



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Division of School Audits

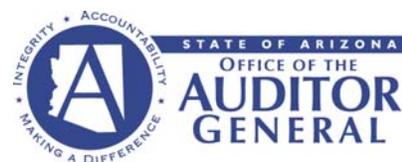
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Performance Audit

# Glendale Elementary School District

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August • 2009  
Report No. 09-04



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**Debra K. Davenport**  
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.

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---

**Ross Ehrick**, Director

**Ann Orrico**, Manager and Contact Person

**Briton Baxter**, Team Leader

**Amanda Brehmer**

**Dylan Brown**

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**Melissa Redding**

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**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**WILLIAM THOMSON**  
DEPUTY AUDITOR GENERAL

August 18, 2009

Members of the Arizona Legislature

The Honorable Jan Brewer, Governor

Governing Board  
Glendale Elementary School District

Dr. Sandra Johnson, Superintendent  
Glendale Elementary School District

Transmitted herewith is a report of the Auditor General, *A Performance Audit of the Glendale Elementary School District*, conducted pursuant to A.R.S. §41-1279.03. I am also transmitting with this report a copy of the Report Highlights for this audit to provide a quick summary for your convenience.

As outlined in its response, the District agrees with all of the findings and recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on August 19, 2009.

Sincerely,

Debbie Davenport  
Auditor General

DD:bl  
Enclosure

# SUMMARY

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The Office of the Auditor General has conducted a performance audit of the Glendale Elementary School District pursuant to A.R.S. §41-1279.03(A)(9). This performance audit examines six aspects of the District's operations: administration, student transportation, plant operation and maintenance, expenditures of sales taxes received under Proposition 301, the accuracy of district records used to calculate the percentage of dollars spent in the classroom, and the District's English Language Learner programs.

## [Administration \(see pages 5 through 8\)](#)

Glendale ESD's fiscal year 2008 per-pupil administrative costs were 13 percent higher than the comparable districts' average costs because the District employed more assistant principals, administrative information technology personnel, and administrative assistants. As a result, the District spent a higher percentage of its available operating dollars on administration, leaving it less to spend in the classroom. In addition to higher administration costs, the District inappropriately spent \$55,000 of public monies on meals for district staff who were not on travel status.

## [Student transportation \(see pages 9 through 13\)](#)

In fiscal year 2008, Glendale ESD spent about \$1.5 million more to operate its transportation program than it received in transportation revenues, and it had higher per-mile costs than the comparable districts' average. The District's higher costs arose primarily because safety concerns, such as railroad tracks, canals, and busy streets, led the District to transport riders who would normally be considered ineligible for transportation because they live too close to a school. As a result, the District operated many short routes and drove fewer miles per rider than the comparable districts, on average. Despite the higher costs, the transportation program is generally efficient. For example, the District operates efficient bus routes,

and it uses technology to further improve the program's efficiency and effectiveness. However, the District should discontinue using three of its buses that are not in compliance with state minimum standards to transport homeless students to and from school.

## Plant operation and maintenance (see pages 15 through 17)

The District's fiscal year 2008 per-square-foot plant operation and maintenance costs were slightly higher than the comparable districts' average primarily because of higher salary and benefit costs. These costs were high in part because the District employed substitute custodians to cover the shifts of custodians who were out sick, while the comparable districts either did not use substitute custodians or did not use them as frequently as Glendale ESD. Further, the District's electricity costs were higher than the comparable districts' average, possibly because it maintained buildings that were generally older. Older buildings are often less energy- and cost-efficient than newer buildings. However, the District has undertaken efforts, such as implementing an energy conservation plan and an energy management system, to help control its energy costs.

## Proposition 301 monies (see pages 19 through 21)

In November 2000, voters passed Proposition 301, which increased the state-wide sales tax to provide additional resources for education programs. For fiscal year 2008, Glendale ESD spent its Proposition 301 monies according to its plan and for purposes authorized under statute. On average, eligible employees received \$5,632 in Proposition 301 increases.

## Classroom dollars (see pages 23 through 24)

Glendale ESD's 55.7 percent classroom dollar percentage was lower than the comparable districts', state, and national averages. Because of this lower-than-average classroom dollar percentage and because it received less overall revenue than comparable districts, the District spent significantly less in the classroom than the comparable districts. Two factors affected the District's spending. First and most significantly, Glendale ESD received less overall revenue than the comparable districts averaged primarily because three of the comparable districts received desegregation monies, while Glendale received none. Further, the District spent more

money per pupil on administration, leaving fewer dollars available for the classroom. In part because of these two factors and also because the District's teachers were generally less experienced, Glendale ESD's reported average teacher salary was 12 percent lower than the reported average for the comparable districts.

## English Language Learner programs, costs, and funding (see pages 25 through 28)

In fiscal year 2009, Glendale ESD identified approximately 22 percent of its students as English language learners (ELL) and provided English language development (ELD) instruction for these students primarily through Structured English Immersion (SEI) and compensatory instruction programs. However, the District's SEI program did not fully comply with state requirements primarily because the District made some minor errors in grouping ELL students, which caused some students at one school to be placed on Individual Language Learner Plans when they should have been placed in ELD classes. Additionally, the District did not account for its incremental ELL-related costs throughout the fiscal year, but stated that it planned to adjust its records at the end of the year to properly account for these costs.



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# INTRODUCTION & BACKGROUND

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The Office of the Auditor General has conducted a performance audit of the Glendale Elementary School District pursuant to A.R.S. §41-1279.03(A)(9). This performance audit examines six aspects of the District's operations: administration, student transportation, plant operation and maintenance, expenditures of sales taxes received under Proposition 301, the accuracy of district records used to calculate the percentage of dollars spent in the classroom, and the District's English Language Learner Program.

Glendale Elementary School District is located within the city limits of Glendale and covers approximately 16 square miles. In fiscal year 2008, the District served 13,031 students attending 17 schools, in kindergarten through 8th grade.

A 5-member board governs the District, and a superintendent and 2 assistant superintendents manage it. In fiscal year 2008, the District employed 17 principals, 18 assistant principals, 745 certified teachers, 94 instructional aides, and 585 other employees, such as administrative staff, bus drivers, and custodians.

## District programs and services

Glendale Elementary School District offers various instructional and extracurricular programs (see textbox). For example, students demonstrating proficiency in mathematics through test scores, teacher recommendations, and work ethic may take a high school freshman-level algebra course. If they pass this course, students are then eligible to take higher level math courses when they enter high school. In addition, the District offers a program known as Math Achievement Club by Rodell (MAC-Ro) to its 1st- through 5th-grade students. The MAC-Ro program is designed to reinforce grade-level expectations through monthly workbooks that

### The District offers:

- Character counts social skills
- Hands-on science lab
- Gifted services at all schools
- High school math courses
- MAC-Ro math program
- DynEd afterschool program and tutoring
- 21st Century Afterschool Intervention Program

include math problems, puzzles, and games and are to be completed in addition to regular math assignments.

The District has also taken steps to help improve student achievement. For example, each district school is staffed with two achievement advisors who provide instructional coaching support to teachers. These advisors model teaching strategies, observe instruction, and provide specific feedback to improve instruction. According to the District, through mentoring and collaborative planning, new and continuing teachers are equipped to increase their effectiveness in improving student achievement. Further, Glendale ESD has developed a comprehensive data warehouse system that contains student achievement data for the past 3 years. According to the District, this system allows teachers and administrators to group student data according to various cohorts. Teachers can also access and utilize longitudinal student achievement data prior to taking on a new classroom of students.

