Arizona School Facilities Board
Building Renewal Grant Fund

Board can better ensure timely project completion and payments to districts, Board member compliance with conflict-of-interest laws, and district compliance with State procurement requirements

Special Audit

June 2019
Report 19-105

A Report to the Arizona Legislature

Lindsey A. Perry
Auditor General

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Members of the Arizona Legislature

The Honorable Doug Ducey, Governor

Mr. Paul G. Bakalis, Executive Director
Arizona School Facilities Board

Transmitted herewith is a report of the Auditor General, *A Special Audit of the Arizona School Facilities Board—Building Renewal Grant Fund*. This report is in response to Laws 2018, Ch. 285, §30, and was conducted under the authority vested in the Auditor General by Arizona Revised Statutes §41-1279.03. I am also transmitting within this report a copy of the Report Highlights for this audit to provide a quick summary for your convenience.

As outlined in its response, the Arizona School Facilities Board agrees with all of the findings and plans to implement all of the recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Lindsey Perry, CPA, CFE
Auditor General

cc: Arizona School Facilities Board members

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Special Audit
Report Highlights
June 2019

Arizona School Facilities Board
Building Renewal Grant Fund

CONCLUSION: The Board administers the BRG Fund to help public school districts (districts) complete school facility renovation and repair projects (BRG projects). The Board has established processes for approving BRG projects and distributing BRG Fund monies and has improved some of these processes. Improvements include more timely distributing BRG Fund monies for some projects, closing several BRG projects and making available unspent monies for other BRG projects, and adopting several new policies to guide districts and vendors on BRG project scope-of-work development. However, we found that the Board lacks processes for monitoring BRG project progress to help ensure districts timely complete BRG projects and it should improve the use of its information technology (IT) systems to help ensure all payments to districts are timely. We also found that most Board members failed to fully disclose interests related to Board decisions. Finally, we found that Board staff and vendor actions and Board procurement policies could confuse districts and lead to compliance issues with State procurement requirements, and some districts we reviewed did not always comply with these requirements.

Districts' BRG project delays and Board's lack of monitoring contribute to potential health and safety risks, increased State costs, and BRG Fund monies sitting idle for years

Although the Board closed 171 BRG projects between July 2018 and January 2019 and made approximately $1.6 million in unspent BRG Fund monies available for other BRG projects, we identified 628 BRG projects that had been open for 12 months or longer, including 154 BRG projects with potentially uncorrected deficiencies and 474 BRG projects with more than $49 million in unspent project award monies. These projects were intended to address facility deficiencies such as the adequacy of fire alarms and structural soundness of buildings that, if left uncorrected, could impact students' and teachers' health and safety or worsen over time, potentially leading to other costly problems.

Recommendations

The Board should:

- Review all 628 open projects to determine their current status and the appropriate action to take.
- Establish processes consistent with State policy for monitoring BRG project progress and assisting districts in addressing issues that could delay project completion.

Board should improve its use of IT systems to ensure all payments to districts are timely

In January 2018, the Board implemented an online system—called the PayAppinator—to facilitate paying districts' requests to receive distributions of BRG Fund monies. We found that using the PayAppinator has helped the Board improve its timeliness for paying some payment requests. Statute requires districts to pay their vendors within 30 days of receiving an invoice, but the Board did not pay all requests it received from districts using the PayAppinator within 30 days, which would help districts comply with the statutory requirement.

Recommendation

The Board should modify its PayAppinator system to track and monitor the timeliness of all payment requests.

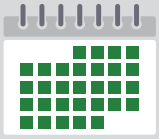
Paid payment requests

56 paid in more than 30 days

226 paid in 30 days or less

Unpaid payment requests
As of January 31, 2019

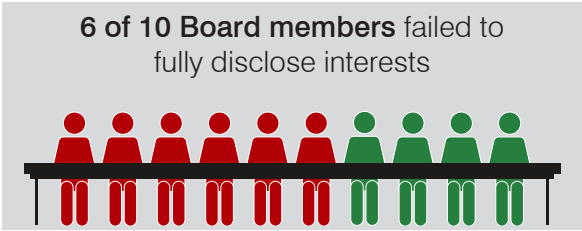
28 open for more than 30 days



62 open for 30 days or less

Board members failed to disclose interests, and 1 Board member failed to refrain from participating in decisions related to those interests

Arizona law requires public officers and employees to disclose and refrain from participating in decisions related to interests that might influence or affect their official conduct. We found that 6 Board members did not fully disclose why they refrained from discussing and voting on Board decisions in Board meetings held between June 2018 and February 2019. In addition, the Board's vice-chair improperly participated in decisions related to 3 BRG projects that involved his son's company. State law and Board policy clearly require Board members and staff to fully disclose interests and file disclosure forms, but the Board lacks processes to help ensure its members comply with these requirements.



Recommendations

The Board should establish processes to:

- Allow Board members to fully disclose substantial interests in its public meetings.
- Help Board members identify meeting agenda items involving their interests.
- Ensure new Board members complete and file a conflict-of-interest form before they begin serving on the Board.

Board staff and vendor actions and Board policies and guidance for districts could confuse districts, leading to decreased competition, potentially unfavorable pricing, and compliance issues

Districts are responsible for procuring, selecting, and contracting with vendors for BRG projects and, when doing so, must comply with the School District Procurement Rules adopted by the Arizona State Board of Education, the *Uniform System of Financial Records for Arizona School Districts* (USFR), and the Board's procurement policy. We reviewed a sample of 10 districts' BRG project vendor procurement and selection for 36 BRG projects and found that 4 of these districts did not procure and/or select vendors for BRG projects. Instead, district staff reported they believed the Board and/or Board staff had procured and/or selected the vendors. For example, a written quote a vendor provided to 1 district indicated that a Board staff member requested that the vendor provide the district with a quote. We also found indications that Board staff may have selected or referred BRG project vendors to districts in the past. Although, Board staff reported they do not require and/or suggest that districts use specific vendors, the Board lacks a policy or procedure prohibiting this. The Board's BRG project policies for districts do not explicitly state that districts are solely responsible for BRG project procurement. Finally, the Board's procurement policy and other guidance are unclear in several areas and could mislead districts, potentially resulting in noncompliance with the School District Procurement Rules and the USFR.

Recommendation

The Board should develop and implement policies that prohibit Board staff from requiring and recommending that districts use specific vendors and help ensure districts understand their procurement responsibilities, and it should modify its procurement policy and other guidance to ensure they do not mislead districts and are consistent with the School District Procurement Rules and the USFR.

Districts did not always comply with procurement requirements

Eight of the 10 sampled districts we reviewed did not fully comply with the School District Procurement Rules or the USFR for BRG projects. Three districts failed to follow requirements for using cooperative purchasing agreements and may have paid higher prices for vendor services. We also found numerous errors in procurement documents prepared by district-hired consultants, indicating these districts did not provide adequate oversight of the consultants.

Recommendation

The 8 sampled districts should comply with procurement requirements established in the School District Procurement Rules and the USFR, including providing oversight of procurement consultants.

A copy of the full report is available at: www.azauditor.gov | Contact person: Jeff Gove (602) 553-0333

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INTRODUCTION

The Office of the Auditor General has conducted a special audit of Arizona School Facilities Board (Board) Building Renewal Grant (BRG) Fund expenditures for the period of July 1, 2016 through June 30, 2018, pursuant to Laws 2018, Ch. 285, §30. As outlined in session law, this audit addresses the BRG Fund project (BRG project) process, including:

- Applications, requests for and distribution of BRG Fund monies, closeout forms, and proposed scopes of work.
- Vendor selection, procurement, contracting, and project oversight.
- BRG Fund program details for the period of July 1, 2016 through June 30, 2018, including the number of BRG project requests and awards, number and types of public school districts (districts) and schools receiving awards, types of BRG projects, total BRG Fund monies awarded, and number and types of vendors performing BRG projects.
- Board member compliance with Arizona's conflict-of-interest laws.[1]

To address these areas, we reviewed a sample of 10 of the 146 districts (sampled districts), with 9 selected at random and 1 selected judgmentally, that received distributions of BRG Fund monies between July 1, 2016 and June 30, 2018, and reviewed a judgmental sample of 36 of the sampled districts' 71 BRG projects (reviewed projects) for which the Board distributed BRG Fund monies during this period.

Board administers BRG Fund to address school facility deficiencies

As required by Arizona Revised Statutes (A.R.S.) §15-2032, the Board administers the BRG Fund. The BRG Fund consists of State General Fund appropriations to help districts complete facility renovation and repair projects for existing school facilities to help ensure these facilities comply with the minimum school facility adequacy guidelines (minimum adequacy guidelines) adopted by the Board (see Table 1, for the State General

Table 1
State General Fund appropriations to BRG Fund
Fiscal years 2016 through 2019

Fiscal year	Initial appropriation	Supplemental appropriation	Total
2016	$ 16,667,900	$15,000,000	$ 31,667,900
2017	31,667,900		31,667,900
2018	33,835,800	10,000,000	43,835,800
2019	51,085,800	25,000,000	76,085,800
Total	**$133,257,400**	**$50,000,000**	**$183,257,400**

Source: Auditor General staff analysis of Laws 2015, Ch. 8; Laws 2016, Ch. 117; Laws 2017, Ch. 305; Laws 2018, Ch. 276; and Laws 2019, Ch. 263.

[1] Laws 2018, Ch. 285, §30, authorized the Auditor General to conduct any other audit work deemed necessary, and we identified this as an additional area for review during the audit.

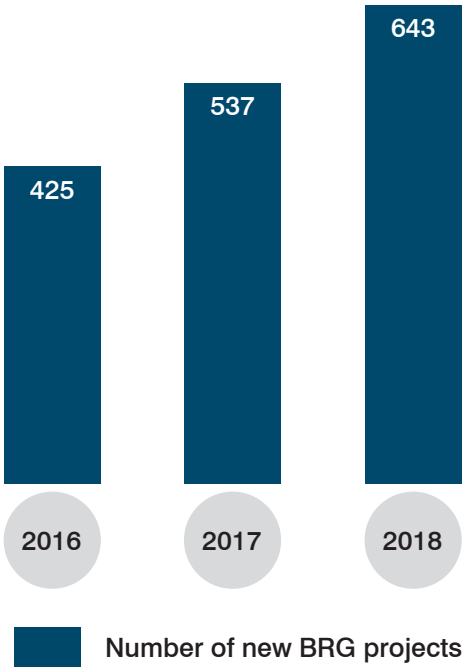
Fund appropriations to the BRG Fund).[2] The minimum adequacy guidelines outline the minimum standards for classroom conditions, such as temperature, lighting, and air quality, and standards for various other school facilities, including cafeterias, science facilities, and physical education facilities. To obtain BRG Fund monies to help complete facility renovation and repair projects, statute requires districts to request BRG Fund monies from the Board for specific projects that meet statutory eligibility requirements. For example, an eligible BRG project must address a deficiency that has caused a facility to fall below the minimum adequacy guidelines, and it must be completed within 12 months unless similar BRG projects, on average, take longer to complete. The Board approves the amount of BRG Fund monies that districts are authorized to spend for each BRG project (project award), but districts must then submit payment requests to the Board, including vendor invoices for work that has been completed, to receive distributions up to the approved amount of BRG Fund monies.

Board organization and staffing

As required by A.R.S. §15-2001, the Board consists of 9 governor-appointed members, who represent various industries throughout the State of Arizona, and the Superintendent of Public Instruction or the Superintendent's designee, who serves as an advisory nonvoting member. As of May 2019, all Board member positions were filled.

Additionally, as of May 2019, the Board had 17 full-time equivalent staff positions, including 3.25 vacancies.[3] These positions included an executive director, a deputy director of operations, a deputy director of finance, a chief information officer, a fiscal services manager, a school finance specialist, a public information officer, a programmer, and a demographer. The Board also had 5 liaisons whose duties related to BRG projects include reviewing districts' BRG project applications, working with districts to administer and oversee BRG projects, and making recommendations to the Board regarding whether to approve BRG projects. The Board has assigned each district in the State to a liaison and each liaison is responsible for between 39 and 48 districts. Between fiscal years 2016 and 2018, the number of new BRG projects that the Board approved annually increased from 425 to 643 BRG projects (see Figure 1). During this same period, the Board's annual appropriation for operations remained constant at about $1.67 million.

Figure 1
Number of new BRG projects approved
Fiscal years 2016 through 2018
(Unaudited)



Source: Auditor General staff analysis of the Board's *Building Renewal Grant Tracking* file for fiscal years 2016 through 2018.

Board and districts responsible for different BRG project steps

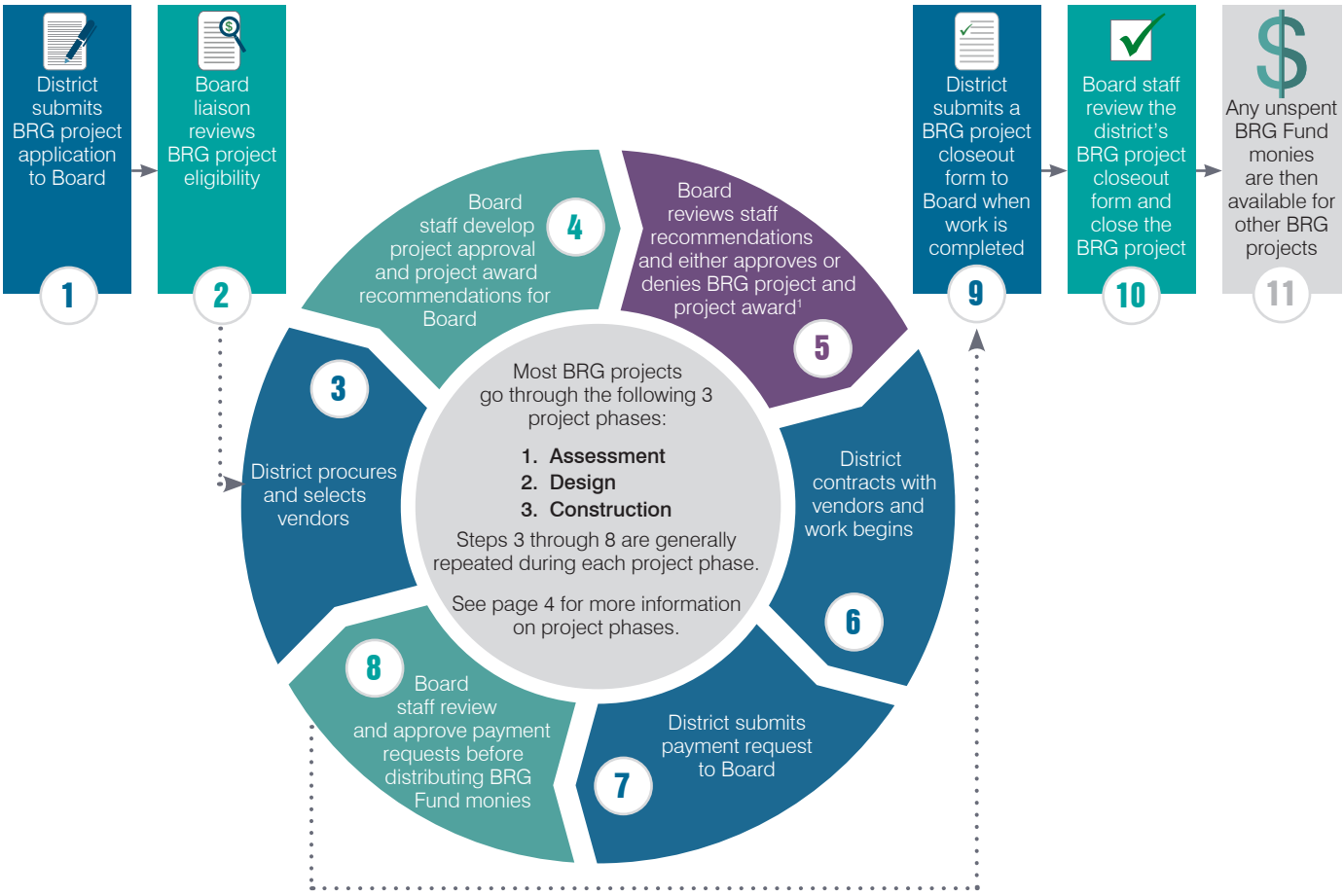
The Board is statutorily responsible for assessing the adequacy of existing school facilities, whereas districts are responsible for overseeing BRG projects to correct any identified school facility deficiencies.[4] As shown in Figure 2 (see page 3), the Board and districts have specific responsibilities related to BRG projects to meet these statutory requirements. For example, districts are responsible for initiating the BRG project; procuring, selecting, and contracting with vendors to

[2] The Board established the minimum adequacy guidelines in its administrative rules in 1999. As of March 2019, the Board's specific statutory rulemaking authority was limited to establishing minimum adequacy guidelines.

[3] The Board reported that its 3 vacant positions are a staff architect, a liaison, and a finance administrative assistant. However, as of May 2019, the Board had hired 2 consultants to work as a staff architect and a new construction project manager.

[4] A.R.S. §§15-2002 and 15-2032.

Figure 2
BRG project process
As of March 2019



[1] Districts can request that the Board reconsider denials of BRG projects within 30 days of the Board's decision. Districts can also request a hearing with the Arizona Office of Administrative Hearings if they still do not agree with the Board's decision.

Source: Auditor General staff analysis of the Board's BRG project process.

correct the deficiency; and initiating BRG project closeout. The Board is responsible for reviewing BRG project eligibility, approving projects and award amounts, distributing BRG Fund monies, and closing BRG projects, which includes making any unspent project monies available for use on other BRG projects (see pages 8 and 9 for more information on BRG project closeout). The specific steps in the BRG project process are as follows:

- **District submits BRG project application—**The Board has established an online BRG project application on its website that a district must use to apply for BRG Fund monies. The BRG project application asks the district to respond to various questions and upload other documentation to demonstrate that the BRG project meets statutory eligibility requirements, including providing a description of the problem the BRG project will address and identifying the district facility or buildings where the problem exists.

- **Board liaison reviews BRG project eligibility—**A Board liaison reviews the BRG project application and any relevant documentation the district provides to determine if the proposed BRG project meets the eligibility criteria established in A.R.S. §15-2032.[5]

[5] For more information on the Board's eligibility assessments, see Auditor General Report 17-108—*Arizona School Facilities Board—Board should improve its district facility renovation and repair project eligibility assessment, award, and oversight practices, and its information technology database management*, which included recommendations that the Board establish policies and procedures to ensure it approves only eligible projects. As of August 2018, the Board had not yet fully implemented all recommendations.

- **District procures and selects vendors—**Districts are responsible for procuring, selecting, and contracting with vendors for BRG projects. A district generally begins procuring and selecting BRG project vendors before the Board approves the project award. The district must comply with the School District Procurement Rules established by the Arizona State Board of Education, which prescribe procurement requirements the district must follow for purchases totaling $100,000 or more, the *Uniform System of Financial Records for Arizona School Districts* (USFR), which prescribes procurement requirements that the district must follow for purchases totaling less than $100,000, and the Board's procurement policy, which prescribes additional procurement requirements that districts must follow for all purchases related to BRG projects (see Finding 4, pages 25 through 29, and Finding 5, pages 31 through 32, for more information on sampled districts' compliance with these requirements).[6]

- **Board staff develop recommendations for Board—**Board staff, including the Board liaisons and management, develop recommendations for the Board regarding whether the BRG project should be approved or denied based on their eligibility review, and develop a recommended project award amount using procurement and vendor selection information provided by the district, such as vendor bids and/or quotes.[7]

  Most BRG projects go through multiple project phases, and Board staff review BRG project information that districts and vendors provide to develop project award recommendations for Board consideration related to each project phase. Although not all BRG projects include all phases, the Board approves awards for these 3 project phases:

  1. **Assessment—**A vendor that a district has procured and retained investigates identified problems to determine the deficiencies' nature and scope and recommends solutions, such as whether a repair can correct a deficiency or if an entire building system, such as a roof, needs to be replaced.

  2. **Design—**A vendor develops detailed design documents specifying how to correct deficiencies, including drawings and descriptions of products, materials, and labor/services needed to correct deficiencies.

  3. **Construction—**Vendors conduct work to correct the deficiency.[8,9]

  Districts may use the same vendor to perform multiple phases or they may procure and select a different vendor for each phase. However, in August 2018, the Board adopted a policy that prohibits a vendor that has provided assessment services from also providing design or construction services for certain types of higher-cost BRG projects (see Other Pertinent Information, page 34, for more information about this policy).

- **Board reviews recommendations and approves BRG projects and project awards—**The Board reviews Board staff's recommendations and votes to approve or deny the BRG project, including approving or denying Board staff's recommended project award amounts (see textbox, page 5, regarding BRG projects that the executive director can approve).[10] At Board meetings we observed between June 27, 2018 and February 6, 2019, the Board approved 573 BRG projects and denied 6 BRG projects (see Finding 3, pages

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6 The USFR prescribes the minimum internal control policies and procedures to be used by Arizona school districts for accounting, financial reporting, procurement, and various other requirements.

7 If a district has not yet procured and selected a vendor, Board staff will use estimated costs to determine a recommended project award amount. In general, the Board does not revise estimated project award amounts after districts have procured and selected vendors.

8 Depending on the deficiency's complexity and district staff's experience, some districts may be able to provide the labor to correct the deficiency and will use project award monies to buy only materials. For example, for 1 of the 10 districts we reviewed, the Board approved BRG Fund monies for the district to purchase 4 water fountains and have district staff install them.

9 In some cases, the Board also approves project awards for other professional services, such as construction administration and quality assurance/quality control.

10 As previously discussed (see page 2), after the Board approves a project award, the district must submit payment requests to the Board, including vendor invoices for work that has been completed, to receive distributions of BRG Fund monies.

Executive director approval

According to Board policy, the Board's executive director can also approve project awards for a district to spend up to: (1) $30,000 for a professional evaluation to determine the scope of a problem and/or identify potential solutions to a problem, or (2) $50,000 to correct a problem at a school facility that requires immediate correction. Board policy requires the Board to ratify these project awards at the Board meeting following the executive director's approval. If the executive director approves a project award for a district to immediately correct a problem, the BRG project will not include multiple phases. For example, for 1 of the 36 BRG projects we reviewed, the executive director approved a project award of approximately $3,500 for a district to replace a part on a cooling system.

Source: Auditor General staff analysis of Board policy and reviewed project documents.

21 through 24, for information related to Board member compliance with Arizona's conflict-of-interest laws).[11] Table 2, shows the total number of BRG projects with award amounts the Board approved in fiscal years 2017 and 2018, including project types and example project descriptions. In fiscal years 2017 and 2018, the Board approved project awards for 557 schools in 146 districts around the State totaling more than $77.6 million (see Appendix A, pages a-1 through a-13, for the full list of project awards by county, district, and school). Figure 3 (see page 6), shows the total amount of approved project awards and the award amounts per student in each Arizona county.

