

## **Financial Accountability for ALL Public Schools**

The United States is a country founded upon the principles that guide our democracy. The countless successes that have made this country a great nation is undeniably connected to the role that our citizenry plays in governance. In the United States and Arizona our electorate is tasked with oversight and efficiency of government. This accountability for how tax dollars is allocated at the governmental level and then how these dollars are spent is one of the primary roles of our elected officials. Transparency of expenditures allows for oversight and compliance with the intended purpose of the allocation of tax payer dollars.

The Charter School system in Arizona needs reform. Since the inception, the Charter School movement was based upon allowing for increased innovation and allowing for added parental choice. The creation of a competitive public-school environment was intended to drive all schools to higher levels of performance. Charter schools were not to be burdened with the cumbersome financial compliance criteria that were mandated upon traditional district schools.

In the State of Arizona there are two types of schools in public education, traditional district schools and charter schools. Both receive public tax payer dollars to operate. Our concern is that these two types of schools are not held to the same level of public accountability and transparency for the spending of public tax dollars. The traditional public school must comply with a lengthy list of laws and rules. They must conduct annual audits, submit data to the State Auditor General on how their money is spent and how much goes directly to the classroom, and are subject to a detailed performance audit by the State Auditor General, that requires the district to appear before a Legislative Committee to discuss the results of the audit. Charter schools in this state are not held to these requirements and as a result are not held up to the light to show that their primary beneficiaries are students.

Recently there have been many examples in Charter schools of how money that was intended to go to students instead went to executives and companies run by these same people or family members. The heart of the problem is that public funds -- taxpayer monies appropriated for public education by the legislature, seem to be misappropriated towards the betterment of individual businessmen instead of the betterment of children as intended. Public tax dollars for public education should be used for the benefit of students not for personal gain for individuals running school districts. It is not our position to define how charter schools expend their tax payer money; rather to require transparency of expenditure to allow the public and electorate to make informed decisions about the use of our resources.

As former traditional public-school superintendents we would support the calls by the Governor, State Attorney General and Senator Kate Brophy-McGee for more accountability for charter schools. We believe these schools should be held to the same standards of accountability and

transparency for how public tax dollars are utilized. We would propose three basic accountability reforms. These reforms are:

1. Charter schools need to be held to the same requirements for an annual comprehensive audit as traditional schools.
2. Charter schools need to be included in the annual report, Arizona School Districts' Dollars Spent in the Classroom, conducted by the State Auditor General.
3. Charter schools should be subject to Performance Audits, conducted by the Arizona Auditor General and appear before a Legislative Oversight Committee to explain the findings of the Performance Audit.

Accountability of how public tax dollars are spent is an expectation of citizens throughout the state and country. It is very much part of the principles of governance that has separated this country from the rest. The need for an alternative model for public education should not override the public's concern for how public tax dollars are spent.

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