



Arizona State Board of Education

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June 15, 2026

Lindsey Perry, Auditor General
Arizona Auditor General
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Phoenix, AZ 85018

Auditor General Perry,

The Arizona State Board of Education (Board) appreciates the opportunity to work with your team and to respond to this audit report. The Board is committed to effectively and efficiently administering Arizona's A-F School Accountability System. The Board is especially pleased that the feedback from the audit team and report aligns with the comprehensive, methodical, and transparent revision process to the A-F system the Board and Arizona Department of Education began eighteen months ago.

The Board is grateful for the work done by our respective agencies and the Technical Advisory Committees to revise the A-F system to improve student outcomes.

Thank you,

A handwritten signature in black ink that reads "Katherine Haley".

Katherine Haley
President, Arizona State Board of Education
1700 W. Washington St., Third Floor
Phoenix, AZ 85007

President: Katherine Haley • Vice President: Dr. Scott Hagerman
Superintendent of Public Instruction: Tom Horne
Jason Catanese • Dr. Jacqui Clay • Dr. Jose Luis Cruz Rivera • Todd
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Executive Director: Sean Ross

Finding 1: 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.

State Board response: The Auditor General's finding is agreed to.

Response explanation:

1. Acknowledgement of Elements of the Audit Report: Finding 1

- a. Report Recommendations: While this response addresses elements in the body of the A-F Audit Report with which the State Board (Board) disagrees, the Board feels it is important to state that it is receptive to the formal recommendations made in the report, as they align with the Board's current extensive, transparent, and methodical revision of the A-F School Accountability System begun over a year ago.
- b. Recognition That the Board Created the A-F System Called for in State Statute: The passing of SB 1430 in 2016 required the Board to create a new A-F system that focused on school performance across multiple measures. While the report identifies key areas where the current system is in need of revision and recalibration, which the Board and Arizona Department of Education (Department) are addressing in their comprehensive revision process, the Board appreciates that the report acknowledges that the system itself is designed in accordance with state law.
- c. Recognition of the Board and Department A-F Revision Process: As post-COVID trend data became available, the Board, the Department, and the Technical Advisory Committees (TAC) recognized the need to revise the overall summative letter grade system and designed and implemented a comprehensive and transparent revision process that will culminate in the advent of indicator scoring, an examination and possible resetting of cut scores, and an examination and possible recalibration of the weights of indicators within the system. The Board appreciates the report's acknowledgement that this revision process was initiated by the Board and Department and addresses/will address the majority of the concerns raised in the report.
- d. Recognition of the Board and Department A-F Revision Process and the Implementation of Indicator Scoring: The report lists the statutory requirement for the Board and Department to assign individual grades for the primary indicators of the A-F system, in addition to a summative letter grade. The Board and Department appreciate the report's acknowledgement that the Department's School Report Card webpage provides key information. Additionally, the Board appreciates the report's acknowledgement that the A-F revision process currently in process by the Board and Department is designed to evaluate each indicator, revise the way the indicator is evaluated both individually and within the summative system, and provide letter grades for each indicator for forthcoming letter grade releases.
- e. Recognition That Arizona's A-F Letter Grade System Is Similarly Structured to Other State Systems and Has Cut Scores In the "Middle Range" Among States: While the report identifies key areas where the current system is in need of revision and recalibration, which the Board and Department are addressing in their comprehensive revision process, the Board appreciates the report's recognition and provision of data to illustrate that Arizona's A-F system is similar in structure to those of other states and that the cut scores for the system established by the Board are in the "middle range" of cut scores from states across the country (Report pp. b-7 - b-8).

