

**REPORT HIGHLIGHTS**  
 PERFORMANCE AUDIT

**Subject**

St. Johns Unified School District is located in northeastern Arizona in Apache County. In FY 2006, the District served 940 students in 3 schools—an elementary school (prekindergarten through 3rd grade), a middle school (4th through 8th grades), and a high school.

**Our Conclusion**

St. Johns USD's administrative costs were 14 percent higher than the comparable districts' average. It also had higher student transportation and plant operation costs. The District's plan for spending its Proposition 301 monies was incomplete. The District's 55.5 classroom dollar percentage was almost 3 percentage points lower than the state average. The District will need to expand its ELL program to meet the new statutory requirements.



2008

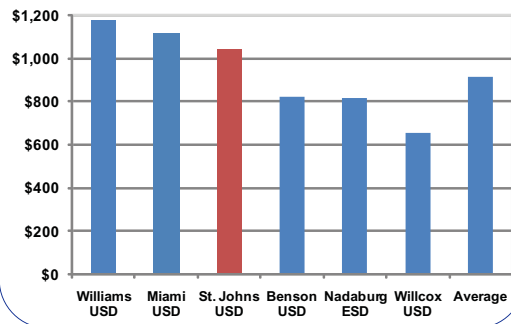
March • 2008

**Administrative Costs**

**Higher Administrative Costs**

St. Johns USD's per-pupil administrative costs for FY 2006 were 14 percent higher than the average for comparable districts.

Administrative Cost Per Pupil  
 Fiscal Year 2006



**Higher purchased service costs**—St. Johns paid \$71 dollars more per pupil for purchased services than the



St. Johns Middle School.  
 Photo taken by Auditor General staff.

comparable districts averaged, primarily because it spent about \$17,000 on administrative consultants.

**Computer security practices need improvement**—For example, the District does not:

- Monitor the appropriateness of employee access to the computers.
- Require that passwords be changed regularly.
- Prevent employees from installing unauthorized software and hardware on district computers.

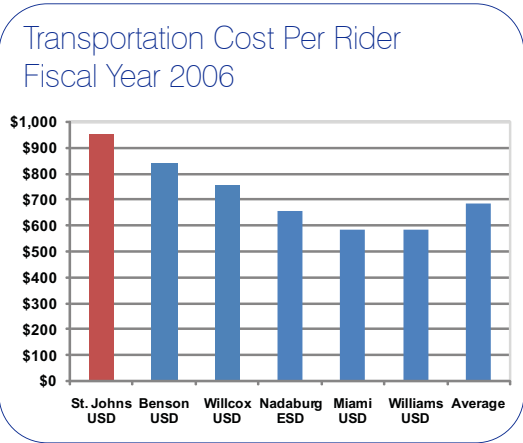
**Recommendations**

The District should improve computer system security and implement basic computer security training for its employees.

# Student Transportation

## Higher Student Transportation Costs

During FY 2006, the District's transportation cost per rider was 39 percent higher than the average for comparable districts.



Several factors contribute to the District's high transportation costs.

**Inefficient routes**—When observing the District's current routes, auditors found inefficiencies such as two regular education buses picking up students on the same street at the same time, and bus stops that are closer together than recommended by state standards.

Further, because it drove 40 percent more miles, St. Johns' fuel costs were 87 percent higher than the comparable districts.

**Paying parents mileage**—The District paid \$57,400 to the parents of 69 students to drive them to and from a district bus stop. However, 58 of these students were open enrollment students, and the District was not obligated to provide transportation.

## Transportation aid exceeds expenditures by \$650,000

Two factors led the District to receive almost \$650,000 more in state transportation aid than it spent on the program.

**District may have improperly reported parent mileage**—When claiming state aid, the District counted the miles it paid parents to transport their students to bus stops. However, the District counted two round trips each day, including the trips when students were not in the car. Statute appears to only allow mileage for trips when the students are in the car. Therefore, the District received about \$255,000 in excess transportation revenue.

**District makes profit on parent mileage**—The District pays parents 30 to 44 cents per mile to transport their students, but receives \$2.15 per mile from the State. As a result, the District made a profit of more than \$452,000, which it used for other purposes. Because statute currently does not provide a separate per-mile reimbursement rate for parent-contracted mileage, legislation would be needed to address this issue.