Table 2
Number and dollar amount of Board-approved BRG projects by project type[1]
Fiscal years 2017 and 2018
(Unaudited)

Project type	Example projects	Number awarded	Amount awarded
Roofing	Roof repair or replacement	141	$30,000,731
Surfaces	Floor replacement, gym floor repair or replacement, and weatherization[2]	160	18,267,775
Heating, ventilation, and air conditioning (HVAC)	HVAC system repair or replacement, chiller repair or replacement, and cooling towers repair or replacement	512	17,993,252
Special systems	Fire alarm and sprinkler repair or replacement and smoke detector replacement	84	4,189,973
Plumbing	Domestic water repair and treatment, sewer line repair and replacement, and water heater and boiler replacement	211	3,885,032
General renovations	Structural repairs and American with Disabilities Act compliance issues	12	1,979,981
Special equipment	Auditorium curtain replacement, doors and hardware replacement, and perimeter fence repair	39	724,217
Electrical	Electrical service repair and conductor replacement	21	568,692
Total		**1,180**	**$77,609,653**

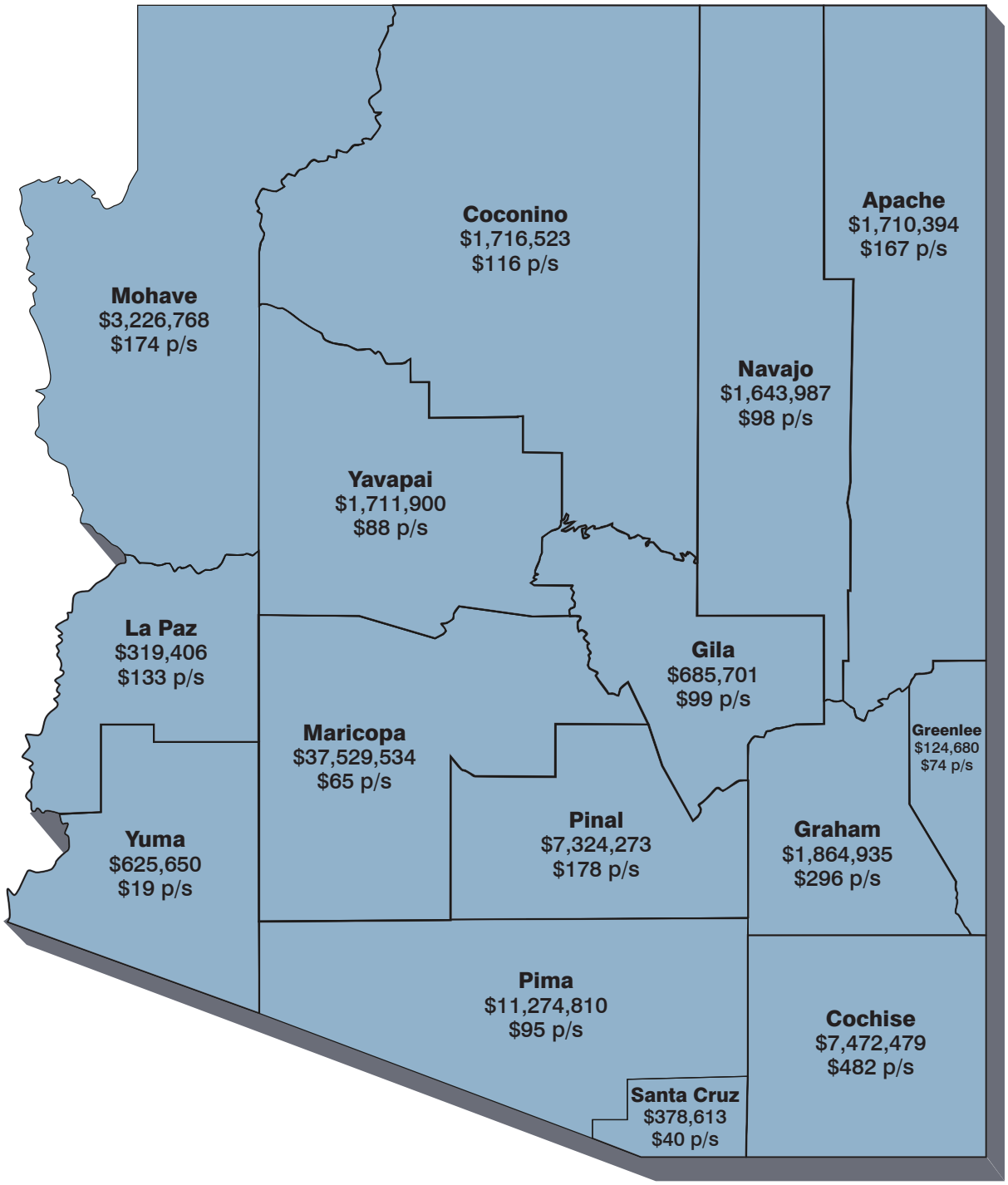
[1] Only new awards made during fiscal years 2017 and 2018 are included in this schedule. The award amounts included in this schedule represent amounts the Board approved and committed for these BRG projects and do not reflect monies distributed from the BRG Fund.

[2] Weatherization involves work on the walls of a building to help protect it from the elements.

Source: Auditor General staff analysis of the Board's *Building Renewal Grant Tracking* file for fiscal years 2017 and 2018.

[11] The Board denied the 6 BRG projects because it determined they did not meet the statutory eligibility criteria, including because the facility had not fallen below the minimum adequacy guidelines.

Figure 3
Total amount of approved project awards and total amount per student (p/s), by county
Fiscal years 2017 and 2018



[1] Total amount per student represents the total amount of approved project awards divided by the county's average student enrollment in fiscal years 2017 and 2018.

Source: Auditor General staff analysis of the Board's *Building Renewal Grant Tracking* file for fiscal years 2017 and 2018 and Auditor General Reports 18-203—*Arizona School District Spending—Fiscal year 2017—Report and Data File* and 19-203—*Arizona School District Spending—Fiscal year 2018—Report and Data File*.

Once the Board has approved a BRG project, it sends a standard BRG project agreement to the district for review and signature, which outlines project award terms and conditions, including various requirements with which districts must comply. For example, the terms and conditions require districts to accept and spend BRG Fund monies in compliance with all applicable statutes and rules, including complying with accounting procedures outlined in the USFR. Before the Board will distribute any BRG Fund monies to a district for an approved BRG project, the district governing board president must sign and return the Board's terms and conditions and the district must provide several other required documents, such as the district's purchase order and other relevant procurement documents.

While a BRG project is in process, or open, the Board considers all unspent project award monies as committed to the BRG project (see textbox for more information on committed monies).

- **District contracts with vendors and work begins—**After the Board approves a project and the award amount, the district contracts with its selected vendors and work on the BRG project can begin.

Committed monies—BRG Fund monies the Board has committed to a specific BRG project remain committed to that BRG project until the monies are distributed or the project is closed. The Board does not consider committed monies available for other project awards. After a project is closed, the Board makes available any unspent monies for other project awards.

Source: Auditor General staff analysis of the Board's BRG project process.

- **District submits payment requests—**As vendors complete work and submit invoices to the district, the district must submit payment requests to the Board to receive distributions of BRG Fund monies. Payment requests must include vendor invoices for work that has been completed. In January 2018, the Board started using a new online web application, the PayAppinator, which allows a district to submit payment requests and associated invoices electronically (see Finding 2, pages 17 through 20, for more information about the PayAppinator). For open BRG projects the Board initially approved before it began using the PayAppinator, a district uses the previous process to submit payment requests.[12] As a result, as of April 2019, the Board had 2 processes for submitting and processing payment requests:
    - **Pre-PayAppinator process—**The district emails payment requests to the Board's fiscal services manager. The Board's fiscal services manager then forwards the payment request to the district's assigned liaison for review and approval.
    - **PayAppinator process—**The district submits its payment requests using the PayAppinator's web-based interface. Each payment request is then automatically routed to the district's assigned liaison for review and approval.
- **Board staff review and approve payment requests prior to distributing award monies—**Once a liaison receives a district's payment request, the liaison will review and compare it to the associated invoices to ensure that the work occurred after the Board approved the project, the vendor used matches the vendor listed on the district's contract, and the amount requested is within the project award amount.[13] Upon review, the liaison can either:
    - **Approve the payment request—**If the liaison approves the payment request, the liaison then sends it to the Board's fiscal services manager. If the payment request was submitted through PayAppinator, the payment request will be routed to the fiscal services manager. If the payment request was emailed, the liaison will print and sign the payment request and give it to the fiscal services manager.

[12] According to Board management, districts with BRG projects approved before January 10, 2019, cannot submit their payment requests through PayAppinator because adding that function would require a significant amount of staff time to input these BRG projects' necessary information and documents from these BRG projects into the PayAppinator.

[13] Board policy states that the Board will not pay for any work that is conducted before it approves a project award.

The fiscal services manager reviews the payment request and either approves it or sends it back to the liaison if it contains any errors, such as a discrepancy between the payment request and the associated invoice. The fiscal services manager enters each approved payment into the Arizona Financial Information System (AFIS)—the State's accounting system—and sends all entered payments to the deputy director of finance for final approval. After the deputy director of finance approves the payments, the fiscal services manager will approve the transfer of BRG Fund monies in AFIS to the appropriate county treasurer. BRG Fund monies are then deposited into the district's account with the county treasurer. Once the BRG Fund monies have been deposited into this account, district staff can then use the BRG Fund monies to pay BRG project vendors.[14]

- **Reject the payment request—**If the liaison reviews the payment request and rejects it for reasons such as the district not submitting an invoice or submitting the wrong invoice, the liaison will email the district to reject the payment request and state the reason why. Districts must then modify their payment request to address the issues that caused the liaison to reject the payment request and resubmit the payment request.

Because the Board distributes BRG Fund monies only as work on an approved BRG project is completed and after the district has submitted a payment request, the Board does not always distribute BRG Fund monies to districts in the same fiscal year it approved a BRG project. As a result, the total amount of BRG Fund monies the Board distributed in fiscal years 2017 and 2018 is less than the total amount of project award amounts it approved in those fiscal years. See Table 3 for information on the Board's fiscal years' 2017 and 2018 BRG Fund distributions, including BRG project types. For a full list of the districts and schools that received distributions of BRG Fund monies in fiscal years 2017 and 2018, see Appendix B, pages b-1 through b-11.

Table 3
BRG Fund distributions to school districts by project type
Fiscal years 2017 and 2018
(Unaudited)

Project type	2017	2018	Total
Roofing	$11,240,806	$11,562,238	$22,803,044
Surfaces	5,598,279	10,540,971	16,139,250
HVAC	6,707,351	7,144,059	13,851,410
Plumbing	1,206,004	1,940,129	3,146,133
General renovations	1,122,208	1,505,557	2,627,765
Special systems	331,425	1,152,514	1,483,939
Special equipment	481,070	353,485	834,555
Electrical	152,134	208,480	360,614
Total amount distributed to school districts	**$26,839,277**	**$34,407,433**	**$61,246,710**

Source: Auditor General staff analysis of the AFIS *Accounting Event Transaction File*, the Board's *Building Renewal Grant Accounts Payable Log,* and *Building Renewal Grant Tracking* files for fiscal years 2017 and 2018.

- **District submits a BRG project closeout form (closeout form) when work is completed—**Once the deficiency has been corrected and the district has submitted all payment requests, the district submits a closeout form to the Board. The district can submit a closeout form in 2 ways: (1) it can email the closeout form to its liaison or (2) it can upload the closeout form into the PayAppinator (see Finding 2, pages 19 through 20, for more information about districts using the PayAppinator to initiate project closeout). As part of the closeout process, Board staff reported that districts must submit other documents, such as warranties, if applicable.

[14] Districts may pay vendors from other funding sources to ensure timeliness of payments to vendors and reimburse these other sources once they receive payment from the Board.

- **Board staff review district's closeout form and close the BRG project—**The liaison reviews the district's closeout form to determine if a district representative has attested that the project is complete. If so, the liaison signs the closeout form and provides it to the Board's deputy director of finance.

  The Board's deputy director of finance will then conduct a final review and either approve the district's request to close the BRG project or reject the request if the BRG project appears to be incomplete. For example, if the Board approved a project award for an assessment but the district did not submit any payment requests for assessment services, the deputy director of finance may reject the closeout form and return it to the liaison. The liaison will then need to address the issue that led to the rejection, which may include following up with the district to obtain more information. If approved, the deputy director of finance will finalize information about the BRG project in the Board's data system, including making available any unspent monies for other project awards, and close the BRG project (see Finding 1, pages 11 through 16, for more information on the Board's committed monies).

Board has taken some steps to improve its BRG program

Although our review of the BRG program identified several areas for improvement (see Findings 1 through 4, pages 11 through 29), our review of the BRG project process also identified several program improvements the Board has made, including:

- Since January 2018, the Board has improved its timeliness for processing some payment requests districts submitted (see Finding 2, pages 17 through 19, for more information about the Board's timeliness in paying payment requests).

- Between July 2018 and January 14, 2019, Board records indicate that the Board closed 171 BRG projects and made approximately $1.6 million in unspent BRG Fund monies available for other BRG projects (see Finding 1, pages 11 through 16, for more information on open BRG projects).

- As of May 2019, the Board had developed several educational videos for districts, which were available online, including videos instructing districts how to submit BRG project applications and payment requests.

- In fiscal year 2019, the Board adopted several new policies to provide guidance to districts and vendors on BRG project scope-of-work development for future BRG projects (see Other Pertinent Information, page 34, for more information about these policies).

Districts' BRG project delays and Board's lack of monitoring contribute to potential health and safety risks, increased State costs, and BRG Fund monies sitting idle for years

Hundreds of BRG projects had potentially uncorrected deficiencies and millions in unspent committed monies

A.R.S. §15-2032 states that the Board shall approve only BRG projects that will be completed within 12 months, unless similar BRG projects on average take longer to complete. In January 2019, we reviewed Board data to identify BRG Fund projects that had been open for 12 months or longer. We identified 628 open BRG projects for which the Board approved initial awards of BRG Fund monies between November 2010 and December 2017, all of which were beyond the statutory 12-month project-completion time frame.[15] We found that over 150 of these BRG projects had potentially uncorrected school facility deficiencies and hundreds more had millions of dollars in unspent committed monies. Specifically, we found that:

- **154 BRG projects had potentially uncorrected school facility deficiencies for up to 4½ years—**For 154 of the 628 open BRG projects, the Board had approved project awards to pay for nonconstruction services, such as assessment or design, but had not yet approved a project award to pay for construction costs (construction project award). Lack of approval for a construction project award indicates that the district had yet to begin work to correct the deficiency because Board policy states that the Board will not pay for any construction work before approving an award. For example, in April 2019, we contacted districts about 50 of these open BRG projects, and most districts reported that they had yet to start construction. In addition, we contacted the district with the oldest BRG project, which had been open for nearly 4½ years and was intended to address a leaking roof and failing cooling system. According to a district official, this project has been delayed because two additional issues with the building needed to be addressed prior to fixing the leaking roof and cooling system.

- **474 BRG projects had more than $49 million in committed monies that had remained unspent for up to 8 years—**For 474 of the 628 open BRG projects, the Board had approved a construction project award, but these BRG projects still had more than $49 million in unspent committed monies more than 12 months after being approved (see Table 4, page 12). Approximately 30 percent of these BRG projects had been open for between 2½ and 8 years. Because these projects were still in progress, it is unknown exactly how much of these monies will be distributed to districts.[16] For example, we contacted a district with a BRG project that had been open for more than 4½ years and was intended to address a leaking roof. The district reported that it had yet to start construction because it was still in the process of procuring a construction vendor.

In April 2019, the Board reported that it was working to close or cancel all 628 open BRG projects by the end of fiscal year 2019 (June 30, 2019), including projects that had not yet received a construction project award.

[15] We reviewed the completeness and accuracy of the data the Board provided and found the data to be reliable for audit purposes.

[16] Based on the amount of unspent monies the Board identified when it closed 171 BRG projects between July 2018 and January 2019, we estimated that between approximately $3.7 million and $4.3 million will remain unspent once these 474 projects are closed.

Table 4
Amount of unspent committed monies remaining on BRG projects that received a construction award
As of January 24, 2019
(Unaudited)

Fiscal year BRG project was approved[1]	Number of BRG projects open	Amount of committed monies remaining
2011	1	$ 15,397
2012	0	0
2013	2	456,010
2014	5	762,866
2015	25	1,227,691
2016	114	6,837,698
2017	187	23,994,637
2018[2]	140	15,892,547
Total	**474**	**$49,186,846**

[1] The Board may approve project awards for a single project in multiple fiscal years. This represents the fiscal year the initial project award was approved.

[2] This represents only projects that were approved between July 1, 2017 and December 31, 2017.

Source: Auditor General staff analysis of Board BRG project data.

However, all these BRG projects may not be ready to be closed by the end of fiscal year 2019. For example, for the districts we contacted about 50 BRG projects that had yet to receive a construction project award, most reported that they still planned to seek Board approval for a construction project award. Even if these districts received approval for a construction project award in May or June 2019, these BRG projects likely would not be ready to be closed by June 30, 2019. In addition, canceling these BRG projects before approving a construction project award without first determining if the deficiency had been corrected would leave school facilities with potentially uncorrected deficiencies.

Project delays could impact health and safety, increase State costs for maintaining school facilities, and result in unnecessary State General Fund appropriations

Districts' failure to address school facility deficiencies in a timely manner could have several negative impacts, including:

- **Health and safety risks—**BRG projects are intended to address facility deficiencies pertaining to the minimum adequacy guidelines, such as guidelines/standards for classroom air quality, adequacy of fire alarms, and structural soundness of buildings, all of which can impact students' and teachers' health and safety. For example, as shown in Figure 4 (see page 13), 12 of the 154 BRG projects that had not yet been approved for construction project awards were meant to address safety concerns, such as problems with fire alarm systems or lead in drinking water. Untimely project completion allows these deficiencies to continue.

- **Increased State costs for maintaining school facilities—**If a district does not correct a deficiency in a timely manner, it may worsen over time and could potentially cost more money to correct. For example, as shown in Figure 4, 72 of the 154 BRG projects that had yet to be approved for construction project awards were intended to address a deficiency related to water leaking into a building through roofs or walls. If left uncorrected, these deficiencies could lead to other costly problems that also need to be corrected, such as mold or damage to electrical systems, which could result in higher construction and repair costs. In addition,

Figure 4
Types of deficiencies districts reported on their BRG application for 154 BRG projects that have not received a construction award
As of January 24, 2019

Months after initial BRG project approval without a construction project award	Water infiltration (Ex. flooding)	Roofs/walls	HVAC/ plumbing	Safety (Ex. fire alarms)	Structural	Other (Ex. electrical meters)
12 - 23	63	27	15	11	4	7
24 - 35	4	2	3	0	5	0
36 - 47	2	0	3	1	3	1
48 - 59	3	0	0	0	0	0
Total	72	29	21	12	12	8

Source: Auditor General staff analysis of the Board's BRG project data and BRG applications.

if the cost of construction materials and labor increases while BRG projects are delayed, it could result in higher construction costs. According to the U.S. Bureau of Labor Statistics, between January 2014 and January 2019, the cost of construction materials increased by approximately 13 percent.[17]

- **Higher than necessary State General Fund appropriations—**When BRG projects are not completed in a timely manner, the Board is delayed from closing these projects and freeing unspent monies for use on other BRG projects. As a result, the Board's State General Fund appropriations requests for the BRG Fund may be higher than necessary. For example, as presented in the Introduction (see page 1), in fiscal years 2016, 2018, and 2019, the Board received supplemental appropriations totaling $50 million. The Board could potentially have reduced these requested amounts by freeing unspent monies committed to open BRG projects in a timely manner.

- **Delayed construction project awards for other BRG projects—**Delays in freeing unspent committed monies could also result in the Board postponing other BRG projects. Specifically, because it did not have BRG Fund monies available for new project awards in February through April 2019, the Board postponed

[17] U.S. Bureau of Labor Statistics, Producer price index by commodity for special indexes: Construction materials. Retrieved on 5/8/2019 from https://fred.stlouisfed.org/series/WPUSI012011.

construction awards totaling approximately $17.9 million for 15 BRG projects until it either received its requested fiscal year 2019 supplemental appropriation or its fiscal year 2020 BRG Fund appropriation. As a result, work to address the identified deficiencies was delayed, again leading to potential health and safety risks and increased costs.

Board lacks processes for monitoring BRG project progress to help ensure districts complete BRG projects in a timely manner

As discussed in the Introduction (see page 2), districts are statutorily responsible for completing BRG projects to correct any identified school facility deficiencies. However, according to the State of Arizona Office of Grants and Federal Resources grant policy and procedure manual (grant manual), which outlines the State's policies and procedures for the administration and management of all State grant programs, grantors are responsible for managing grants from inception to closeout, including monitoring activities to verify the progress of a grant project.[18] The grant manual also states that State agencies are primarily responsible for proactively monitoring their grants to help grant recipients implement approved programs by providing customer service and technical assistance and addressing noncompliance with grant award terms and conditions. The grant manual requires that grantees provide granting agencies information for monitoring project expenditures and progress reports that describe project status and accomplishments.

However, the Board does not perform several of these grant-monitoring activities for approved BRG projects. Specifically, the Board has failed to:

- **Obtain and track project progress against project-completion time frames—**According to the Board, districts are responsible for establishing project-completion time frames based on factors such as school calendars. However, the Board does not obtain and track districts' estimated project-completion time frames, despite our Office's previous recommendations to do so.[19] Absent this information, the Board cannot easily identify projects that are not progressing as planned or projects that are potentially ready to be closed. Instead, the Board reported using the percentage of project award monies that have not been distributed to a district as a measure of project progress. However, using this measure may not allow the Board to identify BRG projects that are nearing completion and may be ready to be closed. For example, we contacted districts responsible for 40 of the 628 open BRG projects for which the Board had distributed less than 10 percent of committed monies, and most of these districts reported that they had completed construction.

- **Track project progress within and between project phases—**As discussed in the Introduction (see page 4), for most BRG projects, the Board approves separate awards for 3 project phases: assessment, design, and construction. However, the Board's information technology (IT) systems do not track the phase each project is in and the status of each project within these phases and thus do not indicate how many BRG projects are in each project phase.[20] Without this information, the Board cannot easily determine whether a project has progressed from one phase to another or how long a project has been in a phase.

- **Require districts to provide regular project status reports—**Although the Board's project terms and conditions state that districts must provide the Board with status reports if requested to do so, the Board has not established any requirements for districts to submit project status reports at regularly defined intervals. As a result, the Board does not consistently receive important information about BRG project progress, such as whether districts have completed important project milestones, any need for modified time frames,

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[18] Arizona Office of Grants and Federal Resources. (2018). *Grants management manual – Grantor*. Phoenix, AZ: Arizona Department of Administration. Retrieved on 5/1/2019 from https://grants.az.gov/grant-manual.

[19] In our 2017 performance audit and sunset review of the Board, we recommended that the Board ensure districts submit all necessary eligibility information and documentation when applying for BRG projects, including specifying how the project will comply with the statutory requirement to be completed within 12 months. We also recommended that the Board develop policies and procedures specifying the information that districts must include in proposed scopes of work, including project time frames. As of August 2018, the Board had not yet implemented these recommendations, and did not provide an estimate of when it would do so.

[20] As of March 2019, Board management reported that it had directed the Board's chief information officer to add the ability to track project phases to one of its IT systems, and the chief information officer reported that this change would be completed by December 2019.

and obstacles districts may be facing in completing BRG projects. Therefore, the Board may not have the information it needs to help districts address project delays or hold districts accountable for meeting their responsibilities.

- **Develop management reports or other tools to systematically and regularly monitor project progress—**Although the Board has developed some tools for monitoring the progress of BRG projects, such as a tracking tool that lists the amount and percentage of monies distributed for each open BRG project, it has not developed management reports for systematically and regularly monitoring BRG project progress. Examples of such reports include a summary report that provides the project phase and status within that phase for each open project, a report on the total amount and percentage of monies distributed for all open BRG projects, and a report on the number and status of overdue BRG projects. Additionally, the Board has not developed other tools, such as automated notifications regarding missed deadlines for providing status updates or meeting project milestones, that might also be helpful for monitoring BRG project progress. As a result, Board management lacks key information for evaluating and overseeing the progress of all open BRG projects. In addition, without these types of management reports, it may be difficult for the Board to proactively: (1) plan and request funding for future BRG projects, such as estimating when open BRG projects will be ready for construction awards to help inform the Board's budget requests to the Legislature, and (2) plan Board staff's workload based on the status of its existing BRG projects, such as identifying time periods when a larger than usual number of BRG projects will be nearing completion and thus may be ready to be closed, which could require shifting Board staff's tasks and priorities.

State's grant management system offers grant-monitoring capability

The Arizona Office of Grants and Federal Resources has contracted with a vendor to provide a web-based grants management system called eCivis Subrecipient Manager (SRM) to help State agencies manage their grants from application to closeout. The system is available to State agencies at no cost and includes functionalities for tracking and monitoring grant project progress, including allowing grantees to submit grant progress reports. The Statewide Grant Administrator reported that eCivis SRM should provide all the functionalities that the Board needs to manage BRG projects, including monitoring project progress and sending automated notifications and reminders to districts, such as notifications about missed deadlines.

Recommendations

The Board should:

1. Review all 628 open BRG projects to determine each BRG project's current status, including determining whether a deficiency still exists and remains uncorrected, if the BRG project has received a construction project award, if construction has started, and if construction is complete, before canceling or closing these projects.

2. Establish processes consistent with State policy and supported by written policies and procedures, where appropriate, to:

    a. Obtain and track each BRG project's project-completion time frames.

    b. Track each BRG project's phase status and each phase's start and end dates.

    c. Require districts to provide regular project status updates for open BRG projects.

    d. Develop and implement management reports and other tools to systematically and regularly monitor each open BRG project's status and progress.

3. Establish processes for using the data from its monitoring activities, supported by written policies and procedures, where appropriate, to:

    a. Work with districts to address any obstacles that prevent them from making progress and mitigate any health and safety impacts related to the continued existence of an uncorrected deficiency.

b. Hold districts accountable for meeting their BRG project responsibilities.

c. Proactively plan and request funding for future BRG projects. Before requesting a supplemental or increased appropriation, the Board should first review its management reports and make a written determination of how much committed money can be recommitted to other projects.

d. Plan Board staff's workload based on the status of its existing BRG projects.

4. Work with the Arizona Office of Grants and Federal Resources to obtain access to and implement the use of eCivis SRM for managing BRG projects. If the Board determines that it will continue devoting staff time and resources to modify its own IT systems to manage BRG projects, it should conduct and document the results of a cost-benefit analysis and justify the use of these resources rather than using the eCivis system.

