

# School District Redistricting Commission

## FREQUENTLY ASKED QUESTIONS ABOUT ARIZONA SCHOOL REDISTRICTING

(Revised December 18, 2007)

Public School District authorities are granted by Arizona Law, and as such can be legally and organizationally complex. The following answers are being subject to additional legal research and interpretation, and if necessary will be refined and revised in future editions of School District Redistricting Commission fact sheets.

*-Martin L. Shultz, Chairman, School District Redistricting Commission*

### INDEX:

GENERAL BACKGROUND INFORMATION	Page 2
About The Commission	
What Schools May Be Included	
Process And Criteria For The Commission	
Common Terms And Definitions	
Why Unification	
Timeline	
VOTING	Page 6
Public Vote	
How The Vote Process Will Work	
Splitting A High School District	
Ward System	
School Board Impacts	
Voting Rights Act	
FINANCIAL IMPACT	Page 14
Tax Rate Issues	
Existing Debt In Unification	
Existing Overrides	
Excess Utilities	
Desegregation Money	
Career Ladders	
Teacher Salaries	
Existing Contracts	
Need For Additional School In Newly Unified District	
Cost Of Unification On General Fund	
Small Schools	
MISCELLANEOUS	Page 19
Attendance Boundaries	
School Choice	
New District Names	
OTHER LEGISLATION BEING DISCUSSED	Page 20
-Financial Incentives	
-Small School Adjustment	
-Type 3 Schools	
-Funding New High Schools	
-Equalize Teacher Pay	

## GENERAL BACKGROUND

### Q1: What is the School District Redistricting Commission?

A: The Arizona School District Redistricting Commission is a legislatively-enacted Commission charged with reviewing all current common school districts that are not part of a unified school district and considering combining these into a new unified district to create districts that offer instruction to students from preschool through grade 12, including those with disabilities.

The School District Redistricting Commission is made up of a committed group of education, business and political leaders representative of diverse stakeholders from across Arizona:

- Ms. Vicki Anderson, retired teacher/school librarian
- Mr. Jay Blanchard, ASU College of Education, former state legislator
- Dr. Sandra Dowling, Maricopa County School Superintendent
- Ms. Doris Goodale, President, Kingman Unified School District (Mohave Co.)
- Mr. Art Harding, Arizona Department of Education
- Mr. Jay Kaprosy, Senior Government Relations Advisor, Steptoe & Johnson, former Legislative Liaison for the Superintendent of Public Instruction
- Ms. Rita Leyva, Chief Deputy, Yavapai County Education Service Agency
- Ms. Susan Bitter Smith, Executive Director, AZ-NM Cable Telecommunications Association
- Mr. Dave Naugle, Corporate Public Affairs, Southwest Gas Corporation, governing board member, Sonoita Elementary School District #25
- Mayor Thomas Schoaf, business owner, Mayor of Litchfield Park, former board member of Litchfield Elementary School District
- Mr. Kent Scribner, Superintendent, Isaac School District
- Mr. Martin L. Shultz, VP Government Affairs, Pinnacle West Capital Corporation, former teacher and administrator (Chairman of Commission)
- Mr. Joseph Thomas, teacher, Mesa Unified School District

### Q2: How did the school redistricting effort come about?

A: In 2005, during Arizona's 47<sup>th</sup> Legislature's First Regular Session, Senate Bill 1068 (Chapter 191) passed with bi-partisan support and was signed by Gov. Janet Napolitano. The bill established a 13-person School District Redistricting Commission to consider redistricting to, among many considerations, provide for a more seamless and connected learning experience and alignment of curriculum for the state's youth, as well as potential savings and efficiencies. The Commission is charged to:

review all current common school districts that are not part of a unified school district and consider combining these common school districts into a new unified district or combining common school districts with a union high school district to create unified districts. . .

The legislation further states that the Commission's recommendations may include enlarging or diminishing the size of affected school districts but shall also include unorganized

territories within recommended unified districts where practicable. The Commission may also determine that an existing common school district should remain a common school district and not be included in a new unified school district recommendation.

Currently in Arizona there are 227 school districts - 51 of those districts enroll fewer than 200 students; other districts enroll 70,000+ students. The districts are set up in three configurations: common, union high school and unified. Of the 227, the focus for the Commission is on the 108 common school districts and the 15 union districts.

**Q3: Are existing Unified districts impacted in this process?**

A: Those districts which are already unified as K-12 districts are not included in the Commission's charge.

**Q4: What is the process that the School District Redistricting Commission is to follow?**

A: Beginning in February 2005, the Commission began a series of regular meetings, including hearing a variety of presentations involving existing education research, details of how schools are funded, and a presentation from the Alhambra School District on its proposed plan for redistricting. The Commission then went through a process of determining what data was needed to best facilitate its decision-making process. The ASU Decision Theater and its technology tools have been utilized to help develop initial draft redistricted plans.

In addition to Commission meetings, and as required by the legislation, three public hearings were held, one in Prescott, one in Tucson and one in Phoenix, to gain insight, feedback and ideas for the varying needs in different parts of Arizona. Each session brought out a wide cross-section of individuals representing school districts, boards, individual schools, chambers and other entities. Additional hearings at the Decision Theater included the public and involved extensive feedback from outlying areas as well as Maricopa County representatives.

