

**REPORT  
 HIGHLIGHTS**  
 PERFORMANCE AUDIT

**Subject**

The Apache Junction Unified School District encompasses the city of Apache Junction and the areas of Gold Canyon and Queen Valley. In FY 2007, the District served 5,781 students attending 9 schools in kindergarten through 12th grade.

**Our Conclusion**

Apache Junction USD's administrative and plant operation costs per student were higher than comparable districts'. The District also spent substantially more per rider than comparable districts because it transported its students many more miles. The District spent some Proposition 301 monies inappropriately, and dollars spent in the classroom were below the comparable district and state averages. Apache Junction USD will need to restructure its English Language Learner's program to comply with the state model.



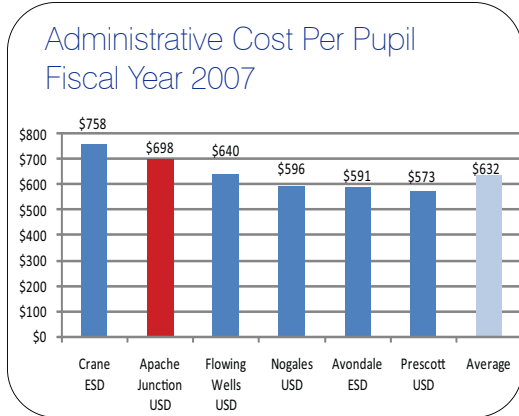
2009

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**Administration**

Administrative costs are those associated with directing and managing a school district's responsibilities. At the district level, they are primarily associated with the governing board, superintendent's office, business office, and support services. At the school level, these costs are primarily associated with the principal's office.

Apache Junction USD administrative costs were 10 percent higher in FY 2007 than the comparable districts' average.



About half of these costs were due to payouts for unused leave time, primarily because the District had an unusually large number of retirements and resignations. However, about half of these



Apache Junction High School English building.  
 Source: District Web site.

costs were due to having more administrative positions. To achieve a comparable number of administrative staff, the District would need to reduce about seven positions.

**Accounting system controls need improvement**—The District has not established proper user security to protect its accounting system.

- Some users had access to the system beyond what was needed to perform their job duties.
- Some former employees' system access was not removed.
- Passwords were assigned and not changed to a confidential one known only by the employee.

**Recommendations**

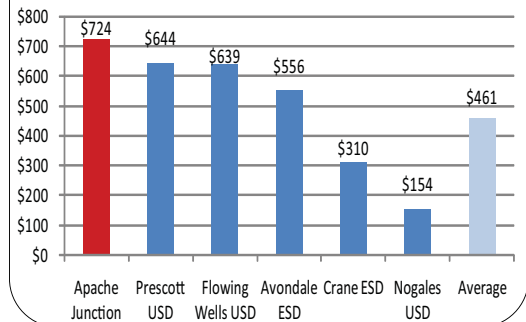
- The District should:
- Evaluate whether it can reduce the number of administrative positions.
  - Implement proper access controls over its accounting system.

## Student Transportation

In FY 2007, Apache Junction USD spent a higher percentage of its budget, and more per rider, on transportation than the comparable districts. Although the District has efficient bus routes, its large geographic size requires it to transport its students about twice as many miles as the comparable districts. Also contributing to the higher mileage, the District had only one high school and two middle schools and transported students from the entire district boundaries to those schools.

The District reported redrawing school attendance boundaries for FY 2009, and is also considering expanding walking areas and consolidating bus stops in an attempt to reduce its transportation costs.

Transportation Cost Per Rider  
Fiscal Year 2007



Establishing and monitoring transportation performance measures could help the District monitor costs and keep operations as efficient as possible.

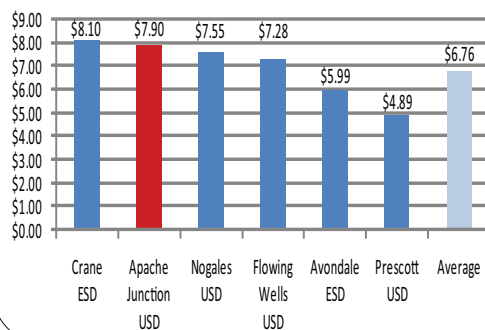
### Recommendation

The District should establish and monitor performance measures such as cost per mile, cost per rider, and bus capacity use.

