

# Arizonans for Charter School Accountability

*Working to expose the lack of oversight in Arizona's charter schools*

*Policy Paper*

*February 23, 2016*



## **Higher Administration Charges of Arizona Charter Schools Cost Taxpayers \$128 Million a year**

***The Largest corporate charters are the worst offenders***

*By Jim Hall*

*Founder, Arizonans for Charter School Accountability*

*Dave Wells*

*Research Director, Grand Canyon Institute*

### ***Executive Summary***

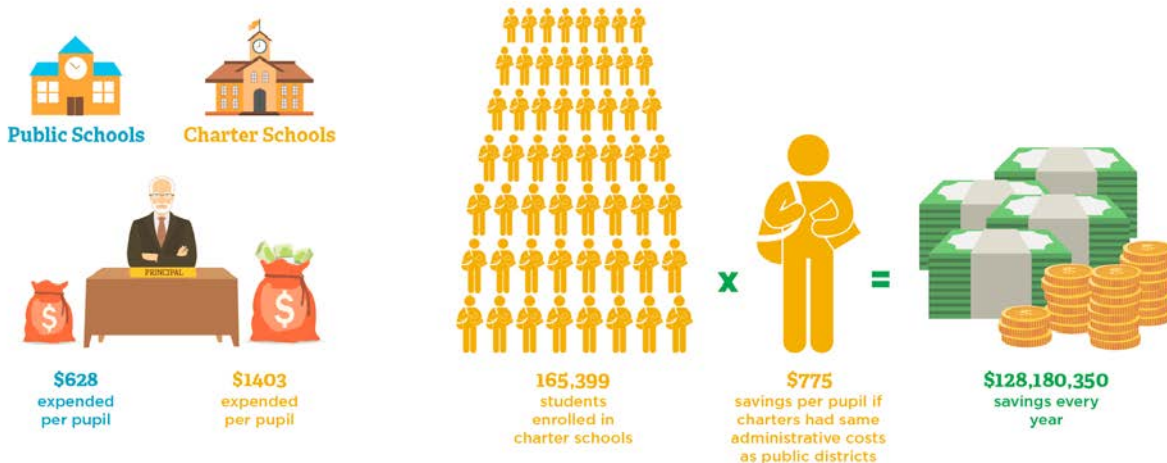
Arizona's approximately 600 charter schools spent \$128 million more on administrative costs during the 2014-15 school year than traditional public districts would spend on the same number of students. While every state agency, including public schools, are held accountable for the efficient use of state funds by the Office of the Auditor General, charter schools are exempt by law from scrutiny by the Auditor General.

Charter schools in Arizona are held accountable for their academic performance through an Academic Performance Framework created by the Arizona State Board for Charter Schools, the only agency with oversight responsibility for charter schools. The Charter Board does not monitor how charter schools expend funds on administration or instruction.

While charters are required to submit annual financial reports to the Department of Education, they are not compiled or analyzed by the Auditor General. The Auditor General’s reports on traditional public school district spending has led to public policy debates regarding how money ought to be best spent. Unfortunately, nothing is known about charter school spending because they are not held to any actuarial standard.<sup>1</sup>

This study involved the labor-intensive process of accessing 2014-15 Annual Financial Reports for each charter and public district as filed with the Arizona Department of Education and recording maintenance and operations expenditure data so that charter and public school district spending on administration could be accurately compared for the first time. Enrollment data was collected from the October 1, 2014 Enrollment Report, so per pupil expenditures could be calculated.<sup>2</sup>

This report is the first in a series on charter school accountability in Arizona.



### Key Findings:

1. Public districts spent an average of \$628 per pupil for all administrative services. Charter schools averaged \$1,403 per pupil, more than twice as much. If charter schools had the same administrative efficiency as traditional public schools, the state would save \$128 million a year in administrative costs

<sup>1</sup> The Auditor General’s web site directs visitors to the Arizona State Board for Charter Schools. See <https://www.azauditor.gov/reports-publications/charter-schools>.

<sup>2</sup> For Annual Financial Reports go to Arizona Dept. of Education <http://www.ade.az.gov/SchoolFinance/Forms/LEAQuery/SubmittedFiles.aspx> and for Oct. 1 enrollment data access <http://www.azed.gov/research-evaluation/arizona-enrollment-figures/>

2. The \$775 per student administrative cost gap partially results from the smaller size of charters. Larger charter holders should be more administratively efficient. Instead the largest charter companies are among the most expensively managed agencies in Arizona. Their administrative costs are substantially higher, not lower, than the typical charter operation. If the seven largest charter holders spent the same on administration as traditional public districts, the state would save \$54 million annually.
3. One of the largest charter companies, BASIS, Inc. (8,730 students) spends more on general administration than *any* charter or public district in the *entire* state, nearly \$12 million. BASIS spent 30 times more per pupil on general administration than the six largest public districts combined (225,000 students).
4. The lack of transparency provided by Arizona charter legislation makes it impossible to determine how these funds are being spent. Consequently, greater oversight of charter school expenditures is needed.

## **Full Report**

### **District vs. Charter Administrative Costs**

Arizona's charter legislation was designed to free charter schools from most regulations and reporting requirements and enable them to more efficiently utilize resources in the classroom, not for added administrative expenses. Charter schools can opt out of all procurement procedures and avoid having to get competitive bids on major purchases. They can also opt out of following the Unified System of Financial Records, the accounting guideline required by the Auditor General for districts, so charters can keep accounting costs to a minimum.<sup>3</sup>

Administrative costs are reported in the Annual Financial Report in three categories:<sup>4</sup>

**General Administration**—Activities concerned with establishing and administering policy for operating the school, including governing board services, Executive administration services, and lobbying.

**School Administration**—Activities concerned with overall administrative responsibility for a particular campus, including office of the principal services.

**Central Services**—Activities that support other administrative and instructional functions, including fiscal services; purchasing; warehousing and distributing services; printing, publishing, and duplicating services; planning, research, development, and evaluation services; public information services; personnel services; and administrative technology services.

---

<sup>3</sup> For Charter School bidding requirements go to <http://www.azleg.state.az.us/ars/15/00189-02.htm>. For financial requirements of charter schools access A.R.S. 15-183.E.6 <http://www.azleg.state.az.us/ars/15/00183.htm>.

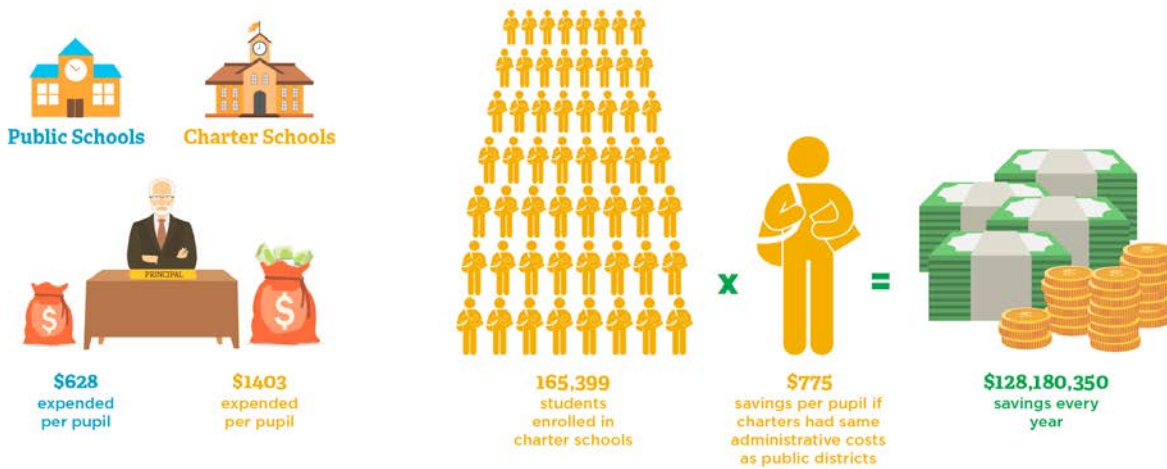
<sup>4</sup> For details go to <https://www.azauditor.gov/reports-publications/school-districts/manuals-memorandums>.

The components within these categories are identical for both public schools and charters, enabling a fair comparison.

**Despite these potential efficiencies, charter schools spend over twice as much as traditional public districts on the three areas of administration, costing the state \$128 million a year.**

Districts spend an average of \$628 per pupil on administration. Charters spend \$1,404 per pupil—\$775 per pupil more than districts.<sup>5</sup>

**Figure 1**



Charters tend to be smaller than school districts. Research into the cost functions of public schools do show that economies of scale exist for administrative costs. Most studies, however, fail to pull out administrative costs as a separate entity in cost functions, as the cost of running schools are a combination of many factors such as student: teacher ratio, number of students from impoverished backgrounds, number of special education students, rural v. urban locations, labor costs, school size, and district size.<sup>6</sup> Given that the typical charter operator in Arizona appears to have about 550 students, while the average public school district has about

<sup>5</sup> Full data for graphic in Appendices 2 and 3.

<sup>6</sup> Examples of scholarship on cost functions include Andrews, Matthew and William Duncombe, and John Yinger (2002), "Revisiting Economies of Size in American Education: Are We Any Closer to a Consensus?" *Economics of Education Review*, Vol 21, No. 3: 245-262, Lewis, Cris W. and Kalyan Chakraborty (1996), "Scale Economies in Public Education," *Journal of Regional Analysis & Policy*, Vol 26, No. 1: 23-35 (40 school districts in Utah), <http://www.jrap-journal.org/pastvolumes/1990/v26/26-1-2.pdf>, Kansas Education: Public Policy in Kansas and Beyond, "Are There Economies of Scale in School Districts?" (summary and links to literature) <https://kansaseducation.wordpress.com/2010/03/09/are-there-economies-of-scale-in-school-districts/>

4,700 students,<sup>7</sup> economies of scale could explain much of the cost gap. Research on New York State on the varying sizes of public school districts suggests per pupil administrative costs could be double due to this size difference.<sup>8</sup> However, research that focused on administrative costs between charters and traditional public schools in Michigan suggests the size difference might only explain about \$130 of the per pupil gap.<sup>9</sup>

Arizona is not alone in noticing higher administrative costs for charters, and especially higher administrative costs for the larger corporate charters. In Michigan charters are funded comparably to traditional public schools. In a 2012 study professors David Arsen of Michigan State University and Yongmei Ni of the University of Utah found that charters spent slightly more than double the amount on administration as public school districts, approximately \$1,000 more per pupil. When they controlled for enrollment, special education and percent of students on free and reduced lunch, being a charter operation raised per pupil administrative costs by \$774, nearly the exact difference found in this study.<sup>10</sup>

A key culprit they noted were education management companies frequently contracted with by large corporate charters. In 2001 John Chubb promoted them arguing, “Critics of private management ask, What can business do that the public sector cannot? The answer is, Anything that requires scale to accomplish.” He then went on to exclaim how educational management companies would be able to drive down administrative overhead costs.<sup>11</sup>

Instead, in practice, educational management companies drive up administrative costs. In the Michigan study, charters contracting with educational management companies had \$312 higher per pupil administrative costs than other charters with many other factors controlled for including enrollment, students in special education, students on free and reduced lunch, and

---

<sup>7</sup> Calculation based on an estimated 300 charter operators in Arizona for 165,399 students and 203 public school districts that were included as being comparable in education services delivery to charters, serving 951,303 students in 2014-2015.

<sup>8</sup> The cost function estimated for New York State public school districts of varying sizes indicates approximately twice the per pupil costs for that level of enrollment difference. Duncombe, William, Jerry Miner, and John Ruggiero (1995), “Potential Cost Savings from School District Consolidation: A Case Study of New York,” *Economics of Education Review*, Vol. 14, No. 3: 265-284.

<sup>9</sup> Arsen, David and Yongmei Ni (2012), “Is Administration Leaner in Charter Schools? Resource Allocation in Charter and Traditional Public Schools,” National Center for the Study of Privatization in Education, March, [http://www.ncspe.org/publications\\_files/OP201.pdf](http://www.ncspe.org/publications_files/OP201.pdf), see Table 3. The enrollment size dollar effect was statistically significant at the 99 percent level. They found about \$32 reduced per pupil per 1,000 students enrolled.

<sup>10</sup> Arsen and Yongmei (2012), Table 3. The charter dollar effect was significant at the 99 percent level. Their data was from the 2007-2008 school year. Note that this study does not use regression analysis, so this study doesn't control for other factors as a regression analysis does.

<sup>11</sup> Chubb, John (2011), “The Private Can Be Public,” *Education Next*, Vol 1, No. 1, <http://educationnext.org/the-private-can-be-public/>.

type of charter school.<sup>12</sup> This report finds the seven largest charter operators, who all contract with educational management companies, have per pupil administrative costs that are \$406 higher than the overall average for charter schools.