**Q5: What kind of criteria did the legislation prescribe as considerations for the Commission in its decision-making process?**

A: Criteria include:

- Relevant academic and scientific research regarding school size, school district size
- Aligning curriculum K-12
- Teacher salaries and schedules
- Travel time of students
- District geographic boundaries
- Career ladders
- Primary and secondary tax issues
- Fiscal implications and legal issues
- Potential for more effective use of facilities
- Application of teacher experience indexes and existing salary schedules

**Q6: Will the School District Redistricting Commission use additional criteria in making its decisions for redistricting?**

A: This list is not complete or prioritized. It is merely a list of the variety of items that will be considered as the Commission continues to follow its charge:

- Aligning curriculum K-12
- Administrative positions
- Governing boards
- Instructional and non-instructional support services
- Budgeting
- Contractual obligations
- Capital debt
- Capital overrides previously accumulated
- Legal liability and acquisition of legal liabilities
- School district overrides
- New district names, numbers
- Enrollments
- Political and municipal boundaries
- Tax rates
- Which schools students attend when they move from a common district to a high school district (existing feeder patterns)
- Excess utilities expenditures
- Desegregation expenditures
- Student demographics
- English language learner percentage
- Small and/or isolated designation
- AIMS and AZ Learns designation
- Expenditure per pupil
- Percentage of special education students

**Q7: Explain some of the terms that are defined in statute in regard to school districts?**

A: "Common school district" means a political subdivision of this state offering instruction to students in programs for preschool children with disabilities and kindergarten programs and grades one through eight.

"High school district" means a political subdivision of this state offering instruction to students for grades nine through twelve or that portion of the budget of a common school district which is allocated to teaching high school subjects with permission of the state board of education.

"Unified school district" means a political subdivision of the state offering instruction to students in programs for preschool children with disabilities and kindergarten programs and grades one through twelve.

"Small isolated school district" means a school district which meets all of the following:

(a) Has a student count of fewer than six hundred in kindergarten programs and grades one through eight or grades nine through twelve.

(b) Contains no school which is fewer than thirty miles by the most reasonable route from another school, or, if road conditions and terrain make the driving slow or hazardous, fifteen miles from another school which teaches one or more of the same grades and is operated by another school district in this state.

(c) Is designated as a small isolated school district by the superintendent of public instruction.

"Small school district" means a school district which meets all of the following (this has no relation to the small school adjustment):

- (a) Has a student count of fewer than 600 in kindergarten programs and grades one through eight or grades nine through 12.
- (b) Contains at least one school which is fewer than thirty miles by the most reasonable route from another school which teaches one or more of the same grades and is operated by another school district in this state.
- (c) Is designated as a small school district by the superintendent of public instruction.

**Q8: What is the gap that now exists in non-unified districts, in other words, why unification?**

A: Arizona's school organization is more than 100 years old and has grown through random growth patterns as the state has gone from a sleepy western locale to the fastest growing state in the country. Research, studies and the experts who have examined the field of education over the years show that a fully-coordinated, continuous instructional plan for students beginning in kindergarten and ending with the senior year in high school ultimately support a more productive education career for the students involved.

Students and teachers alike are significantly disadvantaged without a fully integrated educational organization. An optimum size school district also facilitates a number of other benefits that trickle into the classroom – a common culture for the student and a community that oversees his or her career throughout their early and formative education years, efficiencies in administration and maximizing costs, great potential for unified teacher pay and more commensurate boosts in salary, teacher enrichment programs, consistencies in school calendars, holidays, vacation time, and a variety of other opportunities.

Organizing unified districts on a K-12 basis improves the “articulation” of the curriculum which leads to a better educated population resulting in a more qualified work force supporting Arizona's future. The challenge now is how to effectuate change from an historic system, while striving to provide a quality educational system for Arizona's children. Improving the educational quality and streamlining the financial resources are key issues surrounding the unification of school districts. A truly effective educational system should reflect efficiency and simplicity while preserving the best features of the existing system. Above all, local control will be maintained and the new unified districts will be able to make the decisions they deem best for their students.

**Q9: What is the timeline for next steps as determined by the statute guiding the School District Redistricting Commission?**

A: With feedback from the November 15, 2006 hearing, the final plans for K-12 Unified Districts will take shape over the coming few months. By April 30, 2007, the Commission will provide a preliminary report on the proposed school district redistricting plan. That preliminary report will be submitted to the governing boards of the affected school districts for consideration and feedback.

By July 31, 2007, the Governing Boards of the affected school districts shall have reviewed the preliminary report and submit comments to the Commission. The comments may include specific recommendations to modify the proposed unification plan and/or recommendations of one or more alternative redistricting plans.

By December 31, 2007, with the Governing Board recommendations in hand, the Commission will design and submit to the Governor, a proposed school district redistricting

plan. These proposed redistricting plans will then be placed on the ballots in November 2008 for the members of each affected community to vote on.

**Q10: Where can I find out more about the School District Redistricting Commission, its minutes and plans?**

A: A full copy of the legislation, as well as a list of Commission members, meeting minutes and plans, is available at <http://www.ade.az.gov/sdrc/>

## **VOTING**

**Q11: Who makes the final decision on unifications?**

A: The voters in each district.

**Q12: Who gets to vote?**

A: According to the statute, "Each county school superintendent in a county with a school district that is affected by the proposed school district unification plan submitted by the Commission shall call an election of ALL QUALIFIED VOTERS WITHIN THE BOUNDARIES OF THE PROPOSED UNIFIED SCHOOL DISTRICT. . ." Laws 2006, chapter 191, section 4, subsection A

**Q13: If a school district board votes to unify before the School District Redistricting Commission revised plan is voted on, does that action supersede the Commission unification plan for that district?**

A: The Commission is not authorized to unify common school districts with existing unified districts. Therefore, the newly-unified districts would no longer be included under the Commission's charge.

