

## Buckeye Elementary School District Report 2 of 2

**In our fiscal year 2019 performance audit of Buckeye Elementary School District, Report 1 of 2 (Report 21-208), we identified that compared to its peer districts' average, the District spent 54 percent more per pupil on executive administration, including the superintendent's salary and benefits package. This second report focuses on that aspect of administrative spending.**

As shown in Table 1, the District may have violated the Arizona Constitution's gift clause when from July 2016 through December 2021, pursuant to 3 employment agreements, without documenting a public purpose, it paid its superintendent \$1,712,976 "additional compensation" within total compensation of \$3,274,505, which was about 100 percent more than what the State's 3 largest districts paid their superintendents, on average.<sup>1</sup>

Also, inconsistent with the core purpose of public records laws, the District omitted critical information associated with this "additional compensation" in 2 of these employment agreements. Moreover, because the District miscalculated "required withholdings" related to this "additional compensation," the District overpaid the superintendent an estimated \$571,256, or 33 percent, of the \$1,712,976 paid. We have submitted our report to the Arizona Attorney General's Office for appropriate action.

**Table 1**  
**District paid more than \$1.7 million "additional compensation" of about \$3.3 million total compensation July 2016 through December 2021**

Fiscal year	Base salary, performance pay, & benefit payments	"Additional compensation"	Total compensation payments
2016/17	\$ 257,934	\$ 95,726	\$ 353,660
2017/18	243,260	95,726	338,986
2018/19	275,234	524,612	799,846
2019/20	275,540	454,255	729,795
2020/21	306,843	433,152	739,995
Partial 2021/22 <sup>1</sup>	202,718	109,505	312,223
<b>Totals</b>	<b>\$1,561,529</b>	<b>\$1,712,976</b>	<b>\$3,274,505</b>

<sup>1</sup> As described in footnote 1, our analysis of the District's payments for the superintendent's "additional compensation" ended in December 2021, thereby covering the first half of fiscal year 2021/22.

Source: Auditor General staff analysis of District-provided payroll reports.

### DISTRICT OVERVIEW

The superintendent has held this position since 2013 and, as of this report date, remains in that capacity. Additionally, 4 of the 5 governing board members serving as of this report date held their position since at least April 2016 when the governing board approved the first of 3 employment agreements calling for the superintendent to be paid "additional compensation." During their tenure and as of fiscal year 2019:

- Like the prior 3 fiscal years, District students performed below their peer group and students State-wide on State assessments. Of the approximately 5,200 District students: 24 percent passed math, 28 percent passed English language arts, and 42 percent passed science assessments.
- Of the District's 7 schools, 4 had a D or F letter grade, resulting in the District working with the Arizona Department of Education to create an integrated action plan to improve student achievement.
- The District had a poverty rate of 16 percent, and about 66 percent of the students qualified for free/reduced price meals.
- The District's average teacher salary of \$44,536 was about 15 percent below the State average.

<sup>1</sup> This "additional compensation" relates to a "Retirement Credit" provision included in 3 of the superintendent's employment agreements from fiscal years 2017 through 2023 that called for the District to provide the superintendent with "additional compensation" net of "required withholdings" for the superintendent's purchase of retirement credits through the Arizona State Retirement System (ASRS). Additionally, 2 of these agreements called for the "additional compensation" to be factored in when determining the payments for the superintendent's unused leave. The superintendent represented to us that the superintendent was purchasing retirement credits with the ASRS for 11 years of employment at 5 different school districts in another state, and the purchase would be complete in November 2021. Consequently, our analysis covers the District's payments for the superintendent's "additional compensation" from July 2016 through December 2021. The 3 employment agreements are summarized in the Appendix.