## Recommendations

The Legislature should:

- Consider establishing a separate transportation reimbursement rate for parent-contracted mileage.

The District should:

- Only report parent mileage when the student is in the vehicle.
- Improve bus routes' efficiency.

# Plant Operation and Maintenance

## Higher Plant Operation and Maintenance Costs

St. Johns spent 32 percent more per student on plant operation and maintenance than the comparable districts' average.

**Schools operate below capacity**—One reason for the higher costs is that the District's schools are operating far below their capacity. For example, the high school has an 1,100 student capacity, but the District has only 300 high school students and only 940 students in total.

**Larger facilities and higher costs**—The District has 59 percent more

square feet per pupil than the comparable districts' average and had higher costs for:

- Water—75 percent higher.
- Telephone—240 percent higher.
- Insurance—35 percent higher.
- Salaries and benefits—12 percent higher.

With 59 percent more square feet to light, heat, and cool, the District also used 27 percent more electricity and 30 percent more natural gas.

**Closing or leasing space**—Because so much of the District's high maintenance costs can be attributed to the amount of space it has, it should consider whether some of its excess space can be closed or leased.

Plant Costs Comparison  
Fiscal Year 2006

District	Plant Costs	
	Per Student	Per Square Foot
<b>St. Johns USD</b>	<b>\$1,234</b>	<b>\$4.00</b>
Williams USD	1,019	5.00
Benson USD	995	5.33
Miami USD	958	3.69
Nadaburg ESD	886	6.09
Willcox USD	828	4.69
<b>Average of the comparable districts</b>	<b>\$ 937</b>	<b>\$4.96</b>

## Recommendations

The District should analyze whether building space could be closed or leased to reduce plant costs.

# Proposition 301 Monies

Proposition 301 monies are provided to school districts to be used for teachers' base pay increases, performance pay, and certain menu options such as reducing classroom size, providing dropout prevention programs, and additional pay increases.

In FY 2006, the District received \$448,481 in Proposition 301 monies.

**Proposition 301 plan was incomplete**—Districts are required to develop formal plans on how the monies will be used. St. Johns' plan did not

identify which positions would be eligible or how base pay and menu monies would be spent.

**Pay Increases**—In FY 2006, each eligible full-time employee received \$4,137 in Proposition 301 salary increases.

### Proposition 301 salary increases

Base pay	\$ 800
Performance pay	\$2,118
Menu pay Increase	\$1,219
<b>Total</b>	<b>\$4,137</b>

## Recommendations

The District should develop a more complete plan for spending its Proposition 301 monies.

## Classroom Dollars

### Fiscal Year 2006 Per-Pupil Classroom Expenditures

<b>St. Johns USD</b>	<b>\$4,807</b>
Comparable districts	4,414
State average	3,981
National average	5,274

The District's 55.5 percent classroom dollar percentage is almost 3 percentage points lower than the state average of 58.3 percent and is 6 points lower than the national average of 61.5 percent. However, the District still spent more dollars per pupil in the classroom than the comparable districts' or the state average.

St. Johns USD was able to spend more dollars in the classroom because it received more total funding per pupil than comparable districts. Sources included state transportation aid, additional funding from a budget override, excess utilities monies, and special needs funding.

### TO OBTAIN MORE INFORMATION

A copy of the full report can be obtained by calling  
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Contact person for this report:  
Ann Orrico

## 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.

**ELL Program**—In FY 2006, St. Johns had 41 ELL students, all placed in mainstream classes with the support of three bilingual aides. However, the new statutory requirement is to provide 4 hours of English acquisition in daily "pull out" sessions for first-year ELL students. Therefore, substantial changes will be

needed to come into compliance with this requirement. The program will have to be remodeled to include English Language Development and instruction using a qualified teacher.

**ELL Funding**—The District received \$15,500 in ELL funding in FY 2006, but spent only \$8,600 on its ELL program. In FY 2007, the District misreported its ELL students as 11 instead of 41 and received only \$3,900 in funding, which was insufficient to cover its \$7,300 in incremental costs.

### Recommendations

The District should:

- Develop its ELL program to comply with state requirements related to ELL programs.
- Accurately report ELL student information.