**Q14: How will the election process be handled in regard to recommendations of the School District Redistricting Commission (SDRC)?**

A: The SDRC must submit its redistricting plans to the governor by December 31, 2007. Laws 2005, chapter 191, section 3. The county school superintendent in each county in which the SDRC recommends school district changes must call an election or elections for the voters in the affected districts (for Nov 2008). Laws 2005, chapter 191, section 4.

The election to adopt the boundaries as proposed by the commission must be held at the next general election. The county school superintendent must prepare a publicity pamphlet to be submitted to all registered voters in the affected school districts no later than 35 days before the election. The publicity pamphlet must contain a complete description of the unification plan and the factors considered by the Commission and shall include any arguments in favor of the plan and any arguments in opposition to the plan submitted by members of the governing boards of the affected school districts or from any elector who wishes to submit such an argument. A copy of the publicity pamphlet shall be submitted by the county school superintendent to the governor, the president of the senate and the speaker of the house of representatives. *Id*, subsection A.

Laws 2005, chapter 191 prescribes language for the ballot measures depending on how the unified district is established. For example, if the election is to create a unified district that does not follow current boundaries of a common or high school district or if the unification is for more than one district affected, the election ballot must contain the following language:

Do you support the unification of the (insert names of school districts affected) as political subdivisions of the state of Arizona, to become a unified school district to provide instruction in preschool programs for pupils with disabilities and in kindergarten and grades one through twelve? Yes ( ) No ( )  
 A yes vote shall have the effect of approving the unification of the (insert names of school districts affected) into the (name of proposed unified school district).  
 A no vote shall have the effect of denying the unification of the (insert names of school districts affected) into the (name of proposed unified school district).

Some of the proposals of the SDRC involve the subdivision of high school districts. Laws 2005, chapter 191 does not specify ballot language for subdivision of school districts. In its plans involving subdivision, the SDRC should specify that two elections are to be held simultaneously, one to subdivide the high school district and one to adopt the unified districts. The commission could also specify the specific language for the subdivision language, which would be similar to the following:

Do you support the subdivision of the (insert name of high school district affected) to form the (insert names of new high school districts), as political subdivisions of the state of Arizona? Yes ( ) No ( )  
 A yes vote shall have the effect of approving the subdivision of the (insert name of high school district affected) into the (name of proposed high school districts).  
 A no vote shall have the effect of denying the subdivision of the (insert name of high school district affected) into the (name of proposed high unified school districts).

**Q15: Does the Commission have authority to create a ward system for electing district board members – in which board members would come from a specific geographic location within that district?**

A: Probably not. Senate Bill 1068 (Chapter 191) does not specifically provide an option for ward systems. The only statutory authority for dividing school districts into single member districts was A.R.S. § 15-431. Although this section is still on the books, it was declared unconstitutional in its entirety in *McComb v. Superior Court*, 189 Ariz. 518 (App. 1997).

**Q16: What is required of the county school superintendents in relation to property tax issues from unification ballot propositions?**

A: Under Laws 2005, chapter 191, the county school superintendent must prepare a publicity pamphlet to be provided to all registered voters. The pamphlet must include a complete description of the unification plan and the factors considered by the Commission. These factors may include the estimated adjustments in the primary and secondary tax rates. Chapter 191 does not require the county school superintendent to do any more in regard to the financial effects of the unification plan.

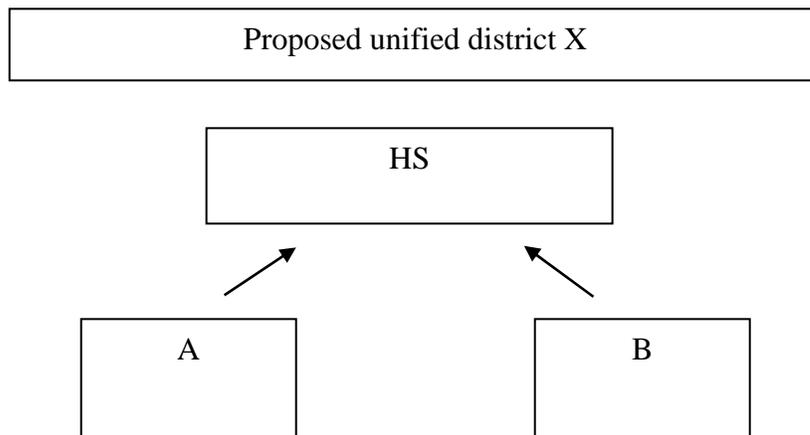
The statutory provisions do not require the county school superintendent to provide financial information or analysis, either. The only financial requirement is that in the unification plan

include an impact statement for the boundary changes that includes operational costs. A.R.S. section 15-458, subsection G, paragraph 1, subdivision (b) and section 15-459, subsection D, paragraph 3, subdivision (b).

**Q17: How do voters from one specific district specifically impact the outcome for all, including if splitting a high school district to form several new unified districts.**

A: If the majority of voters in any of the school districts affected by the unification plan do not approve the reunification, that plan is void. Laws 2006, chapter 191, section 4, subsection D.

