2016 Auditor General Report

Dear ASBA Member,

This year’s Auditor General Report emphasizes Arizona is continuing to struggle to adequately fund its schools. Despite continuous severe budget cuts, our public education leaders remain focused on allocating dollars to support students in classrooms and keeping administrative costs well below the national average.

The Auditor General Report reiterates the Arizona School District Spending Report we put out earlier this week: when you look at all the combined services (instruction, student support services and instructional staff support), school districts continue to keep funding at a stable level despite huge cuts to their budgets since 2009. The commonly accepted definition of “classroom spending” by the Governor, Legislature and public education leaders clearly indicate what it takes to support a classroom and not the extremely narrow definition that The Auditor General’s Office continues to use.

- The Fiscal Year 2016 Auditor General Report shows school district classroom spending (instruction, student support services and instructional staff support) at 67.4 percent compared to 68.3 percent in 2001.
  - For FY2016 school districts invested 8.2 percent in student support services compared to 6.4 percent in 2001.
  - For FY2016 school districts invested 5.7 percent in instructional staff support compared to 4.2 percent in 2001.

- For Fiscal Year 2016 the Auditor General Report shows school districts investing 61.7 percent in classroom spending (classroom instruction and student support services). The Annual Report of the Superintendent of Public Instruction shows charter school classroom investing 55.33 percent in classroom spending (classroom instruction and student support services).

- For Fiscal Year 2016 the Auditor General Report shows school districts spending 10.4 percent on administration compared to charter schools that spent 19.58 percent on administration, according to the most recent Annual Report of the Superintendent of Public Instruction.

At this time the Auditor General’s Office does not audit or report classroom spending for charter schools, nor any other spending areas.

- Arizona’s low classroom spending continues to be impacted by several factors:
  - Low-overall funding (48th in nation),
- Students that are poorer than the national average that require additional outside the classroom support services (ELL instruction, meal assistance, tutoring, etc.) and higher plant operation due to temperature extremes and transportation costs due to vast rural and remote areas.
- Severe ongoing cuts to capital and District Additional Assistance formulas, which require pulling operational dollars (Arizona has cut DAA funds by two billion dollars since 2009).
- 3 percent decline in district enrollment from 2008 to 2017
- 10 percent decline in teacher FTEs (teacher cuts)
- High costs in federally mandated Special Education services
  - 28 percent increase in special education expenditures from 2007 to 2015
  - 8 percent increase in Special Education teacher FTEs
  - 33 percent increase in bus aides from 2008 to 2017
  - 81 percent increase in therapists from 2008 to 2017 (including 167 percent increase in speech/language therapists)

We continue to stand by the fact that the “dollars in the classroom” measure is an outmoded way of benchmarking how Arizona supports student success. It does not describe effective use of dollars dedicated to teaching, learning and graduating students that are equipped with the skills to succeed in the real world. The real issue should be student achievement.

Click on the link below to view the 2016 Auditor General Report.

Thank you for all you do!

Sincerely,
Dr. Timothy Ogle
Executive Director, ASBA