Board response: As outlined in its response, the Board agrees with the finding and will implement the recommendations.

Board should improve its use of IT systems to better ensure timely payments to districts and BRG project closures so unspent monies can be recommitted to other BRG projects

Board implemented online payment request system in 2018

As previously discussed in the Introduction (see page 2), after the Board approves a BRG project, the district must submit payment requests to the Board to receive BRG Fund monies. In January 2018, the Board implemented an online payment request system—the PayAppinator—to facilitate processing districts' payment requests. Before this, districts emailed payment requests to Board staff. The Board now requires districts to submit payment requests online using the PayAppinator for BRG projects that it approved after January 9, 2018 (PayAppinator projects). In addition, districts can use the PayAppinator to submit BRG project closeout forms online for PayAppinator projects rather than emailing them.

However, as discussed in the remainder of this finding, we identified 3 issues with the Board using the PayAppinator to manage payment requests and project closeout. Specifically, the Board does not use the PayAppinator to:

- Monitor open payment requests to help ensure its staff process all PayAppinator payment requests in a timely manner.
- Track and monitor rejected PayAppinator payment requests to help ensure districts resubmit these requests in a timely manner.
- Manage and oversee its BRG project closeout process to help ensure its staff close BRG projects and make unspent monies available for other BRG projects in a timely manner.

PayAppinator has improved Board's timeliness for some payment requests but Board does not use it to monitor open payment requests and ensure their timely payment

A.R.S. §35-342 requires districts to pay vendors within 30 days of receiving a vendor's invoice and to pay interest on any invoice amount not paid within 30 days. Although the Board is not required to distribute BRG Fund monies to districts within 30 days, processing districts' payment requests in less than 30 days would help districts comply with this statutory requirement and avoid using other district monies, which are public monies, to pay interest or to pay vendors to comply with the 30-day requirement.

Using the PayAppinator has helped the Board improve its timeliness for processing some payment requests. For example:

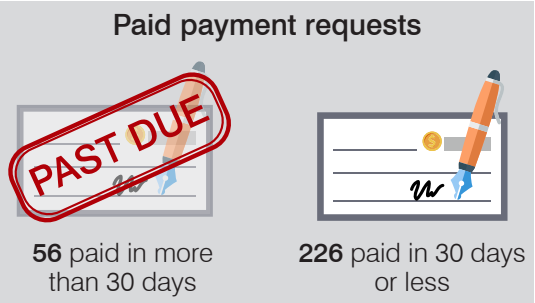
- We reviewed 224 invoices from multiple payment requests the Board processed and paid during fiscal years 2017 and 2018 using its previous process.[21,22] The Board took an average of 48 days after receiving the payment request to pay them.

- We reviewed all 284 payment requests the Board processed and paid using the PayAppinator between February 2018 and January 2019. The Board took an average of 21 days after receiving the payment request to pay these requests.[23] The Board has established a goal to process and pay all PayAppinator payment requests within 7 days of district submittal, and it hopes to achieve this goal by the end of fiscal year 2019.

Despite this improvement, the Board did not pay all PayAppinator payment requests within 30 days. Specifically:

- **20 percent of PayAppinator payment requests took more than 30 days to process and pay—**The Board paid 56 of the 284 PayAppinator project payment requests more than 30 days after they were submitted. One payment request submitted in April 2018 took the Board more than 180 days to review, process, and pay.

- **31 percent of unprocessed PayAppinator payment requests had been open for more than 30 days—**As of January 31, 2019, the Board had 90 PayAppinator project payment requests that it had yet to process and pay, and therefore, remained open. Twenty-eight of these 90 open payment requests had been open for more than 30 days after the Board had received them, with 1 payment request having been open for more than 100 days.



The Board's chief information officer reported that the Board's database has the capability to track the amount of time payment requests have been open. However, Board management reported that they do not believe tracking this information is necessary because liaisons are expected to process all payment requests routed to them on a daily basis. However, as of April 2019, we found that none of the 5 liaisons were processing all payment requests routed to them on a daily basis. In addition, 2 of the 5 liaisons had several open, unprocessed payment requests that had been open between 19 and 147 days. If the Board were using the PayAppinator to monitor payment request processing timeliness, it would have been aware of this problem and that its expectation for liaisons processing payment requests was not being met.

Board does not use PayAppinator to monitor rejected payment requests to help ensure districts resubmit these requests in a timely manner

As discussed in the Introduction (see page 8), if a liaison determines that a district's payment request contains errors, such as not submitting an invoice or submitting the wrong invoice, he/she should reject the payment

[21] These 224 invoices were all of the invoices associated with a judgmental sample of 60 of 1,039 BRG projects that had distributions of BRG Fund monies between July 1, 2016 and June 30, 2018. We selected these projects from a sample of 18 of 146 districts that received distributions of BRG Fund monies, with 15 selected randomly and 3 selected judgmentally (see Appendix D, pages d-1 through d-2, for more information on this sample of 18 districts).

[22] The Board's manual process tracks the time to process and pay each invoice submitted, rather than tracking the time to process and pay each payment request submitted, and a payment request may include more than 1 invoice. Therefore, our timeliness analysis of the manual process assessed the time it took to process and pay individual invoices.

[23] The PayAppinator tracks the time it takes to process and pay each payment request submitted regardless of the number of invoices included in a payment request. Therefore, our timeliness analysis of the PayAppinator process assessed the time it took to process and pay individual payment requests.

request and return it to the district with an explanation of the rejection. The district must then correct any errors the liaison has identified and resubmit the payment request before the Board will process it.

Between February 2018 and January 2019, liaisons rejected 17 of the 374 PayAppinator project payment requests districts submitted. As of January 31, 2019, we found:

- 11 of the 17 rejected payment requests had been resubmitted by the districts, all in less than 25 days.[24]
- 6 of the 17 rejected payment requests had yet to be resubmitted and had been with the districts between 4 and 97 days.

The Board reported that it does not use the PayAppinator to monitor districts' timeliness for resubmitting rejected payment requests because it has determined this is a district responsibility. However, districts' failure to resubmit rejected payment requests in a timely manner can delay districts' meeting the 30-day requirement to pay vendors, project completion, and project closeout, and hinder the Board's ability to make available any committed monies no longer needed for a BRG project to other BRG projects.

In addition, the State's grant manual indicates that state agencies are primarily responsible for proactively monitoring their grants to help grant recipients implement approved programs, including providing technical assistance to grant recipients to resolve issues related to requesting funds. The Board's lack of monitoring of rejected payment requests hampers its ability to identify and assist districts that may need help resubmitting payment requests.[25] During the audit, the Board reported that it planned to modify PayAppinator to monitor rejected payment requests and automatically alert districts and Board liaisons when a certain amount of time has passed since the payment request was rejected.

Board does not use PayAppinator to manage and oversee BRG project closeout to ensure BRG projects are closed and unspent monies are made available in a timely manner

As discussed in the Introduction (see pages 8 through 9), once a district submits a closeout form, Board staff are responsible for closing the project. However, we determined that the Board does not close all BRG projects in a timely manner. Specifically, as of April 2019, 4 of the 36 reviewed projects were still open more than 70 days after the districts submitted their closeout forms to the Board for review and approval, with 1 of them still open more than 386 days after the district submitted its closeout form for review and approval (see Introduction, page 1, for more information on the 36 reviewed projects).[26] Because of the Board's delay in closing these BRG projects, the Board had yet to make available approximately $194,000 in unspent monies from these 4 BRG projects.

Although the Board has added a BRG project closeout function to the PayAppinator, it does not use the PayAppinator to manage and oversee BRG project closeout to ensure projects are closed and unspent monies made available in a timely manner. Specifically:

- Before the Board implemented the PayAppinator, districts were required to email closeout forms to their assigned liaisons, increasing the risk that these requests were misplaced or lost. Conversely, documents submitted using the PayAppinator are automatically routed to liaisons' task lists for review and approval, reducing the risk that these documents are misplaced or lost. However, the PayAppinator is not configured to automatically allow districts to electronically submit closeout forms for all PayAppinator projects. Instead, the Board reported that liaisons must enable this functionality on a project-by-project basis, and as of May 2019, we found that liaisons had not done so for all their assigned PayAppinator projects.

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[24] The Board has not established a recommended or required time frame for districts to resubmit rejected payment requests.

[25] Arizona Office of Grants and Federal Resources. (2018). *Grants management manual – Grantor*. Phoenix, AZ: Arizona Department of Administration. Retrieved on 5/1/19 from https://grants.az.gov/grant-manual.

[26] These 4 BRG projects had all received an initial project award before January 10, 2018; therefore, these BRG projects were not PayAppinator projects. As a result, the districts were required to email their closeout forms to their assigned liaisons.

- Payment requests submitted through the PayAppinator are electronically routed to the next person in the process once a liaison has reviewed and approved the request. However, the Board has not added this same functionality for closeout forms submitted through the PayAppinator. Instead, the Board reported that liaisons must print hard copies of closeout forms and deliver them to the Board's deputy director of finance to approve final project closure. Doing so may add time to the closeout process and increases the risk that forms will be lost or misplaced, which can further impact closeout timeliness.

- Although the PayAppinator tracks the date the Board received closeout forms submitted through the PayAppinator, the Board does not use the PayAppinator to monitor the timeliness of project closeout, such as monitoring the number of days elapsed since a district submitted a closeout form or calculating the total number of days its staff take to close each project.

The Board reported that it plans to modify the PayAppinator to allow it to receive and process all closeout forms using the PayAppinator. However, as discussed in Finding 1 (see page 15), the Arizona Office of Grants and Federal Resources has contracted with a vendor to provide a web-based grants management system called eCivis SRM to help State agencies manage their grants from application to closeout. The system is available to State agencies at no cost and includes functionalities for managing project closeout, such as notifications to agency staff and the grantee when the grant is nearing closeout.

Recommendations

The Board should:

5. Modify its PayAppinator system to track and monitor the timeliness of open payment requests and rejected payment requests.

6. Work with the Arizona Office of Grants and Federal Resources to obtain access to and implement the use of eCivis SRM for managing BRG project closeout. If the Board determines that it will continue devoting staff time and resources to modify the PayAppinator for managing BRG project closeout, it should conduct and document the results of a cost-benefit analysis and justify the use of these resources rather than using the eCivis system.

7. Develop and implement processes, supported by written policies and procedures where appropriate, to:

   a. Address any problems that are potentially leading to payment requests not being paid within 30 days.

   b. Regularly follow up with districts and provide assistance as needed to help ensure they resubmit rejected payment requests in a timely manner.

   c. Address any problems that are potentially leading to untimely project closeout.

   Board response: As outlined in its response, the Board agrees with the finding and will implement the recommendations.

Board members failed to disclose interests, and 1 Board member failed to refrain from participating in decisions related to those interests

Most Board members failed to fully disclose interests

Arizona law requires public officers and employees to avoid conflicts of interest that might influence or affect their official conduct. If a public officer/employee or a relative has a substantial interest (interest) in either (1) any contract, sale, purchase, or service to the public agency or (2) any decision of the public agency, the public officer/employee is required to fully disclose the interest and refrain from voting upon or otherwise participating in the matter in any way as a public officer/employee.[27] We attended Board meetings held between June 2018 and February 2019 and observed multiple instances in which 6 Board members refrained from discussing and voting on proposed construction projects but failed to fully disclose why.[28] Further, the official meeting minutes for these meetings did not include any interest disclosures.[29]

6 of 10 Board members failed to fully disclose interests

Key terms for this discussion

- **Substantial interest—**Any direct or indirect monetary or ownership interest that is not hypothetical and is not defined in statute as a "remote interest."
- **Remote interest—**Any of several specific categories of interest defined in statute that are exempt from the conflict-of-interest requirements. For example, if a public officer or employee or a relative owns less than 3 percent of the shares of a corporation and the person's income meets other requirements, he/she has a remote interest in that corporation.
- **Relative—**A public officer's/employee's spouse, child, grandchild, parent, grandparent, full or half siblings and their spouses, and the parent, brother, sister, or child of the employee's/public officer's spouse.

Source: Auditor General staff review of A.R.S. §38-502 and the Arizona Agency Handbook. Arizona Office of the Attorney General. (2018). Arizona agency handbook. Phoenix, AZ. Retrieved on 4/9/2019 from https://www.azag.gov/outreach/publications/agency-handbook.

Additionally, we found that 5 of these 6 Board members did not disclose any interests through a signed conflict-of-interest disclosure form (form) even though Board policy requires all Board members to file a form with the Board, regardless of whether they have any interests that should be disclosed. These 5 Board members failed to

[27] See A.R.S. §§38-502 and 38-503(A)(B).

[28] These proposed construction projects included BRG projects, proposed construction projects to be paid for with monies from the Board's New School Facilities Fund, which helps districts build new school facilities, and proposed district projects to improve public ways adjacent to any parcel of land owned by the district, as defined by A.R.S. §15-995.

[29] The interest must be fully disclosed in the public agency's official records, either through a signed document or in the agency's official minutes. In addition, A.R.S. §38-509 requires public agencies to maintain a special file of all documents necessary to memorialize all disclosures of substantial interest.

complete a form, despite their having disclosable interests and serving on the Board between 9 and 20 months.[30] The sixth Board member, who is the Board's vice-chairman (vice-chair), completed a form but failed to fully disclose all interests, including his son's company that benefitted from 62 BRG projects awarded to districts (see below for more information).

The 5 Board members reported to us the following reasons for refraining from discussing and voting on proposed construction projects:

- 2 Board members reported being employed by vendors who were involved with the associated construction projects under the Board's consideration and review.
- 2 Board members reported being employed by districts that were involved with the associated construction projects under the Board's consideration and review.
- 1 Board member reported being a governing board member for a district that was involved with the construction projects under the Board's consideration and review.

After we requested to review Board members' completed forms, Board staff asked all Board members to complete new, more comprehensive forms prescribed by the Arizona Department of Administration. As of February 2019, all Board members had completed a new form.[31] However, we found that 1 Board member who reported to us he was employed by a district still failed to disclose that employment on the new form.[32]

Board's vice-chair failed to disclose interests on 2 separate forms and did not refrain from participating in some decisions related to those same interests

In November 2016, the Board's vice-chair completed a form, but failed to disclose that he and his son co-owned a construction consulting company working with Arizona school districts. As of January 2019, Arizona Corporation Commission records indicated that the vice-chair was no longer an owner of this company but that the vice-chair's son was still an owner. Additionally, when the vice-chair completed a new form in February 2019, he similarly failed to list his son's company on the new form, despite the form clearly requiring such disclosure. Further, although the vice-chair stated that he did not list his son's company on either form because he was not involved with the operations of that company, as discussed on page 21, State law requires that he disclose that interest.

According to Board records, the son's company was a district vendor on 62 BRG projects for which the Board distributed approximately $1.2 million of BRG Fund monies in fiscal years 2017 and 2018. We reviewed Board meeting minutes and decisions related to these 62 projects and found that the vice-chair improperly participated in 3 decisions related to these projects by voting to approve the project awards. The Board eventually distributed BRG Fund monies for these 3 projects to the districts, and Board records indicate that payments totaling $60,750 were made to the son's company. When asked about his participation in decisions on BRG projects that involved his son's company, the vice-chair reported that his participation was an error, likely because he missed identifying in the Board meeting agendas that those decisions involved BRG projects related to his son's company.

[30] We found that a sixth Board member who had served on the Board for 9 months also had not completed a form. However, we did not observe this Board member refrain from any discussion or voting during the meetings we attended.

[31] Nine Board members completed the new disclosure form. The tenth Board member stopped serving on the Board in January 2019 and thus did not file a disclosure form while serving on the Board.

[32] This Board member filed a new form in March 2019 that disclosed his district employment.

Board lacks processes for helping ensure its members comply with conflict-of-interest laws

Statute addresses conflicts of interest for public officers and employees, and ensuring compliance with these statutes can help deter self-dealing by public officers/employees and promote transparency and public confidence in an agency's official conduct. Although State law and Board policy clearly require Board members and staff to fully disclose interests and file disclosure forms, the Board lacks processes for helping ensure its members comply with conflict-of-interest laws. Specifically, the Board:

- **Does not require disclosure of interests in public meetings—**Publicly disclosing Board members' interests as the reason for refraining from participating in decisions is important for fully disclosing and memorializing the disclosure of interests as they relate to those decisions. For example, a Board member we interviewed could not recall the reasons for refraining from discussing and voting on specific construction projects. In addition, we observed 2 Board members who refrained from discussing and voting on 98 construction projects that the Board voted on together as 1 agenda item. It was not clear whether these Board members had interests related to all 98 construction projects or only related to specific construction projects. Public disclosures would also enhance the transparency of Board decisions and provide added protection to Board members from potential conflict-of-interest concerns or allegations.

- **Does not notify Board members of its requirement to submit forms and does not require annual form submittals—**Although the Board has a policy requiring Board members to file a form, 5 of the Board members who failed to file a form reported that they were unaware of the policy requirement to do so. In addition, Board policy does not require Board members to file forms annually. Although statute does not explicitly require annual disclosures, doing so would help remind Board members of the importance of complying with conflict-of-interest laws and help ensure that interests are updated and disclosed if Board members' circumstances change. In addition, although we found that all Board employees completed a form, the Board's policy does not apply to Board employees, and the Board does not have a policy requiring its employees to annually file a form.

- **Lacks processes to help Board members identify meeting agenda items involving their interests—**The vice-chair reported that because of the length and quantity of information in Board meeting agendas and attachments, it can be difficult to identify the agenda items for which Board members might have conflicts so that they can refrain from discussing and voting. For example, the Board's December 2018 meeting agenda included items for approximately 100 projects and more than 4,600 pages of attachments. In addition, although information on the school districts requesting Board review and approval of proposed construction projects is easy to identify in meeting agendas, information about potential vendors that might work on these construction projects is more difficult to locate.

Recommendations

The Board should:

8. Establish a process to allow Board members to fully disclose substantial interests in its public meetings as a reason for not participating in a meeting agenda item. These disclosures should be documented in the Board's meeting minutes, including the name of the person with an interest (i.e., Board member or Board member's relative), the interest's description, and the reason the Board member is refraining from voting or otherwise participating.

9. Develop and implement a process to help Board members identify meeting agenda items involving their interests, such as notating Board meeting agendas and/or adding vendor names to the project summary, to identify agenda items for which Board members have conflicts based on the interests listed on their forms.

10. Continue using its new, more comprehensive conflict-of-interest form.

11. Develop and implement a process to ensure new Board members complete and file a conflict-of-interest form before they begin serving on the Board.

12. Require all Board members and employees to complete conflict-of-interest forms at least annually and maintain these disclosures in a separate special file for public inspection.

Board response: As outlined in its response, the Board agrees with the finding and will implement the recommendations.

Board staff and vendor actions and Board procurement policy and guidance for districts could confuse districts, leading to decreased competition, potentially unfavorable pricing, and compliance issues

Statute requires districts to comply with procurement rules and purchasing guidelines

As discussed in the Introduction (see page 4), districts are responsible for procuring, selecting, and contracting with vendors for BRG projects. The cost of a purchase determines the following procurement requirements districts must comply with:

- **Purchases of $100,000 and over—**For these purchases, districts must comply with the School District Procurement Rules adopted by the Arizona State Board of Education. These rules specify requirements a district must follow when procuring, selecting, and contracting with vendors. These include requirements for evaluating vendor bids and maintaining a procurement file containing all official procurement records, such as bids received.[33]

- **Purchases less than $100,000—**For these purchases, districts must comply with the school district purchasing requirements prescribed in the USFR (see Introduction, page 4, for information on the USFR). The USFR establishes specific requirements districts must follow to procure goods and services depending on the anticipated purchase cost. For example, the USFR states that districts should obtain written quotes from at least 3 vendors for purchases that cost at least $50,000 and less than $100,000.

To obtain BRG Fund monies, districts must also follow the Board's procurement policy (see pages 28 through 29 for more information).

As discussed in the remainder of this finding, we identified 2 areas in which Board and vendor actions and the procurement policy and other guidance the Board has prescribed for districts to follow for BRG projects could confuse districts. Specifically:

- Board and/or vendor actions related to BRG projects may have led to some districts not understanding their procurement responsibilities, resulting in districts not competitively procuring goods/services, decreased competition, and potentially unfavorable pricing.

- The additional district procurement policy the Board has developed and its terms and conditions for BRG projects could mislead districts, potentially resulting in districts' noncompliance with the School District Procurement Rules and the USFR.

See Finding 5, pages 31 through 32, for information about other district procurement deficiencies we identified.

[33] The procurement rules are outlined in Arizona Administrative Code (AAC) R7-2-1001 et seq.

Board and/or vendor actions may have led to district confusion regarding their procurement responsibilities, resulting in districts not competitively procuring goods/services, decreased competition, and potentially unfavorable pricing

We reviewed the 10 sampled districts' vendor procurements for all 36 BRG reviewed projects and found that although districts are required to procure and select BRG project vendors, 4 of the 10 sampled districts either did not procure or did not select vendors for some BRG projects that the Board approved between September 2014 and May 2017 because they believed Board staff had done so. Although we found indications that Board staff may have selected or referred BRG project vendors to districts in the past, the Board reported in June 2018 that its staff are prohibited from doing so; however, districts may still be at risk for misunderstanding their procurement responsibilities for BRG projects. Specifically, we found:

- One district did not procure or select any of the vendors for a BRG project to address flooding issues, including an architectural vendor and a construction vendor. District staff reported that the district's assigned liaison had told them who the vendors on the project would be.[34] Although Board records indicate that 3 vendors had bid to provide construction services for the project, district staff reported that they did not obtain the bids nor were they aware that these bids were presented to the Board. The Board distributed more than $280,000 of BRG Fund monies to the district for this project in fiscal years 2018 and 2019, including nearly $250,000 for the construction vendor. This district received a finding related to this issue in its fiscal year 2018 financial audit.

- One district did not select the vendor who performed the assessment and design for a concrete sidewalk project. A written quote the vendor provided to the district indicates that a Board liaison requested that the vendor provide the district with a quote (see Figure 5, page 27, for excerpts from the written quote the vendor sent the district).[34] The Board distributed more than $11,000 of BRG Fund monies to the district to pay this vendor in fiscal years 2017 and 2018.

- One district did not select the vendors who performed the assessment and design for a project to address water leaks. District staff reported that it was their understanding that the Board would be conducting procurement and vendor selection because the project would be funded with Board monies. In addition, they reported that the district's assigned liaison had conducted site walk-throughs with the vendors, and district staff were not part of these walk-throughs. When asked about this project, the liaison reported that the district was confused and that he did not select the vendors. The Board distributed more than $44,000 of BRG Fund monies to the district to pay the vendors in fiscal years 2015 through 2017.

- One district did not select the vendor who performed the assessment and design for a cooling project. District staff reported that the assessment and design vendor contacted the district and they believed he was selected by the Board.[34] The Board distributed more than $19,000 of BRG Fund monies to the district to pay this vendor in fiscal year 2018.

Districts' failure to take responsibility for procuring and selecting vendors can lead to several issues, including:

- **Potentially unfavorable pricing—**When a competitive procurement is not conducted, vendors may not have an opportunity to provide competitive pricing, which could potentially lead to higher costs.[35]

- **Potential withholding of State funding—**If districts do not follow School District Procurement Rules and/or the USFR, they may receive audit findings as part of their annual financial and compliance audits that are required to be performed by independent audit firms. Based on our review of districts' financial audits,

[34] The liaison assigned to 3 of the 4 districts that did not procure or select BRG project vendors was no longer employed by the Board at the time we conducted interviews with the Board liaisons.

[35] The Legislature listed several purposes when it established the statutory requirement for the Arizona State Board of Education to develop the School District Procurement Rules, including providing consistency and increased public confidence in State procurements, and fostering effective, broad-based competition.

Figure 5
Excerpts from letter a vendor sent to a district for 1 of our sampled projects[1]

August 29, 2016

To: (*Name of district staff member*)
(*Name of District*)
(*Location in Arizona*)

Re: Design Services for accessible sidewalks

(*Name of district staff member*),

We understand from (*Board liaison name*) that your campus has some deficiencies in accessibility to the play areas, fields and courts. We have recently completed design and construction administration services on several similar projects and are pleased to offer our services to get your project started. Our understanding of the scope of work is as follows:

Scope of Project

- The existing sidewalks provide access from parking lot to, and between, the main buildings, but no wheelchair accessible routes to, or between, the play areas.
- Sidewalks, with grades meeting the ADA standards, must be provided to allow student access to play areas and basketball court.

Scope of Services

- We will produce a set of plans showing sidewalk locations, elevations, and details in a package suitable for bidding and construction.
- We will provide a cost estimate and assist in having the project submitted to the School Facilities Board for construction funding.