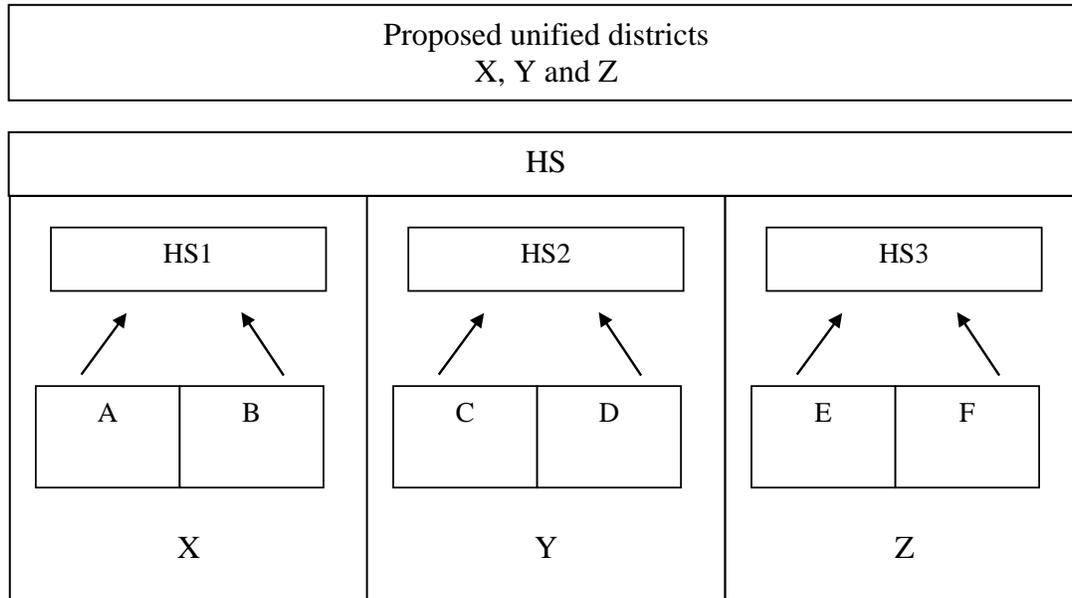
The following example shows how these requirements apply in the situation where two common school districts join with a union high school district to form a unified district.



In this example, the proposal is for a high school district HS to join with common school districts A and B. The ballot language for elections involving more than one school district would be used as required by Chapter 191. Laws 2006, chapter 191, sec. 4, sub. C. Each voter would vote on this one issue.

If the majority of the voters in school district A or school district B vote against the unification, the plan for creating unified district X (including A, B and HS) is defeated. Even if a majority of the voters in the whole election approve the plan, it must also be approved by a majority of the voters in each of the affected districts.

In a few situations, there may be an instance that involves splitting a high school district to form several new unified districts. While the Commission is authorized to recommend subdividing districts, the election procedures do not directly address this situation. Therefore, the Chapter 191 provisions must be read with the statutory provisions regarding subdivision of school districts. The statutory provisions would apply to the subdivision of the high school district and the Chapter 191 provisions would apply to the unification. The following example shows how these various requirements would apply.



In this example, high school district HS is being subdivided into high school districts HS1, HS2 and HS3. These high school districts are being joined with common school districts to form three new unified districts as follows; HS1, A and B to form district X, HS2, C and D to form district Y and HS3, E and F to form district Z.

The voters would vote on two questions. All the voters would vote on whether district HS should be subdivided into districts HS1, HS2 and HS3. A majority of all these voters would have to approve the subdivision to go into effect. If this first question fails, all of the unification plans would fail.

The second question in the proposed districts would be different. It would be the ballot question required by Chapter 191 for unification of multiple districts. Therefore, the voters in districts HS1, A and B would vote on whether they wanted these districts to unify as new district X, voters in HS2, C and D would vote on formation of unified district Y and voters in districts HS3, E and F would vote on formation of unified district Z. The results on this second question in one proposed unified district would not affect the formation of any other unified district. For example, if the voters in common school district F reject the proposed unification of district Z, this district would not be formed. However, unified districts X and Y could still be formed if they were approved by a majority of the voters in all of their respective districts.

**Q18: More specifically, how would the subdivision and unification apply to proposals regarding central Maricopa County?**

A: The attached diagrams show two options in regard to the Phoenix Union High School District. Plan A is that proposed by the Commission. It would involve two questions on the ballot. The first would be whether to divide the PUHSD into five new districts, districts A, B, C, D and E. All of the voters in the PUHSD would vote on this question, and the proposal would be adopted if it were approved by a majority of all the voters in the PUHSD.

The second ballot question under this plan would be whether to form each of the unified districts. The voters in each proposed unified district would vote on the unification of their district. To form a unified district, a majority of the voters in each of the common school

