



Arizona School District Spending Fiscal Year 2016

REPORT HIGHLIGHTS
SPECIAL STUDY

ARIZONA SCHOOL DISTRICTS INVEST MORE IN CLASSROOM SPENDING

Our Conclusion

Resource allocation by school districts is and must be a local decision that meets the needs of students in the community and the school.

Despite severe budget cuts, our state remains focused on staying consistent in classroom dollars and keeping administrative costs well below the national average.

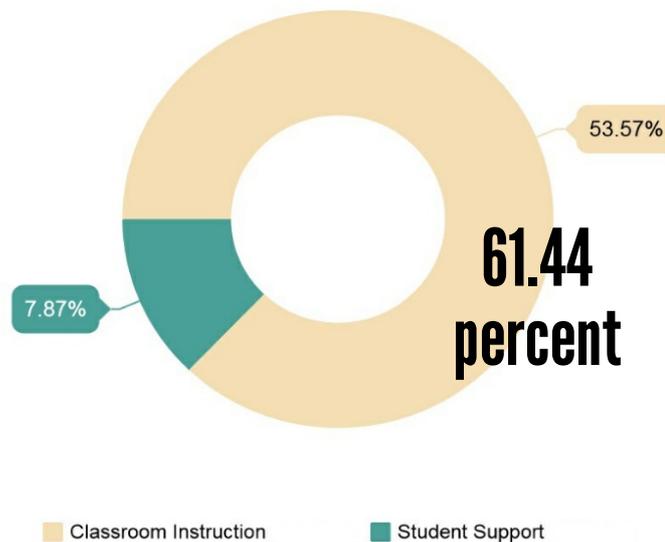
And though it's important for taxpayers to understand where dollars are being spent to meet local priorities for students, there are many measures of a district's commitment to student learning.

The real issue should be student achievement – not how resources are allocated to get there.

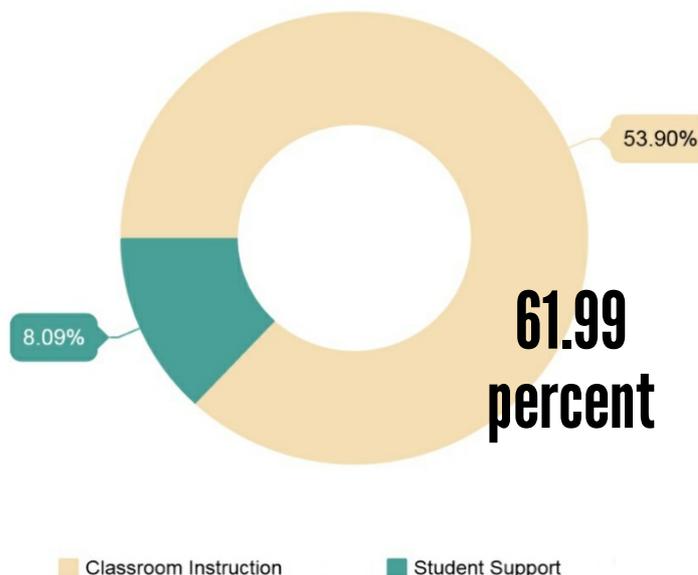
All figures were taken from the 2016 Annual Report of the Superintendent of Public Instruction which reports classroom instruction including supplies and student support.

In fiscal year 2016, Arizona school districts spent 61.99 percent in classroom instruction and student support services compared to 61.44 percent in 2015.