For the 2008 school year, 12 of the District's 17 schools received "performing" or higher ratings through the Arizona LEARNS program. Specifically, three schools were labeled as "Performing plus," nine schools were labeled as "Performing," and five schools were labeled as "Underperforming." Additionally, five of the District's schools met "Adequate Yearly Progress" (AYP) for the federal No Child Left Behind Act, while 12 did not. Whether a district meets AYP objectives depends on several factors, including AIMS reading and math test scores for the total student population and for subgroups of the population, such as special needs students, English Language Learners, or students from various ethnic groups. Each of the 12 Glendale ESD schools that did not meet AYP objectives failed to do so because students in at least one subgroup did not demonstrate sufficient academic progress.

Glendale ESD is located in a high poverty area, as evidenced by the fact that approximately 77 percent of its student population was eligible to receive free or reduced-price lunches through the National School Lunch Program (NSLP). NSLP eligibility state-wide is 59 percent. Further, because of the percentage of students living below poverty guidelines, all of the District's schools receive federal Title I monies, which are used to provide services, such as small group reading interventions during regular school hours and after-school tutoring.

## Scope and objectives

Based in part on their effect on classroom dollars, as previously reported in the Auditor General's annual report, *Arizona Public School Districts' Dollars Spent in the Classroom (Classroom Dollars report)*, this audit focused on the District's efficiency and effectiveness in three operational areas: administration, student transportation,

and plant operation and maintenance. Further, because of the underlying law initiating these performance audits, auditors also reviewed the District's use of Proposition 301 sales tax monies and how accurately it accounted for dollars spent in the classroom. In addition, auditors reviewed the District's English Language Learner (ELL) program to determine its compliance with program and accounting requirements. To evaluate costs in each of these areas, only current expenditures, primarily for fiscal year 2008, were considered.<sup>1</sup> The methodology used to meet these objectives is described in this report's Appendix.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Auditor General and her staff express their appreciation to the Glendale Elementary School District's board members, superintendent, and staff for their cooperation and assistance throughout the audit.

1 Current expenditures are those incurred for the District's day-to-day operation. They exclude costs associated with repaying debt, capital outlay (such as purchasing land, buildings, and equipment), and programs such as adult education and community service that are outside the scope of preschool through grade 12 education.



# CHAPTER 1

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## Administration

Glendale Elementary School District's fiscal year 2008 per-pupil administrative costs were 13 percent higher than the comparable districts' average costs. As a result, the District spent a higher percentage of its available operating dollars on administration.<sup>1</sup> Costs were high because the District employed more assistant principals, administrative information technology personnel, and administrative assistants than the comparable districts, on average. In addition to high administration costs, the District inappropriately spent \$55,000 of public monies on staff meals.

### Administrative costs were higher than comparable districts'

As shown in Table 1 on page 6, Glendale ESD spent \$770 per pupil on administrative costs, 13 percent more than the comparable districts' average.<sup>2</sup> As a result, Glendale ESD spent more of its available operating dollars on administration, leaving it less to spend in the classroom. If the District had spent the same amount per pupil for administration as the comparable districts spent on average, it could have potentially moved almost \$1.2 million more into the classroom.

Administrative costs are monies spent for the following items and activities:

- **General administrative expenses** are associated with governing board's and superintendent's offices, such as elections, staff relations, and secretarial, legal, audit, and other services; the superintendent's salary, benefits, and office expenses; community, state, and federal relations; and lobbying;
- **School administrative expenses** such as salaries and benefits for school principals and assistants who supervise school operations, coordinate activities, evaluate staff, etc., and for clerical support staff;
- **Central support services** such as business support services, planning, research, development, and evaluation services; informing students, staff, and the general public about educational and administrative issues; recruiting, placing, and training personnel; and administrative technology services.

Source: Auditor General staff analysis of the USFR Chart of Accounts.

1 Available operating dollars are those used to make current expenditures as defined in footnote 1 on page 3.

2 The five comparable districts were selected primarily on the basis of their similarity in number of students and schools.

Table 1: Total and Per-Pupil Administrative Cost Comparison  
Fiscal Year 2008  
(Unaudited)

District Name	Total Administrative Costs	Number of Students	Administrative Cost Per Pupil
Tempe ESD	\$10,375,077	12,156	\$854
Isaac ESD	6,064,629	7,498	809
<b>Glendale ESD</b>	<b>10,032,275</b>	<b>13,031</b>	<b>770</b>
Pendergast ESD	6,942,202	10,343	671
Cartwright ESD	10,856,470	18,722	580
Alhambra ESD	6,843,842	14,224	481
<b>Average of the comparable districts</b>	<b>\$8,216,444</b>	<b>12,588</b>	<b>\$679</b>

Source: Auditor General staff analysis of district-reported fiscal year 2008 accounting data and average daily membership information obtained from the Arizona Department of Education.

Glendale ESD's higher administrative costs were due primarily to higher staffing levels. As shown in Table 2 on page 7, the District had one administrative position for every 89 students, while the comparable districts averaged one for every 103 students. The higher staffing levels account for approximately 86 percent of the difference in the District's administrative costs versus the other districts, and occurred specifically in the following positions.

- **Assistant principals**—Despite having the same number of schools as the comparable districts, on average, Glendale ESD employed 18 assistant principals, one for every 724 students, while the comparable districts averaged 11 assistant principals, one for every 1,564 students.
- **Information technology**—Glendale ESD employed 10 administrative information technology employees, one for every 1,327 students, while the comparable districts' averaged 7 administrative information technology employees, one for every 3,154 students. The District employed more information technology employees because it relies heavily on technology in the classroom and other areas, such as student transportation.
- **Administrative assistants**—Glendale ESD employed 56 administrative assistants, one for every 232 students, while the comparable districts averaged 44 administrative assistants, one for every 297 students.

Table 2: District Staffing Level Comparison  
Fiscal Year 2008  
(Unaudited)

District Name	Administrative Staff	Students per Administrative Staff
Alhambra ESD	111	128
Cartwright ESD	177	106
Pendergast ESD	102	101
Isaac ESD	80	94
<b>Glendale ESD</b>	<b>147</b>	<b>89</b>
Tempe ESD	145	84
<b>Average of the comparable districts</b>	<b>123</b>	<b>103</b>

Source: Auditor General staff analysis of average daily membership information obtained from the Arizona Department of Education and district-provided fiscal year 2008 detailed payroll records.

To achieve a comparable ratio of administrative staff to students, the District would need to reduce about 20 administrative positions. If the District had staffed similarly to the comparable districts, it could have saved about \$76 per pupil and spent only about 9.4 percent of its available operating dollars on administration. Currently, the District spends 10.4 percent on administration, which is higher than the comparable districts and the state average.

## District inappropriately spent \$55,000 of public monies on staff meals

According to Attorney General Opinion I90-077, staff meals may be provided only while employees are on travel status. However, in fiscal year 2008, the District spent \$55,093 for meals for staff attending various meetings, trainings, and recognition events within the District. This included \$26,686 of food provided by the District's food service department, \$16,252 of food purchases from grocery stores, \$6,814 for catering services, and \$4,159 of food purchased from restaurants. The remaining amount was spent on food purchases from specialty stores or reimbursements paid to employees for food purchases for which auditors could not identify the direct source of the purchase.

