrs. Jarrett related that past research showed that if all elementary schools that feed into high schools unified, there would be 109 school districts in the state.

Mr. Lockery added that the State Land Department keeps track of the boundaries of school districts and has been updating the system due to changes. He hopes to have maps for the next meeting showing where districts are and how they are broken down across the state.

Ms. Bitter Smith stated that as a parent living in a non-unified district, she has watched legislative attempts to make the process for consolidation, unification, and boundary changes simpler for parents to participate, so she is pleased by comments about how to encourage unification, if it should happen, as part of the Commission's mission. As Dr. Ford alluded to, the process is better than it used to be, but after deciding where the encouragement should be, the Members should also talk about how the process works and does not work.

(Tape 1, Side B)

Senator Jarrett said she would like to obtain more money for K-3 reading programs, so she would be interested in knowing how much money would be saved.

Mr. Essigs noted that the Governor's Task Force reviewed some issue on curriculum, K-12, etc., and asked if copies of the report could be made available so the Commission does not have to repeat those efforts. Mr. Lockery agreed to obtain copies.

Mr. Hunter remarked that there is a newly launched effort to establish education service agencies and renewed interest in consolidating efforts in purchase and acquisition of services, so information on what is going on in those areas might be helpful

Mr. Buchanan noted that a report was required by the enabling legislation and School Facilities Board about determining academic and student achievement implications for certain sizes of schools, school districts, and facility configurations, etc., which was done by Dale Mann at Columbia University about 18 months ago. The report may be of some value in terms of the charge as to the most appropriate school size for student learning purposes. He added that copies are probably available from the School Facilities Board.

Election of Chairman and Cochairman

Mrs. Jarrett nominated Mr. Huppenthal as Chairman, seconded by Senator Bee. No objections were made by the other Members.

Ms. Bitter Smith nominated Dr. Dowling as Cochairman, seconded by Senator Bee. No objections were made by the other Members.

Chairman Huppenthal announced that Mrs. McClure will substitute for him.

Future Meeting Date

Chairman Huppenthal indicated that suggested dates for a future meeting will be presented to the Members and asked everyone to leave an e-mail address with staff.

Without objection, the meeting adjourned at 2:12 p.m.

Linda Taylor, Committee Secretary

(Original minutes, attachments, and tape are on file in the Office of the Chief Clerk.)