

State Board's response necessitates clarifications and additional context

The Joint Legislative Audit Committee requires audited entities to provide a written response indicating whether they agree with our findings and plan to implement the recommendations. This audit makes recommendations requiring a response from the Department and the State Board, and consistent with the requirement, their responses are presented on the following pages.

The State Board and the Department each agreed with Finding 1 of the report, which found that the school letter grade system developed by the Department and approved by the State Board obscures key performance differences between schools, limiting its usefulness in providing public information about schools' achievement. However, the State Board's response, with concurrence from the Department, included certain statements pertaining to the letter grade system's current configuration and the grades awarded to schools that require clarification and/or additional context.

We identified the following specific areas of concern:

▶ **State Board's discussion of average proficiency levels for schools with A letter grades appears to ignore its published grading definition calling for "distinguished performance on the State-wide assessment"**

The State Board's response states in multiple places that average proficiency scores for students at 82.2% of schools with A letter grades were at or above the aggregated State-wide average proficiency on math and ELA examinations. For reference, and as noted in the report, in fiscal year 2025, the average percentages of students testing as proficient on State-wide math and ELA assessments was 33% and 40%, respectively.

Although the 82.2% figure cited in the response may be accurate, neither the Department nor the State Board makes the aggregated State-wide proficiency score cited in the response publicly available with the letter grades assigned to schools, nor is the score on the school report card website. Additionally, by suggesting that proficiency scores that exceed the State-wide averages justify awarding A letter grades, the response appears to disregard the State Board's published definition requiring students at A-graded schools to achieve "distinguished performance on the State-wide assessment." Further, the response does not acknowledge or address the A letter grades awarded to the nearly 18% of schools—more than 100 schools State-wide—whose average proficiency scores were below the aggregated proficiency average, contrary to the State Board's definition for A letter grades.

▶ **State Board misunderstands the purpose of providing a comparison of report cards for 2 schools with A letter grades**

The State Board's response takes issue with our report's comparison of the published report cards for 2 high schools that were awarded A letter grades in 2025, indicating that the 2 schools selected "do not accurately represent the average A school." However, the

comparison's intent was not to present the average A school but rather to present the variation in performance among A-graded high schools. The comparison illustrates a key issue discussed in the finding, which is that the State's letter grade system awards a substantial number of top letter grades to schools that do not appear to meet the criteria specified in the State Board's published letter grade definitions.

▶ **State Board's discussion of schools with A and B letter grades targeted for federal intervention requires further context**

The State Board's response discounts the fact that 48 K–8 schools with A and B letter grades were targeted for the federal school accountability system's highest levels of intervention to increase student academic achievement and close achievement gaps. The response states "The report does not fully explain the differences between the State and federal accountability systems." It also indicates that the 48 K–8 schools are targeted for school improvement based on the performance of student subgroups.

Although this report focuses on the State's letter grade system, we address differences in the federal and State accountability systems in the report's introduction and include information about the levels of federal intervention for underperforming schools in Finding 1. In total, 82 traditional schools with A and B grades were targeted for some level of intervention under the federal accountability system in 2025. We limit the report's discussion to only those 48 schools with A and B grades that were targeted for the highest levels of federal intervention. Regardless of whether these schools were identified for improvement based on student subgroups or overall performance, documentation from the Department indicates that schools targeted for the highest levels of federal intervention need more support, funding, and attention to improve student outcomes compared to those not identified.¹ Our inclusion of federal school accountability system results support the finding's discussion of whether the State letter grade system effectively communicates school performance and identifies schools in need of additional support.

▶ **State Board incorrectly states that the report does not provide an explanation for including Connecticut's school accountability system for comparison purposes**

The response expresses concern about other state comparison information included in the report specific to Connecticut. It states "Further, CT [Connecticut] does not use a comparable letter grade system to Arizona, instead using a categorical system, and thereby is not a valid direct comparison state to AZ [Arizona]. The report does not explain how the two states and systems are comparable."

