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Grass Roots Efforts Aim to Address School Utilities at State Capitol

Members of the Scottsdale Unified School District (SUSD) Governing Board, teachers, parents and SUSD administration visited the state capitol on February 11, 2008 to discuss their concerns about school utility funding. Senator Barbara Leff and Representative Michele Reagan took the time to meet with the group. During the meeting, the women explained how they are each sponsoring a bill – SB1446 and HB2770 – that addresses this unmet need.

More than 20 years ago the Arizona Legislature capped public school district funding for electric, trash collection, sewer and water costs at 1985 levels. The plan at that time was to fix or update the utility-funding formula at a later date, but this never happened. Thus, school districts remain locked into 1985 funding levels despite the fact that utility companies have given several double-digit rate increases during those decades. In addition, utility usage has increased dramatically in the workplace because of computers and other technology.

One solution for urban school districts over the years has been to use secondary property taxes to pay the amount above the 1985 cap. Districts have been able to do this because of a separate law that allowed them to levy taxes for utilities. This law was a short-term funding solution, created by the State Legislature, to help until they could provide an updated formula. However, this funding mechanism must be phased out in 2009.

When this funding mechanism is phased out, it will have a drastic effect on school districts that rely on this type of funding to heat and cool buildings and run lights, computers, etc. (not to mention trash collection, water and sewer.) The bottom line: when this funding is gone, these school districts will have to spend a significant portion of their funds just to turn the lights on, which means that those funds cannot be spent in classrooms for student programs or to pay teachers.

The solution must come soon. If it does not, districts will have to plan their budgets for 2008-09 accordingly, which means many of them will have to decide between turning on the lights and air conditioning or paying their teachers. For most school districts, the budget planning process for the 2008-09 school year begins in November—just nine months from now.

Many people feel that the solution to this problem should include updating the 1985 funding formula for utilities. Senator Leff and Representative Reagan have vowed to work together to pass a bill that will keep school districts from suffering a devastating financial blow. Each woman is sponsoring a bill in the State Legislature that address this issue. One is in the House (HB2770) and one is in the Senate (SB1446). Both women worked with school district officials and advocates – like Senator Carolyn Allen – to create bills that address this issue and will provide funding that will enable districts that rely on this funding to continue operating *without* having to decide between air conditioning and teachers.

Senator Leff and Representative Reagan encourage constituents to contact their respective Legislative representatives to provide input about possible solutions to this issue. If this issue is not addressed, more than 2,200 teaching positions across the state may have to be eliminated.

Written by: Molly Holzer, SUSD Governing Board Member, and Marijke J. Van Fleet, SUSD Public Information Officer.