## Recommendations

1. The District should evaluate whether it can reduce its number of administrative positions to produce cost savings.
2. The District should discontinue using public monies for purchasing staff meals.

# CHAPTER 2

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## Student transportation

In fiscal year 2008, Glendale Elementary School District spent 3 percent of its available operating dollars on student transportation, which is similar to the comparable districts' spending. Because of safety concerns, such as railroad tracks, canals, and busy streets, the District chose to transport riders who would normally be considered ineligible for transportation because they live too close to school. As a result, the District had higher per-mile costs, and its transportation revenues were not sufficient to cover its costs. Although Glendale ESD subsidized its transportation program with approximately \$1.5 million that could have otherwise potentially been spent in the classroom, its program is essentially efficient. The District operates efficient bus routes, and it uses technology to further improve the efficiency and effectiveness of its program. However, the District should discontinue using three of its buses that are not in compliance with state standards to transport homeless students to and from school.

### Transportation Facts for Fiscal Year 2008

Riders	5,330
Bus drivers*	40
Mechanics*	3
Average daily route miles	2,167
Total miles	399,928
Total noncapital expenditures	\$2,861,613

\*Full-time equivalents.

## Background

During fiscal year 2008, Glendale ESD transported approximately 5,330 of its 13,031 students to and from 16 of its 17 schools. In addition to regular and special needs transportation, the District provided transportation for field trips, athletic events, and extracurricular activities. The District uses staggered start and stop times for its schools in order to allow the same buses and bus drivers to make multiple morning and afternoon trips. Glendale ESD outsourced some of its special needs transportation and homeless student routes. However, according to district officials, in fiscal year 2009 they have reduced the volume of outsourced routes and are now providing these services in-house. Glendale ESD's transportation policy calls for it to

provide transportation for regular education students that live more than 1 mile from the school. However, because of safety concerns brought on by railroad tracks, canals, and major cross streets such as Grand Avenue, the District transports a large number of students who would typically be considered ineligible for transportation.

## Despite subsidization, the District’s transportation program is efficient

In fiscal year 2008, Glendale ESD spent \$2.8 million to operate its transportation program, about \$1.5 million more than it received in transportation revenues. As shown in Table 3, while the District had a lower-than-average cost per rider, its cost per mile was higher than the comparable districts’ average. This higher cost-per-mile occurred primarily because the District transported more students fewer miles than the comparable districts, which caused it to have more routes. Despite this, the District operated efficient bus routes and used technology to further improve the program’s efficiency.

**Table 3:** Students Transported, Mileage, and Costs  
Fiscal Year 2008  
(Unaudited)

District Name	Total Riders	Total Miles	Total Noncapital Expenditures	Cost Per Mile	Cost Per Rider	Miles Per Rider
Isaac ESD	1,374	149,905	\$1,550,046	\$10.34	\$1,128	109
<b>Glendale ESD</b>	<b>5,330</b>	<b>399,928</b>	<b>2,861,613</b>	<b>7.16</b>	<b>537</b>	<b>75</b>
Alhambra ESD	5,447	510,957	3,229,177	6.32	593	94
Cartwright ESD	4,817	432,973	2,360,412	5.45	490	90
Tempe ESD	6,295	829,583	4,289,992	5.17	681	132
Pendergast ESD	1,981	385,149	1,933,439	5.02	976	194
<b>Average of the comparable districts</b>	<b>3,983</b>	<b>461,713</b>	<b>\$2,672,613</b>	<b>\$6.46</b>	<b>\$774</b>	<b>124</b>

Source: Auditor General staff analysis of Arizona Department of Education fiscal year 2008 district mileage reports and district-reported fiscal year 2008 accounting data.

**Higher per-mile costs due to driving fewer miles**—As shown in Table 3, during fiscal year 2008, the District drove 13 percent fewer total miles than the comparable districts’ average, but transported about 34 percent more riders. This occurred primarily because the District transported many riders who lived within a mile of a district school and would normally be considered ineligible for transportation, but were transported because hazardous conditions made it unsafe for them to walk to school. As stated above, there are hazardous conditions

within the District's boundaries, such as Grand Avenue, other major cross streets, railroad tracks, and canals. Therefore, the District chose to construct routes that would pick up students living close to school if they would encounter such hazards when walking to school. As a result, the District drove an average of only 75 miles per rider during the fiscal year, or less than one half mile daily, while the comparable districts drove an average of 124 miles per rider. Driving these shorter routes to transport more students increased the District's per-mile cost primarily because the District needed to operate more routes and employ four additional drivers.

Driving fewer miles impacts the District's transportation revenue and its ability to cover costs because the State's transportation funding formula is based primarily on the number of route miles driven, with more route miles resulting in higher funding.

Despite higher costs, the District's bus routes were efficient—Districts with efficient bus routes typically use 75 percent or more of bus capacity. Although it used shorter routes, Glendale ESD's buses operated, on average, at 78 percent of seat capacity, making its regular education routes efficient. In fiscal year 2008, the District reviewed its routes and bus capacity at least twice, and as a result, made adjustments to its routes to improve efficiency.

The District uses technology to improve program efficiency and effectiveness and rider safety—Recognizing that its program costs exceed its revenues, Glendale ESD uses technology to help improve program efficiency and effectiveness. For example:

- **Tracking buses**—The District's buses are equipped with global positioning systems (GPS). The District uses GPS data to determine where a bus has traveled and the speeds at which it traveled. The GPS can also provide other types of information, such as whether a bus came to a complete stop before crossing a railroad track and the amount of time a bus is idling. Long idling times can increase the District's fuel costs.
- **Bus inspections**—Drivers use technology daily in the form of handheld devices and radio frequency identification (RFID) tags strategically placed throughout a bus to perform pre- and post-trip bus inspections. Not only does the system remind drivers of all the items that need to be checked, it also allows them to notify mechanics when there is a problem with a bus. Inspection information entered by the driver is then uploaded into a database where it can be analyzed to determine information, such as how long it takes drivers to perform inspections.
- **Rider tracking and safety**—The District also uses technology to track riders and improve rider safety. Specifically, in fiscal year 2009, the District began

pilot testing a rider bus pass system. Each rider is assigned a unique bus pass that is read by a RFID reader when the rider enters or exits a bus. The date, time, and location is automatically logged into a database, allowing the District to know which students are on each bus, when and where each student enters and exits a bus, and how many students ride each bus route. The District also employs a system that helps it ensure that students are not left on the bus at the end of a route. Upon completing a route, the driver must walk to the back of the bus and push a button to indicate that all students have exited the bus. If the driver fails to perform this activity, an alarm sounds to remind the driver to check for students left behind on the bus.

## Some district buses not in compliance with state standards

In fiscal year 2008, the District used a white 14-passenger bus similar to a typical school bus to transport homeless students to and from school on a regular basis. In fiscal year 2009, the District used three white buses to transport homeless students to and from school. The District does so because its homeless student routes often have a small number of students—from three to five students per route—and it finds these buses are more efficient to operate. However, to help ensure student safety, the State's *Minimum Standards for School Buses and School Bus Drivers* (Minimum Standards) require school buses used to transport students to and from school to be painted "National School Bus Yellow." Further, according to the District, its white buses do not contain several other required school bus safety features, such as a stop signal arm and certain safety lights.