Fee

The fee for architectural and engineering services, as described above, would be as outlined below.

Initial inspection	$989
Civil Survey	$4,200
Site Plan Options	$1,500
Final Plans and Specs	$1,500
Total	$8,189

We are listed as a vendor in Procure AZ as well as (*name of cooperative contract*). We are in compliance with all current State of Arizona insurance requirements.

Again, thanks for the opportunity; we look forward to working with you on this project.

Sincerely,

(*Vendor name*)

Cc (*Board liaison name*)

[1] The original letter was 2 pages. In order to fit letter on 1 page, we have removed portions of this letter.

Source: Auditor General staff analysis of a letter a vendor sent to a district, located in the Board's September 7, 2016, meeting agenda.

if we determine that a district did not substantially comply with the School District Procurement Rules and/or the USFR, we may refer the district to the Arizona State Board of Education, which can make its own determination and ultimately withhold a portion of the district's State education funding until the district is determined to be in compliance. For example, one district that was referred to the Arizona State Board of Education for procurement issues had a portion of its State education funding withheld for 4 years.

We interviewed the 5 liaisons that were employed by the Board as of February 2019 about this issue. Although some liaisons reported that they were aware of previous Board liaisons who had required districts to use specific vendors, all 5 liaisons reported that they do not require and/or suggest that districts use specific vendors. Additionally, in June 2018, the Board's executive director reported to us that he had instructed Board staff that they were prohibited from requiring districts to use specific vendors.

However, the Board has not included this prohibition in any written policy or procedure. In addition, the policies it prescribes to districts for receiving BRG Fund monies do not explicitly state that districts are solely responsible for procuring, selecting, and contracting with vendors for BRG projects. Absent such policies and procedures and given the Board liaisons' previous practices and the potential confusion about procurement responsibilities that could be caused by the Board's role as the provider of BRG Fund monies, districts continue to be at risk for misunderstanding their procurement responsibilities for BRG projects.

Additional procurement policy and guidance Board has prescribed for districts could mislead districts, potentially resulting in noncompliance

The Board has developed a procurement policy that districts are required to follow to obtain BRG Fund monies, in addition to districts' complying with the requirements in the School District Procurement Rules and the USFR. We found that the Board's procurement policy and other guidance are unclear in several areas and could mislead districts, potentially resulting in noncompliance with the School District Procurement Rules and the USFR. Specifically:

- **Board's procurement policy not consistent with the USFR and lacks references to require district compliance with statutorily mandated procurement requirements—**In September 2017, the Board developed a procurement policy that it requires districts to follow when procuring vendors for BRG projects. Although the policy includes requirements that in some cases align with the School District Procurement Rules and the USFR, the policy requirements may not be appropriate for districts in all circumstances, including:

    - **Instructing districts to procure vendors on a per project instead of a cumulative purchase basis—**The policy indicates that districts should procure vendors on a project by project basis instead of considering the total purchase cost of all like services. For example, the policy indicates districts must obtain only 1 written quote for BRG projects that will cost less than $10,000. However, this policy fails to consider the USFR requirement that districts must consider all purchases of similar goods or services that it will make within a fiscal year when determining the appropriate procurement method. For example, if a district expected to have multiple similar projects during a fiscal year that cumulatively cost between $10,000 and $100,000, such as HVAC repairs at 4 different school sites with an estimated cost of $9,000 each or $36,000 in total, it would need to consider these 4 projects as 1 cumulative purchase and obtain 3 written quotes for the entire project. Purchasing for all like services in a single procurement could save districts time and potentially result in more competition and better prices.

    - **Not instructing districts that they must also comply with School District Procurement Rules and the USFR—**The policy specifies some procurement requirements for districts; however, it is not comprehensive and does not instruct districts that they must still comply with the School District Procurement Rules and the USFR for any areas where the policy is silent. For example, the policy states that districts can purchase from a vendor listed under the State Procurement Office's job order contract,

but does not indicate that the district must first have a signed membership agreement with the State Procurement Office that would allow it to purchase from the job order contract.[36]

Although we did not identify any district procurement deficiencies as a result of following the Board's policy, if districts follow the Board's policy without also considering all School District Procurement Rules and the USFR requirements, the districts could potentially be out of compliance with these rules and requirements.

- **Board's terms and conditions could be confusing—**As discussed in the Introduction (see page 7), the Board has a standard project agreement districts must review and sign, which outlines project award terms and conditions, including various requirements with which districts must comply. The agreement states that districts must comply "with the procurement rules developed by the State Board of Education and the Arizona Procurement Code." However, the first citation should read the School District Procurement Rules adopted by the Arizona State Board of Education. In addition, the Arizona Procurement Code applies to State agencies and does not apply to districts. Further, the terms and conditions do not include a clear statement that districts must also comply with the USFR purchasing requirements. Finally, the Board's terms and conditions are required to be signed by the district governing board president rather than by the district staff who are responsible for procuring and selecting vendors. This inaccurate and incomplete information may further confuse districts when procuring and selecting vendors for BRG projects.

Recommendations

The Board should:

13. Develop a written policy, procedure, or other employment document that prohibits Board staff from requiring or recommending that districts use specific vendors for projects that receive Board monies.

14. Revise its policies for districts to explicitly state that districts are solely responsible for procuring, selecting, and contracting with vendors, and that Board staff are not authorized to select vendors or otherwise require or suggest that districts use specific vendors.

15. Reassess and revise its procurement policy to ensure it does not mislead districts and is consistent with the School District Procurement Rules and the USFR and explicitly states that districts must comply with all requirements in the School District Procurement Rules and the USFR, such as the USFR's requirement for considering cumulative purchases when determining the appropriate procurement method in addition to following the Board's procurement policy.

16. Revise its terms and conditions to:

    a. Change "procurement rules developed by the State Board of Education" to the "School District Procurement Rules adopted by the Arizona State Board of Education."

    b. Add a reference to the USFR purchasing guidelines.

    c. Delete the reference to "Arizona Procurement Code."

    d. Also require that district staff who are responsible for procuring and selecting vendors, such as the business manager or chief financial officer, sign the terms and conditions.

    Board response: As outlined in its response, the Board agrees with the finding and will implement the recommendations.

[36] A job order contract is a procurement method through which an entity procures and contracts with a vendor to provide unspecified quantities of construction services at predetermined rates and/or prices for standard tasks, such as HVAC maintenance.

Districts did not always comply with School District Procurement Rules and USFR requirements

As discussed in Finding 4 (see page 25), districts are responsible for procuring, selecting, and contracting with vendors for BRG projects and must comply with the School District Procurement Rules and the USFR. However, we found that 8 of the 10 sampled districts we reviewed did not fully comply with the School District Procurement Rules and/or the USFR for BRG projects. For example:

- **District chose the highest-cost HVAC vendor but failed to base this selection on requirements specified in request for quotes—**One sampled district did not document or explain why it selected the vendor with the highest price for an HVAC project, which was approximately $5,100 higher than the lowest of the 3 quotes it received. Additionally, the lowest-cost vendor's quote included all the requirements specified in the district's request for quotes, whereas the highest-cost vendor's quote did not include a 2-year warranty, a requirement specified in the district's request for quotes. The USFR allows districts to select vendors based on factors other than lowest price if it is in the district's best interest and if the district identified those factors when it requested quotes from vendors, such as if a vendor has experience with the specific system that needs to be repaired. However, when doing so, districts are required to document the reasons for not selecting the vendor with the lowest cost.

- **Districts did not follow requirements for using cooperative purchasing agreements—**Three sampled districts purchased approximately $340,000 from vendors for 11 reviewed BRG projects using cooperative purchasing contracts (cooperative contracts) without following requirements for doing so (see textbox for information on cooperative contracts). For example, all 3 districts did not verify that pricing in vendor invoices was consistent with pricing in the vendor's cooperative contract. As a result, they may have paid higher prices for those services than the prices specified in the cooperative contracts. In addition, 1 of the 3 districts purchased from a vendor using a cooperative contract without being a member of that cooperative. As a result, this district received a finding in its fiscal year 2017 financial audit.

Cooperative contracts

The School District Procurement Rules authorize districts to purchase goods and services by entering into cooperative agreements with other entities, such as the State Procurement Office's State Purchasing Cooperative. These cooperative agreements allow districts to purchase materials and services from a vendor at prices and terms specified in a cooperative contract between the members of the cooperative and the vendor instead of conducting a formal procurement. The School District Procurement Rules and the USFR outline requirements districts must follow when purchasing using cooperative contracts, including verifying that pricing in a vendor's invoice is consistent with pricing in the vendor's cooperative contract and that the vendor's professional license is in good standing. Five of the 10 sampled districts purchased from vendors using 5 different cooperative contracts for work on 14 reviewed BRG projects.

Source: Auditor General staff analysis of the School District Procurement Rules, the USFR, and sampled districts' purchasing records.

- **Districts did not sufficiently oversee consultants—**The School District Procurement Rules authorize districts to contract with procurement consultants to assist them in managing the procurement process. Five of the 8 districts used 3 procurement consultants to help manage the procurement process. However, we found

numerous errors in procurement documents developed by consultants for these 5 districts, indicating that these 5 districts did not provide adequate oversight of the consultants. For example, several bid documents prepared by procurement consultants had incorrect bid numbers, page numbers, and dates. Although we did not find this to be the case, if a potential vendor's bid response also included these errors, the vendor could be considered ineligible for the project based on providing erroneous information. In addition, the procurement files assembled by the procurement consultants did not always include all the documentation that must be maintained for public inspection, such as amendments to bids that changed the bid opening date. These errors could potentially result in a vendor that the district did not select lodging a protest about the procurement with the district. If a vendor lodged a protest, the district may need to postpone all or part of the project while it responded to the protest. If the bid protest was successful, the district may need to go through the procurement process again. Postponing or rebidding the project could lead to higher costs and school facility deficiencies not being addressed in a timely manner, which could impact student and district employee health and safety.

During the audit, we notified each of the 8 sampled districts about the compliance issues we found and provided recommendations for addressing them. We will follow up with these districts' independent auditors to ensure these districts have addressed these areas of noncompliance. Further, because all Arizona districts are responsible for procuring, selecting, and contracting with vendors, we plan to present information about these issues at a conference for district business officials in summer 2019.

Recommendation

The 8 sampled districts should:

1. Comply with the procurement requirements established in the School District Procurement Rules and the USFR when procuring, selecting, and contracting with vendors for work on BRG projects, including documenting the district's reasoning for selecting vendors based on factors other than lowest price, complying with all requirements for using cooperative agreements, and overseeing procurement consultants.

BRG project scope of work

This report section provides information regarding project scope of work development, including the Board's, districts', and vendors' roles and responsibilities for developing BRG projects' scopes of work (see textbox for an explanation of scope of work). This report section has no recommendations.

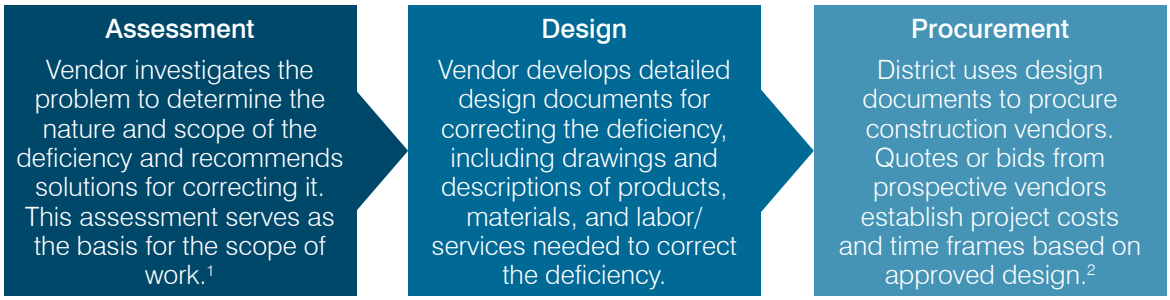
Scope of work—A BRG project's scope of work describes how the deficiency will be corrected, including listing necessary materials, products, labor, and other services; and project schedule and costs.

Source: Auditor General staff analysis of project scopes of work.

BRG project scope of work is developed during assessment, design, and procurement

As discussed in the Introduction (see page 3), districts submit a BRG project application that includes a description of the proposed project. Most BRG projects go through 3 project phases and districts are required to procure and contract with vendors to perform specific tasks during these project phases. BRG project scopes of work are developed by vendors with input from district and Board staff during a project's assessment and design phases and through procurement (see Figure 6).

Figure 6
BRG project scope of work development



[1] In some cases, Board liaisons may conduct assessments if they have the technical expertise and time to do so. However, for most BRG projects, the Board approves project awards for districts to procure and contract with assessment vendors.

[2] For less complex projects, such as replacing a part on an HVAC system, districts may not need a project award for assessment or design before procuring construction vendors and obtaining project costs and timelines. However, for most projects, the Board approves project awards for assessment and design.

Source: Auditor General staff analysis of the Board's BRG project assessment and design documents.

District and Board staff provide input that can influence project scope of work

For some BRG projects, district and Board staff also help develop the BRG project's scope of work. Specifically:

- **Some district staff reported providing input to vendors related to BRG projects' scope of work—**We interviewed district staff from the 10 sampled districts about their roles in developing the scope of work for

their BRG projects. Some districts reported providing input to vendors during the assessment and design phases that influenced the scope of work, such as input on preferred products or system functionalities. For example, staff at 1 district reported that they requested that a fire alarm have hardwired connections between system components rather than using wireless connections. However, staff at another district reported that they did not provide input on or otherwise participate in scope of work development.

- **Board staff provide input to districts and vendors related to BRG projects' scope of work—**In developing project award recommendations, Board management and liaisons review district and vendor proposals for assessment and design services pertaining to the scope of work and may recommend the need for additional services that could impact the scope of work. For example, Board staff may recommend that districts obtain hazardous materials testing to check for asbestos; if the testing reveals hazardous materials, this could modify the scope of work because special equipment or remediation may be required to mitigate these dangers. In addition, some district staff we interviewed reported that Board liaisons had participated in discussions with district staff and vendors about potential solutions for correcting deficiencies.

Board has adopted policies related to scope of work

In fiscal year 2019, the Board adopted new policies that could impact BRG project scope of work development on future BRG projects, including policies for:

- **Minimum assessment requirements—**The Board adopted this policy in November 2018, which establishes the minimum requirements that vendors must include in an assessment report, such as a description of current conditions and details about the building system, such as the system's age.

- **Separation of professional assessment services—**The Board adopted this policy in August 2018, which prohibits a vendor that has provided assessment services from also providing design or construction services for certain types of higher-cost BRG projects.[37] According to the Board, it established this policy to help ensure that there are no perceived conflicts of interest if a vendor recommending replacing a building system also benefits from performing the design or construction services for the system replacement.

- **Performance specifications—**The Board adopted this policy in September 2018, which states that the Board will establish minimum system standards and performance specifications (performance specifications) for each building system. As of May 2019, the Board had established performance specifications for 2 types of building systems that outline various requirements for assessing these systems and specifications that must be met when developing scopes of work. Specifically:

    - **Roofing systems—**Performance specifications for roofing systems include requirements that roofing systems have at least a 20-year warranty and that project design documents must note whether any ductwork or electrical conduits and wires will need to be modified during the project, and state that design documents cannot cite specific manufacturers or limit any products that meet the specifications. These specifications were adopted in September 2018.

    - **Fire alarm systems—**Performance specifications for fire alarm systems include requirements that fire alarm systems must have at least a 2-year warranty, project design documents must include the square footage of the fire alarm system to be replaced, and all fire alarm systems on the same site must be from the same manufacturer and be able to communicate with each other; and state that design documents cannot cite specific manufacturers or limit any products that meet the specifications. These specifications were adopted in February 2019.

[37] This policy applies to only 3 types of BRG projects: roofing; weatherization, which involves work on building walls to protect the building from the elements; and chillers, which are HVAC systems that provide cooling and humidity control for large facilities. The Board reported that these are generally the 3 most expensive types of BRG projects for which the Board approves BRG project awards.

Auditor General makes 16 recommendations to the Board and 1 recommendation to the 8 sampled districts

The Board should:

1. Review all 628 open BRG projects to determine each BRG project's current status, including determining whether a deficiency still exists and remains uncorrected, if the BRG project has received a construction project award, if construction has started, and if construction is complete, before cancelling or closing these projects (see Finding 1, pages 11 through 16, for more information).

2. Establish processes consistent with State policy and supported by written policies and procedures, where appropriate, to:

    a. Obtain and track each BRG project's project-completion time frames.

    b. Track each BRG project's phase status and each phase's start and end dates.

    c. Require districts to provide regular project status updates for open BRG projects.

    d. Develop and implement management reports and other tools to systematically and regularly monitor each open BRG project's status and progress (see Finding 1, pages 11 through 16, for more information).

3. Establish processes for using the data from its monitoring activities, supported by written policies and procedures, where appropriate, to:

    a. Work with districts to address any obstacles that prevent them from making progress and mitigate any health and safety impacts related to the continued existence of an uncorrected deficiency.

    b. Hold districts accountable for meeting their BRG project responsibilities.

    c. Proactively plan and request funding for future BRG projects. Before requesting a supplemental or increased appropriation, the Board should first review its management reports and make a written determination of how much committed money can be recommitted to other projects.

    d. Plan Board staff's workload based on the status of its existing BRG projects (see Finding 1, pages 11 through 16, for more information).

4. Work with the Arizona Office of Grants and Federal Resources to obtain access to and implement the use of eCivis SRM for managing BRG projects. If the Board determines that it will continue devoting staff time and resources to modify its own IT systems to manage BRG projects, it should conduct and document the results of a cost-benefit analysis and justify the use of these resources rather than using the eCivis system (see Finding 1, pages 11 through 16, for more information).

5. Modify its PayAppinator system to track and monitor the timeliness of open payment requests and rejected payment requests (see Finding 2, pages 17 through 20, for more information).

6. Work with the Arizona Office of Grants and Federal Resources to obtain access to and implement the use of eCivis SRM for managing BRG project closeout. If the Board determines that it will continue devoting staff time and resources to modify the PayAppinator for managing BRG project closeout, it should conduct and document the results of a cost-benefit analysis and justify the use of these resources rather than using the eCivis system (see Finding 2, pages 17 through 20, for more information).

7. Develop and implement processes, supported by written policies and procedures where appropriate, to:

   a. Address any problems that are potentially leading to payment requests not being paid within 30 days.

   b. Regularly follow up with districts and provide assistance as needed to help ensure they resubmit rejected payment requests in a timely manner.

   c. Address any problems that are potentially leading to untimely project closeout (see Finding 2, pages 17 through 20, for more information).

8. Establish a process to allow Board members to fully disclose substantial interests in its public meetings as a reason for not participating in a meeting agenda item. These disclosures should be documented in the Board's meeting minutes, including the name of the person with an interest (i.e., Board member or Board member's relative), the interest's description, and the reason the Board member is refraining from voting or otherwise participating (see Finding 3, pages 21 through 24, for more information).

9. Develop and implement a process to help Board members identify meeting agenda items involving their interests, such as notating Board meeting agendas and/or adding vendor names to the project summary, to identify agenda items for which Board members have conflicts based on the interests listed on their forms (see Finding 3, pages 21 through 24, for more information).

10. Continue using its new, more comprehensive conflict-of-interest form (see Finding 3, pages 21 through 24, for more information).

11. Develop and implement a process to ensure new Board members complete and file a conflict-of-interest form before they begin serving on the Board (see Finding 3, pages 21 through 24, for more information).

12. Require all Board members and employees to complete conflict-of-interest forms at least annually and maintain these disclosures in a separate special file for public inspection (see Finding 3, pages 21 through 24, for more information).

13. Develop a written policy, procedure, or other employment document that prohibits Board staff from requiring or recommending that districts use specific vendors for projects that receive Board monies (see Finding 4, pages 25 through 29, for more information).

14. Revise its policies for districts to explicitly state that districts are solely responsible for procuring, selecting, and contracting with vendors, and that Board staff are not authorized to select vendors or otherwise require or suggest that districts use specific vendors (see Finding 4, pages 25 through 29, for more information).

15. Reassess and revise its procurement policy to ensure it does not mislead districts and is consistent with the School District Procurement Rules and the USFR and explicitly states that districts must comply with all requirements in the School District Procurement Rules and the USFR, such as the USFR's requirement for considering cumulative purchases when determining the appropriate procurement method in addition to following the Board's procurement policy (see Finding 4, pages 25 through 29, for more information).

16. Revise its terms and conditions to:

   a. Change "procurement rules developed by the State Board of Education" to the "School District Procurement Rules adopted by the Arizona State Board of Education."

   b. Add a reference to the USFR purchasing guidelines.

c. Delete the reference to "Arizona Procurement Code."

d. Also require that district staff who are responsible for procuring and selecting vendors, such as the business manager or chief financial officer, sign the terms and conditions (see Finding 4, pages 25 through 29, for more information).

The 8 sampled districts should:

1. Comply with the procurement requirements established in the School District Procurement Rules and the USFR when procuring, selecting, and contracting with vendors for work on BRG projects, including documenting the district's reasoning for selecting vendors based on factors other than lowest price, complying with all requirements for using cooperative agreements, and overseeing procurement consultants (see Finding 5, pages 31 through 32, for more information).

BRG project awards approved for districts and schools in fiscal years 2017 and 2018

As shown in Table 5, in fiscal years 2017 and 2018, the Board approved BRG project awards for 557 schools in 146 districts around the State totaling more than $77.6 million. For these 2 fiscal years, Board-approved project awards for each district ranged from approximately $1,300 to more than $5.6 million, and from $355 to nearly $2.3 million for each school. The Board approved BRG project awards for various projects, including HVAC, plumbing, and roofing projects.

