



Action without information is dangerous. Information without action is futile.

## Desegregation/OCR Funding Overview

- \$211 million annually goes to 18 school districts for racial/ethnic discrimination remediation
- \$4.3 billion spent since 1986, 97% of monies to metro Phx & Tucson schools
- Exclusively paid for by local property taxpayers; not equalized by state (outside funding formula)
- No connection to number of pupils, remediation success, achievement, poverty, etc.
- Not voter approved & no planned phase out; however levy amounts and participants are capped
- Highlighted by Gov Ducey K-12 Task Force as one of the most problematic parts of K-12 funding

### School Funding Inequity

School District	FY 2016 Deseg Totals	Deseg levy as % of RCL	Deseg\$/ADM
Tucson Unified	\$63,711,047	26.4%	\$1,387
Phoenix Union	\$55,800,892	38.3%	\$2,108
Tempe Elementary	\$14,178,248	25.8%	\$1,276
Roosevelt Elementary	\$13,570,494	30.5%	\$1,516
Phoenix Elementary	\$11,151,530	34.6%	\$1,665
Mesa Unified	\$8,774,057	2.7%	\$146
Scottsdale Unified	\$7,382,169	6.1%	\$322
Washington Elementary	\$6,350,000	5.8%	\$290
Cartwright Elementary	\$4,628,061	5.6%	\$259
Glendale Union	\$6,131,959	7.8%	\$406
Isaac Elementary	\$4,951,155	15.3%	\$735
Amphitheater Unified	\$4,025,000	5.8%	\$305
Holbrook Unified	\$2,517,481	20.0%	\$1,279
Flagstaff Unified	\$2,241,322	4.4%	\$242
Wilson Elementary	\$1,946,054	33.8%	\$1,656
Agua Fria Union	\$999,000	2.6%	\$134
Buckeye Elementary	\$1,608,921	7.1%	\$343
Maricopa Unified	\$1,291,000	4.3%	\$220
<b>Totals/AVG</b>	<b>\$211,258,390</b>	<b>14.6%</b>	<b>\$752</b>

*In a robust school choice environment, asking schools to compete with different amounts of money is unfair and likely unconstitutional.*

### EXAMPLES OF SPENDING INEQUITY

- Tucson Unified spends 24% more per pupil than neighboring Sunnyside Unified
- Phoenix Union spends 57% more per pupil than neighboring Tolleson Union
- Phoenix & Wilson Elem spend ~30% more per pupil than peer districts
- Tempe & Roosevelt Elem spend ~20% more per pupil than peer districts

-per 2014 Auditor General report

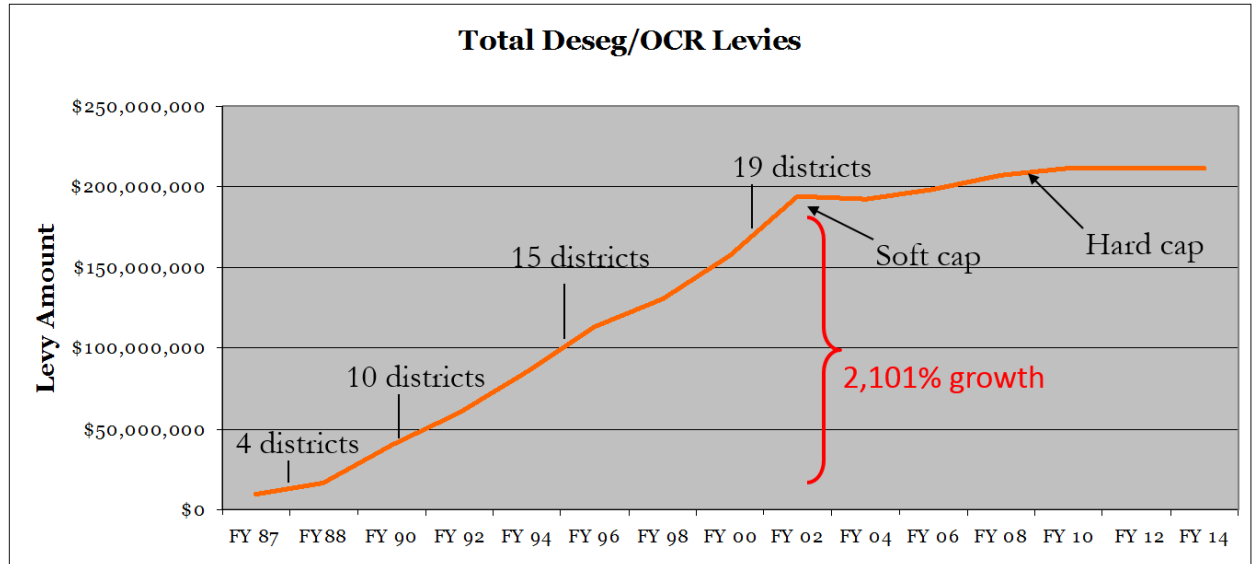
### A PHASE-OUT IS A PREREQUISITE FOR K-12 REFORM