The data for this study comes from Annual Financial Reports (AFRs). Only elementary, union high school and unified districts were examined in the study. Vocational districts and county accommodation districts were omitted because their programs are not comparable to either districts or charters. Only charters that submitted an AFR in 2015 were included. Some charter operators file AFRs by school when they operate multiple facilities and some do so for all their operations in the state. Consequently, some operators have multiple AFRs and others a single one. As a result, potential economies of scale may not be apparent from just browsing AFRs. Table 1 shows those AFRs which demonstrated the highest administrative cost per student. As might be expected, some of the schools are extremely small. Of the 50 charters with the highest administrative spending, however, 15 are schools owned or managed by these largest charter companies in the state, which should be exhibiting economies of scale.<sup>13</sup>

**Table 1**

**Charters with Highest Administrative Costs Per pupil**

<b>Charter School</b>	<b>Enrollment October 1, 2014 Report</b>	<b>Administration/Pupil</b>
<b>Kaizen Tempe</b>	<b>25</b>	<b>\$7,554</b>
Pinnacle Education-Tempe, Inc.	57	\$7,283
SRPMIC COMMUNITY SCHOOLS	240	\$7,102
<b>Edkey, Inc.</b>	<b>64</b>	<b>\$5,993</b>
Deer Valley Charter School	29	\$5,692
PS Charter School Inc.	71	\$5,382

<sup>12</sup> Arsen and Yongmei (2012), Table 3. The charter educational management company dollar effect was significant at the 99 percent level. Note that this study does not use regression analysis, so this study doesn't control for other factors as a regression analysis does.

<sup>13</sup> EDUPRIZE technically has a higher enrollment (3,630) than Kaizen (3,072). However, Leona operates both Kaizen and Arizona Charter Foundation Schools, which collectively are larger. So Leona is larger than EDUPRIZE, though their two entities are reported separately.

<b>Charter School</b>	<b>Enrollment October 1, 2014 Report</b>	<b>Administration/Pupil</b>
Lifelong Learning Research Institute Inc.	34	\$5,378
SC Jensen Corporation	67	\$5,060
<b>Kaizen Skyview</b>	<b>51</b>	<b>\$4,936</b>
Eastpointe High School, Inc.	143	\$4,874
Arizona Call-A-Teen Youth Resources, Inc.	78	\$4,681
Intelli-School Charter High School	105	\$4,348
StrengthBuilding Partners	42	\$4,301
PAS Charter, Inc.	229	\$4,139
Park View School, Inc.	228	\$3,977
Institute for Transformatived Education, Inc.	62	\$3,946
Madison Highland Prep	101	\$3,646
Skyline Gila River Schools, LLC	106	\$3,626
<b>Kaizen EL Dorado</b>	<b>185</b>	<b>\$3,604</b>
<b>Imagine Superst Elem</b>	<b>179</b>	<b>\$3,568</b>
Ha:San Educational Services	137	\$3,454
<b>Kaizen Ad U</b>	<b>49</b>	<b>\$3,255</b>
<b>Edkey, Inc.</b>	<b>574</b>	<b>\$3,165</b>
<b>Imagine Superst Mid</b>	<b>93</b>	<b>\$3,081</b>
Graysmark Schools Corporation	46	\$3,077
Florence Crittenton Services of AZ	141	\$3,050
Rising School	66	\$3,041
Arizona Autism Charter Schools Inc.	87	\$3,012

<b>Charter School</b>	<b>Enrollment October 1, 2014 Report</b>	<b>Administration/Pupil</b>
Victory High School, Inc.	20	\$2,908
Foothill College Preparatory Academy	336	\$2,833
Carpe Diem Collegiate High School	118	\$2,811
Eagle South Mountain Charter, Inc.	106	\$2,788
Concordia Charter School Inc	146	\$2,786
<b>Imagine Prep Surprise</b>	<b>248</b>	<b>\$2,784</b>
<b>BASIS Phoenix</b>	<b>725</b>	<b>\$2,747</b>
E-Institute Charter Schools, Inc	800	\$2,715
Pima County	106	\$2,704
Genesis Academy	151	\$2,692
<b>BASIS Chandler</b>	<b>731</b>	<b>\$2,681</b>
The FARM at Mission Montessori	32	\$2,680
<b>Imagine Tempe</b>	<b>280</b>	<b>\$2,659</b>
Pace Preparatory Academy, Inc.	95	\$2,607
Daisy Sonoran Davis Moth	193	\$2,604
<b>American Virtual Academy</b>	<b>3488</b>	<b>\$2,595</b>
Paramount Education Studies Inc	338	\$2,586
Eagle South Mountain Charter, Inc.	127	\$2,578
StarShine Academy	325	\$2,576
Keystone Montessori Charter School, Inc.	228	\$2,558
<b>BASIS Peoria</b>	<b>746</b>	<b>\$2,549</b>
<b>BASIS Prescott</b>	<b>369</b>	<b>\$2,537</b>



## Many small charters have low administrative costs

Sixteen of the 30 charters with the lowest administrative have less than 400 pupils. These are highlighted in green in Table 2. Likewise, Table 2 also illustrates in blue that many large operators, filing a single AFR, have low administrative costs: Premier Charter High School, The Odyssey Preparatory Academy, Inc., EDUPRIZESCHOOLS, and Benjamin Franklin Charter School.

**Table 2**

### Charters with Lowest Administrative Costs Per pupil

Charter	Enrollment	Administration/Pupil
<b>Flagstaff Montessori, LLC</b>	<b>257</b>	<b>\$0</b>
Premier Charter High School	3,217	\$128
<b>Ed Ahead, Inc.</b>	<b>82</b>	<b>\$240</b>
<b>Noah Web Pima</b>	<b>281</b>	<b>\$286</b>
The Odyssey Preparatory Academy, Inc.	2,641	\$319
<b>Akimel O'Otham Pee Posh Charter School</b>	<b>181</b>	<b>\$330</b>
<b>James Madison Preparatory School</b>	<b>184</b>	<b>\$373</b>
<b>Educational Impact, Inc.</b>	<b>201</b>	<b>\$393</b>
EDUPRIZE SCHOOLS LLC	3,630	\$417
<b>Hillcrest Academy</b>	<b>106</b>	<b>\$432</b>
Montessori Education Centre - Charter School	462	\$436
<b>El Centro for the Study of Primary and Secondary Education, Inc.</b>	<b>63</b>	<b>\$537</b>
<b>CAFA, Inc., dba Learning Foundation Performing Arts Alta Mesa</b>	<b>252</b>	<b>\$538</b>
<b>Friendly House Inc.</b>	<b>397</b>	<b>\$550</b>
Self Development Charter School	461	\$555

<b>Charter</b>	<b>Enrollment</b>	<b>Administration/Pupil</b>
<b>Carden of Tucson, Inc</b>	<b>129</b>	<b>\$557</b>
<b>Global Renaissance Academy of Distinguished Education</b>	<b>93</b>	<b>\$563</b>
<b>Satori, Inc.</b>	<b>169</b>	<b>\$605</b>
Ridgeline Academy	609	\$633
Happy Valley School Inc.	464	\$670
<b>Empower College Prep</b>	<b>377</b>	<b>\$680</b>
<b>CAFA, Inc.</b>	<b>214</b>	<b>\$682</b>
Heritage Academy, Inc.	650	\$691
P.L.C. CHARTER SCHOOLS	1,134	\$711
Benchmark School, Inc.	417	\$736
Horizon Community Learning Center	799	\$753
American Basic School	880	\$758
Pioneer Preparatory School Challenge Foundation	628	\$769
<b>East Valley Academy</b>	<b>23</b>	<b>\$776</b>
Benjamin Franklin Charter School	2,850	\$781

### **Arizona Charter School Board does not provide oversight over charter spending**

Charter schools in Arizona are held accountable for their academic performance through an Academic Performance Framework created by the Arizona State Board for Charter Schools, the only agency with oversight responsibility for charter schools. Charters must align their curriculum to Arizona Standards and are required to participate in state mandated testing. Charters can be sanctioned, including revocation of their charter, if they fail to have adequate academic performance.<sup>14</sup>

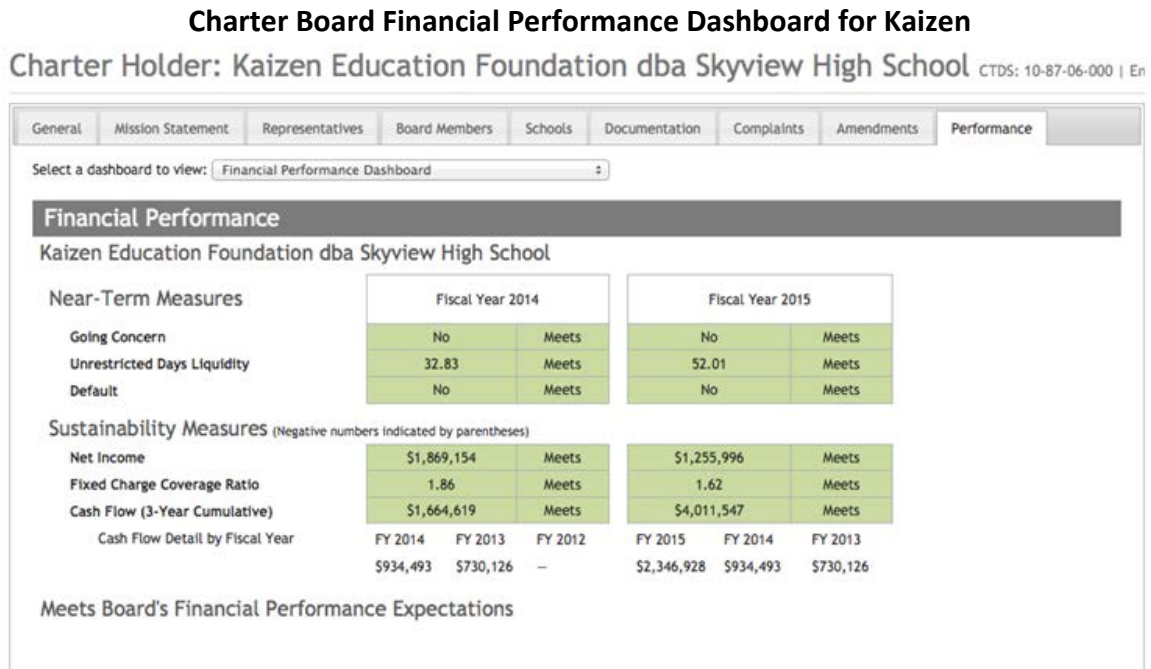
<sup>14</sup> Full details in Appendix 1.

Financial oversight is another matter. In an email dated Nov. 13, 2014, Charter Board Constituent Services Specialist Bianca Ulibarri described the financial oversight provided by the Board:

**The Board, in its oversight responsibilities, holds charter holders accountable for the timely submission of AFRs and tracks the timely submission of budgets through the compliance portion of the annual audit. The Board does not utilize the information contained in those documents in its oversight;** rather, the Board has adopted a Financial Performance Framework and an Operational Performance Framework for its purposes in monitoring the charter holders in its portfolio. ... The purpose of the financial framework is to communicate the Board’s expectations for ensuring that all charter holders in its portfolio are viable organizations with strong fiscal management practices.<sup>15</sup>

As an illustration, Kaizen Schools, managed by The Leona Group LLC., has three schools in the top ten list of highest spending charters for administration in the state. Yet the Charter Board’s Financial Performance Framework found Kaizen Schools to meet all expectations, even though they are one of the most inefficiently managed schools in the state.<sup>16</sup> Kaizen Schools have good cash flow and a net income ( profit). That is the only concern of the Charter Board.

Figure 2



Seven of the largest charter holders/management companies account for a large portion of all higher charter administration spending—\$54 million a year beyond public districts. These large charters also spend \$19 million beyond the average of all charter schools on a per pupil basis.

<sup>15</sup> Email correspondence in Appendix 4.

<sup>16</sup> Financial Dashboard shown in Figure 2 for Kaizen Education Foundation accessed January 31, 2016.

Each of these charter holders has a larger enrollment than 75 percent of all traditional public districts, yet spend about three times more on administration than districts (see Table 3).

**Table 3**

**Administrative Costs for Seven Large Corporate Charter Operators**

<b>Charter</b>	<b>Enrollment</b>	<b>Admin/Pupil</b>	<b>District Average</b>	<b>Savings if District Average</b>
BASIS	8,730	\$2,275	\$628	\$14,378,005
Imagine	6,806	\$2,023	\$628	\$9,492,693
ACSF (Leona)	3,751	\$1,757	\$628	\$4,232,898
Kaizen (Leona)	3,072	\$1,794	\$628	\$3,582,179
PPEP Inc.	9,249	\$1,554	\$628	\$8,565,725
Archway	9,311	\$1,602	\$628	\$9,064,539
EdKey	5,185	\$1,620	\$628	\$5,140,445
<b>Total Savings</b>	<b>\$54,456,484</b>			

Traditional public districts of similar enrollments (5000-9000 students) spend far less per pupil on administration than the large charter companies for administration. Though there is variation between districts from a low of \$503 per pupil to a high of \$807 per pupil. Overall, their administrative costs are roughly in line with overall district school administrative costs.