## Plant Operation and Maintenance

Apache Junction's plant operation and maintenance costs were 17 percent higher per square foot than the comparable districts' average.

Plant Cost Per Square Foot  
Fiscal Year 2007



The District's costs were higher in large part because it had 15 percent more plant employees, primarily in maintenance, grounds, and custodial positions. The District also had a costly maintenance agreement for its copiers and high water costs because it had about twice as many acres of grass fields at its schools, primarily using city water rather than wells or grey water.

In addition, the District entered into an intergovernmental agreement with the City of Apache Junction to pay the utilities and other costs for a community park developed by the city on district land. The District was able to pay these costs without reducing other programs because statute allows districts to increase their

budget and tax for utility costs that are in excess of an adjusted base year amount (excess utilities).

Because this property was developed after the base year, the utility costs for related water, sewer, electricity, and natural gas were covered by increases in

the District's budget. The park is used mostly by the public, but the high school swim and tennis teams use the facilities for part of the year.

## Recommendations

The District should:

- Evaluate whether the number of plant operation and maintenance positions can be reduced.
- Continue evaluating alternatives to reduce its water costs.
- Rebid its copier maintenance agreement.
- Continue evaluating its community park agreement with the city.

## Proposition 301 Monies

Proposition 301 increased the state-wide sales tax by 0.6 percent for 20 years beginning in FY 2001. Proposition 301 designates the money for teachers' base pay increases, performance pay, and certain menu options such as reducing class size, providing dropout prevention programs, and additional pay increases.

Eligible employees received about \$4,000 of additional salary from Proposition 301 monies, consisting of:

- \$1,000 in base pay
- \$2,000 in performance pay
- \$1,000 in menu pay

### Ineligible employees received increases—

The District awarded performance pay, totaling about \$3,600, to three employees who were not eligible under its plan. Further, the District improperly spent about \$82,500 of menu option monies to pay for employee healthcare benefits for employees who were not eligible to receive Proposition 301 monies under statute.

## Recommendations

The District should:

- Ensure that only eligible employees receive Proposition 301 monies.
- Reimburse the Classroom Site Fund for the inappropriate healthcare benefits.

## Classroom Dollars

Apache Junction's classroom dollars percentage was 54.4 percent, about four percent below the state and comparable districts' averages and about seven points below the national average of 61.2. Even with this lower percentage, the District's per-pupil classroom spending was similar to comparable districts' because it had more resources available. These additional resources were primarily from budget overrides, excess utilities adjustment, and the Career Ladder program.

### FY 2007 Per-Pupil Classroom Expenditures

<b>Apache Junction USD</b>	<b>\$3,901</b>
Comparable Districts	\$3,949
State	\$4,277
National	\$5,321

### Recommendation

The District should closely analyze noninstructional spending to determine if savings can be achieved and redirected to the classroom.

### TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling  
**(602) 553-0333**



or by visiting our Web site at:  
[www.azauditor.gov](http://www.azauditor.gov)

Contact person for this report:  
Mike Quinlan

## English Language Learner (ELL) Programs

English language learners are students whose native language is not English and who are not currently able to perform ordinary classroom work in English. About 5 percent (304) of Apache Junction USD students were identified as ELL.

**District's ELL program**—In FY 2007, the District placed all its ELL students in mainstream classes, except for the high school and one middle school. In these mainstream classrooms, teachers provided modified instruction using teaching strategies that incorporated additional language skills. High school students who were below intermediate

English proficiency received 1 hour of English that focused on reading and writing and 1 hour of content that taught vocabulary and terminology from science and social studies content. The middle school ELL students below the intermediate level received 2 hours of ELL English and 2 hours of content per day. However, beginning in FY 2009, the District will have to increase its hours of ELL instruction to meet new state standards requiring 4 hours per day of English Language Development (ELD).

### Recommendation

The District should provide English language development instruction in alignment with the state model.