Once a bus is painted white, it no longer meets the definition of a school bus and is no longer subject to the State's Minimum Standards. Not only does a white bus not have to meet minimum safety requirements, it no longer receives annual inspections from the Department of Public Safety, and it does not have to be operated by a certified school bus driver. Although the District uses certified drivers to operate these buses to transport homeless students, because the white buses do not meet all state school bus requirements and could potentially present safety issues, they should not be used to transport students to and from school. However, the State's Minimum Standards do allow white buses to be used to transport students to and from activities, such as sporting events.

## Recommendations

1. The District should continue identifying ways to further improve the efficiency of its transportation program to produce cost savings.
2. The District should discontinue using buses that do not meet all state Minimum Standards to transport students to and from school.



# CHAPTER 3

## Plant operation and maintenance

In fiscal year 2008, Glendale ESD spent 10.4 percent of its total available operating dollars on plant operation and maintenance costs, slightly more than the 9.5 percent spent by the comparable districts. The District's per-square-foot plant costs were slightly higher than the comparable districts' average because of higher salary and benefit costs and supply costs, including electricity. However, the District has undertaken efforts, such as implementing an energy conservation plan, to help control its plant costs.

### What are plant operation and maintenance costs?

Salaries, benefits, and other costs for heating and cooling, equipment repair, groundskeeping, and security.

Source: Auditor General staff analysis of the USFR Chart of Accounts.

### Plant costs slightly higher than the comparable districts' despite efforts to control energy costs

As shown in Table 4, although the District's per-pupil plant costs were similar to the comparable districts' average, its \$7-per-square-foot cost was 7 percent higher.

Table 4: Plant Costs and Square Footage Comparison  
Fiscal Year 2008  
(Unaudited)

District Name	Plant Costs				Square Footage Per Student
	Total	Per Student	Per Square Foot	Total Gross Square Footage	
Isaac ESD	\$7,577,682	\$1,011	\$8.62	878,828	117
<b>Glendale ESD</b>	<b>10,053,575</b>	<b>771</b>	<b>7.00</b>	<b>1,436,502</b>	<b>110</b>
Tempe ESD	10,849,809	893	6.39	1,698,339	140
Pendergast ESD	6,852,095	663	5.95	1,150,964	111
Cartwright ESD	11,333,221	605	5.85	1,936,083	103
Alhambra ESD	9,233,060	649	5.82	1,585,725	111
<b>Average of the comparable districts</b>	<b>\$9,169,173</b>	<b>\$764</b>	<b>\$6.53</b>	<b>1,449,988</b>	<b>116</b>

Source: Auditor General staff analysis of district-reported fiscal year 2008 accounting data, average daily membership information obtained from the Arizona Department of Education, and fiscal year 2008 gross square footage information obtained from the Arizona School Facilities Board.

Per-square-foot costs slightly higher—The District’s slightly higher per-square-foot costs were primarily caused by higher salary and benefit costs. As shown in Table 5, Glendale ESD’s salary and benefit costs were 10 percent higher than the comparable districts’ average. This occurred in part because the District employed substitute custodians to replace custodians who were out sick. The comparable districts either did not use substitute custodians or did not use them as frequently as Glendale ESD.

**Table 5: Comparison of Per-Square-Foot Costs by Category  
Fiscal Year 2008  
(Unaudited)**

<b>District Name</b>	<b>Salaries and Benefits</b>	<b>Purchased Services</b>	<b>Supplies and Other</b>	<b>Total</b>
Isaac ESD	\$4.10	\$2.42	\$2.10	\$8.62
<b>Glendale ESD</b>	<b>3.43</b>	<b>1.53</b>	<b>2.04</b>	<b>7.00</b>
Tempe ESD	3.35	1.25	1.79	6.39
Pendergast ESD	2.90	1.32	1.73	5.95
Cartwright ESD	2.77	1.43	1.65	5.85
Alhambra ESD	2.41	1.60	1.81	5.82
<b>Average of the comparable districts</b>	<b>\$3.11</b>	<b>\$1.60</b>	<b>\$1.82</b>	<b>\$6.53</b>

Source: Auditor General staff analysis of district-reported fiscal year 2008 accounting data, and fiscal year 2008 gross square footage information obtained from the Arizona School Facilities Board.

Table 5 also shows that supply costs, such as energy costs, were another contributor to the District’s higher per-square-foot plant costs. Specifically, the District’s per-square-foot electricity costs were about 9 percent higher than the comparable districts’ costs, on average. One possible reason for the higher electricity costs is that Glendale ESD’s buildings are generally older than the comparable districts’, which can impact costs such as electricity and repair and maintenance. On average, Glendale ESD’s buildings, weighted by the amount of total square feet, are 8 percent older than the comparable districts’ buildings. Although it is difficult to quantify the effect, older buildings are often less energy- and cost-efficient.

Despite spending slightly more on electricity than the comparable districts, Glendale ESD has taken steps to decrease its energy usage and costs.

Energy conservation plan—The District uses a formal energy conservation plan that establishes acceptable room temperature settings, requires that energy consumption be monitored, establishes set back times and temperatures, and sets criteria for equipment use, such as not allowing teachers to keep mini-

refrigerators, space heaters, and coffee makers in their classrooms.<sup>1</sup> The District's plan also requires energy-saving measures, such as keeping doors and windows closed when heating or cooling rooms, closing drapes and blinds to reduce heat loss in the winter and keep heat out in the summer, and automatically setting computer screens to a blank screen when the computer is idle instead of allowing screensavers. Performing routine preventative maintenance, such as regularly changing air filters, also helps to save energy. The comparable districts each had varied energy conservation plans that included measures similar to Glendale ESD's plan. To hold schools accountable for energy usage, one of the comparable districts charges principals' budgets \$0.09 for every kilowatt hour of energy used over a targeted usage amount.

**Energy management system**—The District uses an energy management system to monitor the electricity usage at all 17 of its schools. The system allows the District's plant unit managers to monitor and adjust classroom temperatures in real time. The system can also be used to pre-diagnose problems with rooftop heating and cooling units, which can potentially save money and repair time. Four of the five comparable districts also used management systems to control and/or monitor energy usage at some of their schools, but some have not yet added all of their schools to the systems.

## Recommendations

1. The District should evaluate whether it can reduce its number of plant positions to produce cost savings.
2. The District should continue identifying ways to further improve the efficiency of its plant operations, including additional ways to lower energy usage, to produce cost savings.

<sup>1</sup> Set back times and temperatures refer to the time that temperatures are raised or lowered after a building is vacated for the night.



# CHAPTER 4

## Proposition 301 monies

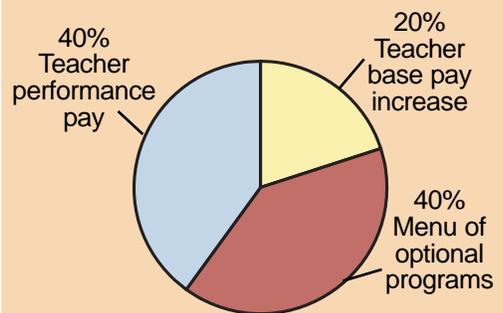
In November 2000, voters passed Proposition 301, which increased the state-wide sales tax to provide additional resources for education programs. For fiscal year 2008, Glendale ESD spent its Proposition 301 monies according to its plan and for purposes authorized by statute.