**Table 4**

**Administrative Costs for Public Schools Districts with 5,000 to 9,000 Students**

<b>District</b>	<b>Enrollment</b>	<b>Admin/Pupil</b>
Catalina Foothills Unified School District #16	5,082	\$807
Gadsden Elementary School District #32	5,412	\$720

<b>District</b>	<b>Enrollment</b>	<b>Admin/Pupil</b>
Cave Creek Unified School District #93	5,419	\$706
Queen Creek Unified School District #95	5,483	\$650
Littleton Elementary School District #65	5,594	\$671
Flowing Wells Unified School District No. 8	5,609	\$684
Sahuarita Unified School District #30	5,672	\$659
Lake Havasu Unified School District #1	5,727	\$619
Avondale Elementary School District	5,737	\$612
Sierra Vista Unified School District	5,780	\$681
Nogales Unified School District	5,824	\$632
Humboldt Unified School	5,827	\$534
<b>Average</b>		<b>\$665</b>
Maricopa Unified School District	6,219	\$584
Madison School District #38	6,223	\$775
Crane Elementary School District #13	6,374	\$642
Laveen Elementary School District No. 59	6,402	\$547
Creighton Elementary School District	6,515	\$643
<b>Average</b>		<b>\$638</b>
Kingman Unified School District	6,789	\$603
Casa Grande Elementary School District #4	7,014	\$750
Isaac School District #5	7,411	\$688
Phoenix Elementary	7,459	\$611
Agua Fria Union High School District No. 216	7,535	\$557
Florence Unified School District #1	8,324	\$660

District	Enrollment	Admin/Pupil
Yuma Elementary School District One	9,007	\$729
<b>Average</b>		<b>\$657</b>

In sharp contrast, although BASIS Inc. has nearly 9,000 students, its size combined with higher administrative expenses leads it to be the most costly, costing taxpayers more than \$14 million a year beyond what traditional public schools cost per pupil (see Table 3).

Looking at it per school, BASIS averages \$2,291 per pupil on administration spending and expended an average of \$1.5 million on administration in each school. Public districts of 3,000 students spend a similar amount for the whole district (see Table 5).

**Table 5**

**BASIS Administrative Costs Compared to Public School Districts**

Charter School	Enrollment October 1, 2014 Report	Total Administration	Administration/Pupil
BASIS Ahwatukee	700	\$1,540,931	\$2,201
BASIS Chandler	731	\$1,959,544	\$2,681
BASIS Flagstaff	533	\$1,123,391	\$2,108
BASIS Mesa	577	\$1,340,876	\$2,324
BASIS Oro Primary	653	\$1,274,931	\$1,952
BASIS Oro Valley	550	\$1,350,584	\$2,456
BASIS Peoria	746	\$1,901,450	\$2,549
BASIS Phoenix	725	\$1,991,601	\$2,747
BASIS Phoenix Primary	587	\$1,268,969	\$2,162
BASIS Prescott	369	\$936,201	\$2,537
BASIS Scottsdale	755	\$1,524,409	\$2,019

Charter School	Enrollment October 1, 2014 Report	Total Administration	Administration/Pupil
BASIS Tucson	852	\$1,768,209	\$2,075
BASIS Tucson North	952	\$1,880,957	\$1,976
<b>Average BASIS School</b>		<b>\$1,527,850</b>	<b>\$2,291<sup>17</sup></b>
Payson Unified School District #10	3,251	\$1,648,779	\$507
Osborn School District	2,924	\$1,741,237	\$595
Show Low Unified	2,434	\$1,592,894	\$654

In BASIS, Inc.’s case their General Administration costs stand out. General Administrative costs alone amount to nearly \$12 million for less than 10,000 students, while the six largest public school districts serve nearly a quarter million students for less than \$10 million in General Administrative costs. Figure 3 illustrates this stark difference between Public School Districts and BASIS, Inc. Table 6 shows the details underlying Figure 3.

**Table 6**

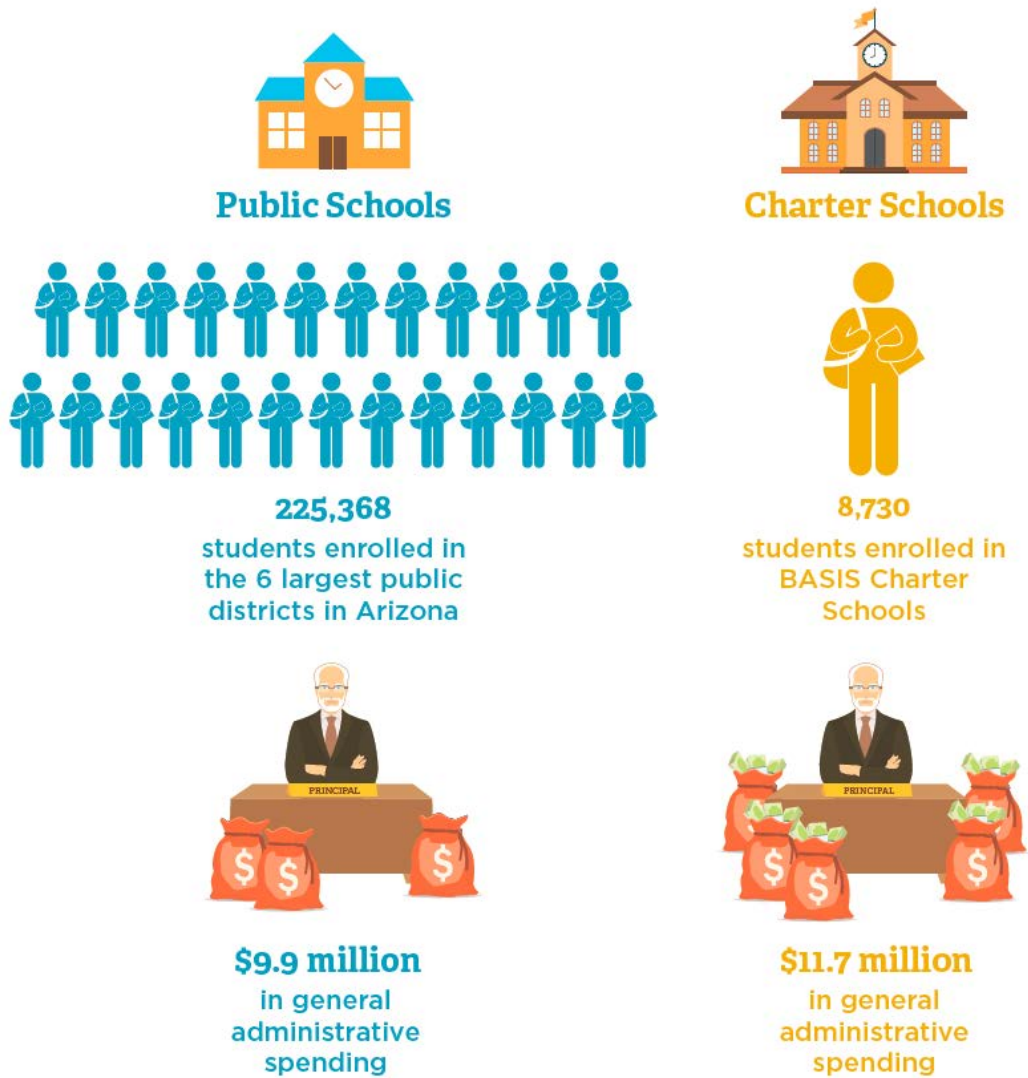
**BASIS General Administration Costs 30 Times More Per Student  
Than Six Largest Public Districts**

Charter School or School District	Enrollment October 1, 2014	General Admin
Tucson Unified School District	49,012	\$2,774,083
Roosevelt Elementary School District 66	9,614	\$1,920,856
Mesa Unified School District #4	64,532	\$1,450,539
Phoenix Union High School District #210	26,814	\$1,401,457

<sup>17</sup> This figure is an average per school as opposed to an overall per pupil expenditure that is shown in Table 3.

Paradise Valley Unified School Dist		32,732	\$1,185,208
Chandler Unified		42,664	\$1,161,728
Total		225,368	<b>\$9,893,871</b>
BASIS Charter Schools		8,730	<b>\$11,668,824</b>

Figure 3





In addition, BASIS requests a \$1500 donation from each parent to pay teacher salaries. The BASIS Parent Handbook states:

### **THE ANNUAL TEACHER FUND**

The Annual Teacher Fund helps BASIS recruit, retain, and reward high-performing teachers. With private contributions from BASIS parents and community members, BASIS rewards teachers for student learning gains through merit-based bonuses. As a charter school, BASIS receives less state and local funding per student than traditional public schools, making it unfeasible to pay faculty much more than the average teacher salary without the help of the Annual Teacher Fund.

We request a monthly donation of at least \$150 per student (\$1,500 per year), which represents a small fraction of the annual cost of a top private school education. Our goal is for 100% of our BASIS Charter School families to participate in the ATF each academic year. Given the vital role that BASIS.ed teachers play in attaining our top-ranked results and in giving BASIS.ed students the tools they need to succeed with us, in higher education, and in the workforce, we ask that you give as generously as you can. *Every gift makes a difference.*<sup>18</sup>

According to the consolidated BASIS Audit report from June, 2014, BASIS collected \$1,936,877 from parents, just over \$200 per student, to augment teacher salaries, while BASIS expended \$14 million dollars more in administrative costs than traditional public districts.<sup>19</sup>

## **Comparing charter administrative costs to money spent in the classroom**

It is difficult to compare districts and charters spending on classroom and administration based on total spending because charter schools receive \$1700-\$2000 more per pupil in their maintenance and operations budget to cover costs for capital expenses and facilities. Instruction includes all expenditures for instruction for regular and special education defined by the Auditor General as:

**1000 INSTRUCTION**—Instruction includes the activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving cocurricular activities and school-sponsored athletics. It may also be provided through some other approved medium, such as television, radio, computer, Internet, multimedia, telephone, and correspondence, that is delivered inside or outside the classroom or in other teacher-student settings. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process and technology used by students in the classroom or that has a student instruction focus. If prororation of expenditures is not possible for department chairpersons who also teach, include

---

<sup>18</sup> See Basis Ahwatukee web site: [http://www.basisahwatukee.org/annual-teachers-fund-atf-ahwatukee.aspx?\\_ga=1.232572831.1002866529.1455209490](http://www.basisahwatukee.org/annual-teachers-fund-atf-ahwatukee.aspx?_ga=1.232572831.1002866529.1455209490)

<sup>19</sup> Access the audit for FY2014 for BASIS at this link <http://online.asbcs.az.gov/dms/browse/106>. Click on Charter Holder, Audit Documents, FY2014, Audit, and then download.

department chairpersons who also teach in instruction. Otherwise, department chairperson expenditures should be coded to function 2490. As an alternative to using a separate optional element for course codes, districts may establish course codes under this function.<sup>20</sup>

Consolidated administrative costs should be uniform, even if charters differ in the way they classify the categories of administrative costs. Collectively, looking at administrative expenditures as a percent of instruction-related expenses creates a fair comparison.

Public school districts spend close to one-fifth (22%) on administration relative to what they spend on the classroom. By contrast, charters spend just almost half on administration relative to the classroom (48%).

Charter schools vary widely on the ratio between spending on classroom instruction and administrative costs. **There are 46 charters that actually spend more on administration than classroom instruction.** While some are very small, a number are of sufficient size that their administrative costs should be much lower than instructional expenditures.

**The Leona Group and Imagine Inc. manage 17 schools that spend more on administration than on instruction** (see pink shaded areas in Table 7) or more than one-third of the schools on the list. The American Charter Schools Foundation and the Kaizen Educational Foundation, both managed by the Leona Group, have 13 schools that combined spent \$1,215,717 more on administration than on instruction. Imagine Inc. manages four schools that spent a total of \$447,692 more on administrative costs than on classroom instruction.

**Table 7**

**Charter Schools Spending More on Administration than Instruction**

Charter School	Enrollment	Total Instruction	Total Administration	Difference Instruct to Admin	% of Instruction
AIBT Non- Profit Charter High School	391	\$202,311.00	\$391,810.00	-\$189,499	194%
Akimel O'Otham Pee Posh Charter School	181	\$40,544.00	\$59,701.00	-\$19,157	147%
<b>Leona Operated Schools</b>					
American Charter School	438	\$626,363.00	\$795,375.00	-\$169,012	127%

<sup>20</sup> Arizona Auditor General and Dept. of Education (2011), Uniform System of Financial Records for Arizona School Districts," December, <https://www.azauditor.gov/sites/default/files/USFR2.pdf>.