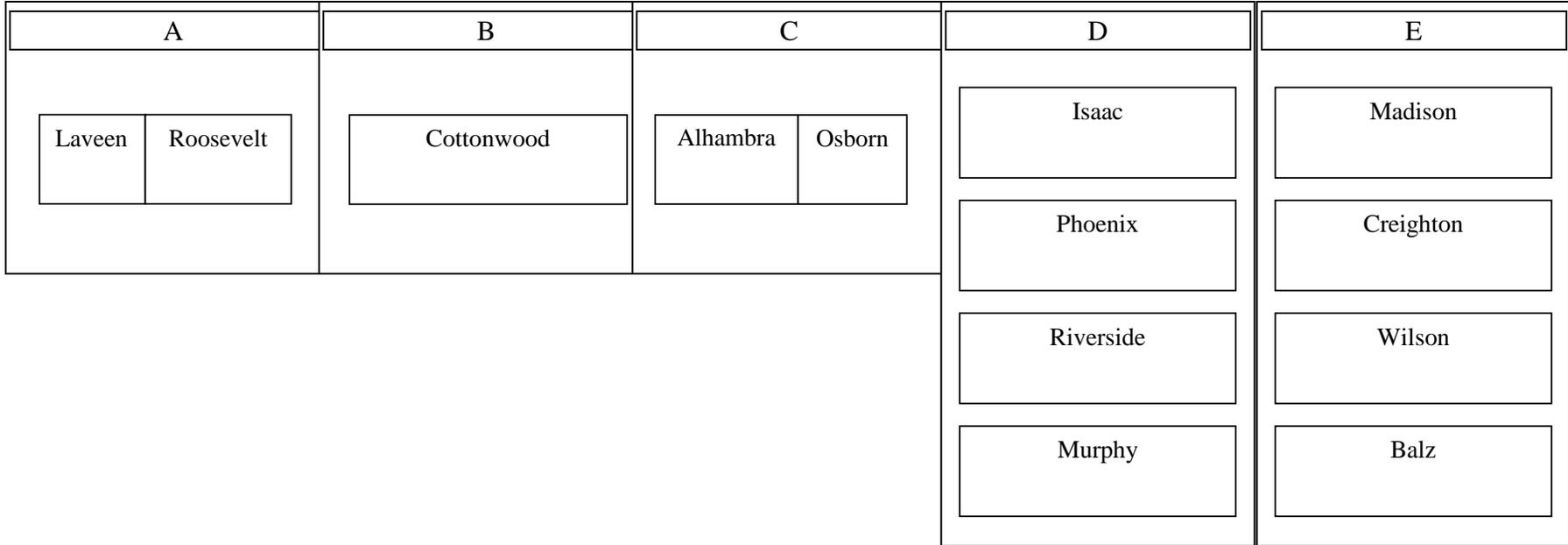
district would have to approve the unification. To form district A, a majority of the voters in the Laveen district and a majority of the voters in the Roosevelt district would have to approve the unification. If the plan is not approved by the voters in every district involved in the plan, the unification proposal is not adopted. If the division of the PUHSD were approved, but the unification of district C were not approved in the Osborn district, Osborn and Alhambra would remain common school districts that feed high school district C.

However, the voting for one proposed unified district. In the example above, the failure to form unified district C would not affect the formation of unified districts A,B,D or E.

Plan B illustrates a second proposal to have one large unified district that includes PUHSD and the 13 common school districts that feed PUHSD. This would involve one plan. The unification would have to be approved by a majority of the voters in all of the PUHSD and a majority of the voters in each of the thirteen common school districts. If the plan failed in any of these districts, the whole plan would fail.

Plan A:

Phoenix Union High School District



Plan B:

Phoenix Union Unified School District



**Q19: What happens to the school boards when more than one school board combines and/or what happens to a school board when a district is split and then the pieces are combined with other districts?**

A: On formation of a unified school district, the governing board contains the members of the former school district governing boards. These members hold office until January 1 following the first general election after the formation of the district. At that general election, a five member board is elected. The three persons receiving the highest number of votes have four year terms. The two other members have two year terms. After this first election, all offices have four year terms. A.R.S. § 15-448, subs. D and E and § 15-458, subs. G, par. 4.

**Q20: Explain the implications of unification on the Voting Rights Act?**

The Voting Rights Act (VRA) (R-48-49) was initially enacted in 1965. The VRA codifies and effectuates the 15th Amendment's permanent guarantee that, throughout the nation, no person shall be denied the right to vote on account of race or color. 42 USC § 1973.

The VRA prescribes a number of requirements in regard to voting, including ballot language mandates and a nationwide prohibition against the denial or abridgment of the right to vote based on the literacy tests. The Act also prescribes "preclearance" requirements for certain states, including Arizona.

If the state of Arizona or a political subdivision of the state makes a "change affecting voting", the change must be submitted to the United States Department of Justice or the U.S. District Court for the District of Columbia to be approved before the change can go into effect. 42 USC § 1973c. A change affecting voting is any voting requirement or procedure with respect to voting that was in effect in Arizona on November 1, 1972. 28 CFR § 51.2. These changes include:

Any change in the constituency of an official *or the boundaries of a voting unit* (e.g., through redistricting, annexation, deannexation, incorporation, reapportionment, changing to at-large elections from district elections, or changing to district elections from at-large elections).

28 CFR § 51.13 (emphasis added).

Redistricting of school districts or implementing a ward system would fall within the preclearance requirement. If either of these actions were approved by the voters, the school district (the new district in the case of a redistricting) would submit information to the Department of Justice as prescribed by the rules of that agency. The department has sixty days after receipt of a complete submission to determine if the department has any objections to the changes. 28 CFR § 51.39.

In examining if the changes have a discriminatory effect, the department will look to see if the changes will make members of a minority group worse off than they had been before the change. 28 CFR § 51.54. Some of the factors considered include:

- (a) The extent to which a reasonable and legitimate justification for the change exists.
- (b) The extent to which the jurisdiction followed objective guidelines and fair and conventional procedures in adopting the change.
- (c) The extent to which the jurisdiction afforded members of racial and language minority groups an opportunity to participate in the decision to make the change.

(d) The extent to which the jurisdiction took the concerns of members of racial and language minority groups into account in making the change. 28 CFR § 51.57.

**Q21: How does the school district redistricting initiative effect the voting rights act?**

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- (d) The extent to which the jurisdiction took the concerns of members of racial and language minority groups into account in making the change. 28 CFR § 51.57.

## FINANCIAL IMPACT

### **Q22: Who determines the tax rates?**

A: The new unified school district board does. Arizona's Constitution and statutes set forth laws governing the determination of property tax rates for school districts. The primary tax rate is largely determined by a formula based primarily on student count. The secondary tax rate is largely determined by what the registered voters approve. These rules are unaffected by the unification process. (Please see other questions for discussion of what happens to existing overrides and bonding indebtedness.)