AZ District Schools: 2015 Classroom Instruction



AZ District Schools: 2016 Classroom Instruction

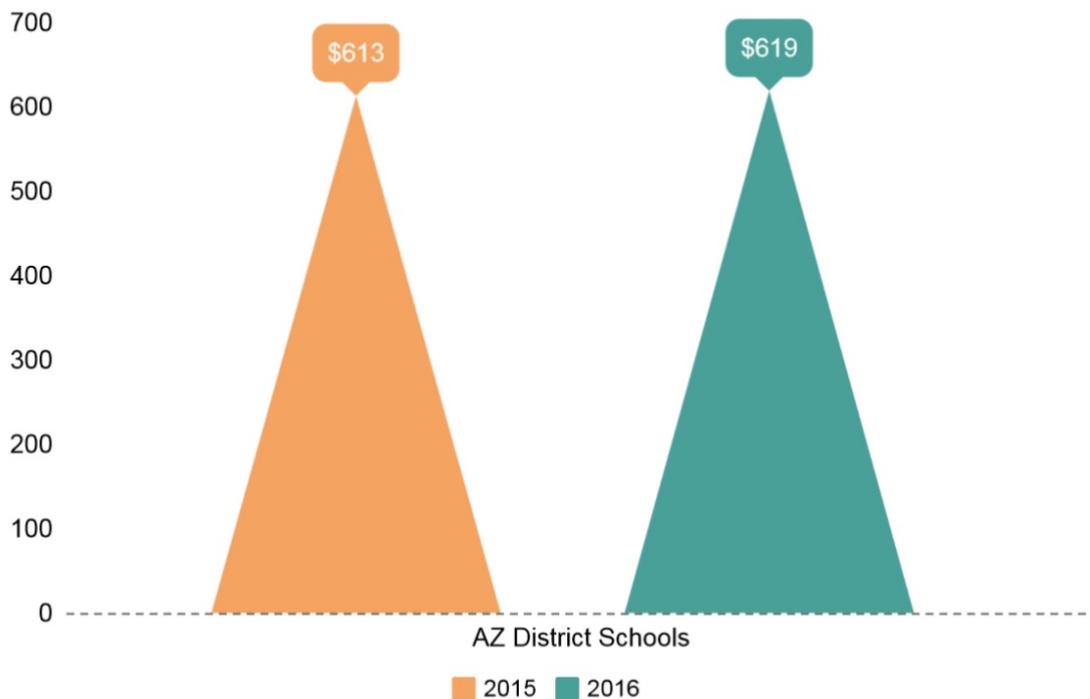


ARIZONA SCHOOL DISTRICTS INVEST MORE IN STUDENTS

One of Arizona's greatest challenges is the fact that a higher percentage of our students live at or below the poverty level, requiring districts to devote a larger percentage of available dollars to "student support," such as counselors, speech pathologists, nurses and social workers which are critical for students to be successful in the classroom.

In fiscal year 2016, Arizona school districts invested in student support by 8.09 percent (\$619) compared to 7.87 percent (\$613) in 2015.