<b>Charter School</b>	<b>Enrollment</b>	<b>Total Instruction</b>	<b>Total Administration</b>	<b>Difference Instruct to Admin</b>	<b>% of Instruction</b>
Foundation Alta Vista					
American Charter School Foundation Creastview	234	\$397,050.00	\$427,487.00	-\$30,437	108%
American Charter School Foundation Estrella	302	\$408,485.00	\$537,140.00	-\$128,655	131%
American Charter School Foundation Peoria	475	\$870,281.00	\$875,785.00	-\$5,504	101%
American Charter School Foundation South Pointe	502	\$516,450.00	\$882,859.00	-\$366,409	171%
American Charter School Foundation Sun Valley	550	\$951,926.00	\$959,438.00	-\$7,512	101%
American Charter School Foundation West	436	\$641,490.00	\$804,549.00	-\$163,059	125%
Kaizen Ad U	49	\$112,485.00	\$159,518.00	-\$47,033	142%
Kaizen EL Dorado	185	\$513,044.00	\$666,783.00	-\$153,739	130%
Kaizen Maya	392	\$680,233.00	\$680,813.00	-\$580	100%
Kaizen Skyview	51	\$179,134.00	\$251,742.00	-\$72,608	141%
kaizen Tempe	25	\$143,532.00	\$188,841.00	-\$45,309	132%
Kaizen Vista Gr Middle	74	\$88,773.00	\$114,633.00	-\$25,860	129%
Arizona Call-A-Teen Youth Resources, Inc	78	\$195,223.00	\$365,115.00	-\$169,892	187%
Compass High School Inc.	489	\$707,653.00	\$752,631.00	-\$44,978	106%
E-Institute Charter Schools, Inc	800	\$779,405.00	\$2,172,203.00	\$1,392,798	279%
Educational Options Foundation	531	\$231,878.00	\$638,546.00	-\$406,668	275%

Charter School	Enrollment	Total Instruction	Total Administration	Difference Instruct to Admin	% of Instruction
El Integral - Teaching & Learning Collaborative	44	\$107,036.00	\$111,457.00	-\$4,421	104%
Graysmark Schools Corporation	46	\$119,678.00	\$141,554.00	-\$21,876	118%
Ha:San Educational Services	137	\$391,429.00	\$473,215.00	-\$81,786	121%
<b>Imagine Operated Schools</b>					
Bell Canyon Charter School, Inc.	404	\$920,285.00	\$1,006,739.00	-\$86,454	109%
Imagine Camel Mid	168	\$327,359.00	\$388,590.00	-\$61,231	119%
Imagine Cam Elem	487	\$708,767.00	\$996,147.00	-\$287,380	141%
Imagine Superst Elem	179	\$625,962.00	\$638,589.00	-\$12,627	102%
Intelli-School Charter High School	105	\$93,380.00	\$456,491.00	-\$363,111	489%
James Sandoval Preparatory High School	80	\$41,491.00	\$191,867.00	-\$150,376	462%
Kestrel Schools, Inc.	39	\$43,851.00	\$64,574.00	-\$20,723	147%
Liberty Traditional Charter School	524	\$607,816.00	\$702,241.00	-\$94,425	116%
Life Skills of Arizona, Inc.	266	\$510,874.00	\$515,122.00	-\$4,248	101%
Lifelong Learning Research Institute Inc.	34	\$97,567.00	\$182,841.00	-\$85,274	187%
Pace Preparatory Academy, Inc.	95	\$201,496.00	\$247,689.00	-\$46,193	123%
Paramount Education Studies, Inc	338	\$641,752.00	\$873,930.00	-\$232,178	136%

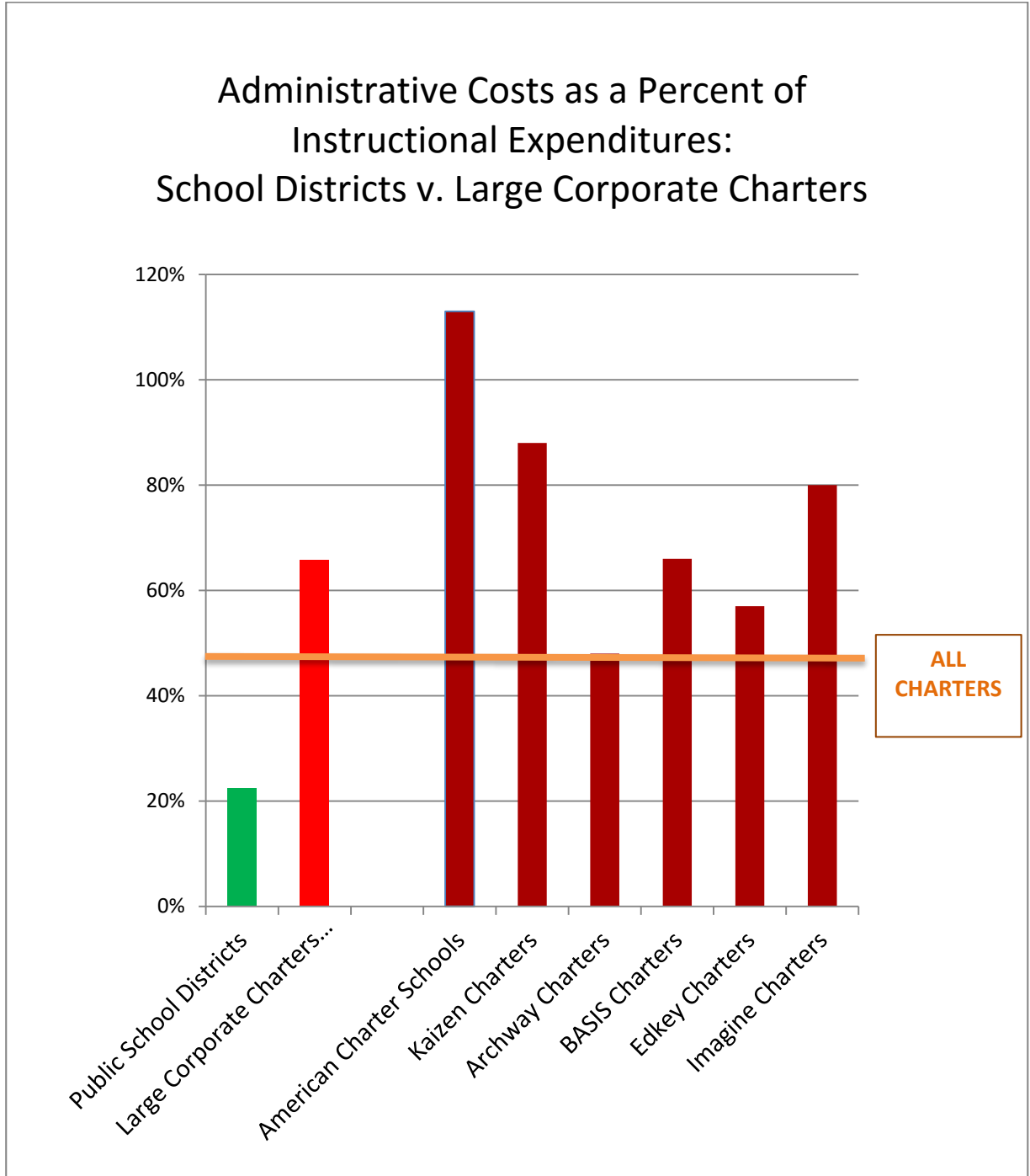
Charter School	Enrollment	Total Instruction	Total Administration	Difference Instruct to Admin	% of Instruction
Park View School, Inc.	228	\$577,867.00	\$906,822.00	-\$328,955	157%
PAS Charter, Inc.	229	\$220,541.00	\$947,758.00	-\$727,217	430%
The Phoenix School of Academic Excellence	130	\$225,618.00	\$256,226.00	-\$30,608	114%
Pima Prevention Partnership	194	\$395,194.00	\$421,368.00	-\$26,174	107%
PS Charter School Inc	71	\$305,298.00	\$382,124.00	-\$76,826	125%
Rising School	66	\$142,737.00	\$200,701.00	-\$57,964	141%
Rsd Charter School, Inc.	175	\$294,293.00	\$357,064.00	-\$62,771	121%
SC Jensen Corporation	67	\$131,923.00	\$339,005.00	-\$207,082	257%
Southwest Leadership Academy	263	\$461,312.00	\$524,771.00	-\$63,459	114%
StrengthBuilding Partners	42	\$135,520.00	\$180,629.00	-\$45,109	133%
Victory High School, Inc.	20	\$44,581.00	\$58,158.00	-\$13,577	130%
Vista Charter	19	\$13,658.00	\$36,474.00	-\$22,816	267%

Figure 4 pulls out the six large corporate charters operators to look at how the amount spend on administration compares to the amount spent on instruction. In Figure 4, one of the large charter operators, PPEP, Inc. is excluded. It provides on line learning and spent \$19 million on instruction, primarily software fees. It has virtually no facility expenses. Nonetheless, its administrative costs are comparatively high at \$1,554 per pupil. Archway is the only large corporate charter that has the same ratio as the overall charter ratio at 48 percent.

**Collectively, the larger corporate charters have significantly higher administrative costs relative to instruction expenses than charters overall and triple that of public schools as seen in Figure 4.<sup>21</sup>**

<sup>21</sup> Full data found in Appendix 6 for the six large corporate charter holders.

Figure 4



**Conclusions:**

- 1. Charter Schools incur substantially higher administrative costs than traditional public schools. The largest corporate charter holders are among the worst offenders. Consequently, potential classroom investments are redirected to cover administrative costs.**
- 2. Arizona’s lack of charter accountability makes it impossible to discern how what appears as excessive administrative funds are being spent.**

Public districts governing boards are elected by the local community and must approve all aspects of school management – curriculum, expenditures, hiring and firing of personnel, etc. All administrative expenditures and administration salaries are public records that must be disclosed.<sup>22</sup>

Charter boards are appointed by the charter holder and are only required by law to set policy.<sup>23</sup> In fact, charter holders and boards are exempt from most state education regulations:

“The charter of a charter school shall do the following: Ensure that, except as provided in this article and in its charter, it is exempt from all statutes and rules relating to schools, governing boards and school districts.”<sup>24</sup>

The large charter management companies take advantage of this lack of regulation. The seven of the largest charter holders discussed in the study and shown in Table 8 are all non-profit organizations that hire management companies to conduct the operation of their schools including curriculum, students, administration, and all hiring and firing. These management companies are for-profit companies and most have employees who are directly affiliated with the non-profit charter holder. Board meetings of the management companies where decisions are made about salaries and administrative services are not open public meetings and are not subject to public records requests. There is no way to determine executive salaries, administrator salaries or the costs associated with administration services rendered in these corporate charter schools.

These are the management companies controlling the seven major charter holders. See Appendix 5 for the names of individual schools.

---

<sup>22</sup> See Arizona Revised Statutes: <http://www.azleg.gov/ars/15/00341.htm>

<sup>23</sup> See Arizona Revised Statutes: A.R.S. 15-183.E.8.

<sup>24</sup> A.R.S. 15-183.E.5

**Table 8**

**Education Management Companies and Charters**

<b>Charter Company</b>	<b>Management Company</b>	<b>Management Profit/Non-Profit</b>
American Charter schools Foundation	The Leona Group	For-Profit
Kaizen Educational Foundation	The Leona Group	For-Profit
BASIS Schools	BASIS ed.	For-Profit
Imagine Schools	Imagine Inc.	For-Profit
PPEP Inc.	K-12 Inc.	For-Profit
EdKey Schools	EdKey Management Inc.	For-Profit

**Recommendations:**

1. Charter school financial data needs to be collected and monitored by the Auditor General’s Office just as they are for traditional public districts. No additional reporting requirements would be necessary from charters. The Arizona Board for Charter Schools should be required to utilize this data to evaluate and sanction charter schools that misappropriate taxpayer dollars.
2. Charter management companies need to be transparent in reporting salaries and other financial information justifying administration expenses.
3. A public data-base is needed that shows public districts and charter schools expenditures on administration and the classroom, so parents can evaluate school efficiency and priorities when choosing a school.

*Jim Hall founded Arizonans for Charter School Accountability in September 2014. The organization advocates for increased transparency and monitoring of charter schools and takes an active role in filing complaints against charters that fail to follow the few regulations required of charter schools in Arizona. Jim is a retired principal, most recently in the Washington Elementary District. Follow ACSA on Face Book. He can be reached at arizcsa1000@gmail.com.*

*Dave Wells holds a doctorate in Political Economy and Public Policy and is the Research Director for the Grand Canyon Institute, a centrist fiscal policy think tank founded in 2011. He can be reached at DWells@azgci.org or contact the Grand Canyon Institute at (602) 595-1025.*

Grand Canyon Institute  
 P.O. Box 1008  
 Phoenix, AZ 85001-1008



## Appendix

### 1. Accountability in Arizona Charter Schools

(<http://www.azed.gov/charter-schools/files/2013/10/accountability-in-arizona-charter-schools.pdf>)

#### Academic Accountability:

- ☐ \_Must demonstrate alignment to Arizona’s Academic Standards.
- ☐ \_Must participate in state-mandated annual nationally norm-referenced testing program.
- ☐ \_Must participate in the Arizona criterion-referenced testing program, Arizona Instrument to Measure Standards (AIMS) in grades 3 through 8 and 10.
- ☐ \_Must state clear performance objectives, including percentage of mastery and provide curriculum samples with a clear crosswalk between the curriculum and the Arizona Academic Standards in their charter application before a charter can be granted.
- ☐ \_Subject to sanctions for non-compliance.

#### Financial Accountability

- ☐ \_Must adhere to State statutes for submission of an annual budget.
- ☐ \_Every charter school must submit a detailed business plan as part of their charter application.
- ☐ \_Must conduct an annual external audit (both programmatic and financial) with an independent certified CPA.
- ☐ \_Must annually demonstrate compliance with the uniform system of financial records for charter schools (USFRCS) or must demonstrate compliance with Generally Accepted Accounting Principles (GAAP) if they have received an allowed exception from USFRCS.
- ☐ \_Must submit annual financial reports to the Superintendent of Public Instruction regarding funding by program for inclusion in the Superintendent’s Annual Report.