### **Q23: What happens to the debt that an existing school district may have?**

A: If a subdividing school district has outstanding bonded indebtedness, liability for the payment of principal of and interest on the indebtedness is prorated between the new school districts in the same proportion as the relative assessed valuation of taxable property in the new school districts. A.R.S. § 15-457, sub. B and § 15-458, subs. E. Considering the second example in Questions 22, assume the assessed valuation in HS1 is \$20 million, in HS2 is \$30 million and in HS3 is \$50 million. New district HS1 would be liable for payment of 20 percent of the debt of the old district HS, HS2 would be liable for 30 percent of the debt and HS3 would be liable for 50 percent of the debt.

On unification of school districts, any existing bonded indebtedness of a unifying common school district or a high school district are assumed by the new unified school district and are regarded as an indebtedness of the new unified school district for the purpose of determining the debt limit of the district. Taxes for the payment of the bonded indebtedness are levied on all taxable property in the new unified school district. A.R.S. §15-448, subs. K.

If a common school district has been authorized to issue bonds, but has not issued all the bonds, the authorization continues in some circumstances after unification. If the common school is not subdivided, the authorization continues for the original purposes authorized. If the common school is subdivided, the bond authorization expires unless it is divided among the new unified school districts as specified in the subdivision and unification plans. A.R.S. § 15-458, sub. G, par. The statutes do not address the status of the bonding authority of a high school district that joins in creating a unified district.

### **Q24: What happens to existing overrides in districts that are split or combined with other districts?**

A: The statutes set out a formula to determine the maximum amount that school districts may budget. The formula considers a number of factors, including the number of students, characteristics of these students, bus mileage and the experience of teachers. A school district may exceed the statutory budget limit if the excess budget is approved by the voters at an override election.

On formation of a unified school district, any existing override authorization of the former high school district and the former common school district or districts continues until expiration based on the budget limit of the school district or districts that had override authorization prior to unification. The unified school district may request new override authorization for the

budget year based on the budget limit of the new district after unification. If the unified school district's request for override authorization is approved, it will replace any existing override for the budget year. A.R.S. § 15-448, subs. I.

On subdivision of a union high school district and formation of two or more unified school districts, if the union high school district and all the common school districts had overrides that would continue past the formation of the unified district, the override authorization continues for the new district. This authorization expires at the time the earliest override would have expired if the unified district had not been formed. A.R.S. § 15-458, subs. G, par. 8.

**Q25: What happens to the ability to use excess utilities, desegregation money or career ladders? If a district was using one of these funding features and that district is combined with another district or the district is first split and then the pieces are combined with other districts, who gets to use those funding features?**

A: Any district whose utility costs have increased at a greater rate than the growth in the revenue control limit may use the special budgeting procedures for excess utility costs. The unified district would reapply the provisions to the new school district budget as a whole. The excess utility provision expires at the end of the 2008-2009 school year. A.R.S. § 15-910, sub. A.

On desegregation dollars, Arizona statutes say when two or more common school districts join with a union high school district, the authorization to budget monies outside the revenue control limit does not expire on the effective date of the subdividing of a district or unification of the new one, but instead only applies to schools included in the court order or administrative agreement. A.R.S. section 15-458, subsection G, paragraphs 1 and 7. This requirement also applies to certain consolidations as provided in A.R.S. section 15-459, subsection Q.

If existing school districts are unifying and they had participated in the career ladder program, the state board of education must expedite the processing of, and may approve an updated application for, program reapproval for the new unified district that includes the former school district that was participating in the program. A.R.S. section 15-458, subsection G, paragraph 9.

**Q26: Please explain Career Ladders in more detail?**

A: If one or more of the school districts that are unified has participated in a career ladder program:

[N]otwithstanding any other law the state board shall expedite the processing of and may approve an updated application for program *reapproval* that incorporates the geographic boundaries of the resulting school district **and the inclusion of the additional staff in the career ladder program.**

Arizona Revised Statutes section 15-459, subsection R (emphasis added). A similar provision applies to subdivided and unified districts in A.R.S. section 15-458, subsection G, paragraph 9.

The question has arisen whether this reapproval process is subject to the limitations on new school districts participating in the career ladder program. In 1990, the legislature limited the number of new districts that could implement a career ladder program in the 1992-1993 fiscal year to seven. Laws 1990, chapter 319, section 16. The legislature provided that no more than 20 districts could be approved for fiscal year 1993-1994. Beginning with the 1994-1995 fiscal year, the state board of education was authorized to approve additional districts to budget for a career ladder program, if the legislature appropriated sufficient monies to cover the costs of the development phase for these districts. Laws 1992, chapter 246, section 3 (amending Laws 1990, chapter 319, section 16).

These limitations do not apply to the reapproval process for unifying school districts. Clearly, the unification provisions address expansion of an existing program and not creation of a new program. The limits apply to new programs that require appropriations for the developmental phases of career ladders. In addition, the unification provisions were enacted notwithstanding any other law and in 1994, after the limits were in place. Assumedly, the legislature was aware of the limits on new districts when it made the exception in the unification provisions.

Therefore, the state board of education must expedite the review of and may approve a career ladder program reapproval for a new unified district if one or more of the previously existing districts participated in the program.

**Q27: What happens to disparity in teacher salaries if the new average within the new unified school district is less than what had existed?**

A: The new school board determines teacher salaries. However, the statutes require that for the first year of operation of the new unified district, a teacher's base compensation cannot be lower than that earned in the prior year in the previously existing school district. Also, an employee's years of employment in the previously existing district are included in determining the years of employment in the new district. A.R.S. §15-448, subs. H and § 15-458, subs. G, par. 10 and 11.