Table 5

BRG project award amounts approved for school districts and schools by county, including number of project awards and largest project type[1]

Fiscal years 2017 and 2018

(Unaudited)

School district	School	Project award amount	Number of project awards	Largest project type
Apache County		$ 1,710,394	19	
Alpine Elementary School District	Alpine Elementary School	**14,529**	**2**	Plumbing
Chinle Unified School District	Chinle Elementary School	1,016	1	Plumbing
	Chinle Junior High School	60,825	1	HVAC
	Many Farms Public School	372,480	3	Surfaces
	Total Chinle Unified School District	**434,321**	**5**	
Ganado Unified School District	Ganado High School	**11,440**	**1**	Plumbing
Red Mesa Unified School District	Red Mesa Elementary School	43,357	2	Special equipment
	Red Mesa High School	43,165	1	Special equipment
	Red Mesa Junior High School	23,498	1	Special equipment
	Round Rock Elementary and Junior High School	74,451	2	HVAC
	Total Red Mesa Unified School District	**184,471**	**6**	
Round Valley Unified School District	Round Valley High School	831,058	2	HVAC
	Round Valley Elementary School	18,083	1	Surfaces
	Total Round Valley Unified School District	**849,141**	**3**	
Sanders Unified School District	Sanders Elementary School	**201,742**	**1**	HVAC
Window Rock Unified School District	Tséhootsooi Primary Learning School	**14,750**	**1**	HVAC
Cochise County		7,472,479	64	
Ash Creek Elementary School District	Ash Creek School	**31,675**	**1**	Special systems
Benson Unified School District	Benson High School	149,723	1	HVAC
	Benson Middle School	285,300	1	Surfaces
	Total Benson Unified School District	**435,023**	**2**	
Bisbee Unified School District	Bisbee High School	**2,226,000**	**1**	Roofing
Bowie Unified School District	Bowie High School	**82,242**	**2**	Plumbing
Double Adobe Elementary School District	Double Adobe School	**418,063**	**1**	Surfaces

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Douglas Unified School District	Clawson Elementary School	19,860	1	Special systems
	Douglas High School	33,500	2	Surfaces
	Faras Elementary School	43,450	1	Surfaces
	Joe Carlson Elementary School	30,270	1	Special systems
	Maryvale Elementary School[2]	15,200	1	Special systems
	Paul Huber Middle School	305,200	1	HVAC
	Ray Borane Middle School	8,088	1	HVAC
	Sara Marley Elementary School	39,159	2	Special systems
	Total Douglas Unified School District	**494,727**	**10**	
Elfrida Elementary School District	Elfrida Elementary School	**67,200**	**2**	General renovations
Palominas Elementary School District	Coronado Elementary School	19,012	3	HVAC
	Palominas Elementary School	803,225	6	Surfaces
	Valley View Elementary School	55,988	2	Surfaces
	Total Palominas Elementary School District	**878,225**	**11**	
San Simon Unified School District	San Simon School	**52,876**	**3**	HVAC
Sierra Vista Unified School District	Carmichael Elementary School	11,500	1	Surfaces
	Huachuca Mountain Elementary School	1,920,725	3	Roofing
	Joyce Clark Middle School	81,100	3	HVAC
	Pueblo Del Sol Elementary School	4,550	1	Roofing
	Town & Country Elementary School	4,750	1	Roofing
	Rothery Educational Service Center	30,725	1	Roofing
	Total Sierra Vista Unified School District	**2,053,350**	**10**	
St. David Unified School District	St. David Elementary School	1,900	1	Plumbing
	St. David High School	263,440	8	Roofing
	Total St. David Unified School District	**265,340**	**9**	
Tombstone Unified School District	Huachuca City School	32,900	2	Surfaces
	Tombstone High School	10,000	1	Plumbing
	Walter J. Meyer Elementary School	5,635	2	Roofing
	Total Tombstone Unified School District	**48,535**	**5**	
Valley Union High School District	Valley Union High School	**359,823**	**4**	Surfaces
Willcox Unified School District	Willcox Elementary School	18,700	1	Special systems
	Willcox High School	22,000	1	Special systems
	Willcox Middle School	18,700	1	Special systems
	Total Willcox Unified School District	**59,400**	**3**	
Coconino County		**1,716,523**	**8**	
Flagstaff Unified School District	Flagstaff High School	48,675	2	Plumbing
	Killip Elementary School	2,135	1	Plumbing
	Total Flagstaff Unified School District	**50,810**	**3**	
Page Unified School District	Desert View Intermediate School	1,055,096	2	Roofing
	Lake View Primary School	181,158	1	Special systems
	Page High School	285,103	1	Roofing
	Page Middle School	144,356	1	Roofing
	Total Page Unified School District	**1,665,713**	**5**	
Gila County		**685,701**	**19**	
Hayden-Winkleman Unified School District	Hayden High School	24,216	2	Electrical
	Leonor Hambly K-8 School	77,585	1	Roofing
	Total Hayden-Winkelman Unified School District	**101,801**	**3**	
Miami Unified School District	Lee Kornegay Intermediate School	47,533	3	HVAC
	Miami Junior/Senior High School	33,677	1	Special equipment
	Total Miami Unified School District	**81,210**	**4**	
Payson Unified School District	Payson Elementary School	83,655	2	HVAC
	Payson High School	39,580	5	Special systems
	Total Payson Unified School District	**123,235**	**7**	
Pine-Strawberry Elementary School District	Pine Strawberry School	**255,793**	**2**	Surfaces
Tonto Basin Elementary School District	Tonto Basin Elementary School	**103,694**	**1**	Roofing

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Young Elementary School District	Young Elementary School	**19,968**	**2**	Special equipment
Graham County		**1,864,935**	**58**	
Bonita Elementary School District	Bonita Elementary School	**26,896**	**4**	Surfaces
Fort Thomas Unified School District	Fort Thomas Elementary School	**3,500**	**1**	Plumbing
Pima Unified School District	Pima Elementary School	78,827	4	General renovations
	Pima Junior and Senior High Schools	47,581	4	Special systems
	Total Pima Unified School District	**126,408**	**8**	
Safford Unified School District	Dorothy Stinson School	121,130	5	Surfaces
	Lafe Nelson School	126,339	5	HVAC
	Mt. Graham High School	16,639	3	HVAC
	Ruth Powell School	79,015	5	Surfaces
	Safford High School	708,697	10	Roofing
	Safford Middle School	323,194	5	Electrical
	Total Safford Uniform School District	**1,375,014**	**33**	
Solomon Elementary School District	Solomon School	**233,542**	**2**	Roofing
Thatcher Unified School District	Jack Daley Primary School	2,165	1	Plumbing
	Thatcher Elementary School	18,006	2	HVAC
	Thatcher High School	27,602	3	HVAC
	Thatcher Middle School	43,002	3	HVAC
	District facilities	8,800	1	HVAC
	Total Thatcher Unified School District	**99,575**	**10**	
Greenlee County		**124,680**	**4**	
Morenci Unified School District	Fairbanks Middle School	**124,680**	**4**	Roofing
La Paz County		**319,406**	**9**	
Bicentennial Union High School District	Salome High School	**58,425**	**4**	Plumbing
Bouse Unified School District	Bouse Elementary School	**10,677**	**1**	Special equipment
Parker Unified School District	Parker High School	**39,370**	**1**	HVAC
Quartzsite Elementary School District	Ehrenberg Elementary School	**171,800**	**1**	Surfaces
Wenden Elementary School District	Wenden Elementary School	**39,134**	**2**	Surfaces
Maricopa County		**37,529,534**	**443**	
Agua Fria Union High School District	Agua Fria High School	134,592	5	HVAC
	Millennium High School	414,099	4	Plumbing
	Total Agua Fria Union High School District	**548,691**	**9**	
Aguila Elementary School District	Aguila Elementary School	**6,500**	**1**	Surfaces
Alhambra Elementary School District	Andalucia Middle School	11,492	1	Plumbing
	Barcelona Elementary School	24,771	2	Plumbing
	Cordova Elementary School	11,785	1	Plumbing
	Granada Elementary School - East Campus	3,217	1	Plumbing
	R.E. Simpson School	437,879	1	Special systems
	Westwood Elementary School	3,648	1	Plumbing
	Alhambra Family Resource Center	1,060	1	Plumbing
	Total Alhambra Elementary School District	**493,852**	**8**	
Balsz Elementary School District	Brunson-Lee Elementary School	69,357	1	Surfaces
	David Crockett Elementary School	610,772	1	Surfaces
	Griffith Elementary School	31,500	1	HVAC
	Total Balsz Elementary School District	**711,629**	**3**	
Buckeye Elementary School District	Bales Elementary School	292,370	2	Surfaces
	Buckeye Elementary School	11,107	1	Plumbing
	Inca Elementary School	7,454	1	Plumbing
	Sundance Elementary School	311,076	1	Surfaces
	WestPark Elementary School	12,353	2	Plumbing
	Total Buckeye Elementary School District	**634,360**	**7**	

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Cartwright Elementary School District	Bret R. Tarver School	90,466	1	Roofing
	Bryon A. Barry School	28,984	3	Plumbing
	Cartwright School	31,093	1	Roofing
	Charles W. Harris School	3,463	1	Roofing
	Desert Sands Middle School	68,697	2	Roofing
	Estrella Middle School	2,405	1	Plumbing
	Flor Del Sol Elementary School[2]	2,720	1	Plumbing
	Frank Borman School	4,650	1	Roofing
	Glen L. Downs School	2,998	1	Roofing
	Holiday Park School	4,500	1	Surfaces
	John F. Long School	2,750	1	Roofing
	Marc T. Atkinson Middle School	125,027	1	Plumbing
	Manuel "Lito" Pena Jr. School	4,880	1	Roofing
	Palm Lane School	11,311	2	Plumbing
	Peralta School	3,345	1	Roofing
	Starlight Park School	31,474	2	Roofing
	Tomahawk School	16,002	1	Plumbing
	Total Cartwright Elementary School District	**434,765**	**22**	
Cave Creek Unified School District	Black Mountain Elementary School	40,533	2	Roofing
	Desert Arroyo Middle School[2]	114,188	2	Surfaces
	Desert Sun Academy	41,250	1	Roofing
	Desert Willow Elementary School	80,466	2	Roofing
	Horseshoe Trails Elementary School	2,565	1	Roofing
	Lone Mountain Elementary School	1,012	1	Roofing
	Sonoran Trails Middle School	31,685	2	Special systems
	Fine Arts Center	97,613	1	Surfaces
	Total Cave Creek Unified School District	**409,312**	**12**	
Creighton Elementary School District	Biltmore Preparatory Academy	35,756	2	Special systems
	Creighton School	71,706	3	Plumbing
	Excelencia School	3,570	1	Plumbing
	Larry C. Kennedy School	36,947	3	Plumbing
	Loma Linda School	31,586	2	Special systems
	William T. Machan Elementary School	23,742	1	Special systems
	Total Creighton Elementary School District	**203,307**	**12**	
Dysart Unified School District	Dysart High School	443,164	3	HVAC
	Kingswood Elementary School	65,916	1	Roofing
	Parkview Elementary School	49,060	1	HVAC
	Shadow Ridge High School	19,200	1	HVAC
	Valley Vista High School	7,578	1	HVAC
	West Point Elementary School	3,018	1	HVAC
	Western Peaks Elementary School	48,774	1	HVAC
	Willow Canyon High School	82,792	3	HVAC
	Total Dysart Unified School District	**719,502**	**12**	
Fountain Hills Unified School District	Fountain Hills High School	266,925	1	Roofing
	McDowell Mountain Elementary School	9,172	1	Plumbing
	Total Fountain Hills Unified School District	**276,097**	**2**	
Gila Bend Unified School District	Gila Bend Elementary & Junior High School	79,816	4	HVAC
	Gila Bend High School	22,236	3	Surfaces
	Total Gila Bend Unified School District	**102,052**	**7**	
Gilbert Unified School District	Highland High School	**22,155**	**1**	Surfaces
Glendale Elementary School District	Bicentennial North School	9,986	1	Special equipment
	Challenger School	30,175	1	General renovations
	Desert Spirit School	15,095	1	Surfaces
	Discovery School	36,960	1	Roofing
	Glendale Landmark School	37,793	1	Special systems
	Isaac E. Imes School	14,650	1	Special equipment
	Total Glendale Elementary School District	**144,659**	**6**	

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Glendale Union High School District	Apollo High School	251,220	1	HVAC
	Cortez High School	211,650	1	HVAC
	Glendale High School	213,293	1	HVAC
	Greenway High School	252,340	1	HVAC
	Independence High School	251,110	1	HVAC
	Moon Valley High School	229,050	1	HVAC
	Sunnyslope High School	211,950	1	HVAC
	Thunderbird High School	257,988	2	HVAC
	Washington High School	212,053	1	HVAC
	Total Glendale Union High School District	**2,090,654**	**10**	
Higley Unified School District	Chaparral Elementary School	3,525	1	HVAC
	Coronado Elementary School	213,480	2	HVAC
	Cortina Elementary School	5,697	1	HVAC
	Gateway Pointe Elementary School	1,636,447	2	Surfaces
	Higley Traditional Academy	431,943	4	Surfaces
	Higley High School	1,291,850	2	Roofing
	Power Ranch Elementary School	8,477	1	Plumbing
	San Tan Elementary School	32,592	3	HVAC
	Williams Field High School	1,997,882	4	General renovations
	Total Higley Unified School District	**5,621,893**	**20**	
Isaac Elementary School District	Alta E. Butler Elementary School	15,609	2	Plumbing
	Isaac Middle School	42,654	3	HVAC
	J. B. Sutton Elementary School	4,685	1	Plumbing
	Joseph Zito Elementary School	2,777	1	Plumbing
	Morris K. Udall Middle School	201,647	1	HVAC
	Moya Elementary School	9,393	1	Plumbing
	P.T. Coe Elementary School	3,494	1	Plumbing
	Pueblo del Sol Elementary School	9,985	1	Electrical
	Total Isaac Unified School District	**290,244**	**11**	
Kyrene Elementary School District	C.I. Waggoner Elementary School	1,344	1	Plumbing
	Kyrene Altadena Middle School	21,000	1	Surfaces
	Kyrene de los Cerritos Leadership Academy	14,500	1	Surfaces
	Total Kyrene Elementary School District	**36,844**	**3**	
Laveen Elementary School District	Cheatham Elementary School	28,106	3	HVAC
	Desert Meadows School	59,893	7	HVAC
	Trailside Point Performing Arts Academy	49,060	9	HVAC
	Vista del Sur Accelerated Academy	35,675	3	Plumbing
	Total Laveen Elementary School District	**172,734**	**22**	
Liberty Elementary School District	Estrella Mountain Elementary School	1,099,200	3	Surfaces
	Freedom Elementary School	498,335	3	Surfaces
	Liberty Elementary School	1,079,488	3	Plumbing
	Rainbow Valley Elementary School	19,000	2	HVAC
	Westar Elementary School	479,786	4	Surfaces
	Total Liberty Elementary School District	**3,175,809**	**15**	
Litchfield Elementary School District	Barbara B. Robey Elementary School	13,661	2	HVAC
	Corte Sierra Elementary School	19,835	3	HVAC
	Dreaming Summit Elementary School	21,385	3	HVAC
	L. Thomas Heck Middle School	184,788	1	Surfaces
	Palm Valley Elementary School	939,100	1	Roofing
	Rancho Santa Fe Elementary School	43,642	4	HVAC
	Scott L. Libby Elementary School	37,996	4	HVAC
	Verrado Middle School	14,937	2	HVAC
	Western Sky Middle School	330,444	3	HVAC
	Wigwam Creek Middle School	37,067	4	HVAC
	Total Litchfield Elementary School District	**1,642,855**	**27**	
Littleton Elementary School District	Country Place Leadership Academy	204,451	2	Surfaces
	Estrella Vista STEM Academy	430	1	HVAC
	Littleton Elementary School	16,141	2	Special systems
	Quentin Elementary School	790	2	HVAC
	Tres Rios Service Academy	2,750	3	HVAC
	Total Littleton Elementary School District	**224,562**	**10**	

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Mesa Unified School District	Franklin Junior High School	19,789	1	Plumbing
	Crismon Elementary School	78,980	1	Plumbing
	Entz Elementary School	133,593	1	Surfaces
	Franklin East Elementary School	56,960	2	Electrical
	Freemont Junior High School	1,503	1	Plumbing
	Guerrero Elementary School	5,593	1	Plumbing
	Hawthorne Elementary School	35,344	1	HVAC
	Highland Arts Elementary School	25,580	1	Plumbing
	Holmes Elementary School	362,410	1	HVAC
	Johnson Elementary School	230,832	2	Surfaces
	Kino Junior High School	214,050	1	Roofing
	Lincoln Elementary School	79,305	1	Surfaces
	Mesa High School	6,640	1	Plumbing
	Mountain View High School	21,725	2	Electrical
	Patterson Elementary School	3,000	1	Special equipment
	Porter Elementary School	149,294	3	HVAC
	Poston Junior High School	180,781	1	Roofing
	Red Mountain High School	7,000	1	Plumbing
	Rhodes Junior High School	2,285,350	1	Roofing
	Sirrine Elementary School	5,654	1	Plumbing
	Skyline High School	30,150	1	Roofing
	Sousa Elementary School	26,086	2	HVAC
	Stapley Junior High School	14,578	1	Plumbing
	Summit Academy	84,653	4	HVAC
	Webster Elementary School	137,077	1	Plumbing
	Westwood High School	51,564	5	HVAC
	Whittier Elementary School	32,848	1	HVAC
	Total Mesa Unified School District	**4,280,339**	**40**	
Morristown Elementary School District	Morristown Elementary School	**792,918**	**5**	Surfaces
Murphy Elementary School District	Kuban Elementary School	**31,144**	**3**	Plumbing
Nadaburg Unified School District	Nadaburg Elementary School	**36,081**	**3**	Plumbing
Osborn Elementary School District	Encanto Elementary School	19,000	1	Plumbing
	Montecito Community School	113,386	1	HVAC
	Total Osborn Elementary School District	**132,386**	**2**	
Palo Verde Elementary School District	Palo Verde Elementary School	**257,519**	**20**	HVAC
Paradise Valley Unified School District	Desert Trails Elementary School	189,540	1	HVAC
	Grayhawk Elementary School	51,600	1	HVAC
	Horizon High School	202,700	1	HVAC
	Liberty Elementary School	772,437	2	HVAC
	Pinnacle Peak Preparatory School	535,291	1	Roofing
	Vista Verde Middle School	251,833	1	HVAC
	Whispering Wind Academy	540,272	1	Roofing
	Total Paradise Valley Unified School District	**2,543,673**	**8**	
Pendergast Elementary School District	Copper King Elementary School	4,218	1	Roofing
	Desert Mirage Elementary School	4,137	1	Roofing
	Garden Lakes Elementary School	53,500	1	Roofing
	Total Pendergast Elementary School District	**61,855**	**3**	
Peoria Unified School District	Alta Loma Elementary School	47,491	1	HVAC
	Centennial High School	16,630	1	HVAC
	Country Meadows Elementary School	272,221	1	Special systems
	Heritage Elementary School	8,990	1	Surfaces
	Kachina Elementary School	9,024	1	Surfaces
	Santa Fe Elementary School	207,633	2	Special systems
	Sky View Elementary School	10,587	1	Surfaces
	Total Peoria Unified School District	**572,576**	**8**	

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Phoenix Elementary School District	Bethune School	3,253	1	HVAC
	Capitol School	89,867	2	HVAC
	Dunbar School	22,519	3	HVAC
	Edison School	5,398	1	Plumbing
	Herrera School for the Fine Arts	371,563	3	HVAC
	Kenilworth School	261,886	3	HVAC
	Magnet Traditional School	22,951	3	HVAC
	Whittier School	33,950	3	Roofing
	Total Phoenix Elementary School District	**811,387**	**19**	
Phoenix Union High School District	Bostrom High School	934	1	Plumbing
	Carl Hayden Community High School	25,983	1	Plumbing
	Total Phoenix Union High School District	**26,917**	**2**	
Queen Creek Unified School District	Jack Barnes Elementary School	**1,321**	**1**	HVAC
Saddle Mountain Unified School District	Ruth Fisher School	11,197	3	Plumbing
	Ruth Fisher School and Tonopah Valley High School	2,280	1	Special systems
	Tartesso Elementary School	15,442	3	HVAC
	Tonopah Valley High School	59,544	7	HVAC
	Total Saddle Mountain Unified School District	**88,463**	**14**	
Scottsdale Unified School District	Anasazi Elementary School	7,207	1	Plumbing
	Arcadia High School	12,704	1	HVAC
	Chaparral High School	6,800	1	Plumbing
	Cheyenne Traditional School	2,000	1	HVAC
	Cocopah Middle School	30,000	1	HVAC
	Copper Ridge School	2,000	1	Plumbing
	Desert Canyon Elementary School	2,328	1	Plumbing
	Desert Canyon Middle School	4,200	1	Plumbing
	Desert Mountain High School	34,850	4	HVAC
	Hohokam Elementary School	71,721	1	HVAC
	Hopi Elementary School	8,300	1	HVAC
	Pima Traditional School	34,556	2	HVAC
	Pueblo Elementary School	111,248	2	HVAC
	Saguaro High School	2,500	1	HVAC
	Tavan Elementary School	19,656	1	HVAC
	Tonalea K-8 School	10,661	1	HVAC
	Total Scottsdale Unified School District	**360,731**	**21**	
Tempe Elementary School District	Carminati Elementary School	735,095	1	Roofing
	Connolly Middle School	754	1	Plumbing
	Fees College Preparatory Middle School	2,161	1	Plumbing
	Meyer Montessori School	4,696	1	Roofing
	Nevitt Elementary School	754	1	Plumbing
	Rover Elementary School	692,946	2	Roofing
	Tempe Academy of International Studies–McKemy Campus	5,074	1	Plumbing
	Ward Traditional Academy	22,425	1	HVAC
	Total Tempe Elementary School District	**1,463,905**	**9**	
Tempe Union High School District	Desert Vista High School	8,500	1	Surfaces
	Marcos de Niza High School	57,409	2	HVAC
	McClintock High School	516,350	2	Roofing
	Tempe High School	297,500	1	HVAC
	Total Tempe Union High School District	**879,759**	**6**	
Tolleson Elementary School District	Desert Oasis Elementary School	6,198	1	HVAC
	Porfirio H. Gonzales Elementary School	370,344	1	Roofing
	Sheely Farms Elementary School	34,153	3	HVAC
	Total Tolleson Elementary School District	**410,695**	**5**	
Tolleson Union High School District	Copper Canyon High School	1,574,586	1	Surfaces
	Sierra Linda High School	228,300	1	Surfaces
	Tolleson Union High School	175,950	2	Special equipment
	Westview High School	34,100	2	Plumbing
	Total Tolleson Union High School District	**2,012,936**	**6**	
Union Elementary School District	Dos Rios Elementary School	**28,500**	**1**	Roofing

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Washington Elementary School District	Abraham Lincoln Traditional School	983,592	1	Roofing
	Acacia Elementary School	2,585	1	Plumbing
	Alta Vista Elementary School	927	1	Plumbing
	Arroyo Elementary School	48,324	2	HVAC
	Cactus Wren Elementary School	1,284	1	HVAC
	Cholla Middle School	57,112	2	Roofing
	Desert View Elementary School	1,709	1	Plumbing
	John Jacobs Elementary School	8,562	1	HVAC
	Lookout Mountain Elementary School	7,764	1	HVAC
	Manzanita Elementary School	1,523	1	Plumbing
	Moon Mountain Elementary School	13,735	1	HVAC
	Mountain Sky Junior High School	49,720	1	HVAC
	Mountain View School	15,119	2	HVAC
	Ocotillo Elementary School	50,869	2	HVAC
	Orangewood School	15,567	2	HVAC
	Palo Verde Middle School	15,269	4	HVAC
	Richard E. Miller Elementary School	10,775	2	HVAC
	Roadrunner Elementary School	2,279	1	HVAC
	Royal Palm Middle School	18,277	1	HVAC
	Sahuaro Elementary School	2,206	1	Plumbing
	Shaw Butte Elementary School	1,612	1	Plumbing
	Sunburst Elementary School	2,279	1	HVAC
	Sunnyslope School	3,300	1	Plumbing
	Sunset Elementary School	7,387	1	Plumbing
	Tumbleweed Elementary School	927,417	3	Roofing
	Washington Elementary School	4,227	1	Plumbing
	Total Washington Elementary School District	**2,253,420**	**37**	
Wickenburg Unified School District	Hassayampa Elementary School	482,741	2	Roofing
	Vulture Peak Middle School	1,204,026	3	Roofing
	Wickenburg High School	833,766	5	Roofing
	Total Wickenburg Unified School District	**2,520,533**	**10**	
Mohave County		**3,226,768**	**108**	
Bullhead City Elementary School District	Bullhead City Middle School	61,882	6	HVAC
	Coyote Canyon School	13,146	3	Special systems
	Desert Valley School	37,497	5	HVAC
	Diamondback Elementary School	8,919	2	Special systems
	Fox Creek Junior High School	19,066	4	HVAC
	Sunrise Elementary School	67,199	3	HVAC
	Total Bullhead City Elementary School District	**207,709**	**23**	
Colorado City Unified School District	Cottonwood Elementary School	35,250	1	Surfaces
	El Capitan High School	683,391	3	Roofing
	Total Colorado City Unified School District	**718,641**	**4**	
Colorado River Union High School District	Mohave High School	31,057	5	Special systems
	River Valley High School	30,059	9	HVAC
	Total Colorado River Union High School District	**61,116**	**14**	
Kingman Unified School District	Black Mountain School	38,750	1	HVAC
	Manzanita Elementary School	4,500	1	HVAC
	Total Kingman Unified School District	**43,250**	**2**	
Lake Havasu Unified School District	Havasupai Elementary School	82,765	7	HVAC
	Jamaica Elementary School	6,398	1	Plumbing
	Lake Havasu High School	1,622,144	19	Surfaces
	Nautilus Elementary School	27,242	3	HVAC
	Oro Grande Elementary School	9,895	2	Plumbing
	Smoketree Elementary School	38,443	3	HVAC
	Starline Elementary School	58,822	3	HVAC
	Thunderbolt Middle School	62,605	4	Special equipment
	District office and classrooms	14,295	2	HVAC
	Total Lake Havasu Unified School District	**1,922,609**	**44**	
Mohave Valley Elementary School District	Camp Mohave Elementary School	9,561	1	HVAC
	Fort Mojave Elementary School	71,559	8	HVAC
	Mohave Valley Junior High School	57,641	5	HVAC
	Total Mohave Valley Elementary School District	**138,761**	**14**	