### Background

In approving Proposition 301, voters increased the state-wide sales tax by six-tenths of 1 percent for 20 years. Under statute, after allocations for ten state-wide educational purposes, such as school facilities revenue bonds and university technology and research initiatives, the remainder of the revenue goes to the State Classroom Site Fund for distribution to school districts and charter schools. These monies may be spent only in specific proportions for three main purposes: teacher base pay increases, teacher performance pay, and certain menu options, such as reducing class size, providing dropout prevention programs, and making additional increases in teacher pay.

During fiscal year 2008, the District received \$5,601,882 in Proposition 301 monies and distributed \$6,360,204 to employees. The amount distributed included \$742,526 in performance pay monies earned by employees in fiscal year 2007, but distributed to them in fiscal year 2008.

Required apportionment of Proposition 301 monies



- AIMS intervention programs
- Class size reduction
- Dropout prevention programs
- Teacher compensation increases
- Teacher development
- Teacher liability insurance premiums

## District's Proposition 301 plan and spending appropriate

The District's plan was originally created by a volunteer committee consisting of teachers and administrators representing all of the District's schools, and was reviewed and approved by the District's Governing Board. In fiscal year 2008, representatives from 10 of the District's 17 schools managed the plan, making modifications as necessary.

The District identified employees eligible to receive Proposition 301 monies as employees possessing a current Arizona teaching certificate employed at least half time, including classroom teachers, librarians, achievement advisors, intervention specialists, teacher coaches, and technology trainers.

The District spent Proposition 301 monies as follows:

**Base pay**—Eligible classroom teachers earned base pay increases equal to 3.5 percent of their salary. On average, employees earned \$1,249, plus related benefits.

**Performance pay**—Eligible full-time employees could earn up to \$3,530 if all components of the District's plan were met. The District's performance pay plan is divided into the following components:

- **Student Achievement (50 percent of performance pay)**—This performance pay component was based on Spring 2008 AIMS scores for each school. To qualify, schools had to show an increase in the number of students who met or exceeded the standard for AIMS scores in math and/or reading. This component allows for steps in payment depending on the percentage of increase each school achieves in each category. An eligible employee could earn between \$529 and \$1,765, awarded as follows:
  - Eligible employees at schools that achieved at least a 7.0 percent increase in the number of students who met or exceeded the standard in math and/or reading could earn \$882 for each category.
  - Eligible employees at schools that achieved a 6.0 to 6.9 percent increase in the number of students who met or exceeded the standard in math and/or reading could earn \$705 for each category.
  - Eligible employees at schools that achieved a 5.0 to 5.9 percent increase in the number of students who met or exceeded the standard in math and/or reading could earn \$529 for each category.
- **Action research/new teacher portfolio (40 percent of performance pay)**—The District offered two options for this performance pay component. Existing

eligible employees could develop and implement an action research plan aimed at increasing student achievement, such as developing students' critical thinking skills and increasing reading comprehension. Employees could address these goals either individually or in a group. Employee action research plans were evaluated near the end of the school year by the principal or assistant principal on whether they had potential to positively impact student achievement. Eligible employees successfully completing this component received \$1,412. Teachers new to the District could earn performance pay by participating in the New Teacher Induction Program, for which a teaching portfolio had to be developed by each participant.

- **Rating of school quality by parents (10 percent of performance pay)**—This component was evaluated based on results from a Spring 2008 parent survey. The survey asked parents to rate school quality and practices on a scale of 1 to 4. In order for eligible employees to receive the \$353 in performance pay for this plan component, a school must have had an overall average score equal to or greater than 2.9. All 17 schools received ratings above 2.9, qualifying all eligible employees to receive this portion of performance pay.

On average, eligible employees received \$2,435 in performance pay, with 261 out of 771 employees each receiving the full \$3,530 maximum amount possible.

**Menu options**—Statute allows school districts to choose among six different options for allocating the menu option monies, including:

- AIMS intervention programs
- Class size reduction
- Dropout prevention programs
- Teacher compensation increases
- Teacher development
- Teacher liability insurance premiums

The District chose to use \$1,945,998 of its \$2,071,693 in menu monies for employee salary increases. Each eligible employee received 5.5 percent of his or her salary from menu monies, or an average of about \$1,948 per employee. The District also used \$125,695 of menu monies to pay stipends to eligible employees for attending specific professional development activities, such as trainings focused on math and reading curriculum and technology used in the classroom.



# CHAPTER 5

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## Classroom dollars

Glendale ESD's 55.7 percent classroom dollar percentage was lower than the comparable districts', state, and national averages. Because of this lower-than-average classroom dollar percentage and because it received less overall revenue than comparable districts, the District spent significantly less in the classroom than the comparable districts. Two factors affected the District's spending. First and most significantly, Glendale ESD received less overall revenue than the comparable districts averaged primarily because three of the comparable districts received desegregation monies, while Glendale received none. Further, the District spent more money per pupil on administration, leaving fewer dollars available for the classroom. In part because of these two factors and also because the District's teachers were generally less experienced, Glendale ESD's reported average teacher salary was 12 percent lower than the reported average for the comparable districts.

### District spent less in the classroom because it received less revenue and had higher administrative costs

As shown in Table 6 on page 24, Glendale ESD spent \$509 per pupil less in the classroom than the comparable districts, on average. Several factors affected the District's per-pupil classroom spending. Primarily, the District spent fewer dollars in the classroom because it received less revenue than the comparable districts, on average. To a lesser extent, the District's higher-than-average administrative costs contributed to lower per-pupil classroom spending.

**District received less revenue**—The District spent fewer dollars overall because it did not receive any desegregation monies, while three of five comparable districts received an average of \$669 per pupil in desegregation monies.

**Table 6:** Comparison of Expenditure Percentages and Per-Pupil Expenditures by Function  
Fiscal Year 2008  
(Unaudited)

	Glendale ESD		Comparable Districts' Average		State Average 2008		National Average 2006	
	Percent	Per-Pupil Expenditures	Percent	Per-Pupil Expenditures	Percent	Per-Pupil Expenditures	Percent	Per-Pupil Expenditures
Total spending per pupil		\$7,397		\$7,993		\$7,813		\$9,155
Classroom dollars	55.7%	\$4,120	58.0%	\$4,629	57.3%	\$4,480	61.0%	\$5,583
Nonclassroom dollars								
Administration	10.4	770	8.5	679	9.2	720	10.8	991
Plant operations	10.4	771	9.5	764	11.3	881	9.9	902
Food service	7.0	518	6.6	525	4.8	373	3.8	352
Transportation	3.0	220	2.7	220	4.4	346	4.2	384
Student support	5.4	397	7.5	604	7.4	577	5.2	476
Instructional support	8.1	601	7.2	572	5.4	425	4.9	446
Other	0.0	0	0.0	0	0.2	11	0.2	21

Source: Auditor General staff analysis of fiscal year 2008 School District Annual Financial Reports provided by the Arizona Department of Education, summary accounting data provided by individual school districts, and National Center for Educational Statistics' data from the *Digest of Education Statistics 2007*.