Student Support: AZ District Schools 2015 Compared to 2016



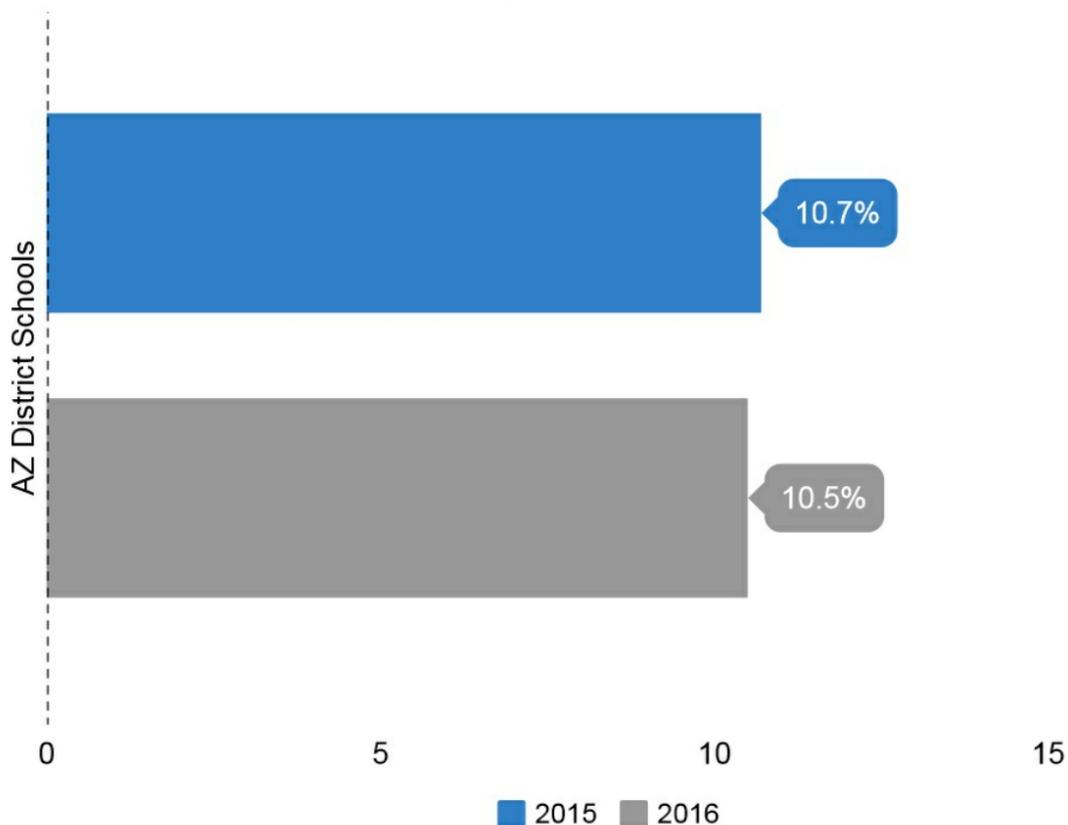
ARIZONA SCHOOL DISTRICTS SPEND LESS ON ADMINISTRATION

Administration can be defined as principals, school secretaries and attendance clerks – the people that provide the support and instructional leadership for our students and teachers. The district superintendent and district-level personnel needed to carry out essential curricular, business and facilities management functions are also included.

These expenditures for Arizona school districts continue to be well below the national average.

In fiscal year 2016, administration costs continue to decline in Arizona school districts compared to 2015.

Administration Costs: AZ District Schools 2015
Compared to 2016

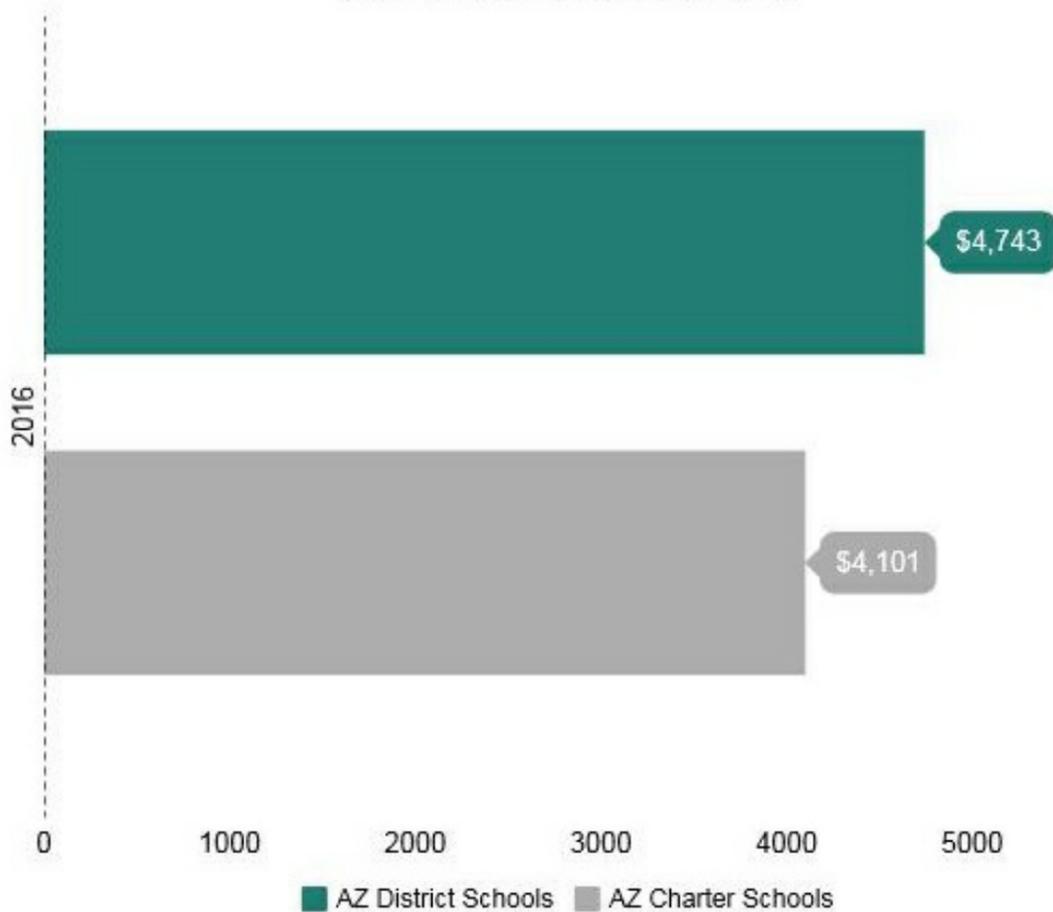


CHARTER SCHOOLS SPEND LESS ON CLASSROOM INSTRUCTION AND MORE ON ADMINISTRATION

Charter schools, often held up as models of student achievement, put fewer dollars in the classroom on average and spend two times more on administration than districts.