- f. Suggestions of Key Ideas for Revision to the A-F System for Consideration: The report identifies some key ideas for revision to the system that the Board, Department, and the TAC will consider as part of its comprehensive and methodical revision process, including reevaluating the weights of indicators within the system and the removal of bonus points.
2. Board and Department Response: Specific Concerns With the A-F Audit Report - Finding 1:
- a. Finding 1: School letter grade system developed by the Department and approved by the State Board obscures key performance differences between schools...
 - b. Board Response: 82% of A Schools Scored Above the State Average for Proficiency
 - i. Report Language: "Because of the substantial variation in student proficiency among high schools with A letter grades, we looked more closely at whether A-rated schools consistently demonstrated the characteristics defined by the State Board, including whether their performance was "significantly higher than State average." We found that many A-rated high schools did not appear to meet this standard (Report pg. 10)."
 - ii. Board and Department Response:
 - 1. Based on information/data provided by the Department and Board to the Auditor General, the number of A schools meeting or exceeding the state average in proficiency (ELA and Math aggregate) is 82.2%. This illustrates that the vast majority of A schools are performing above the state average in proficiency.
 - c. Finding 1: School letter grade system developed by the Department and approved by the State Board obscures key performance differences between schools...
 - d. Board Response: The Comparison of High Schools In Table 4 Does Not Represent the Average for A Schools
 - i. Report Language: "State's letter grade system does not clearly communicate school performance to the public because it deems most schools as excellent or highly performing, including some that do not appear to meet this criteria (Report pg. 10)."
 - 1. Table 4 (pp. 11-13)
 - ii. Board and Department Response:
 - 1. Based on information/data provided by the Department and Board, the number of A schools meeting or exceeding the state average for Proficiency (ELA and Math aggregate) is 82.2%. This illustrates that the vast majority of A schools are above the state average in proficiency. While the schools in Table 4 demonstrate a wide range of earned points for A schools, they do not accurately represent the average A school.
 - 2. The ability for a school to earn an A based on multiple measures is reflective of the system called for by the Legislature in A.R.S. § 15-241.
 - e. Finding 1: School letter grade system developed by the Department and approved by the State Board obscures key performance differences between schools...
 - f. Board Response: The Report Does Not Fully Explain the Differences Between the State and Federal Accountability Systems
 - i. Report Language: "Additionally, 48 K-8 schools with A and B letter grades in 2025 were targeted for the federal school accountability system's highest levels of intervention, which are intended to increase student academic achievement and close achievement gaps" (Report, pg. 14).

- ii. Board and Department Response:
 - 1. The federal and state accountability systems are separate systems with separate measures and separate intended uses.
 - 2. Under the federal accountability system, a school may be identified for targeted support if a single student subgroup—out of 13 possible subgroups—is underperforming. Because subgroup performance represents a limited portion of the overall state letter grade calculation, a school may still earn a higher letter grade while simultaneously being identified for targeted assistance for a single subgroup. As a result, a school's designation for school improvement does not necessarily reflect overall school performance and may occur even when the broader student population is demonstrating satisfactory outcomes across the accountability measures.
 - a. Per data from the Department, the 48 schools cited by the report are each in school improvement because of subgroup performance.
- g. Finding 1: School letter grade system developed by the Department and approved by the State Board obscures key performance differences between schools...
- h. Board Response: The Report Presents a Misaligned State Comparison to CT and Mistakenly Uses NAEP As An Evaluation of the A-F Letter Grade System
 - i. Report Language (Report pp. 16-17 and Figure 1):
 - 1. For example, Connecticut awarded the lowest proportion of top grades to schools among the states we reviewed, but its grade 8 students' NAEP math and reading assessment scores were significantly higher...(Report pp. 16-17 and Figure 1)."
 - ii. Board and Department Response:
 - 1. The CT comparison is misaligned with AZ in the structure of its state rating system, geography, per pupil funding, economic dynamics, and in student population. Further, CT 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. The report does not explain how the two states and systems are comparable.
 - 2. The report uses NAEP proficiency rates to suggest Arizona awards a high number of A and B grades relative to student outcomes. However, NAEP is a separate national assessment and is not used to assign school letter grades.
 - a. There is no research provided to support a connection between school letter grades and achievement on NAEP. Although NAEP provides a common measure of student achievement across states, it was not designed to assess accountability systems. There is no established research evidence provided demonstrating a relationship between state accountability models and NAEP performance.
 - b. The NAEP assessment is solely a measure of proficiency of standards established by NAEP, not a system that measures school achievement across multiple measures as called for in state statute.
- i. Finding 1: School letter grade system developed by the Department and approved by the State Board obscures key performance differences between schools...
- j. Board Response: The Proficiency Indicator Has the Largest Impact In the System and the Majority of A Schools Earned the Majority of Proficiency Points Available