**Higher administration costs**—Glendale ESD spent \$770 per pupil, or 13 percent more, on administration costs than the comparable districts averaged. As a result, fewer dollars were available for the classroom. As noted in the administration chapter, the District's spending was higher in this area primarily because it employed more assistant principals, information technology personnel, and administrative assistants. A smaller factor was that the District also paid 44 administrators performance pay ranging from \$833 to \$6,500 each, while only one of the five comparable districts paid administrators performance pay.

**Lower average teacher salary**—Teacher salaries make up the largest part of classroom spending. However, in part because it had less money available and spent more on administration, and because its teachers were generally less experienced, Glendale ESD's teacher salaries were lower than the comparable districts', on average. The District's reported fiscal year 2008 average teacher salary of \$43,152 was 12 percent, or nearly \$6,000, less than comparable districts' reported average teacher salary of \$49,048.

## Recommendation

The District should evaluate costs in noninstructional areas, particularly administration, to determine if savings can be achieved and if some of these monies can be redirected to the classroom.

# CHAPTER 6

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## English Language Learner programs, costs, and funding

In fiscal year 2009, Glendale ESD identified approximately 22 percent of its students as English Language Learners (ELL) and provided English Language Development (ELD) instruction for these students primarily through Structured English Immersion programs. However, the District will need to make minor modifications to its ELL program to ensure it meets state requirements. Additionally, the District did not account for its incremental ELL-related costs as required by the Uniform Chart of Accounts for School Districts.

### Background

English Language Learners are students whose native language is not English and who are not currently able to perform ordinary classroom work in English. ELL students are identified through a state-adopted language proficiency test. School districts are required to administer this test to students if the primary language spoken in the student's home is other than English, and then retest annually those students identified as ELL. School districts must then report the test results to the Arizona Department of Education (ADE).

Incremental costs are the costs, as defined by the ELL Task Force, that are associated with an SEI program and that are in addition to the normal costs of conducting programs for English proficient students.

By reporting their numbers of ELL students, districts are eligible for additional monies for ELL programs through the State's school funding formula (known as ELL Group B Weight monies) and the federal Title III program. In addition, school districts may submit budget requests to

### Levels of English Language Proficiency:

**Pre-emergent**—Student does not understand enough language to perform in English.

**Emergent**—Student understands and can speak a few isolated English words.

**Basic**—Student may understand slower speech, and speak, read, and write simple words and phrases, but often makes mistakes.

**Intermediate**—Student can understand familiar topics and is somewhat fluent in English, but has difficulty with academic conversations.

**Proficient**—Student can read and understand texts and conversations at a normal speed, and can speak and write fluently with minor errors.

Source: Arizona Department of Education.

ADE for monies to implement Structured English Immersion (SEI) and Compensatory Instruction (CI) programs.<sup>1</sup> However, if a district's Group B Weight monies are sufficient to cover the incremental costs of its SEI program, no additional SEI monies are awarded through the budget request process.

## District's ELL program not fully in compliance with the SEI model

Figure 1 provides an overview of the SEI model requirements that all Arizona school districts must comply with. In fiscal year 2009, Glendale ESD identified 2,763 (22 percent) of its students as English language learners and offered ELD classes at all 17 of its schools. The District also used Individual Language Learner Plans (ILLPs) in conjunction with ELD classes at six of its schools. School districts qualify to use ILLPs when they have 20 or fewer ELL students in a three-grade span. Students with ILLPs may be placed into regular mainstream classrooms with English proficient students. However, the SEI model stipulates that 4 hours of ELD must still be provided, and an ILLP should contain the details of how that will be accomplished. Minor modifications are needed to ensure that Glendale ESD's grouping of ELL students and its ILLPs are in full compliance with the State's SEI model requirements.

### Figure 1: Structured English Immersion Model Requirements

- **English language development (ELD) components**—Students receive 4 hours of ELD Instruction daily in the following instructional areas: Oral English and Conversation, Grammar, Reading, Writing, and Vocabulary.
- **Grouping Requirements**—ELL students are placed into SEI classrooms according to ELL proficiency level in class sizes not exceeding the non-ELL average class size in the district. In addition, the following maximum class sizes apply:
  - Pre-Emergent and Emergent—23
  - Basic and Intermediate—28
- **Teacher Qualifications**—All teachers in SEI classrooms must be Highly Qualified and have an SEI, English as a Second Language, or Bilingual Endorsement. Additionally, SEI teachers at the middle school and high school level must be Highly Qualified in English or Language Arts.
- **Individual Language Learner Plans (ILLP)**—Schools with 20 or fewer ELL students within a three-grade span may choose to create ILLPs for those students. These students may be placed in classrooms with English-proficient students. The ILLPs should detail how each individual student will receive the 4 hours of ELD instruction in this setting.

Source: *Structured English Immersion Models of the Arizona English Language Learners Task Force-5/14/08* and *Arizona Department of Education Guidance on ILLP 8/2008*.

District did not appropriately group ELL students for ILLP determinations—For the majority of its ELD classes, Glendale ESD chose to group ELL students by individual grade level rather than by the three-grade span allowed by the SEI model. As a result, one of its schools had placed some students in 4-hour ELD classes while other students at the same grade level were

1 SEI provides English language development during the normal school day, while CI provides ELD outside the normal school day in programs such as after-school tutoring or summer school.

placed on ILLPs. According to the District's records, it placed most of each grade level's ELL students in ELD classes. However, once its ELD classes were full, there were on average 9 students remaining in each grade level. The District stated that it was not economically advantageous to create additional ELD classes to accommodate 20 or fewer students. Therefore, it placed those students in mainstream classes and created ILLPs for them. According to ADE's Office of English Language Acquisition Services, this practice does not follow the approved SEI model because the District did not have 20 or fewer ELL students in a three-grade span, which is required before a district can use ILLPs.

**District's ILLPs do not meet model's requirements**—In December 2008, ADE monitored the District's ELL program and found that the District had not appropriately implemented the SEI model and that corrective action was needed. Specifically, ADE found that the District's ILLPs did not address each individual student's needs and did not specify how the 4-hour ELD requirement was going to be met.

## Fiscal year 2009 SEI Fund expenditures

The District's fiscal year 2009 approved SEI budget request provided it with \$95,495 for salaries and benefits for two incremental ELD teachers. The approved budget was based on placing ELL students in SEI classrooms according to their proficiency levels and grades (three-grade span). At the time of this audit, the District was not separately accounting for these monies but instead planned to make year-end adjustments to identify how these and other monies tied to its ELL program.

## Fiscal year 2010 SEI budget request provides no additional funding

Glendale ESD's 2010 SEI budget request included salaries and benefits for 14 incremental teachers, related training costs, and instructional materials (see textbox). However, because the District is expected to receive more ELL Group B Weight monies than it needs for its incremental expenditures, it was not approved to receive any SEI monies.

### Approved SEI Budget Fiscal Year 2010

<b>Costs:</b>	
Incremental teacher salaries	\$629,537
Incremental teacher benefits	157,384
Textbooks, instructional aids, and assessments	3,346
Transportation for itinerant teachers	0
Travel expenses for training—administrators	0
Travel expenses for training—teachers	0
Travel stipends for training time outside of regular school days	61,086
Classroom substitute	0
Other expenses	<u>0</u>
Total incremental costs	\$851,354
<b>State and Local Offsets:</b>	
ELL "Group B Weight"	<u>\$1,734,181</u>
<b>Net Budget Request</b>	<u><u>\$0</u></u>

## District's Compensatory Instruction program follows its budget request

For fiscal year 2009, Glendale ESD was approved for a Compensatory Instruction budget of \$303,908 for an after-school tutoring program and summer school classes for ELL students.