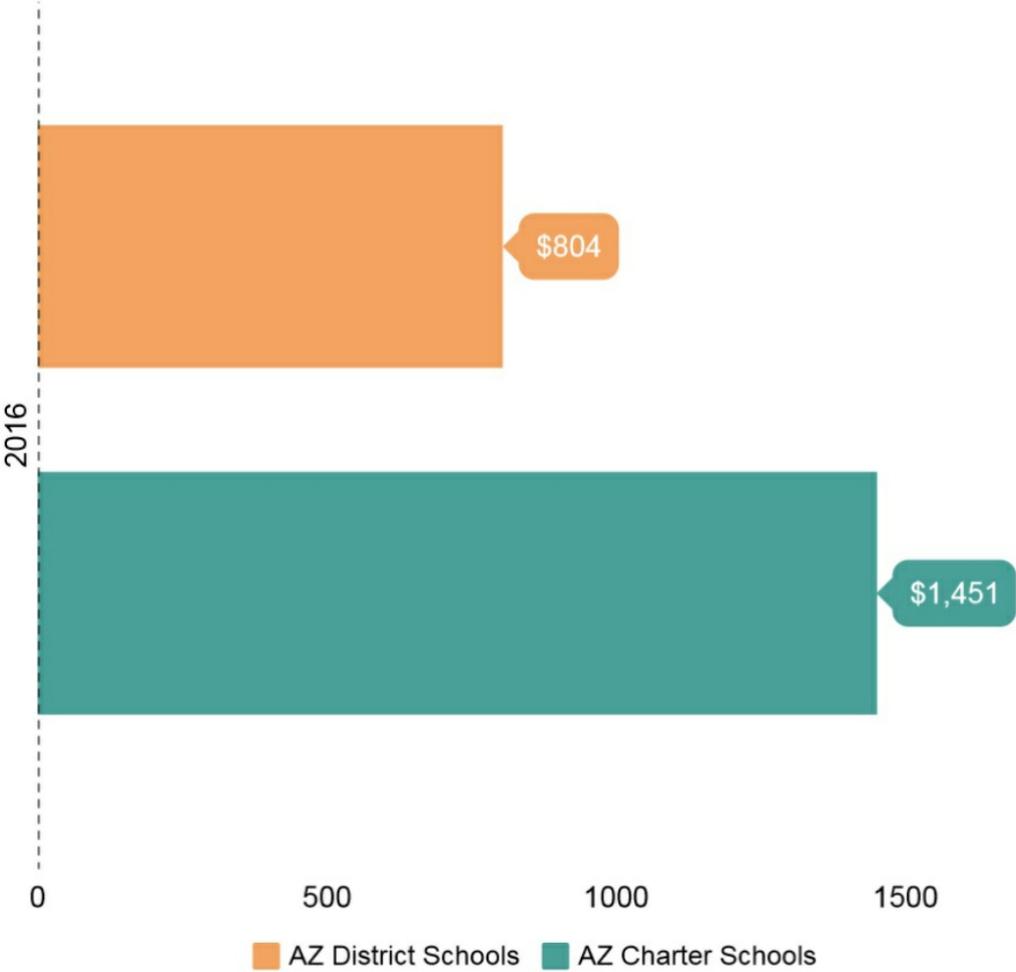
In fiscal year 2016, charter schools invested 55.33 percent (\$4,101) on classroom instruction including classroom supplies and student support compared to district schools which invested 61.99 percent (\$4,743).

Classroom Spending: AZ District Schools Compared to AZ Charter Schools



In fiscal year 2016, charter schools spent 19.58% (\$1,451) on administration compared to district schools which spent 10.51% (\$804).