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Owens-Whitney Elementary School District	Owens-Whitney School	**70,614**	**4**	HVAC
Topock Elementary School District	Topock Elementary School	**28,868**	**2**	Surfaces
Valentine Elementary School District	Valentine Elementary School	**35,200**	**1**	Roofing
Navajo County		**1,643,987**	**49**	
Blue Ridge Unified School District	Blue Ridge Elementary School	38,456	2	HVAC
	Blue Ridge High School	382,532	8	Plumbing
	Blue Ridge Intermediate Junior High School	692,207	3	Surfaces
	Total Blue Ridge Unified School District	**1,113,195**	**13**	
Cedar Unified School District	Jeddito Elementary School	**73,002**	**2**	HVAC
Holbrook Unified School District	Hulet Elementary School	**62,515**	**1**	Special systems
Joseph City Unified School District	Joseph City Elementary School	30,738	4	HVAC
	Joseph City Junior/Senior High School	220,798	7	HVAC
	Total Joseph City Unified School District	**251,536**	**11**	
Piñon Unified School District	Piñon Accelerated Middle School	**3,580**	**1**	Roofing
Show Low Unified School District	Linden Elementary School	4,500	1	Surfaces
	Nikolaus Homestead Elementary School	8,500	2	Surfaces
	Show Low High School	16,300	3	Surfaces
	Show Low Junior High School	17,975	3	HVAC
	Show Low Preschool	3,500	1	Surfaces
	Whipple Ranch Elementary School	66,371	6	HVAC
	White Mountain Institute	1,012	1	HVAC
	Total Show Low Unified School District	**118,158**	**17**	
Snowflake Unified School District	Snowflake High School	**8,781**	**1**	HVAC
Winslow Unified School District	Washington Elementary School	3,660	1	Roofing
	Winslow Junior High School	9,560	2	Roofing
	Total Winslow Unified School District	**13,220**	**3**	
Pima County		**11,274,810**	**105**	
Ajo Unified School District	Ajo Elementary School	**938,749**	**4**	Special systems
Amphitheater Unified School District	Amphitheater High School	2,086,415	4	Roofing
	Amphitheater Middle School	124,113	1	HVAC
	Canyon del Oro High School	147,800	1	Roofing
	Coronado K-8 School	3,500	1	Roofing
	Cross Middle School	5,250	1	HVAC
	Harelson Elementary School	35,084	3	HVAC
	Ironwood Ridge High School	8,800	2	Surfaces
	Painted Sky Elementary School	3,500	1	Roofing
	Wilson K-8 School	1,477,704	1	Roofing
	Rillito Center	10,205	3	Surfaces
	Total Amphitheater Unified School District	**3,902,371**	**18**	
Catalina Foothills Unified School District	Canyon View Elementary School	44,425	1	Surfaces
	Catalina Foothills High School	1,219,061	1	Surfaces
	Total Catalina Foothills Unified School District	**1,263,486**	**2**	
Flowing Wells Unified School District	Flowing Wells High School	237,108	5	Roofing
	Flowing Wells Junior High School	6,500	1	Special equipment
	J. Robert Hendricks Elementary School	62,500	1	Roofing
	Laguna Elementary School	9,200	1	HVAC
	Walter Douglas Elementary School	161,598	1	Roofing
	Total Flowing Wells Unified School District	**476,906**	**9**	
Marana Unified School District	DeGrazia Elementary School	21,040	1	General renovations
	Marana High School	102,130	5	Special systems
	Marana Middle School	254,269	2	Roofing
	Mountain View High School	57,412	2	HVAC
	Tortolita Middle School	5,500	1	HVAC
	Total Marana Unified School District	**440,351**	**11**	

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Sahuarita Unified School District	Sahuarita Intermediate School	1,955,668	2	Roofing
	Sahuarita Primary School	34,200	1	Surfaces
	Sopori Elementary School	114,501	2	Plumbing
	Total Sahuarita Unified School District	**2,104,369**	**5**	
Sunnyside Unified School District	Apollo Middle School	4,000	1	Roofing
	Challenger Middle School	12,000	2	HVAC
	Desert View High School	13,951	1	HVAC
	Elvira Elementary School	50,000	1	Roofing
	Los Ninos Elementary School	3,500	1	Surfaces
	Santa Clara Elementary School	47,400	2	Roofing
	Sierra 2-8 School	17,600	3	HVAC
	Sunnyside High School	2,500	1	Roofing
	Total Sunnyside Unified School District	**150,951**	**12**	
Tanque Verde Unified School District	Agua Caliente Elementary School	67,656	2	Roofing
	Tanque Verde High School	55,700	1	Special equipment
	Total Tanque Verde Unified School District	**123,356**	**3**	
Tucson Unified School District	Booth-Fickett Math/Science Magnet School	228,911	2	Roofing
	C. E. Rose K-8 School	4,400	1	HVAC
	Carrillo Magnet School	23,074	1	Surfaces
	Catalina High School	7,974	1	Plumbing
	Cavett Elementary School	4,300	1	HVAC
	Cholla High School	590,037	2	HVAC
	Davidson Elementary School	127,445	1	Surfaces
	Dunham Elementary School	27,900	3	HVAC
	Gale Elementary School	13,912	1	Special systems
	Gridley Middle School	19,000	1	Roofing
	Grijalva Elementary School	4,000	1	Surfaces
	Hollinger K-8 School	26,000	1	Surfaces
	Magee Middle School	11,511	1	HVAC
	Manzo Elementary School	59,871	2	Roofing
	Morgan Maxwell K-8 School	8,353	1	HVAC
	Myers/Ganoung Elementary School	16,100	1	HVAC
	Palo Verde High Magnet School	38,800	1	Plumbing
	Pueblo High School	73,918	2	Surfaces
	Roberts-Naylor K-8 School	4,500	1	HVAC
	Robison Elementary School	13,487	1	Surfaces
	Roskruge Billingual K-8 Magnet School	476,800	1	HVAC
	Sabino High School	10,837	2	Plumbing
	Safford K-8 School	3,400	2	HVAC
	Sam Hughes Elementary School	23,000	1	Surfaces
	Santa Rita High School	3,941	1	HVAC
	Secrist Middle School	3,400	2	HVAC
	Steele Elementary School	4,800	1	HVAC
	Tolson Elementary School	19,500	1	HVAC
	Utterback Middle School	16,300	2	HVAC
	Wheeler Elementary School	4,400	1	HVAC
	Whitmore Elementary School	4,400	1	HVAC
	Total Tucson Unified School District	**1,874,271**	**41**	
Pinal County		**7,324,273**	**143**	
Apache Junction Unified School District	Apache Junction High School	**13,100**	**1**	Electrical
Casa Grande Elementary School District	Cactus Middle School	94,329	7	HVAC
	Casa Grande Middle School	19,375	1	Plumbing
	Cholla Elementary School	78,225	1	Special systems
	Desert Willow Elementary School	12,788	1	Special systems
	Evergreen Elementary School	110,804	2	HVAC
	Ironwood Elementary School	114,500	3	Special systems
	Mesquite Elementary School	453,815	4	HVAC
	Palo Verde Elementary School	55,830	5	HVAC
	Villago Middle School	32,600	1	HVAC
	Total Casa Grande Elementary School District	**972,266**	**25**	

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Casa Grande Union High School District	Casa Grande Union High School	684,443	7	HVAC
	Desert Winds Learning Center	651,419	2	Roofing
	Total Casa Grande Union High School District	**1,335,862**	**9**	
Coolidge Unified School District	Coolidge High School	41,105	4	Plumbing
	Coolidge Junior High School	29,750	1	Plumbing
	Heartland Ranch Elementary School	15,360	2	Plumbing
	Total Coolidge Unified School District	**86,215**	**7**	
Eloy Elementary School District	Curiel Primary School	54,500	1	Surfaces
	Eloy Junior High School	534,067	6	HVAC
	Total Eloy Elementary School District	**588,567**	**7**	
Florence Unified School District	Anthem K-8 School	9,164	2	HVAC
	Circle Cross Ranch K-8 STEM Academy	30,590	5	Plumbing
	Copper Basin K-8 School	18,541	2	HVAC
	Florence K-8 School	96,198	2	HVAC
	Florence High School	167,132	8	HVAC
	Mountain Vista Academy	57,195	3	Roofing
	Poston Butte High School	5,500	1	Plumbing
	San Tan Foothills High School	15,741	3	Plumbing
	San Tan Heights K-8 School	43,650	2	Roofing
	Skyline Ranch K-8 School	27,450	3	Plumbing
	Walker Butte K-8 Leadership School	70,400	3	Special systems
	Total Florence Unified School District	**541,561**	**34**	
J. O. Combs Unified School District	Combs High School	49,800	3	Electrical
	Combs Middle School	12,200	2	Plumbing
	Combs Traditional Academy	17,600	3	HVAC
	Ellsworth Elementary School	5,200	2	Special systems
	Jack W. Harmon Elementary School	743,616	6	Surfaces
	Kathryn Sue Simonton Elementary School	94,750	2	Surfaces
	Total J. O. Combs Unified School District	**923,166**	**18**	
Mammoth-San Manuel Unified School District	San Manuel Junior & Senior High School	**9,517**	**1**	Plumbing
Maricopa Unified School District	Desert Winds Middle School	6,000	1	Electrical
	Maricopa Elementary School	3,440	1	Plumbing
	Maricopa High School	194,200	3	HVAC
	Total Maricopa Unified School District	**203,640**	**5**	
Oracle Elementary School District	Mountain Vista School	**146,550**	**3**	HVAC
Picacho Elementary School District	Picacho School	**36,529**	**3**	Roofing
Ray Unified School District	Ray Elementary School	53,246	8	HVAC
	Ray Junior-Senior High School	1,890,714	9	Roofing
	Total Ray Unified School District	**1,943,960**	**17**	
Santa Cruz Valley Union High School District	Santa Cruz Valley Union High School	**201,457**	**5**	Roofing
Superior Unified School District	Superior Junior/Senior High School	**27,700**	**2**	Surfaces
Toltec Elementary School District	Arizona City Elementary School	191,503	3	HVAC
	Toltec Elementary School	102,680	3	HVAC
	Total Toltec Elementary School District	**294,183**	**6**	
Santa Cruz County		**378,613**	**20**	
Nogales Unified School District	A.J. Mitchell Elementary School	17,500	2	Surfaces
	Challenger Elementary School	2,500	1	Special equipment
	Francisco Vasquez de Coronado Elementary School	24,250	2	Surfaces
	Desert Shadows Middle School	57,649	3	Plumbing
	Nogales High School	58,700	3	Surfaces
	Pierson Vocational Online High School	42,145	3	HVAC
	Total Nogales Unified School District	**202,744**	**14**	
Patagonia Union High School District	Patagonia Union High School	**62,919**	**1**	HVAC
Santa Cruz Elementary School District	Santa Cruz Elementary School	**19,950**	**2**	Electrical

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Santa Cruz Valley Unified School District	Rio Rico High School	**64,300**	**2**	Special systems
Sonoita Elementary School District	Elgin Elementary School	**28,700**	**1**	Surfaces
Yavapai County		**1,711,900**	**54**	
Beaver Creek Elementary School District	Beaver Creek School	**54,617**	**2**	HVAC
Camp Verde Unified School District	Camp Verde Elementary School	**39,619**	**2**	HVAC
Canon Elementary School District	Canon Elementary School	**24,434**	**6**	Plumbing
Chino Valley Unified School District	Chino Valley High School	**7,829**	**1**	HVAC
Cottonwood-Oak Creek Elementary School District	Cottonwood Elementary School Cottonwood Middle School Dr. Daniel Bright School Mountain View Preparatory School **Total Cottonwood-Oak Creek Elementary School District**	2,800 4,000 5,850 15,890 **28,540**	1 1 1 2 **5**	Roofing Roofing Special systems HVAC
Humboldt Unified School District	Bradshaw Mountain High School Coyote Springs Elementary School Glassford Hill Middle School Granville Elementary School Liberty Traditional School Mountain View Elementary School **Total Humboldt Unified School District**	17,286 6,264 28,913 14,520 2,360 440,461 **509,804**	3 1 2 2 1 1 **10**	HVAC Special systems HVAC HVAC Roofing Roofing
Kirkland Elementary School District	Kirkland School	**7,830**	**3**	Plumbing
Mayer Unified School District	Mayer Elementary School Mayer High School **Total Mayer Unified School District**	8,050 13,904 **21,954**	2 3 **5**	Surfaces Plumbing
Prescott Unified School District	Abia Judd Elementary School Granite Mountain School Prescott High School Prescott Mile High Middle School **Total Prescott Unified School District**	63,730 7,362 104,241 3,500 **178,833**	1 1 4 1 **7**	HVAC HVAC Surfaces Surfaces
Seligman Unified School District	Seligman Elementary School Seligman High School **Total Seligman Unified School District**	63,200 649,828 **713,028**	4 6 **10**	Roofing Surfaces
Yarnell Elementary School District	Model Creek School	**125,412**	**3**	HVAC
Yuma County		**625,650**	**77**	
Antelope Union High School District	Antelope Union High School	**16,058**	**1**	HVAC
Crane Elementary School District	Centennial Middle School Crane Middle School Gary A. Knox Elementary School H. L. Suverkrup Elementary School Mesquite Elementary School Pueblo Elementary School Ronald Reagan Fundamental School Salida del Sol Elementary School **Total Crane Elementary School District**	48,258 10,227 1,149 5,816 6,625 2,400 38,533 455 **113,463**	1 2 1 2 5 1 5 1 **18**	HVAC HVAC HVAC HVAC HVAC HVAC Surfaces HVAC
Mohawk Valley Elementary School District	Mohawk Valley Elementary School	**18,958**	**2**	HVAC
Wellton Elementary School District	Wellton Elementary School	**159,045**	**6**	Plumbing

Table 5 continued

School district	School	Project award amount	Number of project awards	Largest project type
Yuma Elementary School District	Alice Byrne Elementary School	4,428	2	HVAC
	Castle Dome Middle School	9,511	3	HVAC
	C. W. McGraw Elementary School	10,056	2	HVAC
	Desert Mesa Elementary School	4,376	1	HVAC
	Fourth Avenue Junior High School	26,129	6	HVAC
	G. W. Carver Elementary School	6,805	3	HVAC
	Gila Vista Junior High School	9,357	2	HVAC
	James B. Rolle Elementary School	2,038	1	HVAC
	James D. Price Elementary School	6,787	2	HVAC
	Mary A. Otondo Elementary School	19,119	2	HVAC
	O. C. Johnson Elementary School	20,390	2	HVAC
	Palmcroft Elementary School	18,413	2	HVAC
	Pecan Grove Elementary School	14,928	3	HVAC
	R. Pete Woodard Junior High School	89,168	4	HVAC
	Ron Watson Middle School	5,138	2	HVAC
	Roosevelt Elementary School	4,300	1	HVAC
	Sunrise Elementary School	5,523	2	HVAC
	Total Yuma Unified School District	**256,466**	**40**	
Yuma Union High School District	Cibola High School	4,000	1	Special systems
	Gila Ridge High School	2,966	1	Special systems
	Kofa High School	8,840	2	Special systems
	San Luis High School	37,104	3	HVAC
	Vista High School	355	1	Special systems
	Yuma High School	8,395	2	Special systems
	Total Yuma Union High School District	**61,660**	**10**	
Total State		**$77,609,653**	**1,182**	

[1] This table includes project award amounts for only BRG projects approved in fiscal years 2017 and 2018.

[2] At the time the Board approved this project award, the district was not using the school facility for classroom space. For more information about the Board's approval of project awards for facilities that were not being used as classroom space, see Auditor General Report 17-108—*Arizona School Facilities Board—Board should improve its school facility renovation and repair project eligibility assessment, award, and oversight practices, and its information technology database management*.

Source: Auditor General staff analysis of the Board's *Building Renewal Grant Tracking* file for fiscal years 2017 and 2018, district websites, and Board meeting minutes for fiscal years 2017 and 2018.

BRG Fund monies distributed in fiscal years 2017 and 2018 to districts and schools

After the Board approves a project award for a district, the Board distributes BRG Fund monies only as work is completed on the approved project. Specifically, a district must submit a payment request, including vendor invoices, to the Board showing the work that has been completed on a project before the Board will distribute the BRG Fund monies. As a result, the Board does not always distribute BRG Fund monies to districts in the same fiscal year it approved a BRG project. As shown in Table 6, in fiscal years 2017 and 2018, the Board distributed a total of more than $61.2 million in BRG Fund monies to 485 schools in 146 districts around the State. The amount of BRG Fund monies distributed to districts for these 2 fiscal years ranged from $1,144 to approximately $3.9 million and from $245 to approximately $2.9 million for schools.

Table 6
BRG Fund distributions to schools by county and district[1]
Fiscal years 2017 and 2018
(Unaudited)

School district	School	2017	2018	Total
Apache County		**$ 1,939,061**	**$ 321,536**	**$ 2,260,597**
Alpine Elementary School District	Alpine Elementary School	**13,228**	**760**	**13,988**
Chinle Unified School District	Many Farms Public School	**99,945**	**11,660**	**111,605**
Concho Elementary School District	Concho Elementary School	**202,721**		**202,721**
Ganado Unified School District	Ganado High School	**877,090**	**9,530**	**886,620**
Red Mesa Unified School District	Red Mesa Elementary School		31,187	31,187
	Red Mesa High School	28,582	41,165	69,747
	Red Mesa Junior High School		22,498	22,498
	Red Valley and Cove High School	15,362	6,425	21,787
	Round Rock Elementary and Junior High School		7,278	7,278
	Total Red Mesa Unified School District	**43,944**	**108,553**	**152,497**
Round Valley Unified School District	Round Valley Elementary School	10,280	7,125	17,405
	Round Valley High School	251,101	5,625	256,726
	Round Valley Middle School	322,421	1,480	323,901
	Total Round Valley Unified School District	**583,802**	**14,230**	**598,032**
Sanders Unified School District	Sanders Elementary School	**113,786**	**153,483**	**267,269**
St. Johns Unified School District	St. Johns High School	**4,545**	**9,870**	**14,415**
Window Rock Unified School District	Tséhootsooi Primary Learning School		**13,450**	**13,450**
Cochise County		**1,226,071**	**2,891,047**	**4,117,118**
Ash Creek Elementary School District	Ash Creek School	**8,800**	**107,864**	**116,664**
Benson Unified School District	Benson High School		133,422	133,422
	Benson Middle School		274,755	274,755
	Benson Primary School		4,867	4,867
	Total Benson Unified School District		**413,044**	**413,044**
Bisbee Unified School District	Bisbee High School		**45,763**	**45,763**
Bowie Unified School District	Bowie High School		**34,632**	**34,632**

Table 6 continued

School district	School	2017	2018	Total
Cochise Elementary School District	Cochise Elementary School	**10,399**		**10,399**
Double Adobe Elementary School District	Double Adobe School	**76,792**	**53,141**	**129,933**
Douglas Unified School District	Douglas High School	239,420	135,850	375,270
	Faras Elementary School		16,200	16,200
	Paul H. Huber Middle School	15,500	19,636	35,136
	Ray Borane Middle School	10,645	27,061	37,706
	Total Douglas Unified School District	**265,565**	**198,747**	**464,312**
Elfrida Elementary School District	Elfrida Elementary School	**67,116**		**67,116**
Palominas Elementary School District	Coronado Elementary School	15,232	137,986	153,218
	Palominas Elementary School	16,633	178,365	194,998
	Valley View Elementary School	5,000	143,856	148,856
	Total Palominas Elementary School District	**36,865**	**460,207**	**497,072**
Pomerene Elementary School District	Pomerene Elementary School	**302,682**	**11,700**	**314,382**
San Simon Unified School District	San Simon School	**20,537**	**15,938**	**36,475**
Sierra Vista Unified School District	Huachuca Mountain Elementary School	156,760	1,064,329	1,221,089
	Joyce Clark Middle School		44,400	44,400
	Total Sierra Vista Unified School District	**156,760**	**1,108,729**	**1,265,489**
St. David Unified School District	St. David Elementary School	5,047	1,625	6,672
	St. David High School	133,628	173,129	306,757
	Total St. David Unified School District	**138,675**	**174,754**	**313,429**
Tombstone Unified School District	Huachuca City School	1,650	4,750	6,400
	Walter J. Meyer Elementary School	127,568	51,861	179,429
	Total Tombstone Unified School District	**129,218**	**56,611**	**185,829**
Valley Union High School District	Valley Union High School	**12,662**	**109,236**	**121,898**
Willcox Unified School District	Willcox Elementary School		16,980	16,980
	Willcox High School		66,721	66,721
	Willcox Middle School		16,980	16,980
	Total Willcox Unified School District		**100,681**	**100,681**
Coconino County		**580,926**	**785,571**	**1,366,497**
Flagstaff Unified School District	Flagstaff High School		45,075	45,075
	Killip Elementary School	1,356		1,356
	Sinagua Middle School	7,955	1,480	9,435
	Total Flagstaff Unified School District	**9,311**	**46,555**	**55,866**
Page Unified School District	Desert View Intermediate School	361,324	511,494	872,818
	Lake View Primary School		21,462	21,462
	Page High School	129,418	153,315	282,733
	Page Middle School	80,873	52,745	133,618
	Total Page Unified School District	**571,615**	**739,016**	**1,310,631**
Gila County		**203,187**	**454,778**	**657,965**
Globe Unified School District	High Desert Middle School	**58,707**		**58,707**
Hayden-Winkleman Unified School District	Hayden High School	51,125	14,828	65,953
	Leonor Hambly K-8 School		67,010	67,010
	Total Hayden-Winkelman Unified School District	**51,125**	**81,838**	**132,963**
Miami Unified School District	Charles Bejarano Elementary School	50,182		50,182
	Lee Kornegay Intermediate School	15,296	13,740	29,036
	Miami Junior/Senior High School		30,676	30,676
	Total Miami Unified School District	**65,478**	**44,416**	**109,894**
Payson Unified School District	Payson Elementary School		60,379	60,379
	Payson High School	4,480	21,100	25,580
	Total Payson Unified School District	**4,480**	**81,479**	**85,959**
Pine-Strawberry Elementary School District	Pine Strawberry School		**169,337**	**169,337**
Tonto Basin Elementary School District	Tonto Basin Elementary School	**19,195**	**64,741**	**83,936**
Young Elementary School District	Young Elementary School	**4,202**	**12,967**	**17,169**
Graham County		**1,952,572**	**2,303,213**	**4,255,785**
Bonita Elementary School District	Bonita Elementary School	**129,067**	**13,660**	**142,727**

Table 6 continued

School district	School	2017	2018	Total
Fort Thomas Unified School District	Fort Thomas Elementary School	21,000	202,775	223,775
	Fort Thomas High School	22,000		22,000
	Total Fort Thomas Unified School District	**43,000**	**202,775**	**245,775**
Safford Unified School District	Dorothy Stinson School	3,550	22,214	25,764
	Lafe Nelson School	6,293	5,429	11,722
	Mt. Graham High School		6,500	6,500
	Ruth Powell School		26,038	26,038
	Safford High School	1,545,924	517,489	2,063,413
	Safford Middle School	97,982	108,942	206,924
	Total Safford Unified School District	**1,653,749**	**686,612**	**2,340,361**
Solomon Elementary School District	Solomon School	**27,800**	**592,342**	**620,142**
Thatcher Unified School District	Jack Daley Primary School	1,665		1,665
	Thatcher Elementary School	16,874	295,853	312,727
	Thatcher High School	27,260		27,260
	Thatcher Middle School	39,407	346,196	385,603
	District facilities	13,750	165,775	179,525
	Total Thatcher Unified School District	**98,956**	**807,824**	**906,780**
Greenlee County		**345,737**	**387,900**	**733,637**
Duncan Unified School District	Duncan Elementary School		**369,400**	**369,400**
Morenci Unified School District	Fairbanks Middle School		18,500	18,500
	Morenci High School	345,737		345,737
	Total Morenci Unified School District	**345,737**	**18,500**	**364,237**
La Paz County		**26,709**	**173,172**	**199,881**
Bicentennial Union High School District	Salome High School	**26,709**	**20,941**	**47,650**
Parker Unified School District	Parker High School		**35,870**	**35,870**
Quartzsite Elementary School District	Ehrenberg Elementary School		**116,361**	**116,361**
Maricopa County		**9,083,301**	**15,681,303**	**24,764,604**
Agua Fria Union High School District	Agua Fria High School	28,575	81,587	110,162
	Millennium High School	48,725	321,829	370,554
	Total Agua Fria Union High School District	**77,300**	**403,416**	**480,716**
Aguila Elementary School District	Aguila Elementary School		**3,190**	**3,190**
Alhambra Elementary School District	Andalucia Middle School		4,563	4,563
	Barcelona Elementary School		4,128	4,128
	Total Alhambra Elementary School District		**8,691**	**8,691**
Balsz Elementary School District	Brunson-Lee Elementary School		63,000	63,000
	David Crockett Elementary School	64,504	194,553	259,057
	Griffith Elementary School		2,500	2,500
	Orangedale Early Learning Center	1,732		1,732
	Total Balsz Elementary School District	**66,236**	**260,053**	**326,289**
Buckeye Elementary School District	Bales Elementary School		**6,606**	**6,606**
Cartwright Elementary School District	Bret R. Tarver School		90,466	90,466
	Cartwright School		31,093	31,093
	Desert Sands Middle School		27,779	27,779
	Estrella Middle School	5,276	550,928	556,204
	Frank Borman School		4,650	4,650
	Marc T. Atkinson Middle School		17,075	17,075
	Starlight Park School		4,880	4,880
	Total Cartwright Elementary School District	**5,276**	**726,871**	**732,147**
Cave Creek Unified School District	Black Mountain Elementary School	1,110	390	1,500
	Cactus Shadows High School	13,003	150	13,153
	Desert Arroyo Middle School[2]	92,456	7,174	99,630
	Desert Willow Elementary School	34,777		34,777
	Sonoran Trails Middle School	49,642	1,993	51,635
	Fine Arts Center	82,085		82,085
	Total Cave Creek Unified School District	**273,073**	**9,707**	**282,780**