- **After School tutoring program**—The District budgeted \$228,661 for an after-school tutoring program. After-school classes were scheduled for either 1 hour a day, three times each week or 1.5 hours a day, twice each week, for 20 weeks. The program was offered at 12 of the District's 17 schools. Each of the 12 schools offered three to five after-school classes, and approximately 8 to 15 students attended each class. For each week they participated in the program, teachers were paid for an average of 3 hours of instruction and up to 1.5 hours for time spent on program preparation. The CI Fund paid for teacher salaries and benefits and general classroom supplies.
- **Summer School**—The District budgeted \$75,247 to provide summer school classes for ELL students in June 2009. Classes were offered at 6 of the District's 17 schools, and students participating in the program received between 32 and 48 hours of ELD. According to the District, 24 teachers and approximately 300 students participated in the program. The CI Fund paid for teacher salaries and benefits and general classroom supplies.

## Recommendations

1. The District should ensure it only places ELL students on Individual Language Learner Plans when it has 20 or fewer ELL students in a three-grade span, as required by the SEI model.
2. The District should ensure that all Individual Language Learner Plans meet all state requirements, including ensuring that the plans address individual students' needs and specify how each student will receive 4 hours of English Language development.
3. The District should separately account for the incremental portion of ELL costs throughout the fiscal year rather than waiting until year-end to make adjustments.

# APPENDIX

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## Methodology

In conducting this audit, auditors used a variety of methods, including examining various records, such as available fiscal year 2008 summary accounting data for all districts and the Glendale Elementary School District's fiscal year 2008 detailed accounting data, contracts, and other district documents; reviewing district policies, procedures, and related internal controls; reviewing applicable statutes; and interviewing district administrators and staff.

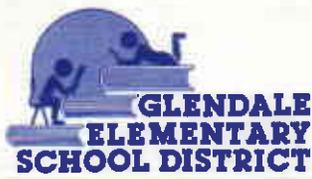
To develop comparative data for use in analyzing the District's performance, auditors selected a group of comparable districts. Using average daily membership counts and number of schools information obtained from the Arizona Department of Education, auditors selected the comparable districts based primarily on having a similar number of students and schools as Glendale Elementary School District, and secondarily on district type, location, classroom dollar percentage, and other factors. Additionally:

- To assess whether the District's administration effectively and efficiently managed district operations, auditors evaluated administrative procedures and controls at the district and school level, including reviewing personnel files and other pertinent documents, and interviewing district and school administrators about their duties. Auditors also reviewed and evaluated fiscal year 2008 administration costs and compared these to similar districts'.
- To assess whether the District's transportation program was managed appropriately and functioned efficiently, auditors reviewed and evaluated required transportation reports, driver files, bus maintenance and safety records, and bus capacity utilization. Auditors also reviewed fiscal year 2008 transportation costs and compared them to similar districts'.
- To assess whether the District's plant operation and maintenance function was managed appropriately and functioned efficiently, auditors reviewed and evaluated fiscal year 2008 plant operation and maintenance costs and district building space, and compared these costs and capacities to similar districts'.

Auditors also reviewed the District's energy management plan and energy monitoring system and compared them to similar districts'.

- To assess whether the District was in compliance with Proposition 301's Classroom Site Fund requirements, auditors reviewed fiscal year 2008 expenditures to determine whether they were appropriate, properly accounted for, and remained within statutory limits. Auditors also reviewed the District's performance pay plan and analyzed how performance pay was being distributed.
- To assess the accuracy of the District's classroom dollars and other expenditures, auditors evaluated internal controls related to expenditure processing and tested the accuracy of fiscal year 2008 expenditures.
- To assess the District's compliance with ELL program and accounting requirements, auditors examined the District's testing records for students who had a primary home language other than English, interviewed appropriate district personnel about the District's ELL programs, and evaluated the District's ELL-related budgets, revenues, and costs.

# DISTRICT RESPONSE



**Administrative Center**

7301 N. 58<sup>th</sup> Avenue  
Glendale, AZ 85301  
(623)237-7100

**Bicentennial North**

7237 W Missouri  
(623) 237-4009

**Bicentennial South**

7240 W. Colter  
(623) 237-4012

**Challenger**

6905 W. Maryland  
(623) 237-4011

**Coyote Ridge**

7677 W. Bethany Home  
(623)237-4015

**Desert Garden**

7020 W. Ocotillo  
(623) 237-4014

**Desert Spirit**

7355 W. Orangewood  
(623) 237-4016

**Discovery**

7910 W. Discovery  
(623)237-4013

**Don Mensendick**

5535 N 67<sup>th</sup> Avenue  
(623) 237-4006

**Glendale American**

8530 N. 55<sup>th</sup> Avenue  
(623) 237-4008

**Glendale Landmark**

5730 W. Myrtle  
(623) 237-4001

**Glenn F. Burton**

4801 W. Maryland  
(623) 237-4007

**Harold W. Smith**

6534 N 63<sup>rd</sup> Avenue  
(623) 237-4003

**Horizon**

8520 N. 47<sup>th</sup> Avenue  
(623) 237-4010

**Isaac E. Imes**

6625 N 56<sup>th</sup> Avenue  
(623) 237-4002

**Melvin E. Sine**

4932 W. Myrtle  
(623) 237-4004

**Sunset Vista**

7775 W. Orangewood  
(623) 237-4017

**William C. Jack**

6600 W. Missouri  
(623) 237-4005

August 13, 2009

Debra Davenport  
Auditor General  
2910 N 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

RE: Response to Glendale Elementary School District #40 2008  
Performance Audit

Dear Ms Davenport:

The Glendale Elementary School District respectfully submits our response to the Performance Audit conducted by the Office of the Auditor General for the 2008 fiscal year. We appreciate the formidable task the auditors were charged with in having to evaluate data to make equitable comparisons.

The allocation of available resources to promote student achievement is evidenced in the large gains our students have made over the past two years. In the 2009 fiscal year GESD had thirteen schools increase their performance standing under AZ Learns. Four of these schools improved their standing by two levels – three from underperforming to performing plus and one from performing to highly performing. For the first time in the history of GESD, we had zero underperforming schools, four performing schools, 11 performing plus schools, and two highly performing schools. Under NCLB's Adequate Yearly Progress, we have also made significant improvements. Five schools have been completely removed from any AYP consequences, seven schools improved their AYP status, zero schools declined, and 12 schools made AYP. We believe that purposeful changes to our organizational structure, the leadership provided by District and site administration, the professional development provided to our teachers, the quality of teachers and staff hired, and the support given to our teachers, have contributed to these gains.

We further appreciate the auditor's recognition of the lower per-pupil funding our district receives compared to other districts. GESD has managed a number of programs in order to lower costs. One example is the self-insurance trust for employee benefits. GESD has experienced only an average of a 1% increase in premiums over a three-year period while the market was increasing between 8% – 15% each year. The Glendale Elementary School District will continue to operate in a manner that will further our mission of increased student achievement.

If you have any questions regarding our response, please contact us.