#### General Accountability

- ☐ \_All charter schools must comply with all state, local, and federal laws regarding health, safety, and civil rights. This includes, but is not limited to, compliance with city and county ordinances in relation to the safety, quality, and location of their facilities.
- ☐ \_All charter schools must have their current Certificate of Occupancy with an E-1 rating and the current Fire Marshall’s Permit on file with sponsor.
- ☐ \_All charter schools must comply with all provisions of the Individuals with Disabilities Education Act (IDEA) as well as comply with any restrictions or regulations related to acceptance of federal funding for start-up or programmatic functions.
- ☐ \_Each charter school must submit annual demographic and ethnicity data for the Superintendent of Public Instruction’s Annual Report, as well as periodic enrollment counts throughout the year by which their apportionments are adjusted.
- ☐ \_Each charter school is required to keep a public file of education qualifications and work experiences of all current and former teaching staff available for any parent to view.
- ☐ \_Each charter school is required to have a five-year contract compliance review by their sponsoring entity.
- ☐ \_Each charter school must submit annual school profile data by school site for Arizona School Report Cards.
- ☐ \_Charter school teaching staff and/or volunteers who work with students must have a fingerprint clearance card issued through the Arizona Department of Public Safety for tracking purposes.
- ☐ \_All charter school staff must be background checked upon employment.

## 2. Traditional District Administrative Spending per pupil low to high

Charter School or School District	Enrollment October 1, 2014	Administration/pupil
BLUE ELEMENTARY SCHOOL	19	\$0
Bagdad Unified School District #20	479	\$183
McNeal Elementary School District	560	\$242
Gilbert Unified School District	37240	\$386
Kyrene Elementary School District No. 28	17642	\$460
Pinon Unified School District #4	1272	\$489
Yuma Union High School District #70	10684	\$491
Camp Verde Unified School District	1457	\$499
Payson Unified School District #10	3251	\$507
Glendale Union High School District #205	15254	\$508
Kayenta School District 27	1876	\$517
Cartwright Elementary	18901	\$520
Litchfield Elementary School District No. 79	11424	\$521
Chinle Unified SD 24	3323	\$522
Deer Valley Unified	34365	\$530
HUMBOLDT UNIFIED SCHOOL	5827	\$534
Tolleson Union High School	11314	\$538
Beaver Creek Elementary School District #26	431	\$539
Glendale Elementary	13897	\$541
Laveen Elementary School District No. 59	6402	\$547

<b>Charter School or School District</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/pupil</b>
Sunnyside Unified School District	17160	\$548
Mesa Unified School District #4	64532	\$548
CHANDLER UNIFIED	42664	\$549
Apache Junction Unified School District	4645	\$551
Dysart Unified	26712	\$551
Agua Fria Union High School District No. 216	7535	\$557
Paradise Valley Unified School District	32732	\$560
Snowflake Unified School District	2404	\$570
Maricopa Unified School District	6219	\$584
Scottsdale Unified School District #48	24451	\$585
Phoenix Union High School District #210	26814	\$585
Alhambra School District No. 68	13928	\$586
Washington Elementary School District	23281	\$586
Santa Cruz Valley Unified School District #35	3407	\$589
J.O. Combs Unified	4555	\$589
OSBORN SCHOOL DISTRICT	2924	\$595
Higley Unified School District	11459	\$599
KINGMAN UNIFIED SCHOOL DISTRICT	6789	\$603
Tempe Elementary School District	12159	\$607
Buckeye Elementary School District	4998	\$608
Amphitheater Unified School District	13807	\$610
Phoenix Elementary	7459	\$611
WHITERIVER UNIFIED SCHOOL DISTRICT	2335	\$612

<b>Charter School or School District</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/pupil</b>
Avondale Elementary School District	5737	\$612
TUCSON UNIFIED SCHOOL DISTRICT	49012	\$614
Thatcher Unified School District #4	1729	\$619
Lake Havasu Unified School District #1	5727	\$619
Safford Unified School District	3194	\$628
Nogales Unified School District	5824	\$632
Peoria Unified School District	37069	\$634
Pendergast Elem School District	10019	\$638
COLORADO RIVER UNION HIGH SCHOOL DISTRICT	2002	\$639
Crane Elementary School District #13	6374	\$642
Creighton Elementary School District	6515	\$643
Union Elementary School District no 62	2028	\$644
Flagstaff Unified School District #1	9779	\$650
Queen Creek Unified School District #95	5483	\$650
SHOW LOW UNIFIED	2434	\$654
Sahuarita Unified School District #30	5672	\$659
TUBA CITY UNIFIED SCHOOL DISTRICT	1713	\$659
Florence Unified School District #1	8324	\$660
Fowler Elementary School District	4842	\$661
Casa Grande Union High School District	3796	\$664
VAIL UNIFIED SCHOOL DISTRICT	12315	\$666
Colorado City Unified School District	591	\$671
Littleton Elementary School District #65	5594	\$671

<b>Charter School or School District</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/pupil</b>
Buckeye Union High School District	3989	\$676
Window Rock Unified School District #8	2172	\$676
Marana Unified School District	12523	\$679
Sierra Vista Unified School District	5780	\$681
Holbrook Unified School District	2132	\$683
Flowing Wells Unified School District No. 8	5609	\$684
Isaac School District #5	7411	\$688
McNary Elementary School	169	\$690
Liberty Elementary School District #25	3333	\$695
Page Unified School Dist. #8	2781	\$702
Somerton Elementary School District #11	2861	\$703
Palominas Elementary School District	1409	\$706
Cave Creek Unified School District #93	5419	\$706
Fort Thomas Unified School District	577	\$714
Tempe Union High School District	13595	\$715
Oracle School District #2	695	\$716
COOLIDGE UNIFIED	3568	\$716
Nadaburg Unified School District	1220	\$719
Gadsden Elementary School District #32	5412	\$720
Prescott Unified School District	4454	\$726
Yuma Elementary School District One	9007	\$729
Murphy Elementary School District #21	2014	\$737
Pima Unified School District #6	848	\$745

<b>Charter School or School District</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/pupil</b>
Tolleson Elementary School District #17	3037	\$745
Casa Grande Elementary School District #4	7014	\$750
Continental Elementary School District	801	\$754
ALTAR VALLEY ELEMENTARY DISTRICT #51	981	\$762
Globe Unified School District No. 1	1885	\$764
NACO ELEMENTARY SCHOOL #23	428	\$765
Madison School District #38	6223	\$775
Winslow Unified School District #1	2081	\$777
Mingus Union High School District #4	1151	\$790
Parker Unified School District	2010	\$798
Clarkdale-Jerome Elementary School District #3	469	\$802
Balsz School District #31	2579	\$804
Catalina Foothills Unified School District #16	5082	\$807
Mammoth/San Manuel Unified School District #8	850	\$807
Sedona Oak Creek JUSD	1199	\$826
Round Valley Unified School District No. 10	1342	\$834
Douglas Unified School District	3867	\$835
SADDLE MOUNTAIN UNIFIED DISTRICT #90	1436	\$837
San Carlos Unified	1536	\$839
Bullhead City Elementary #15	2901	\$840
Cottonwood-Oak Creek ESD #6	2156	\$844
CHINO VALLEY USD #51	2347	\$856
Arlington Elementary School District #47	260	\$857

<b>Charter School or School District</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/pupil</b>
Benson Unified School District	1245	\$870
BLUE RIDGE UNIFIED S D # 32	2023	\$871
Tanque Verde Unified School District #13	2080	\$873
WILSON ELEMENTARY DISTRICT #7	1245	\$889
Aguila Elementary District No. 63	219	\$897
Morenci Unified School District #18	1632	\$913
Mohave Valley Dist. 16	1411	\$919
Solomon Elementary School District #5	299	\$929
Fountain Hills Unified School District #98	1721	\$961
Palo Verde Elementary District #49	455	\$966
AJO UNIFIED SCHOOL DISTRICT	428	\$981
Morristown Elementary School District #75	175	\$1,007
Eloy Elementary	971	\$1,011
St. Johns Unified School District	787	\$1,016
RED ROCK ELEMENTARY	312	\$1,023
Miami Unified School District	1153	\$1,038
Willcox Unified School District #13	1146	\$1,046
Toltec School	1189	\$1,082
Red Mesa Unified School District No. 27	728	\$1,091
Littlefield Unified School District	459	\$1,106
Roosevelt Elementary School District 66	9614	\$1,147
Ray Unified School District #3	493	\$1,156
St. David Unified School District #21	435	\$1,185

<b>Charter School or School District</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/pupil</b>
QUARTZSITE ELEMENTARY SCHOOL DISTRICT #4	231	\$1,197
Heber-Overgaard Unified School District	448	\$1,211
PICACHO ELEMENTARY	195	\$1,238
GILA BEND USD	418	\$1,241
Santa Cruz Elementary School Dist. #28	290	\$1,255
Ganado Unified School District #20	1563	\$1,256
Wickenburg Unified School District	1170	\$1,276
Riverside School District No. 2	927	\$1,281
Hayden-Winkelman Unified School District	297	\$1,292
Sacaton Elementary School District #18	502	\$1,296
BABOQUIVARI UNIFIED SCHOOL DISTRICT 40	1006	\$1,308
Mayer Unified School District	570	\$1,311
Santa Cruz Valley Union High School #840	425	\$1,362
Joseph City Unified School District	406	\$1,382
Williams Unified School District	618	\$1,383
Skull Valley Elementary School District	42	\$1,392
Fredonia-Moccasin USD #6	258	\$1,420
Kirkland Elementary School District	97	\$1,428
Canon School District #50	185	\$1,443
Maine Consolidated School	150	\$1,451
Hillside Elementary School District	29	\$1,455
Wellton Elementary School District #24	241	\$1,461
TOMBSTONE Unified School District	866	\$1,481



<b>Charter School or School District</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/pupil</b>
POMERENE SCHOOL DISTRICT	134	\$1,482
Stanfield Elementary	524	\$1,483
Congress Elementary School District 17	158	\$1,505
Superior Unified School District #15	408	\$1,545
Bisbee Unified School District #2	662	\$1,574
Sanders Unified School District #18	756	\$1,647
Duncan Unified School District #2	382	\$1,665
Paloma Elementary	117	\$1,666
Alpine Elementary District #7	68	\$1,709
Cochise Elementary School District No 26	88	\$1,725
Mohawk Valley Elementary District #17	144	\$1,747
PEACH SPRING UNIFIES DISTRICT	245	\$1,768
Antelope Union High School District #50	255	\$1,783
Double Adobe School Dist. 45	47	\$1,815
Salome Consolidated Elementary School District	120	\$1,842
ELFRIDA ELEMENTARY	112	\$1,934
Valentine ESD #22	79	\$1,959
Vernon Elementary School	166	\$2,055
Hyder Elementary School District #16	98	\$2,194
Patagonia Elementary School District 6	86	\$2,206
Concho Elementary School District #6	205	\$2,240
Pearce Elementary School District	101	\$2,259
San Simon Unified School District #18	137	\$2,340

<b>Charter School or School District</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/pupil</b>
Pine Strawberry School District #12	173	\$2,377
Grand Canyon USD 4	294	\$2,435
WENDEN ELEMENTARY SCHOOL	106	\$2,454
Sentinel Elementary	37	\$2,550
Topock School District	116	\$2,619
YUCCA ELEMENTARY SCHOOL DISTRICT 13	43	\$2,653
Sonoita Elementary School District #25	113	\$2,662
Cedar School District No. 25	151	\$2,786
Yarnell Elementary School District	45	\$2,869
Bicentennial Union High School District #76	97	\$2,980
Tonto Basin School District #33	72	\$3,085
Valley Union High School	86	\$3,181
Hackberry Elementary School District #3	58	\$3,621
Bonita Elementary School District	89	\$3,636
Patagonia Union High School District 20	64	\$3,801
ASH CREEK ELEMENTARY	28	\$3,864
Ash Fork Joint Unified School District #31	234	\$4,046
SAN FERNANDO ELEMENTARY	26	\$4,172
Seligman Unified School District #40	138	\$4,326
Bouse Elementary School District #26	30	\$4,536
Young Elementary District # 5	45	\$5,867
Bowie Unified Dist. #14	39	\$7,974
<b>TOTALS</b>	<b>951,303</b>	<b>\$628</b>

### 3. Charter Administrative spending per pupil high to low:

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Kaizen Tempe	25	\$7,554
Pinnacle Education-Tempe, Inc.	57	\$7,283
SRPMIC COMMUNITY SCHOOLS	240	\$7,102
Edkey, Inc.	64	\$5,993
Deer Valley Charter School	29	\$5,692
PS Charter School Inc.	71	\$5,382
Lifelong Learning Research Institute Inc.	34	\$5,378
SC Jensen Corporation	67	\$5,060
Kaizen Skyview	51	\$4,936
Eastpointe High School, Inc.	143	\$4,874
Arizona Call-A-Teen Youth Resources, Inc.	78	\$4,681
Intelli-School Charter High School	105	\$4,348
StrengthBuilding Partners	42	\$4,301
PAS Charter, Inc.	229	\$4,139
Park View School, Inc.	228	\$3,977
Institute for Transformatived Education, Inc.	62	\$3,946
Madison Highland Prep	101	\$3,646
Skyline Gila River Schools, LLC	106	\$3,626
Kaizen EL Dorado	185	\$3,604
Imagine Superst Elem	179	\$3,568
Ha:San Educational Services	137	\$3,454