Administration Costs: AZ District Schools Compared to AZ Charter Schools



IMPORTANT FACTORS IMPACTING CLASSROOM SPENDING

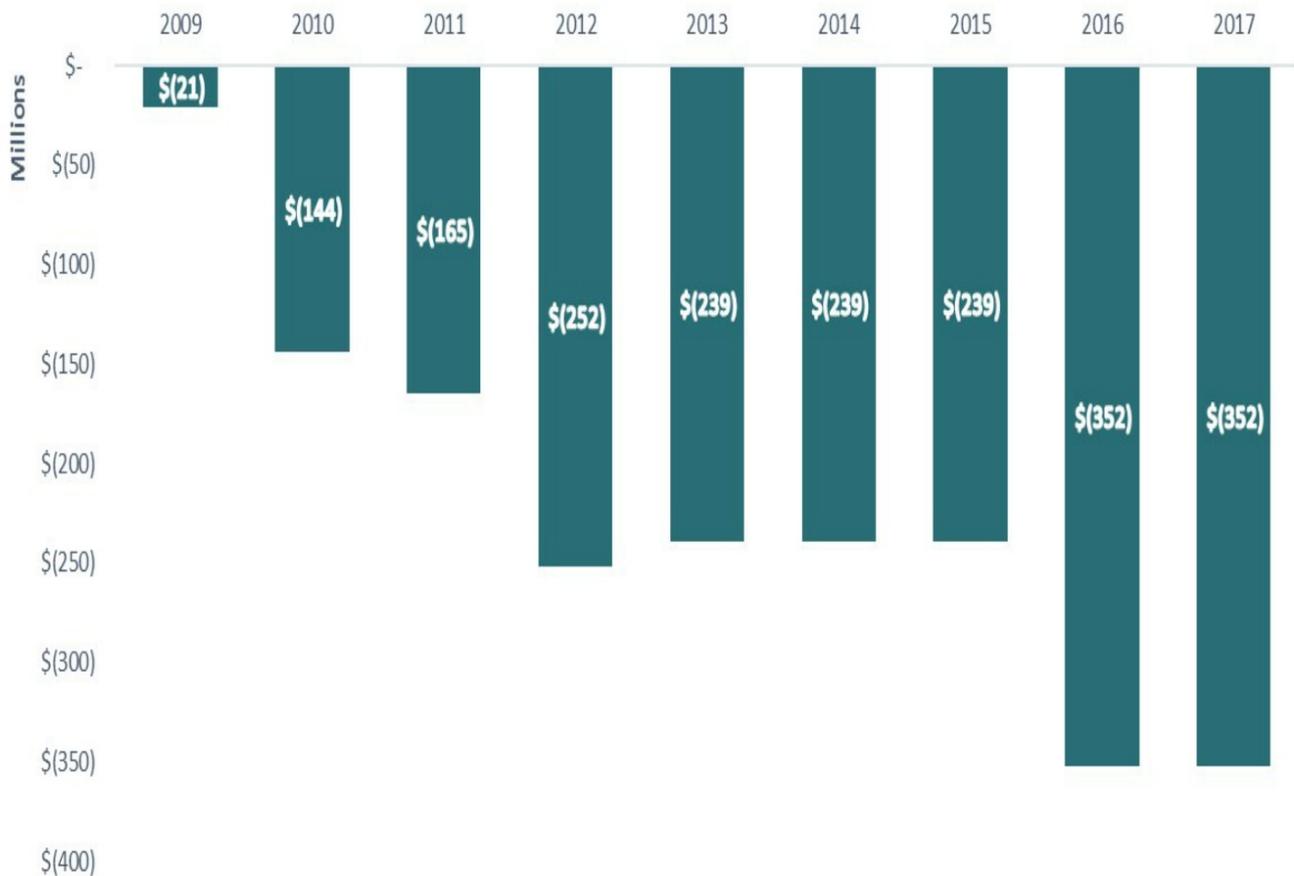
Ongoing Cuts

While school districts received funds through Proposition 123 for fiscal year 2016, the state also made an additional cut to the District Additional Assistance formula by \$113.4 million from school districts for 2016.

The DAA funding is intended to provide funding for expenditures outside Maintenance & Operations, which include soft capital items such as textbooks, curriculum, technology and school buses as well as some capital funding.

In the last nine years, Arizona has cut DAA funds by two billion dollars, forcing school districts to tap dollars otherwise dedicated to classroom spending.

District Additional Assistance Cuts



Distribution of Prop. 123 funds

It is important to note Prop. 123 disbursements to school districts were made in late June 2016, weeks before the fiscal year was over and making allocation to classroom instruction and support difficult to impact spending for the 2016 school year.

Governor and Legislature acknowledge the redefinition of "classroom spending"

The Governor and the Legislature acknowledged in the budget that was passed last year, "classroom" should be redefined as instruction, instructional support and student support.

Where can you find these figures?

All figures were taken from the 2016 Annual Report of the Superintendent of Public Instruction which combines classroom instruction, supplies and student support, www.azed.gov/finance/reports/#SafrTop.

This information can be found on the azsba website: <http://azsba.org/classroom-spending/>