

## AZ Public, Private & Charter Schools

### Taxpayer Transparency, Oversight, and Accountability

Arizona has a reputation nationally for its "choice" environment for educational options. There are many educational systems in Arizona including virtual, blended, charter, private and traditional brick and mortar public schools. Over 84% of the student population use the traditional public school model while the remaining attend charter, private, or virtual schools. Public education is the "great equalizer" that holds our democracy together from generation to generation, and from rural, to suburban, to urban communities across America. It is the duty of all citizens to protect the value of education in a democracy so everyone has a brighter future ahead.

The purpose of this document is to summarize options to ponder, adjust, fully implement, and/or investigate further around the impact of our current educational structure. Are we correctly maximizing the use of Arizona's public tax dollars? All Arizona taxpayers want oversight of their tax dollars to guarantee wise resource allocation. The taxpayers also want to encourage educational innovation, risk-taking, equity, and equality throughout the State. The current educational models in Arizona are long on risk and innov

Rationale: It is a taxpayer and parental right to be able to easily compare budgets, classroom costs, administrative expenses, etc.; being able to compare one sheet of paper would be great for parents. Much of a required data that public schools complete is already collected by other educational outlets so would not be too hard for all to complete the same form. Currently charter schools serve 16% of the population and receive 27% of the State dollars, while not producing significantly different academic results. Completing similar forms for comparison will allow parents to make informed choices;

Currently, there is no requirement for a minimum percentage of each tax dollar to be dedicated to the classroom. If parents have comparative data, they will be more likely to choose the schools that put maximum dollars into classrooms. Currently charter schools administrative costs average 20%, while public schools are at 10% throughout the State; these high admin costs at charter schools reduce the amount allocated to teachers and the classroom for educational purposes. Parents are not aware of



Currently, there is also no limit on transferring profit to management companies. For example, American Leadership Academy founder Glenn Way paid himself between \$18 and \$37 million of taxpayer dollars through no-bid contracts to build his

example, in suburban Arizona, much of the correct capacity already exists, so why should taxpayers support the construction of the exact same business across the street from each other?

When public school districts want to add schools to their area, they must convince voters and/or School Facilities Board of the need and allow for a public bond vote. Charter and private schools can build anywhere, with limited oversight on the impact upon the public school educational structure of the region or state. Charter authorizers have figured out the best location to build a private or charter school is right next to a successful public school. For example, in December of 2018, the state charter authorizing board granted another charter to Integrated Education Foundation to operate next to Norterra Canyon Elementary, one of the highest scoring schools in all of Arizona. Maricopa County is full of these examples of charters popping up next to successful public schools; Suburbia is where the most money can be made, so they will keep multiplying in these zones and leave when they are no longer profitable;

Rationale: School choice does not reduce racial segregation in Arizona as shown by Matthew Hom, PhD of the Yale Department of Economics. Dr. Hom did his PhD dissertation in 2017 specifically on Maricopa County school of choice students and showed that school choice is not encouraging racial integration as presented, but actually segregating Maricopa County students and families. In 2018, Applied Economics shared similar data from the Arizona Department of Education that reinforced this finding. They showed since 2000, charter schools captured over half of the 271,600 new student-increase in statewide enrollment; almost 58,000 of the student-increase at charters were white while about the same number were Hispanic. During this same time-period, the increase in enrollment for traditional public schools saw a jump of over 171,000 in Hispanic enrollment, while the white enrollment decreased by almost 90,000; charters are segregating Arizona and taxpayers are paying for it.

Rationale: Making millions of dollars off the Arizona taxpayer for the education of Arizona's youth should not be an option for charter and private schools. By allowing Arizona charters and private schools to operate as a

himself \$10.1 million over two years, 2017 and 2018, to run the three schools. In December of 2020, Craig Harris reported that Primavera shipped another \$10 million to its partner school, StrongMind after receiving nearly \$2.2 million in PPP loans.

In conclusion, the premise of school choice in Arizona