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Kaizen Ad U	49	\$3,255
Edkey, Inc.	574	\$3,165
Imagine Superst Mid	93	\$3,081
Graysmark Schools Corporation	46	\$3,077
Florence Crittenton Services of AZ	141	\$3,050
Rising School	66	\$3,041
Arizona Autism Charter Schools Inc.	87	\$3,012
Victory High School, Inc.	20	\$2,908
Foothill College Preparatory Academy	336	\$2,833
Carpe Diem Collegiate High School	118	\$2,811
Eagle South Mountain Charter, Inc.	106	\$2,788
Concordia Charter School Inc	146	\$2,786
Imagine Prep Surprise	248	\$2,784
BASIS Phoenix	725	\$2,747
E-Institute Charter Schools, Inc	800	\$2,715
Pima County	106	\$2,704
Genesis Academy	151	\$2,692
BASIS Chandler	731	\$2,681
The FARM at Mission Montessori	32	\$2,680
Imagine Tempe	280	\$2,659
Pace Preparatory Academy, Inc.	95	\$2,607
Daisy Sonoran Davis Moth	193	\$2,604
American Virtual Academy	3488	\$2,595

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Paramount Education Studies Inc	338	\$2,586
Eagle South Mountain Charter, Inc.	127	\$2,578
StarShine Academy	325	\$2,576
Keystone Montessori Charter School, Inc.	228	\$2,558
BASIS Peoria	746	\$2,549
BASIS Prescott	369	\$2,537
El Integral - Teaching & Learning Collaborative	44	\$2,533
Bell Canyon Charter School, Inc.	404	\$2,492
Pathways KM Charter School, Inc.	32	\$2,490
Imagine Avon Middle	196	\$2,490
Imagine E Mesa Mid	131	\$2,456
BASIS Oro Valley	550	\$2,456
Cicero Preparatory Academy	131	\$2,411
James Sandoval Preparatory High School	80	\$2,398
West Gilbert Charter Elementary School, Inc.	334	\$2,391
Imagine Prep Coolige	508	\$2,342
BASIS Mesa	577	\$2,324
Imagine Camel Mid	168	\$2,313
Tucson Youth Development, Inc./ACE Charter High School	177	\$2,283
Liberty High School	85	\$2,279
West Gilbert Charter Middle School, Inc.	92	\$2,270
Ombudsman Educational Services, Ltd.	324	\$2,224

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Akimel O'Otham Pee Posh Charter School	165	\$2,216
Mohave Accelerated Elementary School	443	\$2,215
BASIS Ahwatukee	700	\$2,201
Pima Prevention Partership	194	\$2,172
BASIS Phoenix Primary	587	\$2,162
New World Educational Center	172	\$2,160
EAGLE College Prep II, Inc.	278	\$2,158
Painted Pony Ranch Charter School	108	\$2,140
Tucson Collegiate Prep, Inc.	53	\$2,133
Villa Montessori Charter School	493	\$2,115
BASIS Flagstaff	533	\$2,108
Cornerstone Charter School, Inc.	225	\$2,101
Integrity Education Corporation	53	\$2,097
Khalsa Family Services	283	\$2,076
BASIS Tucson	852	\$2,075
Cambridge Academy East	466	\$2,056
Innovative Humanities Education Corporation	119	\$2,053
Imagine Cam Elem	487	\$2,045
RSD CHARTER SCHOOL, INC.	175	\$2,040
Sonoran Desert School	33	\$2,038
The Academy of Building Industries, Inc.	107	\$2,027
Teleos Preparatory Academy	226	\$2,022
Academy of Mathematics and Science, Inc	412	\$2,021

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
BASIS Scottsdale	755	\$2,019
SANTA CRUZ VALLEY OPPORTUNITIES IN EDUCATION	57	\$2,010
Southwest Leadership Academy	263	\$1,995
Montessori Academy	191	\$1,993
Cortez Park Charter Middle School, Inc	240	\$1,990
BASIS Tucson North	952	\$1,976
The Phoenix School of Academic Excellence	130	\$1,971
Academy of Math and Science South	231	\$1,968
KINGMAN ACADEMY OF LEARNING	1386	\$1,966
Arizona Language Preparatory	28	\$1,955
Incito Schools, Inc.	254	\$1,953
BASIS Oro Primary	653	\$1,952
Edkey, Inc.	512	\$1,952
North Phoenix Preparatory Academy	269	\$1,938
Life Skills of Arizona, Inc.	266	\$1,937
Veritas Preparatory Academy	688	\$1,925
Vista Charter	19	\$1,920
Ombudsman Educational Services, Ltd.	493	\$1,918
Tucson Preparatory School, Inc.	148	\$1,900
NORTH STAR CHARTER SCHOOL, INC.	237	\$1,900
San Tan Montessori School, Inc.	487	\$1,898
New Horizon School for the Performing Arts	182	\$1,882
Glendale Preparatory Academy	460	\$1,875

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Vision Charter School	44	\$1,864
Edkey, Inc.	447	\$1,856
El Pueblo Integral - Teaching & Learning Collaborative	74	\$1,849
American Charter School Foundation West	436	\$1,845
American Charter School Foundation Peoria	475	\$1,844
Eagle South Mountain Charter, Inc.	662	\$1,841
LEAD Charter Schools	340	\$1,837
Arete Preparatory Academy	498	\$1,835
American Charter School Foundation Desert Hills	211	\$1,835
American Charter School Foundation Creastview	234	\$1,827
LEAD Charter Schools	551	\$1,826
Legacy East Valley	142	\$1,825
Mountain School, Inc.	192	\$1,824
Imagine Surprise Mid	308	\$1,822
American Charter School Foundation Alta Vista	438	\$1,816
Pinnacle Education-Pinal, Inc	60	\$1,816
Imagine Des West Mid	316	\$1,802
American Charter School Foundation Apache Trails	165	\$1,800
Kaizen Summit	346	\$1,800
Valley of the Sun Waldorf Education Association	289	\$1,794
Destiny School, Incorporated	305	\$1,792
Khalsa Montessori Elementary Schools	139	\$1,791
Phoenix College Preparatory Academy	103	\$1,790



<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Pima Prevention Partnership	228	\$1,788
Vista College Preparatory, Inc.	113	\$1,783
American Charter School Foundation Estrella	302	\$1,779
Phoenix Education Management, Inc.	736	\$1,778
Metropolitan Arts Institute, Inc.	254	\$1,760
American Charter School Foundation South Pointe	502	\$1,759
Omega Alpha Academy	429	\$1,752
Reid Traditional Schools' Painted Rock Academy	312	\$1,751
Career Development, Inc.	110	\$1,745
New School for the Arts Middle School	71	\$1,745
American Charter School Foundation Sun Valley	550	\$1,744
Academy With Community Partners	140	\$1,739
Kaizen Maya	392	\$1,737
New School for the Arts	195	\$1,729
SySTEM Schools	78	\$1,705
Academy of Excellence	150	\$1,702
Chandler Preparatory Academy	695	\$1,689
Imagine Coolige	685	\$1,679
Career Success	629	\$1,673
Collaborative Pathways, Inc	121	\$1,671
Luz Academy of Tucson, Inc	74	\$1,667
Kaizen So. Point Jr Hi	128	\$1,667
Acorn Montessori Charter School, Inc.	407	\$1,657

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Kestrel Schools, Inc.	39	\$1,656
Espiritu Community Development Corporation	302	\$1,653
AZ Montessori CS at Anthem	188	\$1,653
Southern Arizona Community Academy, Inc.	212	\$1,653
Trivium Preparatory Academy	332	\$1,651
Nosotros Academy	205	\$1,639
kaizen Mission Hts	312	\$1,637
Kaizen Dis U	183	\$1,622
Harvest Power Community Development Group, Inc.	1654	\$1,620
Open Doors Community School	106	\$1,615
Challenger Basic School, Inc.	353	\$1,615
Patagonia Montessori Elementary School	36	\$1,611
Scottsdale Preparatory Academy	891	\$1,593
Rosefield Charter Elementary School Inc	765	\$1,587
Heritage Academy Queen Creek, Inc.	216	\$1,582
Gateway Early College High School	248	\$1,575
AZ Academy of Science and Technology, Inc	90	\$1,560
Ahwatukee Foothills Prep	253	\$1,559
Calibre Academy, Inc.	763	\$1,556
Daisy Sononan Peoria	209	\$1,555
EduPreneurship, Inc.	74	\$1,555
Mohave Accelearted Learning Center	458	\$1,552
Anthem Preparatory Academy	730	\$1,552

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Edkey, Inc.	329	\$1,549
Kaizen Vista Gr Middle	74	\$1,549
Kaizen Havasu	265	\$1,543
Compass High School Inc.	489	\$1,539
CPLC Community Schools	109	\$1,537
Archway Cicero	518	\$1,534
Kaizen Vista Gr Elem	320	\$1,533
GAR LLC	236	\$1,532
The Shelby School	44	\$1,530
Archway N. Phoenix	491	\$1,529
Imagine Des West El	819	\$1,528
Phoenix Collegiate Academy, Inc.	531	\$1,518
American Heritage Academy	453	\$1,517
Desert Star Academy, Inc.	86	\$1,514
Tempe Preparatory Junior Academy	205	\$1,512
Desert Rose Academy, Inc.	214	\$1,503
Montessori Schoolhouse of Tucson, Inc.	96	\$1,499
Avondale Learning	90	\$1,494
Archway Vertas	519	\$1,493
Sage Acadmey Charter School	174	\$1,485
Archway Arete	525	\$1,479
Daisy Paragon	461	\$1,474
Skyline Schools, Inc	160	\$1,470

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Pima Rose Academy, Inc.	348	\$1,463
Mexicayotl Academy, Inc.	244	\$1,461
Pathfinder Charter School Foundation	595	\$1,460
Cholla Academy Westland School	422	\$1,459
Tempe Preparatory Academy	227	\$1,455
Az-tec High School	130	\$1,453
Desert Sky Community School	60	\$1,449
ASU Preparatory Academy - Polytechnic Elementary	330	\$1,449
City Center for Collaborative Learning	178	\$1,446
East Mesa Charter Elementary School, Inc.	618	\$1,445
Shonto Governing Board of Education, Inc.	67	\$1,443
Triumphant Learning Center	102	\$1,438
Western School of Science and Technology	244	\$1,427
American Charter School Foundation South Ridge	438	\$1,421
Imagine Avon Elem	553	\$1,419
PEAK School, Inc., The	167	\$1,406
Archway Scottsdale	406	\$1,406
Camino Montessori	53	\$1,403
Portable Practical Educational Prep, Inc.	849	\$1,395
Leading Edge Academy Maricopa	342	\$1,394
Scottsdale Country Day School	109	\$1,393
The Griffin Foundation, Inc.	323	\$1,390
Educational Opportunity Center	104	\$1,382

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Maryvale Preparatory Academy	347	\$1,368
AZ Compass Schools, Inc	140	\$1,365
Pima Prevention Partnership	102	\$1,365
Aprender Tucson	218	\$1,361
Archway Trivum W	538	\$1,355
VISIONS UNLIMITED ACADEMY	47	\$1,351
Fit Kids, Inc.	604	\$1,346
Hirsch Academy: A Challenge Foundation Academy	144	\$1,344
Highland Free School	41	\$1,344
Liberty Traditional Charter School	524	\$1,340
Archway Glendale	533	\$1,340
Mountain Rose Academy, Inc.	245	\$1,340
Tucson International Academy, Inc.	526	\$1,338
Legacy Gilbert	901	\$1,337
Mountain Oak Charter School, Inc.	131	\$1,335
Desert Heights Charter Schools	801	\$1,331
Legacy Laveen	749	\$1,331
Midtown Primary School	118	\$1,326
CAFA, Inc., dba Learning Foundation Performing Arts Gilbert	340	\$1,325
Juniper Tree Academy	520	\$1,324
Step Up Schools, Inc.	95	\$1,320
GEM Charter School	37	\$1,315

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Legacy Queen Creek	951	\$1,314
West Valley Arts & Technology Academy	396	\$1,292
Accelerated Learning Center, Inc.	198	\$1,292
ASU Preparatory Academy - Polytechnic High	195	\$1,289
Archway Chandler	514	\$1,283
Kaizen Liberty Arts	197	\$1,282
Bradley Academy of Excellence, Inc	444	\$1,280
Canyon Rose Academy, Inc.	295	\$1,276
CASA Academy	137	\$1,276
Kaizen Gilbert Arts	171	\$1,275
Blue Adobe Project	50	\$1,263
Legacy NW Tucson	1157	\$1,254
Heritage Elementary School	761	\$1,245
ASU Preparatory Academy Phoenix Elementary	351	\$1,244
Pillar Charter School	95	\$1,240
PLC Arts Academy at Scottsdale	147	\$1,239
Stepping Stones Academy	205	\$1,234
Freedom Academy, Inc	390	\$1,231
Legacy Maricopa	1155	\$1,230
Legacy Casa Grande	1025	\$1,229
Academy of Tucson	697	\$1,228
Legacy Avondale	1040	\$1,227
Edkey, Inc.	1082	\$1,226