**Q28: Does the statutory budgeting formula provide additional monies or require higher pay for high school teachers than elementary school teachers?**

A: Nothing in the statutory budgeting formula for school districts distinguishes between elementary and high school teachers. The provision that deals directly with teachers, the teacher experience index, depends on years of service and not the type of school at which a teacher teaches.

The major difference in the funding formula between high schools and elementary schools is that the support level weight for determining a district's base support level is higher for high schools than elementary schools. However, this difference is not directly tied to teachers.

**Q29: What happens to existing contractual obligations?**

A: All assets and liabilities of the unifying districts are transferred and assumed by the new unified school district. A.R.S. §15-448, subs. K. As the School District Redistricting Commission is interested in supporting and maintaining local control, it will look to the newly

formed school districts to best determine how to address payment of any pre-existing legal liabilities and contractual obligations.

**Q30: What happens if there is a need for a new school in a newly unified district?**

A: The method for determining when a new school will be built does not alter with the unification process as established under the Students' FIRST legislation enacted in 1998. Under Students' FIRST, a district must submit a capital plan that projects student growth for at least the next three years. Students' FIRST established minimum quantity standards for school facilities outlined below. These standards are based on total square feet per pupil.

Grade Configuration	District Size	Required Feet <sup>2</sup>
K-6	NA	80
6-8	Less than 800	84
6-8	More than 800	80
9-12	Less than 400	125
9-12	Between 400 and 1,000	120
9-12	Between 1,000 and 1,800	112
9-12	More than 1,800	94

These requirements are measured district wide and include all available space. District administrative spaces are not included. The School Facilities Board (SFB) uses these standards to establish a district capacity for each grade range. For example, if a district has 100,000 ft<sup>2</sup> of K-6 space, the SFB would divide that amount by 80 to determine that the district has a K-6 capacity of 1,250 students. This example is simplified for demonstration purposes and the SFB may consider other factors when establishing capacity of pre-1998 space.

**Q31: How would the small school exemption/funding be impacted in unification?**

A: The special budgeting exemption for small school district applies to:

- (a) Common school districts with a student count of one hundred twenty-five or fewer in kindergarten programs and grades one through eight.
- (b) A high school district with a student count of one hundred or fewer students.
- (c) A unified school district or an accommodation school with a student count of one hundred twenty-five or fewer in kindergarten programs and grades one through eight or with a student count of one hundred or fewer in grades nine through twelve. Arizona Revised Statutes (A.R.S.) section 15-949

These small districts must compute a revenue control limit and a general budget limit, but can adopt a budget in excess of the general budget limit without voter approval through an

override election. *Id.* A portion of the budget is paid by the local taxpayers and a portion is paid by the state based on the size of the district tax rate as compared to the qualifying tax rate.

If a school district exceeds the student count limits, it may continue to budget above its general budget limit subject to certain restrictions. In the first year the district exceeds the student count limits, the district may budget an additional \$50,000 plus an amount determined pursuant to a formula. *Id.* subsection C. If the voters in the district approve, the district may continue to budget above the general budget limit based on the formula. This formula reduces the additional budget amount as student count increases. *Id.* subsection D.

Monies for the amount in excess of the general budget limit are raised through the levy of a secondary property tax.

<sup>1</sup> The statutes contain a general definition of small school district that is based in part on having a student count of fewer than 600 students. The budget exemption for small school districts has different requirements. In this memorandum, the reference to small school districts means districts that meet the specific budget exemption requirements.

**Q32: Who determines if a new school needs to be built in a newly unified district and how is the need determined?**

A: To apply for new space, a district must submit a capital plan that projects student growth for at least the next three years. The School Facilities Board (SFB) reviews and approves these projections. If the approved projections show that a district will exceed the established capacity within two years for K-6 or three years for 7-12, the SFB will award new space to the district.

Once the SFB determines that the district qualifies for new space based on its pre-established standards, the Board establishes a budget for the new construction process based on the following statutory formula: Number of Students X Square Footage X Cost per Square Foot. The number of students is based on projected district needs. The square footage and cost per square foot are both established by the governing statute.

Once the budget is established, the district must design the school and procure the contractor. Before construction begins, the SFB must approve the final budget.

Under the current law, districts that do not have a high school are not eligible for one unless they qualify based on certain geographic factors. The SFB has defined those geographic factors in rule as the following:

1. A district is transporting more than 100 students at least 45 miles or 60 minutes each direction to the nearest facility.
2. A district is tuitioning more than 350 students to a district that is more than 20 miles away or will qualify for a new high school within the next seven years.

Based on such factors, if districts are created that do not have an existing high school, that district will not necessarily qualify for a new high school.

**Q33: Does the School Facilities Board take into account projected student growth in determining if there is a need for a new school?**

A: With standards based on total square feet per pupil and districts required to submit capital plans that project student growth for at least the next three years, the SFB is very focused on ensuring that adequate facilities support the growing number of school children in Arizona.

**Q34: How will the costs of a unification plan be identified and how will its impact to the state general fund be calculated?**

A: With the assistance of the auditor general and the Joint Legislative Budget Committee, the School District Redistricting Commission will identify costs attributable to a unification plan and estimate the impact to the state general fund. Laws 2005, Ch. 191, § 3, sub. F, par. 11.

A significant financial incentive for schools to unify existed for many years, but school districts did not take advantage of the option and that incentive was stripped from this bill.