Table 6 continued

School district	School	2017	2018	Total
Creighton Elementary School District	Biltmore Preparatory Academy	17,339	13,416	30,755
	Creighton School	58,684	67,793	126,477
	Excelencia School		3,469	3,469
	Larry C. Kennedy School	21,184	9,900	31,084
	Loma Linda School	24,586	2,500	27,086
	William T. Machan Elementary School	19,742		19,742
	Total Creighton Elementary School District	**141,535**	**97,078**	**238,613**
Dysart Unified School District	Dysart High School	28,593	356,722	385,315
	Luke Elementary School	28,582		28,582
	Parkview Elementary School	49,060		49,060
	Shadow Ridge High School		17,000	17,000
	West Point Elementary School		2,717	2,717
	Western Peaks Elementary School	47,274		47,274
	Willow Canyon High School	156,900	72,092	228,992
	Total Dysart Unified School District	**310,409**	**448,531**	**758,940**
Fountain Hills Unified School District	Fountain Hills High School		**116,543**	**116,543**
Gila Bend Unified School District	Gila Bend Elementary & Junior High School	29,816	67,933	97,749
	Gila Bend High School	24,606	17,236	41,842
	Total Gila Bend Unified School District	**54,422**	**85,169**	**139,591**
Gilbert Unified School District	Gilbert Junior High School[3]	207,174		207,174
	Highland High School		4,000	4,000
	Total Gilbert Unified School District	**207,174**	**4,000**	**211,174**
Glendale Elementary School District	Challenger School	725,905	191,055	916,960
	Desert Garden School	7,048		7,048
	Desert Spirit School		1,009	1,009
	Discovery School	9,000	24,960	33,960
	Don Mensendick School	269,037		269,037
	Glendale Landmark School	541,812	428,325	970,137
	Harold W. Smith School	61,508		61,508
	Total Glendale Elementary School District	**1,614,310**	**645,349**	**2,259,659**
Glendale Union High School District	Apollo High School		10,100	10,100
	Cortez High School		10,100	10,100
	Glendale High School		10,100	10,100
	Greenway High School		10,100	10,100
	Independence High School		10,100	10,100
	Moon Valley High School		10,100	10,100
	Sunnyslope High School		10,100	10,100
	Thunderbird High School	13,908	10,100	24,008
	Washington High School		10,100	10,100
	Total Glendale Union High School District	**13,908**	**90,900**	**104,808**
Higley Unified School District	Chaparral Elementary School	2,525		2,525
	Coronado Elementary School		126,901	126,901
	Gateway Pointe Elementary School		668,968	668,968
	Higley Traditional Academy	7,000	263,020	270,020
	Higley High School		1,236,562	1,236,562
	San Tan Elementary School		9,742	9,742
	Williams Field High School		1,594,610	1,594,610
	Total Higley Unified School District	**9,525**	**3,899,803**	**3,909,328**
Kyrene Elementary School District	C.I. Waggoner Elementary School		**1,144**	**1,144**
Laveen Elementary School District	Cheatham Elementary School	111,924	16,848	128,772
	Desert Meadows School	21,028	10,967	31,995
	Trailside Point Performing Arts Academy	8,360	29,338	37,698
	Vista del Sur Accelerated Academy		3,214	3,214
	Total Laveen Elementary School District	**141,312**	**60,367**	**201,679**
Liberty Elementary School District	Estrella Mountain Elementary School	26,945	918,014	944,959
	Freedom Elementary School	7,722	8,825	16,547
	Liberty Elementary School	85,984	86,744	172,728
	Rainbow Valley Elementary School	633,675	7,550	641,225
	Westar Elementary School		19,750	19,750
	Total Liberty Elementary School District	**754,326**	**1,040,883**	**1,795,209**

Table 6 continued

School district	School	2017	2018	Total
Litchfield Elementary School District	Barbara B. Robey Elementary School		3,949	3,949
	Corte Sierra Elementary School	2,773	12,810	15,583
	Dreaming Summit Elementary School		3,443	3,443
	Palm Valley Elementary School		9,975	9,975
	Rancho Santa Fe Elementary School	10,671	10,216	20,887
	Scott L. Libby Elementary School		26,075	26,075
	Verrado Middle School	8,267	13,836	22,103
	Western Sky Middle School		35,107	35,107
	Wigwam Creek Middle School	5,992	9,075	15,067
	Total Litchfield Elementary School District	**27,703**	**124,486**	**152,189**
Littleton Elementary School District	Country Place Leadership Academy	253,161	1,876	255,037
	Littleton Elementary School	11,309	654	11,963
	Quentin Elementary School		789	789
	Tres Rios Service Academy		1,332	1,332
	Total Littleton Elementary School District	**264,470**	**4,651**	**269,121**
Mesa Unified School District	Alma Elementary School	27,130		27,130
	Franklin Junior High School	10,937		10,937
	Carson Junior High School	23,826		23,826
	Crismon Elementary School		13,985	13,985
	Entz Elementary School		5,555	5,555
	Field Elementary School	56,564	600	57,164
	Franklin East Elementary School	49,240	7,522	56,762
	Highland Arts Elementary School		24,560	24,560
	Holmes Elementary School		63,451	63,451
	Jefferson Elementary School	41,175		41,175
	Johnson Elementary School	9,000	203,091	212,091
	Keller Elementary School	17,078		17,078
	Kino Junior High School		1,480	1,480
	Lincoln Elementary School	15,524		15,524
	MacArthur Elementary School	23,086		23,086
	Mesa High School	197,087	265,652	462,739
	Mountain View High School	14,615	5,610	20,225
	Patterson Elementary School	2,513		2,513
	Pomeroy Elementary School	39,036		39,036
	Porter Elementary School		121,551	121,551
	Poston Junior High School		8,910	8,910
	Red Mountain High School	6,299		6,299
	Rhodes Junior High School	30,638	1,897,470	1,928,108
	Riverview High School	19,735		19,735
	Skyline High School	25,400		25,400
	Sousa Elementary School	4,955	18,866	23,821
	Stapley Junior High School	12,578		12,578
	Summit Academy	32,592	11,403	43,995
	Taft Elementary School	92,302		92,302
	Washington Elementary School	219,819		219,819
	Webster Elementary School	125,586	123,805	249,391
	Westwood High School	12,747	26,135	38,882
	Whittier Elementary School		29,848	29,848
	Total Mesa Unified School District	**1,109,462**	**2,829,494**	**3,938,956**
Mobile Elementary School District	Mobile Elementary School	**40,194**		**40,194**
Morristown Elementary School District	Morristown Elementary School	**8,474**	**449,003**	**457,477**
Murphy Elementary School District	Kuban Elementary School		**15,265**	**15,265**
Nadaburg Unified School District	Nadaburg Elementary School	**4,772**	**29,231**	**34,003**
Osborn Elementary School District	Montecito Community School		**11,000**	**11,000**
Palo Verde Elementary School District	Palo Verde Elementary School	**54,462**	**67,754**	**122,216**

Table 6 continued

School district	School	2017	2018	Total
Paradise Valley Unified School District	Desert Trails Elementary School		142,930	142,930
	Eagle Ridge Elementary School	65,625		65,625
	Grayhawk Elementary School		43,603	43,603
	Horizon High School		25,220	25,220
	Liberty Elementary School		235,872	235,872
	Pinnacle High School	283,110		283,110
	Pinnacle Peak Preparatory School		41,216	41,216
	Vista Verde Middle School		9,124	9,124
	Whispering Wind Academy	163,432	60,137	223,569
	Total Paradise Valley Unified School District	**512,167**	**558,102**	**1,070,269**
Pendergast Elementary School District	Garden Lakes Elementary School	**3,500**	**46,790**	**50,290**
Peoria Unified School District	Alta Loma Elementary School		42,491	42,491
	Country Meadows Elementary School		18,355	18,355
	Heritage Elementary School		8,866	8,866
	Kachina Elementary School		8,886	8,886
	Santa Fe Elementary School		26,883	26,883
	Sky View Elementary School		10,371	10,371
	Total Peoria Unified School District		**115,852**	**115,852**
Phoenix Elementary School District	Bethune School		21,850	21,850
	Capitol School	5,850	328,994	334,844
	Dunbar School		6,200	6,200
	Edison School		17,884	17,884
	Emerson School		449	449
	Garfield School	5,713		5,713
	Heard School		1,285	1,285
	Herrera School for the Fine Arts		151,029	151,029
	Kenilworth School	3,995	116,850	120,845
	Magnet Traditional School		3,860	3,860
	Shaw Montessori School	2,945		2,945
	Whittier School	24,414		24,414
	Total Phoenix Elementary School District	**42,917**	**648,401**	**691,318**
Queen Creek Unified School District	Desert Mountain Elementary School	482,000		482,000
	Jack Barnes Elementary School		1,320	1,320
	Total Queen Creek Unified School District	**482,000**	**1,320**	**483,320**
Saddle Mountain Unified School District	Ruth Fisher School	18,354	9,067	27,421
	Tartesso Elementary School	6,968	9,408	16,376
	Tonopah Valley High School	47,890	26,915	74,805
	Total Saddle Mountain Unified School District	**73,212**	**45,390**	**118,602**
Scottsdale Unified School District	Anasazi Elementary School	6,907		6,907
	Arcadia High School	11,703		11,703
	Chaparral High School	6,577		6,577
	Cheyenne Traditional School	1,800		1,800
	Cocopah Middle School	28,282		28,282
	Copper Ridge School	194,648		194,648
	Desert Canyon Elementary School	2,127		2,127
	Desert Canyon Middle School	4,074		4,074
	Desert Mountain High School	8,022	7,349	15,371
	Hohokam Elementary School	7,895	51,072	58,967
	Hopi Elementary School	48,999		48,999
	Kiva Elementary School	116,157		116,157
	Pima Traditional School	28,048	3,972	32,020
	Pueblo Elementary School	15,070		15,070
	Saguaro High School	1,931		1,931
	Tavan Elementary School	16,393	15,676	32,069
	Total Scottsdale Unified School District	**498,633**	**78,069**	**576,702**
Tempe Elementary School District	Carminati Elementary School	11,498	10,542	22,040
	Curry Elementary School	814,654		814,654
	Rover Elementary School	8,328	12,692	21,020
	Ward Traditional Academy		6,980	6,980
	Total Tempe Elementary School District	**834,480**	**30,214**	**864,694**
Tempe Union High School District	Desert Vista High School	**63,193**	**8,075**	**71,268**

Table 6 continued

School district	School	2017	2018	Total
Tolleson Elementary School District	Porfirio H. Gonzales Elementary School	514,486	55,395	569,881
	Sheely Farms Elementary School		10,611	10,611
	Total Tolleson Elementary School District	**514,486**	**66,006**	**580,492**
Tolleson Union High School District	Copper Canyon High School	484,813	1,243,408	1,728,221
	Sierra Linda High School	7,188		7,188
	Tolleson Union High School		66,600	66,600
	Westview High School	144,799	10,500	155,299
	Total Tolleson Union High School District	**636,800**	**1,320,508**	**1,957,308**
Washington Elementary School District	Abraham Lincoln Traditional School		35,936	35,936
	Acacia Elementary School	2,335		2,335
	Alta Vista Elementary School		727	727
	Arroyo Elementary School	1,461		1,461
	Cactus Wren Elementary School	827		827
	Cholla Middle School	22,727		22,727
	Desert View Elementary School	3,483		3,483
	John Jacobs Elementary School	7,811		7,811
	Lookout Mountain Elementary School		7,364	7,364
	Manzanita Elementary School		1,323	1,323
	Moon Mountain Elementary School	12,535		12,535
	Mountain Sky Junior High School		45,720	45,720
	Mountain View School	129,142	3,943	133,085
	Ocotillo Elementary School		33,169	33,169
	Orangewood School	12,535	1,632	14,167
	Palo Verde Middle School	2,856	7,189	10,045
	Richard E. Miller Elementary School		9,574	9,574
	Roadrunner Elementary School	2,078		2,078
	Royal Palm Middle School	16,776		16,776
	Sahuaro Elementary School		2,006	2,006
	Shaw Butte Elementary School	1,403		1,403
	Sunburst Elementary School	2,078		2,078
	Sunnyslope School		3,100	3,100
	Tumbleweed Elementary School	1,358	48,752	50,110
	Washington Elementary School	3,847		3,847
	Total Washington Elementary School District	**223,252**	**200,435**	**423,687**
Wickenburg Unified School District	Hassayampa Elementary School		24,835	24,835
	Vulture Peak Middle School		623,728	623,728
	Wickenburg High School	20,318	474,393	494,711
	Total Wickenburg Unified School District	**20,318**	**1,122,956**	**1,143,274**
Mohave County		**1,959,664**	**3,220,200**	**5,179,864**
Bullhead City Elementary School District	Bullhead City Middle School	86,396	5,519	91,915
	Coyote Canyon School	36,082	9,807	45,889
	Desert Valley School	28,392	9,360	37,752
	Diamondback Elementary School	1,981	6,170	8,151
	Fox Creek Junior High School	9,174	8,388	17,562
	Sunrise Elementary School	39,378	31,999	71,377
	Total Bullhead City Elementary School District	**201,403**	**71,243**	**272,646**
Colorado City Unified School District	Cottonwood Elementary School		10,750	10,750
	El Capitan High School	9,975	205,214	215,189
	Total Colorado City Unified School District	**9,975**	**215,964**	**225,939**
Colorado River Union High School District	Mohave High School	603,315	197,960	801,275
	River Valley High School	8,235	19,632	27,867
	Total Colorado River Union High School District	**611,550**	**217,592**	**829,142**
Kingman Unified School District	Black Mountain School		35,750	35,750
	Kingman High School	36,218	7,500	43,718
	Total Kingman Unified School District	**36,218**	**43,250**	**79,468**

Table 6 continued

School district	School	2017	2018	Total
Lake Havasu Unified School District	Havasupai Elementary School		57,260	57,260
	Jamaica Elementary School		5,797	5,797
	Lake Havasu High School	529,876	2,370,844	2,900,720
	Nautilus Elementary School		16,491	16,491
	Oro Grande Elementary School		8,875	8,875
	Smoketree Elementary School	14,270	64,996	79,266
	Starline Elementary School	296,417	41,228	337,645
	Thunderbolt Middle School	24,445	9,655	34,100
	District office and classrooms		13,095	13,095
	Total Lake Havasu Unified School District	**865,008**	**2,588,241**	**3,453,249**
Mohave Valley Elementary School District	Camp Mohave Elementary School	46,750	8,761	55,511
	Fort Mojave Elementary School	38,950	8,485	47,435
	Mohave Valley Elementary School[2]	55,823		55,823
	Mohave Valley Junior High School	20,749	39,972	60,721
	Total Mohave Valley Elementary School District	**162,272**	**57,218**	**219,490**
Owens-Whitney Elementary School District	Owens-Whitney School		**26,692**	**26,692**
Topock Elementary School District	Topock Elementary School	**38,838**		**38,838**
Valentine Elementary School District	Valentine Elementary School	**34,400**		**34,400**
Navajo County		**605,922**	**760,051**	**1,365,973**
Blue Ridge Unified School District	Blue Ridge Elementary School		30,947	30,947
	Blue Ridge High School	30,650	424,097	454,747
	Blue Ridge Intermediate Junior High School	138,250	214,610	352,860
	Total Blue Ridge Unified School District	**168,900**	**669,654**	**838,554**
Cedar Unified School District	Jeddito Elementary School		**23,109**	**23,109**
Joseph City Unified School District	Joseph City Elementary School	38,529		38,529
	Joseph City Junior/Senior High School	44,091		44,091
	Total Joseph City Unified School District	**82,620**		**82,620**
Show Low Unified School District	Nikolaus Homestead Elementary School		300	300
	Show Low High School	2,593		2,593
	Show Low Junior High School		4,745	4,745
	Whipple Ranch Elementary School	106,871	16,582	123,453
	White Mountain Institute		512	512
	Total Show Low Unified School District	**109,464**	**22,139**	**131,603**
Snowflake Unified School District	Snowflake High School		8,781	8,781
	Taylor Elementary School	56,483		56,483
	Total Snowflake Unified School District	**56,483**	**8,781**	**65,264**
Whiteriver Unified School District	Cradleboard Elementary School	**188,455**	**36,368**	**224,823**
Pima County		**1,655,024**	**1,771,117**	**3,426,141**
Ajo Unified School District	Ajo Elementary School	**350,254**	**9,250**	**359,504**
Amphitheater Unified School District	Amphitheater High School	176,965	708,727	885,692
	Coronado K-8 School		227,317	227,317
	Cross Middle School		18,000	18,000
	Donaldson Elementary School		10,168	10,168
	Total Amphitheater Unified School District	**176,965**	**964,212**	**1,141,177**
Catalina Foothills Unified School District	Canyon View Elementary School		10,200	10,200
	Catalina Foothills High School	11,602	10,737	22,339
	Total Catalina Foothills Unified School District	**11,602**	**20,937**	**32,539**
Flowing Wells Unified School District	Flowing Wells High School		123,226	123,226
	Flowing Wells Junior High School	120,729	6,500	127,229
	J. Robert Hendricks Elementary School	4,680	52,038	56,718
	Laguna Elementary School		8,347	8,347
	Walter Douglas Elementary School	148,248		148,248
	Total Flowing Wells Unified School District	**273,657**	**190,111**	**463,768**
Marana Unified School District	DeGrazia Elementary School		4,005	4,005
	Marana High School		216,993	216,993
	Marana Middle School		23,375	23,375
	Mountain View High School		44,035	44,035
	Total Marana Unified School District		**288,408**	**288,408**

Table 6 continued

School district	School	2017	2018	Total
Sahuarita Unified School District	Sahuarita Intermediate School		40,000	40,000
	Sahuarita Middle School	109,779		109,779
	Sahuarita Primary School		20,250	20,250
	Sopori Elementary School		94,675	94,675
	Total Sahuarita Unified School District	**109,779**	**154,925**	**264,704**
Sunnyside Unified School District	Desert View High School	**55,800**		**55,800**
Tucson Unified School District	Catalina High School		35,496	35,496
	Cholla High School	16,722		16,722
	Cragin Elementary School	4,400		4,400
	Mansfield Middle Magnet School	5,600		5,600
	Miller Elementary School	21,340		21,340
	Morgan Maxwell K-8 School	6,900		6,900
	Myers/Ganoung Elementary School	4,600		4,600
	Sabino High School	77,768		77,768
	Santa Rita High School	4,500	37,419	41,919
	Teenage Parent High School	18,600		18,600
	Tolson Elementary School	266,979		266,979
	Tucson High Magnet School	249,558	70,359	319,917
	Total Tucson Unified School District	**676,967**	**143,274**	**820,241**
Pinal County		**2,875,042**	**3,719,380**	**6,594,422**
Apache Junction Unified School District	Apache Junction High School	**11,000**		**11,000**
Casa Grande Elementary School District	Cactus Middle School	28,376	19,367	47,743
	Casa Grande Middle School	9,634		9,634
	Cholla Elementary School	55,533		55,533
	Desert Willow Elementary School		11,787	11,787
	Ironwood Elementary School	108,417	104,416	212,833
	Mesquite Elementary School	10,980	393,822	404,802
	Palo Verde Elementary School	13,666	37,118	50,784
	Villago Middle School	27,345		27,345
	Total Casa Grande Elementary School District	**253,951**	**566,510**	**820,461**
Casa Grande Union High School District	Casa Grande Union High School	814,367	252,549	1,066,916
	Desert Winds Learning Center	53,248	21,500	74,748
	Total Casa Grande Union High School District	**867,615**	**274,049**	**1,141,664**
Coolidge Unified School District	Coolidge High School	30,936	23,922	54,858
	Heartland Ranch Elementary School	2,962		2,962
	Total Coolidge Unified School District	**33,898**	**23,922**	**57,820**
Eloy Elementary School District	Eloy Intermediate School	139,197	24,025	163,222
	Eloy Junior High School	805,940	401,217	1,207,157
	Total Eloy Elementary School District	**945,137**	**425,242**	**1,370,379**
Florence Unified School District	Anthem K-8 School		4,864	4,864
	Circle Cross Ranch K-8 STEM Academy		27,345	27,345
	Copper Basin K-8 School	30,010		30,010
	Florence K-8 School	17,685	260,181	277,866
	Florence High School	46,033	328,907	374,940
	Mountain Vista Academy		9,345	9,345
	Poston Butte High School	188,500		188,500
	San Tan Foothills High School		4,907	4,907
	San Tan Heights K-8 School	4,664		4,664
	Skyline Ranch K-8 School		9,710	9,710
	STEAM Prep Academy	16,200		16,200
	Walker Butte K-8 Leadership School		54,080	54,080
	Total Florence Unified School District	**303,092**	**699,339**	**1,002,431**
J. O. Combs Unified School District	Combs High School	2,664	36,191	38,855
	Combs Middle School	9,633	4,302	13,935
	Combs Traditional Academy	2,710	15,605	18,315
	Ellsworth Elementary School		4,178	4,178
	Jack W. Harmon Elementary School	50,230	154,740	204,970
	Kathryn Sue Simonton Elementary School		13,015	13,015
	Total J. O. Combs Unified School District	**65,237**	**228,031**	**293,268**
Mammoth-San Manuel Unified School District	First Avenue Elementary School	44,391	138,971	183,362
	San Manuel Junior & Senior High School	69,000	481,792	550,792
	Total Mammoth-San Manuel Unified School District	**113,391**	**620,763**	**734,154**

Table 6 continued

School district	School	2017	2018	Total
Maricopa Unified School District	Maricopa High School		14,000	14,000
	Maricopa Middle School		164,555	164,555
	Total Maricopa Unified School District		**178,555**	**178,555**
Oracle Elementary School District	Mountain Vista School	**125,730**	**3,950**	**129,680**
Ray Unified School District	Ray Elementary School	12,838	36,538	49,376
	Ray Junior-Senior High School	15,151	197,301	212,452
	Total Ray Unified School District	**27,989**	**233,839**	**261,828**
Red Rock Elementary School District	Red Rock Elementary School	**10,287**	**36,266**	**46,553**
Santa Cruz Valley Union High School District	Santa Cruz Valley Union High School	**34,160**	**206,484**	**240,644**
Superior Unified School District	John F. Kennedy Elementary School	19,558		19,558
	Superior Junior/Senior High School	39,267	3,200	42,467
	Total Superior Unified School District	**58,825**	**3,200**	**62,025**
Toltec Elementary School District	Arizona City Elementary School	24,730	160,583	185,313
	Toltec Elementary School		58,647	58,647
	Total Toltec Elementary School District	**24,730**	**219,230**	**243,960**
Santa Cruz County		**242,101**	**481,557**	**723,658**
Nogales Unified School District	A.J. Mitchell Elementary School	13,480	227,853	241,333
	Challenger Elementary School		2,500	2,500
	Francisco Vasquez de Coronado Elementary School		20,750	20,750
	Desert Shadows Middle School	40,347	8,282	48,629
	Lincoln Elementary School	40,847		40,847
	Nogales High School	86,239	62,138	148,377
	Pierson Vocational Online High School	38,540	24,265	62,805
	Total Nogales Unified School District	**219,453**	**345,788**	**565,241**
Patagonia Union High School District	Patagonia Union High School		**58,995**	**58,995**
Santa Cruz Elementary School District	Santa Cruz Elementary School	**14,459**		**14,459**
Santa Cruz Valley Unified School District	Rio Rico High School		**58,054**	**58,054**
Sonoita Elementary School District	Elgin Elementary School	**8,189**	**18,720**	**26,909**
Yavapai County		**3,320,534**	**1,084,104**	**4,404,638**
Beaver Creek Elementary School District	Beaver Creek School		**50,610**	**50,610**
Camp Verde Unified School District	Camp Verde Elementary School	13,097		13,097
	Camp Verde Middle School	235,405		235,405
	Total Camp Verde Unified School District	**248,502**		**248,502**
Canon Elementary School District	Canon Elementary School	**9,160**	**4,195**	**13,355**
Chino Valley Unified School District	Chino Valley High School		7,029	7,029
	Heritage Middle School	21,557		21,557
	Total Chino Valley Unified School District	**21,557**	**7,029**	**28,586**
Clarkdale-Jerome Elementary School District	Clarkdale-Jerome School	**15,120**		**15,120**
Cottonwood-Oak Creek Elementary School District	Cottonwood Elementary School	3,788		3,788
	Dr. Daniel Bright School	539,223		539,223
	Mountain View Preparatory School	490,790	13,625	504,415
	Oak Creek Elementary School	71,476		71,476
	Total Cottonwood-Oak Creek Elementary School District	**1,105,277**	**13,625**	**1,118,902**
Humboldt Unified School District	Bradshaw Mountain High School		12,491	12,491
	Bradshaw Mountain Middle School	130,851	17,769	148,620
	Glassford Hill Middle School		13,760	13,760
	Granville Elementary School		2,981	2,981
	Mountain View Elementary School		392,241	392,241
	Total Humboldt Unified School District	**130,851**	**439,242**	**570,093**
Kirkland Elementary School District	Kirkland School	**24,394**	**7,230**	**31,624**
Mayer Unified School District	Mayer Elementary School		4,550	4,550
	Mayer High School	25,303	5,613	30,916
	Total Mayer Unified School District	**25,303**	**10,163**	**35,466**