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Pan-American Elementary Charter	689	\$1,218
Skyview School, Inc.	200	\$1,210
Tucson Country Day School	667	\$1,210
Morrison Education Group	307	\$1,210
Crown Charter School, Inc.	307	\$1,208
La Tierra Community School, Inc.	101	\$1,207
Mingus Springs Charter School	175	\$1,206
Telesis Center for Learning, Inc.	478	\$1,206
Educational Options Foundation	531	\$1,203
Masada Charter School	525	\$1,198
Presidio School	413	\$1,195
Athlos Traditional Academy	1161	\$1,191
Arizona Connections Academy, Inc.	1919	\$1,186
Math and Science Success Academy, Inc	423	\$1,182
Ambassador Academy	49	\$1,180
Blueprint Education, Inc.	372	\$1,177
Edkey Sequoia Choice Schools	766	\$1,169
Kaizen S Pt Elem	374	\$1,166
PRESCOTT VALLEY CHARTER SCHOOL	286	\$1,165
Bright Beginnings School, Inc.	394	\$1,160
SUCCESS SCHOOL	739	\$1,158
ASU Preparatory Academy - Polytechnic Middle	289	\$1,152
Accelerated Elementary and Secondary Schools	223	\$1,151

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Flagstaff Junior Academy	279	\$1,149
Founding Fathers Academies	97	\$1,147
All Aboard Charter School	110	\$1,145
Southgate Academy, Inc.	641	\$1,141
Montessori Day Public Schools Chartered	283	\$1,141
The Edge School Inc	235	\$1,138
Haven Montessori Charter School, Inc.	84	\$1,131
Desert Springs Academy	130	\$1,131
Espiritu Community Development Corporation	475	\$1,123
AZ Agribusiness Red Mountain	172	\$1,121
American Leadership Academy	4120	\$1,113
The Paideia Academies, Inc.	535	\$1,112
Pinnacle Education-Westmark Chandler Boulevard, Inc	52	\$1,112
Daisy Sonoran Tucson	696	\$1,110
Research Based Education Corporation	161	\$1,109
Ball Dobson	553	\$1,098
NORTHLAND PREPARATORY ACADEMY	640	\$1,095
Center for Creative Education	71	\$1,093
AZ Agribusiness Estrella	445	\$1,093
Compass Points International, Inc.	170	\$1,092
AZ Agribusiness Prescott	193	\$1,092
AZ Agribusiness SMCC	380	\$1,090
AZ Agribusiness	386	\$1,088



<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Challenge School, Inc.	575	\$1,088
Edkey, Inc.	479	\$1,082
Phoenix Advantage Charter School	521	\$1,080
Ball Val Vista	414	\$1,077
Daisy Sonoran Phx	303	\$1,074
Fountain Hills Charter School	141	\$1,073
Great Expectations Academy	309	\$1,068
Choice Academies, Inc	913	\$1,068
ASU Preparatory Academy Phoenix Middle School	359	\$1,064
Sonoran Science Academy Broadway	279	\$1,060
Horizon Community Learning Center	648	\$1,046
Discovery Plus Academy	107	\$1,045
South Valley Academy, Inc.	214	\$1,041
Pointe Educational Services	1578	\$1,025
Arizona Community Development Corporation	1951	\$1,022
Country Gardens Charter Schools	396	\$1,022
Flagstaff Arts & Leadership Academy	326	\$1,007
AIBT Non- Profit Charter High School	391	\$1,002
International Commerce Secondary Schools, Inc.	435	\$999
Employ-Ability Unlimited	249	\$996
Arizona School for the Arts	836	\$995
Hermosa Montessori Charter School	205	\$994
Camelback Education, Inc	530	\$989

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
PINE FOREST EDUCATION ASSOCIATION, INC	259	\$983
Milestones Charter School	222	\$981
Cochise Community Development Corporation	384	\$978
Reid Traditional Schools' Valley Academy	788	\$964
Patriot Academy	93	\$963
Humanities and Sciences Academy of the U.S., Inc.	244	\$961
Sedona Charter School, Inc.	137	\$956
The Charter Foundation Inc.	793	\$951
Noah Web Mesa	1064	\$946
FRANKLIN PHONETIC PRIMARY SCHOOL, INC.	474	\$939
Ball Hearn	609	\$934
Desert Star Community School, Inc.	176	\$931
Heritage Academy Laveen, Inc.	300	\$927
ASU Preparatory Academy Phoenix HS	416	\$925
Edkey, Inc.	479	\$900
Painted Desert Demonstration Projects, Inc.	99	\$900
Twenty First Century Charter School, Inc. Bennett Academy	323	\$899
Acclaim Charter School	396	\$885
Center for Academic Success	1162	\$883
Paragon	1982	\$874
Excalibur Charter School, Inc.	312	\$871
Vector School District, Inc	196	\$866

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Montessori House	52	\$856
Legacy Elementary	212	\$854
Allen- Cochran Enterprises, Inc.	360	\$848
Portable Practical Education Program (PPEP, Inc)	4912	\$843
CPLC Community Schools	73	\$836
Happy Valley School	749	\$835
Pinnacle Education-Kino Academy, Inc.	61	\$834
Young Scholars Academy Charter School	384	\$834
Mary Ellen Halvorson Education Foundation	216	\$830
Lifelong Learning Research Institute, Inc.	82	\$817
Academy Del Sol	641	\$817
Ahwatukee Foothills Prep Early Collget High School, Inc.	26	\$817
Candeo Schools, Inc.	567	\$799
South Phoenix Academy, Inc.	290	\$792
Boys & Girls Clubs of the East Valley	238	\$787
Little Lamb Community School	256	\$786
Benjamin Franklin Charter School	2850	\$781
East Valley Academy	23	\$776
Pioneer Preparatory School Challenge Foundation	628	\$769
American Basic School	880	\$758
Horizon Community Learning Center	799	\$753
Benchmark School, Inc.	417	\$736
P.L.C. CHARTER SCHOOLS	1134	\$711

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Heritage Academy, Inc.	650	\$691
CAFA, Inc.	214	\$682
Empower College Prep	377	\$680
Happy Valley School Inc.	464	\$670
Ridgeline Academy	609	\$633
Satori, Inc.	169	\$605
Global Renaissance Academy of Distinguished Education	93	\$563
Carden of Tucson, Inc	129	\$557
Self Development Charter School	461	\$555
Friendly House Inc.	397	\$550
CAFA, Inc., dba Learning Foundation Performing Arts Alta Mesa	252	\$538
El Centro for the Study of Primary and Secondary Education, Inc.	63	\$537
Montessori Education Centre - Charter School	462	\$436
Hillcrest Academy	106	\$432
EDUPRIZE SCHOOLS LLC	3630	\$417
Educational Impact, Inc.	201	\$393
James Madison Preparatory School	184	\$373
Akimel O'Otham Pee Posh Charter School	181	\$330
The Odyssey Preparatory Academy, Inc.	2641	\$319
Noah Web Pima	281	\$286
Ed Ahead, Inc.	82	\$240
Premier Charter High School	3217	\$128

<b>Charter School</b>	<b>Enrollment October 1, 2014</b>	<b>Administration/Pupil</b>
Flagstaff Montessori, LLC	257	\$0
Totals	165,394	\$1,403

#### 4. Email from Arizona Board for Charter Schools:

Bianca Ulibarri <Bianca.Ulibarri@asbcs.az.gov>

Thu, Nov 13, 2014 at 3:51 PM

To: AzCharter School Accountability <arizcsa1000@gmail.com>

Dear Mr. Hall:

In accordance with our complaint processes, the information you provided to this office on October 7 and 27 regarding American Charter Schools Foundation and Kaizen Education Foundation were forwarded to the respective entities for a response. The responses to each are included with this correspondence.

Additionally, on November 4, 2014, this office received your email requesting a response to questions you posed to the Office of the Auditor General (OAG), based on what was provided as the OAG's response to an earlier email that same date. The following is provided:

***The Board, in its oversight responsibilities, holds charter holders accountable for the timely submission of AFRs and tracks the timely submission of budgets through the compliance portion of the annual audit. The Board does not utilize the information contained in those documents in its oversight;*** rather, the Board has adopted a Financial Performance Framework and an Operational Performance Framework for its purposes in monitoring the charter holders in its portfolio. More detail regarding these documents is provided below.

In August 2012, the Board adopted its Financial Performance Framework and Guidance ("financial framework"). The purpose of the financial framework is to communicate the Board's expectations for ensuring that all charter holders in its portfolio are viable organizations with strong fiscal management practices. The financial framework gauges both near-term financial health and longer term financial sustainability. The portion of the financial framework that tests a charter holder's near-term financial health is designed to depict the charter holder's financial position and viability for the upcoming year. The portion of the financial framework that tests a charter holder's longer term financial sustainability is designed to depict the charter holder's financial position and viability over time. Charter holders meeting the desired standards demonstrate a low risk of financial distress. Charter holders not meeting the desired standards may currently be experiencing financial difficulties and/or may be at a higher risk for financial hardship in future. The Board considers the financial performance of a charter holder at various times during the contract term. The full financial framework is available on the Board's website.

In October 2014, the Board adopted its Operational Performance Framework and Guidance ("operational framework"). The purpose of the operational framework is to communicate the Board's compliance-related expectations for ensuring that all charter holders in its portfolio are implementing their education program as set out in the charter and adhering to laws and charter requirements regarding the implementation of the education program and their operational reporting and compliance requirements. One indicator in the operational framework assesses the financial and operational reporting and compliance of the charter holder. One of the measures in this indicator specifically looks at whether the charter holder complies with applicable laws, rules, regulations and provisions of the charter contract

relating to the annual audit reporting package, including but not limited to:

- Timely submission of a complete annual audit reporting package
- An unqualified audit opinion
- An audit where first-time medium impact findings resulting in a corrective action plan (CAP) requirement have been completed
- An audit devoid of second-time or repeat medium impact findings
- An audit devoid of serious impact findings
- An audit devoid of minimal impact findings that have been identified in three or more consecutive annual audit reporting packages

The full operational framework is also available on the Board's website.

Having considered the questions you raised in the correspondence in this matter, it is the Board's determination that

- The charter holders have provided sufficient information that identifies errors that occurred and corresponding corrective action. No further information will be requested from the school.
- The Board has provided information on its oversight processes that include an evaluation of the charter holder's financial and operational performance.

This matter is therefore closed.

*Bianca Ulibarri, Constituent Services Specialist*

*Arizona State Board of Charter Schools*

*P.O. Box 18328*

*Phoenix, AZ 85009*

[\(602\) 364-3080](tel:6023643080)

**5. Individual schools owned by the 6 large corporate charter holders:**

<b>Charter</b>	<b>CTDS</b>	<b>Oct 1 Enrollment</b>	<b>CMO</b>
American Charter School Foundation Alta Vista	108794000	438	Leona Group
American Charter School Foundation Apache Trails	118703000	165	Leona Group
American Charter School Foundation Creastview	078950000	234	Leona Group
American Charter School Foundation Desert Hills	078947000	211	Leona Group
American Charter School Foundation Estrella	078948000	302	Leona Group
American Charter School Foundation Peoria	078951000	475	Leona Group
American Charter School Foundation South Pointe	078983000	502	Leona Group
American Charter School Foundation South Ridge	078517000	438	Leona Group
American Charter School Foundation Sun Valley	078953000	550	Leona Group
American Charter School Foundation West	078956000	436	Leona Group
Kaizen Ad U	078240000	49	Leona Group
Kaizen Dis U	078230000	183	Leona Group
Kaizen EL Dorado	078718000	185	Leona Group
Kaizen Gilbert Arts	078570000	171	Leona Group
Kaizen Havasu	078580000	265	Leona Group
Kaizen Liberty Arts	078571000	197	Leona Group
Kaizen Maya	078949000	392	Leona Group
Kaizen Mission Hts	078576000	312	Leona Group
Kaizen Skyview	108706000	51	Leona Group
Kaizen S Pt Elem	078999000	374	Leona Group



<b>Charter</b>	<b>CTDS</b>	<b>Oct 1 Enrollment</b>	<b>CMO</b>
Kaizen So. Point Jr Hi	078765000	128	Leona Group
Kaizen Summit	078952000	346	Leona Group
Kaizen Tempe	078954000	25	Leona Group
Kaizen Vista Gr Elem	078567000	320	Leona Group
Kaizen Vista Gr Middle	078946000	74	Leona Group
Archway Arete	078247000	525	Great Hearts
Archway Chandler	078597000	514	Great Hearts
Archway Cicero	078248000	518	Great Hearts
Archway Glendale	078406000	533	Great Hearts
Archway N. Phoenix	078214000	491	Great Hearts
Archway Scottsdale	078590000	406	Great Hearts
Archway Trivium W	078595000	538	Great Hearts
Archway Vertas	78596000	519	Great Hearts
Maryvale Preparatory Academy	078592000	347	Great Hearts
Veritas Preparatory Academy	078984000	688	Great Hearts
Trivium Preparatory Academy	078591000	332	Great Hearts
Teleos Preparatory Academy	078551000	226	Great Hearts
North Phoenix Preparatory Academy	078584000	269	Great Hearts
Glendale Preparatory Academy	078540000	460	Great Hearts
Anthem Preparatory Academy	078525000	730	Great Hearts
Arete Preparatory Academy	078527000	498	Great Hearts
Chandler Preparatory Academy	078515000	695	Great Hearts

<b>Charter</b>	<b>CTDS</b>	<b>Oct 1 Enrollment</b>	<b>CMO</b>
Cicero Preparatory Academy	078249000	131	Great Hearts
Scottsdale Preparatory Academy	078533000	891	Great Hearts
BASIS Ahwatukee	078212000	700	BASIS ed.
BASIS Flagstaff	038707000	533	BASIS ed.
BASIS Tucson North	108737000	952	BASIS ed.
BASIS Peoria	078588000	746	BASIS ed.
BASIS Chandler	078589000	731	BASIS ed.
BASIS Oro Valley	078575000	550	BASIS ed.
BASIS Phoenix Primary	078231000	587	BASIS ed.
BASIS Oro Primary	108404000	653	BASIS ed.
BASIS Prescott	138786000	369	BASIS ed.
BASIS Mesa	078225000	577	BASIS ed.
BASIS Tucson	108725000	852	BASIS ed.
BASIS Scottsdale	078736000	755	BASIS ed.
BASIS Phoenix	078403000	725	BASIS ed.
Edkey, Inc. ***	078971000	479	EdKey Inc.
Edkey, Inc.	078742000	447	EdKey Inc.
Edkey, Inc.	078740000	329	EdKey Inc.
Edkey, Inc.	078915000	574	EdKey Inc.
Edkey Sequoia Choice Schools	078705000	766	EdKey Inc.
Edkey, Inc.	078246000	1082	EdKey Inc.

