



**REPORT HIGHLIGHTS**  
PERFORMANCE AUDIT

**K-3 reading program oversight and administration should be improved**

**Our Conclusion**

The K-3 Reading Program (Program) is intended to improve the reading proficiency of kindergarten through third grade (K-3) students in Arizona. We reviewed a random sample of public school districts and public charter schools (school districts and charter schools) and found that nearly all spent program monies consistent with statute, but overall, program implementation has been inconsistent. The Arizona Department of Education (Department) should take steps to improve program administration and oversight, which would help ensure school districts' and charter schools' consistent program implementation. The Legislature should also consider various statutory changes to help improve program oversight. In addition, the Department should prioritize enrollment in and increase access to its reading trainings for school district and charter school educators, take steps to ensure that its use of reading-training-fee monies is consistent with statute, and align its reading-training fees with its costs to provide these trainings.

In 2012, the Legislature enacted the Program and has appropriated approximately \$40 million annually, beginning in fiscal year 2013, for school districts' and charter schools' K-3 reading programs. The Arizona State Board of Education (Board), in collaboration with the Department, was required to establish the Program. In fiscal years 2013 through 2015, the Board administered the Program. In October 2015, the Board directed the Department to administer the Program. The Program is sometimes referred to as the Move On When Reading Program because it is designed to help ensure that third grade students are reading well enough to "move on" to fourth grade. Statute requires each school district and charter school with K-3 students to annually submit a plan (annual reading plan) for improving the reading proficiency of its K-3 students to the Board by October 1. These annual reading plans must include information on the reading proficiency of K-3 students; reading screenings, assessments, and interventions; and program expenditures. The Board must approve the annual reading plans for school districts and charter schools with C, D, or F letter grades or with more than 10 percent of students reading far below grade level (lower-performing school districts and charter schools) before they may receive program monies.

**Sampled school districts and charter schools spent program monies consistent with statute, but inconsistently implemented the Program**—We reviewed the use of program monies and program implementation for a random sample of 12 school districts and 8 charter schools. We found that 19 of the 20 school districts and charter schools spent nearly all program monies consistent with statute. These 19 school districts and charter schools used program monies for items related to K-3 reading, including salaries and benefits for reading specialists who provided student instruction and teacher support for K-3 reading, and for reading materials such as books and curricula. One sampled charter school did not provide any documentation of its fiscal year 2015 program expenditures. Additionally, overall, program implementation by the school districts and charter schools reviewed was inconsistent. For example, we found that 13 of the 20 sampled school districts and charter schools did not meet the deadline for submitting at least one element of their annual reading plans as required by statute.

**Improved program administration and oversight would help ensure consistent program implementation**—We identified several areas of inconsistent administration and oversight, including inconsistent enforcement of program reporting requirements, inconsistent review of program information, insufficient program guidance, and no assessment of program outcomes. Therefore, since the Department is now responsible for program administration, it should take steps to address program oversight and administration, including developing guidance to help school districts and charter schools effectively implement the Program, and developing and implementing written policies and procedures related to validating and verifying school districts' and charter schools' program implementation and assessing program outcomes.

**Legislature should consider statutory changes to improve program oversight**—Although the Board must approve lower-performing school districts' and charter schools' annual reading plans before they can receive program monies, annual reading plans submitted by school districts and charter schools with A and B letter grades are



2016

automatically approved for program funding. Because of the effort involved in preparing and submitting these plans, the Legislature may want to consider revising statute by requiring only lower-performing school districts and charter schools to submit annual reading plans; requiring school districts and charter schools with A and B letter grades to submit annual reading plans less often; or requiring all school districts and charter schools to submit annual reading plans and receive funding only after board approval. Additionally, the Legislature should consider revising the deadline for school districts and charter schools to submit annual reading plans to allow the Department time to review these plans before distributing any program monies and consider requiring the Department to annually report program information to it.

## Recommendations

The Department should:

- Develop and implement guidance to help school districts and charter schools implement the Program; and
- Develop and implement written policies and procedures for administering and overseeing the Program.

The Legislature should consider the following statutory changes:

- Revise the annual reading plan submission requirements for school districts and charter schools;
- Modify the deadline for submission of annual reading plans; and
- Require the Department to annually report program information to the Legislature.

## Department should increase access to reading trainings and improve fee-setting process

**Department can improve access to reading trainings**—The Department provides reading trainings that may help school districts and charter schools more effectively implement the Program. It hires contractors to conduct these trainings primarily in Phoenix and Tucson, generally on weekdays during the school year. However, the Department does not prioritize reading-training enrollment for educators from lower-performing school districts and charter schools that would benefit most from the training. Some educators may also face barriers to attending reading trainings because their schools districts and charter schools may incur additional expenses related to traveling to the trainings and hiring substitute teachers in order for educators to attend.

To improve access to its trainings, the Department should identify and establish participant categories that will be given priority for enrolling in its reading trainings. It should also take steps to reduce enrollment barriers by continuing to allow requests for alternative reading training locations or schedules.

**Department should ensure that reading-training fees are appropriately used and aligned with costs**—Statute requires the Department to deposit any revenues from fees it charges for providing professional development into a specific fund. The Department must also receive a legislative appropriation to spend these monies. However, the Department has not deposited reading-training-fee revenues into the appropriate fund, and it has not received a legislative appropriation prior to spending these monies. Additionally, the Department has not conducted a complete analysis to ensure that all of its reading-training fees are appropriately aligned with its costs. The Department should ensure that its use of reading-training-fee monies is consistent with statute, conduct a full analysis of its reading-training costs, and align its reading-training fees with these costs.

## Recommendations

The Department should:

- Establish participant categories that will be given priority for enrolling in its reading trainings;
- Take steps to reduce barriers to enrolling in reading trainings;
- Ensure its use of training-fee monies is consistent with statute; and
- Conduct a full analysis of its reading-training costs and align its reading-training fees with these costs.