- True statewide K-12 equity requires its removal
- Deseg/OCR rates create many "1% Cap" districts
- Would remove huge hurdle to district consolidation or unification efforts

*"It is time that we start treating all school districts fairly. Desegregation funding pits school districts against each other and creates unfair funding advantages for one school district over another. Let's correct this inequity now." –Senator Debbie Lesko*

Without any limits, Deseg/OCR levies exploded until finally capped in 2009.

Auditor General reports consistently show Deseg/OCR monies lack connection to original issue and supplant normal spending.



*“Phoenix UHSD’s desegregation program... has lost its clear link with the District’s original desegregation court order and appears mainly to be funding programs that have little or nothing to do with the order.” AZ Auditor General, 2008*

*“[Maricopa Unified] could not demonstrate that the monies addressed its violation because it did not have any documentation pertaining to the desegregation case, and district officials could not explain the purpose or goals of its desegregation spending.”*

*Auditor General, 2015*

## Taxpayer Inequity

School District	FY 2016 Deseg Totals	Deseg tax rate
Tucson Unified	\$63,711,047	\$2.1050
Phoenix Union	\$55,800,892	\$1.3265
Tempe Elementary	\$14,178,248	\$1.1335
Roosevelt Elementary	\$13,570,494	\$2.7257
Phoenix Elementary	\$11,151,530	\$1.8683
Mesa Unified	\$8,774,057	\$0.3393
Scottsdale Unified	\$7,382,169	\$0.1633
Washington Elementary	\$6,350,000	\$0.5759
Cartwright Elementary	\$4,628,061	\$2.2531
Glendale Union	\$6,131,959	\$0.4540
Isaac Elementary	\$4,951,155	\$4.2478
Amphitheater Unified	\$4,025,000	\$0.2868
Holbrook Unified	\$2,517,481	\$6.0388
Flagstaff Unified	\$2,241,322	\$0.2130
Wilson Elementary	\$1,946,054	\$2.4106
Agua Fria Union	\$999,000	\$0.1023
Buckeye Elementary	\$1,608,921	\$0.9607
Maricopa Unified	\$1,291,000	\$0.5320
<b>Totals/AVG</b>	<b>\$211,258,390</b>	<b>\$1.4598</b>

*In a system designed for taxpayers to pay the same property tax rates for K-12, Deseg/OCR levies create some of the most abusive tax inequities in the state. It has created a significant economic development hindrance.*

### HOW DID WE GET HERE?

- Tucson Unified & Phx Union had court orders to desegregate, feds stopped providing additional remediation funds- districts asked state for financial assistance
  - 1985 law passed to allow local tax levy (SB1077)
  - “Expenses of complying with court order or administrative agreement” A.R.S. §15-910 (G-J)
- OCR agreements never had court mandates
  - Should have never been conflated w/ Deseg orders
  - Only 17 accessed the levy before 2003 cut off
  - Many other districts have OCR agreements
- Phx Union met court requirements in 1992, applied to court in 2004 & declared unitary in 2005
- Tucson Unif. back and forth with courts since 1978
- Most OCR districts began levying many years after OCR monitoring ended; the agreement was the golden ticket
  - Isaac Elem: OCR agreement in 1975, first levy in 1992
  - Tempe El: agreement in 1971; first levy in 1990
  - Mesa Unif.: agreement in 1981; first levy in 1991