<b>Charter</b>	<b>CTDS</b>	<b>Oct 1 Enrollment</b>	<b>CMO</b>
Edkey, Inc.	138705000	512	EdKey Inc.
Edkey, Inc.	078744000	64	EdKey Inc.
Edkey, Inc.	078917000	479	EdKey Inc.
American Heritage Academy	138754000	453	EdKey Inc.
Imagine Avondale Elem	078535000	553	Imagine Inc.
Imagine Avondale Middle	078553000	196	Imagine Inc.
Imagine Camelback Middle	078531000	168	Imagine Inc.
Imagine Camelback Elem	078519000	487	Imagine Inc.
Imagine Desert West Elem	078520000	819	Imagine Inc.
Imagine Coolige	078536000	685	Imagine Inc.
Imagine Desert West Middle	078532000	316	Imagine Inc.
Imagine Tempe	078523000	280	Imagine Inc.
Imagine E Mesa Middle	078521000	131	Imagine Inc.
Imagine Surprise Middle	078522000	308	Imagine Inc.
Imagine Prep Coolige	078547000	508	Imagine Inc.
Imagine Superstition Elem	078537000	179	Imagine Inc.
Imagine Prep Surprise	078538000	248	Imagine Inc.
Imagine Superstition Middle	078552000	93	Imagine Inc.
Bell Canyon Charter School, Inc.	078972000	404	Imagine Inc.
Cortez Park Charter Middle School, Inc	078975000	240	Imagine Inc.
Rosefield Charter Elementary School Inc	078508000	765	Imagine Inc.
West Gilbert Charter Elementary School, Inc.	078935000	334	Imagine Inc.

<b>Charter</b>	<b>CTDS</b>	<b>Oct 1 Enrollment</b>	<b>CMO</b>
West Gilbert Charter Middle School, Inc.	78974000	92	Imagine Inc.

\*\*\* EdKey combines several schools under one charter. The names of the Edkey schools can found at: <http://www.sequoiaschools.org/>

## 6. Administration to Instruction Percentage for Six Large Charter Holders

Charter	Oct 1 Enrollment	Total Instruction	Total Administration	Difference Instruction to Admin	Admin to Instruction
American Charter School Foundation Alta Vista	438	\$626,363	\$795,375	(\$169,012)	127%
American Charter School Foundation Apache Trails	165	\$302,257	\$297,027	\$5,230	98%
American Charter School Foundation Creastview	234	\$397,050	\$427,487	(\$30,437)	108%
American Charter School Foundation Desert Hills	211	\$394,449	\$387,127	\$7,322	98%
American Charter School Foundation Estrella	302	\$408,485	\$537,140	(\$128,655)	131%
American Charter School Foundation Peoria	475	\$870,281	\$875,785	(\$5,504)	101%
American Charter School Foundation South Pointe	502	\$516,450	\$882,859	(\$366,409)	171%
American Charter School Foundation South Ridge	438	\$716,225	\$622,430	\$93,795	87%
American Charter School Foundation Sun Valley	550	\$951,926	\$959,438	(\$7,512)	101%
American Charter School Foundation West	436	\$641,490	\$804,549	(\$163,059)	125%
<b>American Charter School Combined</b>	<b>3751</b>	<b>\$5,824,976</b>	<b>\$6,589,217</b>	<b>(\$764,241)</b>	<b>113%</b>
Kaizen Ad U	49	\$112,485	\$159,518	(\$47,033)	142%
Kaizen Dis U	183	\$407,917	\$296,859	\$111,058	73%
Kaizen EL Dorado	185	\$513,044	\$666,783	(\$153,739)	130%
Kaizen Gilbert Arts	171	\$349,165	\$217,946	\$131,219	62%
Kaizen Havasu	265	\$532,487	\$409,023	\$123,464	77%
Kaizen Liberty Arts	197	\$489,785	\$252,554	\$237,231	52%
Kaizen Maya	392	\$680,233	\$680,813	(\$580)	100%
Kaizen Mission Hts	312	\$576,389	\$510,614	\$65,775	89%
Kaizen Skyview	51	\$179,134	\$251,742	(\$72,608)	141%
Kaizen S Pt Elem	374	\$627,315	\$435,946	\$191,369	69%
Kaizen So. Point Jr Hi	128	\$245,620	\$213,400	\$32,220	87%
Kaizen Summit	346	\$654,638	\$622,698	\$31,940	95%
Kaizen Tempe	25	\$143,532	\$188,841	(\$45,309)	132%
Kaizen Vista Gr Elem	320	\$639,298	\$490,591	\$148,707	77%
Kaizen Vista Gr Middle	74	\$88,773	\$114,633	(\$25,860)	129%

Charter	Oct 1 Enrollment	Total Instruction	Total Administration	Difference Instruction to Admin	Admin to Instruction
<b>Kaizen Combined</b>	<b>3072</b>	<b>\$6,239,815</b>	<b>\$5,511,961</b>	<b>\$727,854</b>	<b>88%</b>
Archway Arete	525	\$1,696,022	\$776,665	\$919,357	46%
Archway Chandler	514	\$1,739,510	\$659,292	\$1,080,218	38%
Archway Cicero	518	\$1,532,815	\$794,389	\$738,426	52%
Archway Glendale	533	\$1,724,350	\$714,070	\$1,010,280	41%
Archway N. Phoenix	491	\$1,665,944	\$750,813	\$915,131	45%
Archway Scottsdale	406	\$1,332,847	\$570,869	\$761,978	43%
Archway Trivium W	538	\$1,680,294	\$729,109	\$951,185	43%
Archway Veritas	519	\$1,827,289	\$775,009	\$1,052,280	42%
Maryvale Preparatory Academy	347	\$1,109,210	\$474,804	\$634,406	43%
Veritas Preparatory Academy	688	\$2,494,810	\$1,324,180	\$1,170,630	53%
Trivium Preparatory Academy	332	\$1,087,977	\$548,036	\$539,941	50%
Teleos Preparatory Academy	226	\$803,220	\$456,918	\$346,302	57%
North Phoenix Preparatory Academy	269	\$784,289	\$521,289	\$263,000	66%
Glendale Preparatory Academy	460	\$1,406,119	\$862,383	\$543,736	61%
Anthem Preparatory Academy	730	\$2,313,922	\$1,133,240	\$1,180,682	49%
Arete Preparatory Academy	498	\$1,701,762	\$913,755	\$788,007	54%
Chandler Preparatory Academy	695	\$2,584,425	\$1,173,804	\$1,410,621	45%
Cicero Preparatory Academy	131	\$400,902	\$315,795	\$85,107	79%
Scottsdale Preparatory Academy	891	\$3,047,703	\$1,419,142	\$1,628,561	47%
<b>Archway Combined</b>	<b>9311</b>	<b>30933410</b>	<b>14913562</b>	<b>16019848</b>	<b>48%</b>
BASIS Ahwatukee	700	\$2,132,748	\$1,540,931	\$591,817	72%
BASIS Flagstaff	533	\$1,881,086	\$1,123,391	\$757,695	60%
BASIS Tucson North	952	\$2,800,420	\$1,880,957	\$919,463	67%
BASIS Peoria	746	\$2,477,937	\$1,901,450	\$576,487	77%
BASIS Chandler	731	\$2,787,927	\$1,959,544	\$828,383	70%
BASIS Oro Valley	550	\$1,990,593	\$1,350,584	\$640,009	68%
BASIS Phoenix Primary	587	\$1,937,260	\$1,268,969	\$668,291	66%
BASIS Oro Primary	653	\$2,467,186	\$1,274,931	\$1,192,255	52%

Charter	Oct 1 Enrollment	Total Instruction	Total Administration	Difference Instruction to Admin	Admin to Instruction
BASIS Prescott	369	\$1,435,096	\$936,201	\$498,895	65%
BASIS Mesa	577	\$2,169,468	\$1,340,876	\$828,592	62%
BASIS Tucson	852	\$2,475,004	\$1,768,209	\$706,795	71%
BASIS Scottsdale	755	\$3,003,714	\$1,524,409	\$1,479,305	51%
BASIS Phoenix	725	\$2,543,402	\$1,991,601	\$551,801	78%
<b>BASIS Combined</b>	<b>8730</b>	<b>30101841</b>	<b>19862053</b>	<b>10239788</b>	<b>66%</b>
Edkey, Inc.	479	\$1,249,058	\$518,125	\$730,933	41%
Edkey, Inc.	447	\$1,438,214	\$829,500	\$608,714	58%
Edkey, Inc.	329	\$795,696	\$509,760	\$285,936	64%
Edkey, Inc.	574	\$2,874,513	\$1,816,842	\$1,057,671	63%
Edkey Sequoia Choice Schools	766	\$2,000,164	\$895,762	\$1,104,402	45%
Edkey, Inc.	1082	\$2,620,528	\$1,326,159	\$1,294,369	51%
Edkey, Inc.	512	\$1,148,261	\$999,624	\$148,637	87%
Edkey, Inc.	64	\$620,128	\$383,558	\$236,570	62%
Edkey, Inc.	479	\$590,634	\$431,065	\$159,569	73%
American Heritage Academy	453	\$1,418,616	\$687,185	\$731,431	48%
<b>Edkey Combined</b>	<b>5185</b>	<b>14755812</b>	<b>8397580</b>	<b>6358232</b>	<b>57%</b>
Imagine Avon Elem	553	\$1,304,676	\$784,979	\$519,697	60%
Imagine Avon Middle	196	\$565,731	\$487,968	\$77,763	86%
Imagine Camel Mid	168	\$327,359	\$388,590	(\$61,231)	119%
Imagine Cam Elem	487	\$708,767	\$996,147	(\$287,380)	141%
Imagine Des West El	819	\$1,606,252	\$1,251,687	\$354,565	78%
Imagine Coolige	685	\$1,648,681	\$1,149,937	\$498,744	70%
Imagine Des West Mid	316	\$669,116	\$569,394	\$99,722	85%
Imagine Tempe	280	\$987,252	\$744,614	\$242,638	75%
Imagine E Mesa Mid	131	\$344,320	\$321,703	\$22,617	93%
Imagine Surprise Mid	308	\$770,800	\$561,240	\$209,560	73%
Imagine Prep Coolige	508	\$1,830,314	\$1,189,989	\$640,325	65%
Imagine Superst Elem	179	\$625,962	\$638,589	(\$12,627)	102%
Imagine Prep Surprise	248	\$694,719	\$690,428	\$4,291	99%
Imagine Superst Mid	93	\$385,117	\$286,576	\$98,541	74%
Bell Canyon Charter School, Inc.	404	\$920,285	\$1,006,739	(\$86,454)	109%
Cortez Park Charter Middle School, Inc	240	\$608,565	\$477,562	\$131,003	78%
Rosefield Charter Elementary School Inc	765	\$1,953,651	\$1,214,431	\$739,220	62%

<b>Charter</b>	<b>Oct 1 Enrollment</b>	<b>Total Instruction</b>	<b>Total Administration</b>	<b>Difference Instruction to Admin</b>	<b>Admin to Instruction</b>
West Gilbert Charter Elementary School, Inc.	334	\$884,615	\$798,713	\$85,902	90%
West Gilbert Charter Middle School, Inc.	92	\$307,928	\$208,829	\$99,099	68%
<b>Imagine Combined</b>	<b>6806</b>	<b>17144110</b>	<b>13768115</b>	<b>3375995</b>	<b>80%</b>
			<b>Large Corporate Charters Average</b>	<b>(weighted by size)</b>	<b>66%</b>
			<b>All Charters</b>	<b>(weighted by size)</b>	<b>48%</b>