- i. Report Language: “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 (Report pp. 17-19).”
- ii. Board and Department Response:
 - 1. Per data provided by the Department and Board, the proficiency indicator is the largest factor contributing to overall accountability outcomes.
 - a. Schools that earn an A continue to earn a substantial portion of the available proficiency points.
 - i. In 2025, traditional K-8 schools earning an A averaged 76.5% of available proficiency points (23/30).
 - ii. In 2025, traditional 9-12 schools earning an A averaged 69.9% of available proficiency points (21/30).
 - 2. Using the report’s benchmark of earning at least 24 out of 30 proficiency points, 212 of 476 A-rated K-8 public schools (44.5%) earned at least 24 proficiency points. Among 9-12 schools, 34 of 122 A-rated schools (27.9%) met the same benchmark.
 - a. These results demonstrate that while proficiency remains a meaningful component of the accountability system, schools earning an A are also demonstrating strong performance across other indicators included in statute, such as growth, graduation rate, CCRI, acceleration readiness, and English learner outcomes.
 - 3. The ability for a school to earn a grade based on demonstrated performance across multiple measures is reflective of the system called for in state statute.
 - 4. While Proficiency plays a key role in the current system, the Board acknowledges the report’s concern about the current correlation between proficiency rates and school letter grades. The Board and Department’s goal is always to work towards improved student outcomes.
- k. Finding 1: School letter grade system developed by the Department and approved by the State Board obscures key performance differences between schools...
- l. Board Response: The “More Traditional Scoring Structure” Presented in the Report Is Unsupported By Research, Data, and Widespread Use In Other States
 - i. Report Language: However, recommended practices indicate that traditional A-F letter grades provide for increased transparency because they are familiar to parents, students, and other stakeholders. Since parents and stakeholders are likely familiar with the traditional A-F cut points and may believe the State’s letter grade system uses these cut points to assign letter grades to schools, we evaluated how the proportion of schools with A and B letter grades would change if the State Board were to adopt traditional A-F cut points.
 - ii. Board and Department Response:
 - 1. The report’s reference to “more traditional grading scale” is not supported by the data or research cited in the report. While the report states that A-F letter grades are familiar to parents, students, and other stakeholders, the cited research does not establish that the public universally interprets letter grades using specific percentage cutoffs.

- a. None of the referenced materials on recommended practices establish a national standard requiring statewide accountability systems to mirror “traditional” classroom grading scales. Rather, the accountability literature focuses on meaningful differentiation, multiple measures, subgroup performance, growth, transparency, and rigor within statewide systems.
2. Notably, the ExcelinEd accountability guidance cited in the report does not prescribe “traditional” classroom-style cut scores as a best practice. Instead, it recommends that states “establish rigorous criteria, with automatic increases, to earn *A, B, C, D* and *F* grades” (p.2).
3. The report does not provide sufficient research-based justification, as required by statute, for using “traditional” classroom grading cut points as a benchmark for evaluating Arizona's accountability system, particularly given the lack of a universally accepted grading structure across all schools.
4. Appendix B of the draft report indicates that Arizona’s cut scores are in the “middle of the range among other states” reviewed by the AG.
5. Only one state in the nation (AL) uses what the report presumes to be this ‘typical cut grading scale’ system.

Recommendation 1: Upon receiving recommended revisions to the letter grade system from the Department and Committee, consider and take formal action in a public meeting to adopt or not adopt the Department’s and Committee’s recommendations.

State Board response: The audit recommendation will be implemented.

Response explanation: The Board values its relationship with the Department and Committee and actively votes to seek and consider guidance from both when considering changes to the A-F system. Both the Department and the Committees are key parts of the A-F revision process begun by the Board over a year ago.

Recommendation 2: Review and update publicly available information about the letter grade system to ensure it is up to date and accurate, including updating its A–F letter grade definitions to more accurately reflect what each letter grade represents and updating the School Report Card website to accurately reflect that up to 9 bonus points are available to high schools under the currently adopted letter grade system.

