

Appendix 8: Attachment A

During the deliberation process, the SDRC discussed the following legislative options and met with some key legislators to see if there was interest in pursuing any of the following considerations that might help improve and advance the efforts of unification, student achievement, teacher support and other related issues:

1. 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. There is existing law that under certain circumstances allows for a small school district that no longer has the minimum student count to qualify for the small school adjustment to continue with the small school adjustment over a certain period. The proposed follow-up legislation would allow a newly unified district consisting of at least one district that qualified for the small school adjustment prior to unification to continue with the small school adjustment over a certain transition period.**
2. Extend the time to unify districts that are voter approved. **Under the current statute, if voters approve a unification, the unified school district will become operational at the beginning of the next fiscal year. The proposed follow-up legislation is to extend the time for the unified school district to become operational.**
3. 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.**
4. 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.

5. 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.**

6. 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.**

Currently, items 1 and 2 have generated some interest by some legislators to pursue.