During the audit, we were made aware of the State Board's apparent misunderstanding of the purpose of including Connecticut in our review and met with the State Board to further explain our rationale for using Connecticut as a relevant comparative state. To address the State Board's concerns, we also added language to the report to more clearly explain how the 2 states are comparable for the purposes discussed in the report. Specifically, on pages 16 and 17 of the report, we acknowledge the State Board's position and explain

¹ Arizona Department of Education. (2025). *Federal school improvement: CSA/ATSI/TSI*. Retrieved 6/18/2026 from <https://www.azed.gov/sites/default/files/2025/08/FSI%20Business%20Rules%20FY2025%2B.pdf>

the structural similarities of the 2 state's school accountability systems. We disagree with the State Board's assertion that Connecticut's categorical school accountability system is not comparable to Arizona's letter grade system. As explained in the report, although Connecticut does not assign an A–F grade to schools, it uses a similar 5-category school accountability framework where schools are assigned to a category reflecting their overall performance based on their performance on multiple indicators.

Including Connecticut as a comparison state helps address the question of whether states that award top letter grades to a higher proportion of schools have students who perform better than those in states that award top grades to a lower proportion of schools. Among the states we reviewed, Arizona awarded the highest proportion of top grades to its schools, while Connecticut awarded the lowest proportion. Despite awarding top letter grades to a substantially higher proportion of schools (77.7% in Arizona compared to 39.8% in Connecticut), Arizona students performed worse than Connecticut students on the NAEP, indicating that states with more top-rated schools do not necessarily have higher levels of student achievement. As such, the discussion about Connecticut helps to illustrate the variation in states' school accountability systems and their resultant school ratings.

▶ **State Board misconstrues the report's use of national student proficiency data for comparisons of states' school accountability systems**

The State Board's response disagrees with the report's use of NAEP student proficiency data. During the audit, the State Board indicated that NAEP data was a common measure for comparing students' academic achievement across states. The State Board's response correctly states that the NAEP "was not designed to assess accountability systems." However, as used in the report, the NAEP provides a comparable measure of student achievement across states to provide context for the grades other states award their schools, which is consistent with NAEP's purpose. The report also uses NAEP data to illustrate that school accountability systems are not uniform in how they recognize student achievement. Specifically, the NAEP provided a means of considering whether students in states with the highest percentages of top-rated schools demonstrated higher levels of proficiency, which is how we used that information in the report.

▶ **State Board's assertion that student proficiency is the largest contributing factor to overall school ratings is not supported by the analysis it provided during the audit**

The State Board's response provides information about the proficiency indicator used in the A–F letter grade system that requires clarification. Specifically, the response states "Per data provided by the Department and the Board, the proficiency indicator is the largest factor contributing to overall school ratings."

During the audit, we met several times with Department and State Board staff to discuss their analysis supporting that proficiency was the largest factor contributing to overall school ratings. During these meetings, we expressed concerns with the analysis, primarily that the Department's and State Board's analysis used the underlying composite score (e.g., how many points a school earned in total) rather than the resultant letter grade to assess proficiency's impact. During our discussions, both Department and State Board staff appeared to acknowledge the limitations of their analysis and their understanding of

the concerns we identified. However, neither the Department nor the State Board provided updated or additional analysis that sufficiently addressed our methodological concerns pertaining to the impact of proficiency on the overall letter grade.

▶ **State Board misrepresents the report’s discussion of traditional A–F grading system cut points**

The State Board’s response argues against the inclusion of information relating to traditional A–F grading cut points, the potential impact of applying them to the State’s school letter grade distribution, and whether the public interprets letter grades in accordance with the traditional cut points as described in the report. We were aware of the State Board’s concerns and clearly state in the report that we do not recommend adopting traditional grading cut points for the State’s A–F letter grade system. However, as readers may interpret the State’s A–F letter grades in accordance with traditional A–F cut points, we provided information about how the State-wide distribution of letter grades would change if these cut points were to be adopted. Report recommendations to the State Board focus on reducing potential confusion and better informing the public about what each letter grade represents in terms of school performance, including by updating its published A–F letter grade definitions and the School Report Card website.