**Q35: What happens to the small school adjustment after unification?**

A: The adjustment goes away if the new district is no longer "small" as defined by statute.

## **MISCELLANEOUS**

**Q36: Will attendance boundaries change?**

A: If there is going to be a change, the new unified school board will determine the attendance boundaries.

**Q37: Will my child have to switch schools?**

A: Probably not, however, if the voters approve a K-12 unification plan, the new unified school board has the ability to change the attendance boundaries and that might impact your child. The School District Redistricting Commission is dealing with school district boundaries, not individual school attendance boundaries or existing feeder patterns.

**Q38: How does unification impact where my child goes to high school, including what might be designated as the new neighborhood high school?**

A: Attendance changes will be made by new unified school district boards. Open enrollment opportunities will still exist.

**Q39: How will new districts be named?**

A: The new local school board will determine the name of the new district. Arizona statutes provide that each school district will be designated as school district number (the number of the district), of said County. A.R.S. § 15-441, subsection B. The Commission's unification plan requires new school boards to determine the common name for their district within two years of unification.

## OTHER LEGISLATION

### Q40: Describe the activity taking place on additional legislation that might impact school redistricting?

A: The following has been discussed:

1. **Reinstate the 10/7/4 financial incentive for school districts to unify.** Before the enactment that created the SDRC (SB1068), school districts that voluntarily unified would be able to increase their revenue control limit and district support level for the first three years of operation by 10% in the first year, 7% in the second year, and 4% in the third year. This incentive was eliminated in SB1068. Instead, if a school district unifies, the district will be able to increase its revenue control limit and district support level by 5 percent for the first year. Additional increases include any transitional costs that are directly associated with routine formalities that are necessary as a result of unification such as changing of signs, letterhead, stationary and similar issues. The proposed follow-up legislation is to reinstate the three year financial incentive for schools that unify.
2. **Phase out the small school district adjustment.** School districts that have fewer students than the minimum student count as defined by A.R.S. 15-949 statute are considered small school districts. As a result of being defined as such, a district is entitled to additional funding (small school district adjustment). However, if a newly created unified district has more students than the minimum student count set forth in statute for a district to be a small school district, then the new district is not entitled to the small school adjustment. The proposed follow-up legislation is to phase out the small school district adjustment over a several year period where a newly unified district is made up of at least one small school district.

Discussion continues over the need to be determined which small school districts that currently receive money via the small school adjustment would lose eligibility for the money if they became unified districts under the proposals currently being considered by the SDRC. There is a possibility that some districts may still be eligible for the small school district adjustment even if they become unified as they may be under the limit for number of high school students.

3. **Expand the School District Redistricting Commission's authority to include consolidating type 3 school districts with unified school districts.** In the course of evaluating districts that could benefit from unification, the School District Redistricting Commission realized some type 3 elementary districts feed into unified districts. In some of these situations, consolidating these type 3 elementary districts into the unified districts that they feed into might be beneficial. However, SB1068 does not give the Commission the authority for consolidation. The proposed follow-up legislation is to give the School District Redistricting Commission additional authority to consolidate type 3 elementary districts with unified districts that they feed into, where appropriate.
4. **Allow the School Facilities Board (SFB) to provide funding for high schools to be built in a unified district that does not currently have a high school.** Existing statutes prohibit the SFB to provide funding for high school space in unified districts that do not have high school space unless certain geographic factors are met. In certain

scenarios being considered by the School District Redistricting Commission, newly unified districts do not currently have high school space. Under existing statutes, the newly formed unified district would never get state funding for high school space. The proposed follow-up legislation is to allow SFB to provide for funding for high school space, if needed, even if the unified district does not currently have high school space.

5. **Equalize the funding for elementary and high school districts with the desired goal being to ensure that elementary school teachers are paid at the comparable rate as high school teachers.** Currently, elementary school districts and high school districts are not funded equally. The high school districts receive more money per pupil than elementary school districts. As a result, elementary school district teachers are often paid less than comparable high school district teachers. The proposed follow-up legislation is to equalize the funding of elementary and high school districts for the targeted goal of equity in pay for elementary and high school district teachers.

*Sources of information for this document include the Arizona Department of Education, Legislative Council, School Facility Board and members of the School District Redistricting Commission.*

(Additional questions and answers will be added to this document as the process for K-12 Redistricting unfolds.)

**<http://www.ade.az.gov/sdrc/>**

# LEGISLATIVE COUNCIL

## MEMO

December 20, 2007

**TO:** Martin L. Shultz, Chairman  
School District Redistricting Commission

**FROM:** Kenneth C. Behringer  
General Counsel

**RE:** Receivership effects (R-48-49)

This memorandum is in response to your request for information about whether the fact that a school district is in receivership affects a unification plan proposed by School District Redistricting Commission (SDRC). It appears that the receivership status of a school district does not prohibit the district from being unified with another district.

If the state board of education determines that a school district is insolvent or has grossly mismanaged its finances, the state board must appoint a receiver for the district. The receiver is given broad authority for managing the district, including removing the superintendent and chief financial officer, supervising the day-to-day activities of the district staff and canceling and renegotiating district contracts. Arizona Revised Statutes (A.R.S.) section 15-103.

District officers and employees are prohibited from taking actions that are contrary to the receiver's financial plan and budget. *Id.*, subsection O. However, nothing in the statute requires the receiver or the state board to approve the unification of the district, nor does the statute directly prohibit unification. Also, the Legislature amended the School District Redistricting Commission's enabling statute without limiting its authority in regard to districts in receivership. These facts indicate that the commission may include a district subject to receivership in a unification plan.