Sincerely,

Sandra Johnson, Ed.D  
Superintendent

# Recommendations

## Administration

1. The district should evaluate whether it can reduce its number of administrative positions to produce cost savings.

*The district agrees it should always look for ways to reduce administrative costs and began that process in the spring of 2008.*

*There are some one-time non-recurring costs amounting to \$388,201 included in the administrative category for the 2007/08 fiscal year contributing to this variance. During the 2007/08 fiscal year GESD was in the process of constructing a classroom wing at the Jack/Mensendick campuses. In order to accommodate the 200 displaced students, the district opened an “annex” school located on the district office site that required one-time administrative costs. In addition, an administrator on assignment was used for managing some special projects. These were eliminated at the close of the 2007/08 fiscal year. The amount per pupil for these one-time administrative costs amounts to \$30.*

*The comparative districts use counselors and teachers on assignment to provide many of the same services provided by GESD assistant principals. GESD assistant principals perform many support services (i.e., counseling to students, linking families and students to social services and providing student interventions). Surveys conducted of the parents and community showed that many students had left the district due to their parents’ concerns about discipline. Additionally, the Governing Board held a series of workshops with staff to determine ways to improve retention of teachers. At those workshops teachers also expressed concerns that many teachers left due to concerns about discipline. We recognize that having assistant principals in every school adds to administrative costs but believe they are essential to our success and the many improvements we have made that have reduced disciplinary infractions and increased student attendance. GESD’s Governing Board shares the same concern regarding discipline and listed improving discipline and reducing serious infractions requiring student suspensions as Board Goals for 2008-09.*

*GESD already implemented a plan to further reduce administrative expenses during the 2008/09 fiscal year which included the elimination of a number of positions. In the spring of 2009, GESD implemented another series of cost cutting measures with the largest reductions made to district departments and away from the classroom.*

2. The District should discontinue using public monies for staff meals.

*GESD agrees with this recommendation at this point in time. It is important to note that, although the district recognizes that all revenue received by the district are*

*considered “public funds”, the funds used by the district to support these activities were not derived from any taxpayer source. The primary sources for the funds were from donations, revenues from easement agreements and lease of district facilities.*

*Light meals were provided at committee meetings scheduled through the lunch period and after-school. Committees were comprised of teachers, classified staff, administrators, parents and community members and dealt with evaluating and making recommendations regarding salary and benefit issues, budget issues, performance pay, parental input and participation, and community input and participation.*

*GESD believes an opinion from the attorney general’s office should be sought to clearly indicate the applicability of non-taxpayer sourced funding. Until that time, we have directed all staff to discontinue food purchases.*

## **Transportation**

1. The District should continue identifying ways to further improve the efficiency of its transportation program to produce cost savings.

*The District agrees with this recommendation. GESD implemented a reduction of transportation positions and bus driver hours beginning in March, 2009. The fueling tanks have been modified to allow the use of “red dye” fuel in school buses and vehicles not being used on public roads. This will reduce the cost per gallon of fuel based on a lower gas tax.*

*GESD appreciates the recognition of the efficiencies currently employed in the transportation department.*

2. The District should discontinue using buses that do not meet all state Minimum Standards to transport students to and from school.

*The District reluctantly agrees with this recommendation. The District will discontinue transporting students on McKinney-Vento routes to and from school in the 15-passenger mini-buses, which meet all side impact and seat specifications of a full-size bus. We will outsource this service to become compliant. However, contracting this service will increase the cost of transporting these students and decrease department efficiency.*

## **Plant Operation and Maintenance**

1. The District should evaluate whether it can reduce its number of plant positions to produce cost savings.

*The District agrees with this recommendation. The District has already eliminated the practice of using substitutes for short-term absences in the spring of 2009. In addition, it has reduced the number of hours allocated for cleaning facilities.*

2. The District should continue identifying ways to further improve the efficiency of its plant operations, including additional ways to lower energy usage, to produce cost savings.

*The District agrees with this recommendation. As noted in the audit report, there are a number of cost savings initiatives already underway that are expected to yield savings in this area. Of special concern, however, is the continually increasing cost per kilowatt due to the granting of rate increases to the utility companies. In the 2008/09 fiscal year GESD reduced its kilowatt usage by over 2,000,000kw. However, the overall cost of electricity still increased over the prior year.*

### **Proposition 301 Monies**

No recommendations.

### **Classroom Dollars**

1. The District should evaluate costs in the non-instructional areas, particularly administration, to determine if savings can be achieved and if some of these monies can be redirected to the classroom.

*The District agrees to always look for ways to be more efficient. In fact, GESD has improved the percentage in the classroom over the past three years, in contrast to the statewide trend of decreasing classroom dollars over this same time frame. Although GESD is lower than the districts chosen for comparison purposes, compared to all districts statewide it ranks much higher according to the auditor general report published in February, 2009. Compared to all districts GESD ranked 90<sup>th</sup> out of 230 districts. If it is compared only to the 38 districts the auditor general's report categorized as "large" (between 5,000 and 20,000 students), it ranks 20<sup>th</sup>.*

*The auditor's report correctly indicates that lower teacher salaries are primarily a result of the relative inexperience of the staff. A comparison of GESD with the comparable districts shows GESD with 51% of its teachers in the first three years of service versus 36% with the comparison districts. In addition, GESD has 15% of its teachers with 15 or more years of experience contrasted with the comparison districts of 18%. The GESD salary schedule compares favorably with the other districts. Therefore, if GESD teachers were to be placed on an average of the other districts' salary schedules, they would be making a salary comparable to their current salary at GESD.*

### **Fiscal Year 2009 SEI Fund expenditures**

1. The District should ensure it only places ELL students on Individual Language Learner Plans when it has 20 or fewer ELL students in a three-grade span, as required by the SEI model.

*The District agrees with this recommendation.*

2. The District should ensure that all Individual Language Learner Plans meet all state requirements, including ensuring that the plans address individual student's needs and specify how each student's needs and specify how each student will receive four hours of English Language development.

*The District agrees with this recommendation. In December of 2008, ADE monitored Glendale ESD's ELL program and from the thirty-two items that were included in the ADE observation checklist, only one item was marked as needing improvement. This item was the ILLPs written for the middle school students and the expectation to individualize for each student. Our ILLPs were written in compliance with our interpretation of the training provided by ADE.*

*After discussing this with ADE, a new understanding was defined for our teachers. Our ILLP must list the student Performance Objectives based on the individual subtests of the AZELLA assessment. GESD's corrective plan was approved by ADE on May 21<sup>st</sup>.*

*GESD has continually worked to comply with all the laws and mandates from the state. It has always sought to be pro-active in implementing new directives. Our efforts have received commendations from ADE as stated in its March 6 correspondence, "The monitors would like to commend the district on the work done with principals to increase awareness of the Structured English Immersion (SEI) model components." GESD's Language Acquisition Department has trained administrators in scheduling requirements to ensure future appropriate ILLP decisions. Further, the Language Acquisition Department has established a self-auditing procedure to check the quality and differentiation of ILLPs, alignment of instruction to ILLPs, and actual minutes of instruction.*

3. The District should separately account for the incremental portion of ELL costs throughout the fiscal year rather than waiting until year-end to make adjustments.

*The District agrees with this recommendation. The District always strives to separately account for all expenditures as they occur. Unfortunately, the rules regarding appropriate coding were unclear. It was determined that the district would adjust the records through a journal entry, which has been completed. The program is now better defined and the accounting for it will follow this recommendation.*