State Board response: The audit recommendation will be implemented.

Response explanation: Over a year ago, the Board implemented a revision process for the A-F School Accountability system that actively involves input from the Department and the Technical Advisory Committees. This revision process includes public reviews of each indicator, the system as a whole, the weights of the system, and the cut scores for the system. As part of the revision process, the Board will update the descriptions for each letter grade, reflecting what each represents. The Board will work with the Department to update the currently published information about the current status of Bonus Points.

Finding 2: Although statutorily required since 2018, Department and State Board have not issued letter grades for the indicators that make up overall school letter grades, and did not ensure the Committee complied with open meeting laws between 2018 and June 2023, limiting public transparency.

State Board response: The Auditor General's finding is agreed to.

Response explanation:

1. Acknowledgement of Elements of the Audit Report: Finding 2
 - a. Recognition That Ambiguity in State Statute Contributed to Confusion With TAC Meetings and Open Meeting Law Requirements: The report identifies a concern that TAC meetings were overseen by the Board from 2016-2018 and followed Open Meeting Law. However, in 2018, the decision was made to have the Department oversee these meetings. It was believed that the meetings were not subject to Open Meeting Law at this time due to the lack of clarity in statute. In July 2023, the Board began to oversee the TAC meetings once again and all TAC meetings have met the requirements of Open Meeting Law since that time. The absence of clarity in statute is recognized by the report, which states "Our analysis similarly did not identify any statutory provision specifying which entity was responsible for the Committee's activities. (Report pg. 28)" The Board appreciates the recognition that issues in the structure of these meetings were due in large part to a lack of clarity in statute.

2. Board and Department Response: Specific Concerns With the A-F Audit Report - Finding 2:
 - a. Finding 2 - Although statutorily required since 2018, Department and State Board have not issued letter...
 - b. Board Response: The COVID-19 Pandemic Significantly Impacted the Timeline for the Development and Implementation of Indicator Scoring
 - i. Report Language: Although statutorily required since 2018, Department and State Board have not issued letter grades for the indicators that make up overall school letter grades, and did not ensure the Committee complied with open meeting laws between 2018 and June 2023, limiting public transparency
 - ii. Board and Department Response:
 1. The Board acknowledges that it is out of compliance with the implementation of indicator scoring. For context, the redesigned system called for in SB 1430 was implemented in 2017. That provided only two years of school letter grade data prior to the advent of the COVID-19 pandemic. Letter grades were not issued for 2019/2020 or 2020/2021 school years. This means that 2023/2024 was the first year the Board and Department had trend data (three years or more) from the system. Upon reviewing that trend data, the Board identified the need for revision to the summative system and began its formal revision process, which will culminate in the development and implementation of indicator scoring.
 - c. Finding 2 - Although statutorily required since 2018, Department and State Board have not issued letter...
 - d. Board Response: The TAC meetings have been held as open meetings since July 2023 and will continue to be moving forward.

- i. Report Language: Department failed to ensure the Committee complied with State open meeting laws for several years prior to July 2023 (Report pg. 28).”
- ii. Board and Department Response: The meetings of the Technical Advisory Committees have followed Open Meeting Law since July 2023 and will continue to do so moving forward.

Recommendation 3: Upon receiving a recommended methodology and performance criteria for individual indicator letter grades from the Department and the Committee, consider and take formal action in a public meeting to adopt or not adopt the Department’s and Committee’s recommendations.

State Board response: The audit recommendation will be implemented.

Response explanation: The Board values its relationship with the Department and Committee and actively votes to seek and consider guidance from both when considering changes to the A-F system. Both the Department and the Committees are key parts of the A-F revision process begun by the Board over a year ago.

Recommendation 4: Ensure the Committee continues to comply with the State’s open meeting laws, including holding public meetings, and posting notices, agendas, and minutes as required by statute.

State Board response: The audit recommendation will be implemented.

Response explanation: Since July 2023, the Board has overseen all meetings of the A-F Technical Advisory Committees and has met the requirements of Open Meeting Law. The Board will continue to oversee TAC meetings, all of which will meet Open Meeting Law.