Table 6 continued

School district	School	2017	2018	Total
Prescott Unified School District	Abia Judd Elementary School	54,420		54,420
	Granite Mountain School	27,220		27,220
	Prescott High School	1,428,383	168,804	1,597,187
	Prescott Mile High Middle School		130,898	130,898
	Total Prescott Unifed School District	**1,510,023**	**299,702**	**1,809,725**
Seligman Unified School District	Seligman Elementary School		34,100	34,100
	Seligman High School	209,286	127,615	336,901
	Total Seligman Unified School District	**209,286**	**161,715**	**371,001**
Yarnell Elementary School District	Model Creek School	**21,061**	**90,593**	**111,654**
Yuma County		**823,426**	**372,504**	**1,195,930**
Antelope Union High School District	Antelope Union High School		**11,158**	**11,158**
Crane Elementary School District	Centennial Middle School	19,820	38,258	58,078
	Crane Middle School	84,899	9,227	94,126
	Gary A. Knox Elementary School	25,780	1,048	26,828
	H. L. Suverkrup Elementary School	2,578		2,578
	Mesquite Elementary School	36,671	4,765	41,436
	Pueblo Elementary School		2,016	2,016
	Ronald Reagan Fundamental School	2,618	33,769	36,387
	Salida del Sol Elementary School	693		693
	Total Crane Elementary School District	**173,059**	**89,083**	**262,142**
Mohawk Valley Elementary School District	Mohawk Valley Elementary School	**148,941**	**15,314**	**164,255**
Somerton Elementary School District	Orange Grove Elementary School	**87,700**		**87,700**
Wellton Elementary School District	Wellton Elementary School	**17,578**	**7,845**	**25,423**
Yuma Elementary School District	Alice Byrne Elementary School	4,028		4,028
	Castle Dome Middle School	3,156	4,584	7,740
	C. W. McGraw Elementary School	9,124		9,124
	Desert Mesa Elementary School	22,744		22,744
	Fourth Avenue Junior High School	19,516	1,955	21,471
	G. W. Carver Elementary School		4,049	4,049
	Gila Vista Junior High School		4,817	4,817
	James B. Rolle Elementary School	1,838		1,838
	James D. Price Elementary School	4,311	1,846	6,157
	Mary A. Otondo Elementary School	17,767		17,767
	O. C. Johnson Elementary School		18,313	18,313
	Palmcroft Elementary School	12,151	6,990	19,141
	Pecan Grove Elementary School	5,130	6,193	11,323
	R. Pete Woodard Junior High School	24,225	175,712	199,937
	Ron Watson Middle School		4,667	4,667
	Sunrise Elementary School	2,584	2,413	4,997
	Total Yuma Elementary School District	**126,574**	**231,539**	**358,113**
Yuma Union High School District	Cibola High School	211,564	3,280	214,844
	Gila Ridge High School		2,176	2,176
	Kofa High School		4,229	4,229
	San Luis High School	38,721	6,135	44,856
	Vista High School	245		245
	Yuma High School	19,044	1,745	20,789
	Total Yuma Union High School District	**269,574**	**17,565**	**287,139**
Total State		**$26,839,277**	**$34,407,433**	**$61,246,710**

[1] Amounts distributed to schools in each of fiscal years 2017 and 2018 are from BRG projects approved between fiscal years 2011 and 2018.

[2] At the time the Board distributed BRG Fund monies for this BRG project, the district was not using the school facility for classroom space. For more information about the Board's approval of project awards for facilities that were not being used as classroom space, see Auditor General Report 17-108—*Arizona School Facilities Board—Board should improve its school facility renovation and repair project eligibility assessment, award, and oversight practices, and its information technology database management*.

[3] The district closed Gilbert Junior High School at the end of school year 2016-2017 and moved the Gilbert Classical Academy to the campus beginning in school year 2017-2018.

Source: Auditor General staff analysis of the Board's *Building Renewal Grant Tracking* and *Building Renewal Grant Accounts Payable Log* files for fiscal years 2017 and 2018 and district websites.

Project vendors

In fiscal years 2017 and 2018, the Board distributed $61.2 million in BRG Fund monies to districts and Board records indicate that districts used these monies to pay 358 vendors for 1,039 approved BRG projects.[38] As shown in Table 7, 18 vendors received the majority of these monies—approximately $38.5 million, or 63 percent of the $61.2 million in BRG Fund monies distributed. These 18 vendors also worked on 440, or 42 percent of the approved BRG projects. Of the remaining 340 vendors, 286 vendors received less than $100,000, 45 vendors received between $100,000 and $500,000, and 9 vendors received between $500,000 and $1 million in BRG Fund monies.

Table 7
List of 18 vendors that received 63 percent of the total BRG Fund monies distributed[1,2]
Fiscal years 2017 and 2018
(Unaudited)

Vendor name	Type of vendor	BRG Fund monies distributed[3]	Number of projects
Progressive Services, Inc.	Commercial roofing	$ 9,452,585	37
Sun Valley Builders, LLC	General construction design and build	5,936,487	19
GCON, Inc	General contractor	4,498,037	10
Pueblo Mechanical and Controls, LLC	HVAC	3,966,100	91
Sprayfoam Southwest, Inc.	Roof service and repair	2,417,563	8
Chasse Saunders Building Team, LLC	General construction	2,174,509	7
McCarthy Building Companies, Inc	Construction	1,581,768	2
Star Roofing, Inc.	Commercial roofing	1,323,733	2
United Technologies, Inc.	Air conditioning and heating repair, service, and installation	1,259,529	13
Sagebrush Restoration, LLC	Full service specialty contractor	1,193,313	16
Red Tree Consulting Group, LLC	Multiple services including forensic analysis, construction administration management, and damage assessment	1,160,772	62
Sunstate Mechanical Services, LLC	Air conditioning, heat, electric, plumbing	824,343	27
Building Energy Solutions Provider (BESP), LLC	Energy engineering services	717,802	86
Architechnology	Architectural and engineering services	610,888	26
EMC2 Group Architects Planners, PC	Architectural design services	489,640	65
Robert Polcar Architects, Inc.	Architectural and engineering services	380,520	28
Dominion Environmental Consultants, Inc	Site investigation and remediation	284,248	33
Kelly, Wright & Associates, PC	Mechanical and fire protection engineers	263,315	28
Total		**$38,549,152**	**560[4]**

1 These 18 vendors listed include both the 10 vendors that were paid the most BRG Fund monies and the 10 vendors that worked on the most BRG projects. Two vendors, Pueblo Mechanical Controls, LLC and Progressive Services, Inc., appeared in both lists.

2 During our review of district and board records, we reviewed invoices for 13 of the 18 vendors.

3 BRG Fund monies distributed are rounded to the nearest dollar.

4 The number of projects listed in the table is 560 because several of the projects included more than 1 of the vendors listed in the table. The vendors listed worked on a total of 440 distinct BRG projects.

Source: Auditor General staff analysis of Board data on BRG project payment requests paid in fiscal years 2017 and 2018, the Arizona Corporation Commission website, and the vendors' websites.

38 See Appendix D, page d-2, for more information on the methods we used to review districts' payments to vendors.

APPENDIX D

Objectives, scope, and methodology

The Office of the Auditor General has conducted a special audit of the Board's BRG Fund expenditures for the period of July 1, 2016 through June 30, 2018, pursuant to Laws 2018, Ch. 285, §30. This audit was conducted under the authority vested in the Auditor General by A.R.S. §41-1279.03. This audit addresses the BRG project process, including:

- Applications, requests for and distribution of BRG Fund monies, closeout forms, and proposed scopes of work.
- Vendor selection, procurement, contracting, and project oversight.
- BRG Fund program details for the period of July 1, 2016 through June 30, 2018, including the number of BRG project requests and awards, number and types of districts and schools receiving awards, types of BRG projects, total BRG Fund monies awarded, and number and types of vendors performing BRG projects.
- Board member compliance with Arizona's conflict-of-interest laws.

We used various methods to study the issues addressed in this performance audit. These methods included reviewing Board statutes and rules, and applicable session laws; reviewing Board-provided documents, including the Board's organizational chart and fiscal year 2019 Arizona Management System (AMS) goals;[39] reviewing information on the Board's website, including Board policies, meeting agendas, and meeting minutes; reviewing BRG project information maintained in the Board's IT system; interviewing Board staff; and observing the Board's public meetings and internal staff meetings; and reviewing Arizona Corporation Commission records.

In addition, we interviewed district staff and reviewed district records related to BRG projects for a sample of 10 of the 146 districts that received distributions of BRG Fund monies between July 1, 2016 and June 30, 2018.[40] These 10 districts were: Amphitheater Unified School District, Benson Unified School District, Gila Bend Unified School District, Glendale Elementary School District, J.O. Combs Unified School District, Mammoth-San Manuel Unified School District, Patagonia Union High School District, Sonoita Elementary School District, Tempe Union High School District, and Wickenburg Unified School District. From these 10 districts, we reviewed documentation for a judgmental sample of 36 of 71 BRG projects for which the Board distributed BRG Fund monies between July 1, 2016 and June 30, 2018.

We also used the following specific methods to meet the audit objectives:

- To evaluate the Board's processes for closing BRG projects, we:
    - Reviewed and assessed the accuracy of Board data for 628 BRG projects the Board approved prior to January 1, 2018, that were still open as of January 24, 2019, more than 1 year later. We determined that this data was sufficiently reliable for audit purposes.
    - Contacted 14 districts to obtain information about the status of their BRG projects.

[39] According to the Arizona Office of the Governor, the AMS is a results-driven management system through which State agencies track and improve their performance.

[40] We selected 9 of the 10 districts using a stratified random sample based on the district's size and whether the district is urban or rural. We judgmentally selected 1 district based on stakeholder feedback.

- Obtained Board data for 172 BRG projects the Board closed between July 2018 and January 14, 2019, and used Monte Carlo simulations to estimate the amount of monies that may be committed on 474 BRG projects that are still open. We determined that this data was sufficiently reliable for audit purposes.
- Reviewed the U.S. Bureau of Labor Statistics, Producer Price Index by Commodity for Special Indexes: Construction Materials to determine how the cost of construction has increased between January 2014 and January 2019.[41]
- Reviewed the State of Arizona Office of Grants and Federal Resources website and *Grants management manual—Grantor* and interviewed the Statewide Grants Administrator.[42]

- To evaluate districts' requests for and the Board's distribution of BRG Fund monies, we:
  - Observed Board staff using the PayAppinator to process and pay district payment requests.
  - Reviewed the PayAppinator system, including testing the process for submitting payment requests and viewing information from various screens within the PayAppinator system.
  - Reviewed all 224 invoices districts submitted to the Board for a judgmentally selected sample of 60 BRG projects from districts that received distributions of BRG Fund monies between July 1, 2016 and June 30, 2018.[43] Our work included reviewing Board records to determine if districts submitted supporting documentation with payment requests, such as invoices and purchase orders; districts' financial records to determine if the Board's payments to these districts were accurately recorded in those records; and districts' purchase orders and vendor invoices to determine if the districts paid vendors for BRG projects.
  - Obtained and analyzed Board data for all 374 payment requests districts submitted using the PayAppinator between February 22, 2018 and January 31, 2019, including 284 payment requests the Board had paid and 90 payment requests it had not paid.
- To evaluate Board member compliance with Arizona's conflict-of-interest laws, we:
  - Reviewed the *Arizona Agency Handbook*.[44]
  - Obtained and reviewed Board members' and staff's conflict-of-interest forms as of February 11 and April 4, 2019.
  - Interviewed Board members.
- To evaluate vendor procurement, selection, contracting, and oversight, we:
  - Reviewed the School District Procurement Rules adopted by the Arizona State Board of Education and the USFR.
  - Reviewed fiscal year 2017 and 2018 findings from 2 districts' financial statement audits conducted by independent certified public accounting firms.

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[41] U.S. Bureau of Labor Statistics, *Producer price index by commodity for special indexes: Construction materials*. Retrieved on 5/8/2019 from https://fred.stlouisfed.org/series/WPUSI012011.

[42] Arizona Office of Grants and Federal Resources. (2018). *Grants management manual – Grantor*. Phoenix, AZ: Arizona Department of Administration. Retrieved on 4/12/19 from https://grants.az.gov/grant-manual.

[43] The 60 reviewed BRG projects included the previously mentioned 36 BRG projects and an additional 24 BRG projects for which the Board distributed BRG Fund monies between July 1, 2016 and June 30, 2018. We judgmentally selected these 24 BRG projects from 66 total BRG projects from 8 districts—6 that were randomly selected and 2 that were judgmentally selected based on stakeholder input. The additional 8 districts are Flagstaff Unified School District, Gilbert Unified School District, Kingman Unified School District, Mesa Unified School District, Owens-Whitney Elementary School District, St. Johns Unified School District, Tolleson Union High School District, and Young Elementary School District.

[44] Arizona Office of the Attorney General. (2018). *Arizona agency handbook*. Phoenix, AZ. Retrieved on 4/9/19 from https://www.azag.gov/outreach/publications/agency-handbook.

- Reviewed Arizona Department of Education *Equalization Assistance and Additional State Aid* reports for districts that had been referred to the Arizona State Board of Education.

- To obtain BRG Fund program details for the period of July 1, 2016 through June 30, 2018, including the number of BRG project requests and awards, number and types of districts and schools receiving awards, types of BRG projects, total BRG Fund monies awarded, and number and types of vendors performing BRG projects, we:

  - Obtained and validated Board data on project awards approved and distributions of BRG Fund monies for the period of July 1, 2016 through June 30, 2018. We determined that this data was sufficiently reliable for audit purposes.

  - Reviewed vendor websites to determine the types of services vendors performed.

- To obtain additional information for the Introduction, we reviewed the Board's YouTube channel and its online application for BRG projects, and our Office's previous performance audit and sunset review of the Board and the 12-month followup for that audit.[45]

- Our work on internal controls, including information system controls, included reviewing the Board's policies and procedures, observing Board staff processing payment requests and closeout forms, and limited testing of the Board's IT system access controls for the PayAppinator system. We reported our conclusions on these internal controls in Findings 1, 2, 3, and 4.

We express our appreciation to the Board, the Board's Executive Director and staff, and sampled district staff for their cooperation and assistance throughout the audit.

[45] See Auditor General report 17-108, *Arizona School Facilities Board—Board should improve its school district facility renovation and repair project eligibility assessment, award, and oversight practices, and its information technology database management*.

AGENCY RESPONSE

ARIZONA
School Facilities
• BOARD •

June 12, 2019

Lindsey Perry, CPA, CFE
Auditor General
Office of the Auditor General
2910 North 44th Street
Suite 410 Phoenix, Arizona 85018

Reference: Office of the Auditor General's Review of the Building Renewal Grant Fund
SFB Response

Dear Ms. Perry:

Attached, please find the School Facilities Board response to the Auditor General's Draft Comments of the Review of the Building Renewal Grant Fund audit.

The School Facilities Board (SFB) receives these findings and recommendations recognizing the Office of the Auditor General's (OAG) review of the Building Renewal Grant (BRG) Fund as it relates to the 217 Arizona School Districts' access through application to grant funding. The Building Renewal Grant Fund is governed by Title 15, Chapter 16, beginning at Arizona Revised Statutes (A.R.S.) §15-2001 through A.R.S. §15-2032.

This OAG special audit of Arizona School Facilities Board Building Renewal Grant Fund expenditures for the period of July 1, 2016 through June 30, 2018 is enabled by Laws 2018, Ch. 285, §30. As outlined in session law, this audit addresses the BRG Fund project (BRG) process, including:
Auditor General; special audit; school facilities board; building renewal grant fund expenditures; delayed repeal

A. The auditor general shall complete a special audit pursuant to section 41-1279.03, Arizona Revised Statutes, of the school facilities board building renewal grant fund expenditures for the period of July 1, 2016 through June 30, 2018. The special audit shall include a review of applicable records of the school facilities board, school districts and county school superintendents and any other necessary information to:
    1. Assess the building renewal grant process, including reviewing grant applications, requests for and distribution of monies, grant closeout forms and the proposed scopes of work, including school district, school facilities board and vendor participation and roles in developing these proposed scopes of work.
    2. Assess the vendor selection, procurement, contracting and oversight processes for projects funded by the building renewal grant fund.

3. Provide building renewal grant program details, including the number of project requests and awards, number and types of districts and schools receiving awards, types of projects, total grant monies awarded and number and types of vendors performing projects funded with building renewal grant fund monies.
4. Audit work in any other areas deemed necessary by the auditor general.
5. Recommend improvements, as appropriate, for the processes listed in this subsection.

B. The school facilities board, school districts and county school superintendents shall cooperate with and provide information and records to the auditor general to facilitate the completion of the special audit.

C. On or before June 30, 2019, the auditor general shall submit copies of the special audit to the president of the senate, the speaker of the House of Representatives, the joint legislative budget committee and the governor's office of strategic planning and budgeting. The auditor general shall provide a copy of the special audit to the secretary of state.

As the School Facilities Board continues to address a greater number of projects, the agency has been identifying, evaluating, prioritizing, and implementing improvements as a part of the daily construct of the School Facilities Board operating environment. Many of the improvements have been codified in Policy, as appropriate, which is a continuous improvement strategy. There is a full-day Board Workshop, open to the public and scheduled for July 10, 2019. The agenda includes review and discussion of progress toward improvement of agency processes. This is an annual examination of the Policy Review Schedule which has already been shared with the SFB Board, and is attached to this response.

Continuous efforts to improve the Agency have required prioritization of initiatives. The highest priorities have been evaluating and processing grant funding requests, and decreasing the length of time to process payments. This prioritization is required as SFB staffing was largely designed before the adoption of the Building Renewal Grant Fund and is not presently sufficiently staffed for a robust and growing workload. Examples of the increases are shown in the table below:

Workload	**FY16**	**FY17**	**FY18**	**FY19**
BRG Projects (awarded)	456	673	978	1269
New Schools	2	6	6	17
Districts Requesting BRG Funding	NA [1]	100	NA [1]	190
BRG Expenditures (including Supplemental)	$29M	$31M	$42M	$76M
FTE	9	10	12	12
Consultants (BRG and NSF funded)	0	0	3	2

[1] This data was queried biannually. Data for even years is not available.

As demonstrated in the chart above, the growth associated with workload has outpaced FTE increases.

SFB staff continues to develop technology applications that improve performance. Prior to January 2018, payment applications were processed on paper (these are referred to as Legacy projects). In January 2018, PayAppinator was released and Districts began using the online application for payments. Processing time has been reduced from an average of 57 days in January 2018 to 13 days in April 2019 for both types of projects, and reduced from an average of 29 days in July 2018 to 7 days in April 2019 for PayAppinator projects. As the Legacy projects are completed and closed out, and user proficiency increases, the expectation is that turnaround times will continue to improve. The SFB was awarded the Good Government Award from the Governor's office in recognition for the development of this application.

Continued enhancements to PayAppinator are also planned, and include counting the days an application is in suspense after rejection for incomplete or inaccurate submittals, so that Districts and SFB Liaisons are alerted when action is required. After a prescribed suspension length, the SFB will know to reach out to their district personnel to assist in resubmittals. Prior to commencing these enhancements, SFB will explore the eCivis platform as a potential solution that might address multiple process improvements noted by the Auditor General.

SFB staff continues to provide a compelling value proposition from which the Districts derive benefit. As an example, SFB will continue to develop and deploy training, information about best practices, and presentations through social media channels and professional organizations. There are also opportunities to offer credentialed trainings so District personnel can acquire Continuing Education Units (CEU) for certification.

Our agency would like to thank the auditors for their thorough effort in understanding the processes, goals, and challenges we face in advancing the mission of the SFB. We largely agree with the findings and will put processes in place consistent with our funding to ensure the agency's long-term success.

Sincerely;

Paul G. Bakalis, AIA, NCARB
Executive Director
School Facilities Board
1700 West Washington Street
Suite 104
Phoenix, Arizona 85007

attachments: ***Attachment One:*** *Policy Review Schedule*

Cc: *Sean McCarthy*
SFB Board Chair
Debra Sterling
Assistant Attorney General

Attachment One

Policy Review Schedule

Policy	Priority (est. 7/11/2018)	Proposed to Board	Public Comment	Board Action
I. Board Governance	1,2	1/9/2019	Jan-Mar	3/6/2019
II. Policy Development	1,2	~~Feb 19~~ Mar-19	Mar-Apr	4/3/2019
III. Capital Plans	3	**Aug-19**		
IV. Land Acquisition	4	TBD		
V. New Construction	5	1/10/2018	Jan-Jul	8/1/2018
VI. Emergency Deficiencies Correction	9	1/10/2018	Jan-Jul	8/1/2018
VII. Preventive Maintenance	6	TBD		
VIII. ~~Procurement Assistance~~ Building Renewal Policy	~~new~~ REPEALED	~~9/5/2018~~ REPEALED	~~under revision~~	REPEALED
IX. Building Renewal Grants	8	1/10/2018	Jan-Jul	8/1/2018
X. Tribal Governments	7	TBD		
XI. ~~Separation of Professional Assessment Services~~ Performance Specifications	new	~~5/9/2018~~ 8/1/2018	~~May-Jul~~ Aug-Sep	~~8/1/2018~~ 9/5/2018
XII. Rooftop Solar Policy	new	9/5/2018	Sep-Feb	2/6/2019
XIII. Minimum Assessment Requirements	new	9/5/2018	Sep-Nov	11/7/2018
XIV. Adjacent Ways Policy	new	9/5/2018	Sep-Nov	11/7/2018
XV. Roofing Inspection Protocol	new	9/5/2018	Sep-Feb	2/6/2019
XVI. Separation of Professional Assessment S	new	5/9/2018	May-Jul	8/1/2018
XVII. Procurement Assistance	new	9/5/2018	under revision	
Procurement Decision Matrix	n/a	2/2/2017	Feb-Aug	9/6/2017
XVIII. Unitary HVAC Policy	new	1/9/2019	Jan-Apr	4/3/2019
XI. Performance Specifications	revision	4/3/2019		
		Policies due for update		

Finding 1: Districts' BRG project delays and Board's lack of monitoring contribute to potential health and safety risks, increased State costs, and BRG Fund monies sitting idle for years

Recommendation 1: The Board should review all 628 open BRG projects to determine each BRG project's current status, including determining whether a deficiency still exists and remains uncorrected, if the BRG project has received a construction project award, if construction has started, and if construction is complete, before cancelling or closing these projects.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: In July 2018 there were 768 open legacy BRG projects (projects approved prior to January 10, 2018), at the Auditor General's findings, 628 were still in open status. Currently, there are roughly 500 legacy BRG projects left in open status. Staff is concentrating their efforts on closing all that are eligible. The current process for identifying candidate projects for closure is to review the status of projects awarded prior to January 10, 2018, contact the districts to obtain the necessary paperwork, and then determine the actions required to close the project which may include processing additional payments. These payments are not processed online they are executed in a paper environment and therefore take more time to process than an online process. The SFB will undergo a review of its IT systems and eCivis, and will evaluate tools (i.e. monthly status updates, remaining unencumbered funds, timeline, percent work to complete, etc.) that enable the SFB to work with Districts to correct deficiencies and close projects in a timely manner. As the remaining legacy projects are closed, all projects awarded will be online providing for a much shorter turnaround time.

Recommendation 2: The Board should establish processes consistent with State policy and supported by written policies and procedures, where appropriate, to:

Recommendation 2a: Obtain and track each BRG project's project-completion time frames.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The SFB will request timelines from the districts.

Recommendation 2b: Track each BRG project's phase status and each phase's start and end dates.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The SFB will request status updates from the districts.

Recommendation 2c: Require districts to provide regular project status updates for open BRG projects.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: SFB will evaluate the potential for its IT systems to collect this data. For example, districts could be prompted to enter a status update when they submit payment applications online.

Recommendation 2d: Develop and implement management reports and other tools to systematically and regularly monitor each open BRG project's status and progress.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The SFB will develop and implement management reports (i.e. monthly status updates, remaining unencumbered funds, timeline, percent work to complete, etc.).

Recommendation 3: The Board should establish processes for using the data from its monitoring activities, supported by written policies and procedures, where appropriate, to:

Recommendation 3a: Work with districts to address any obstacles that prevent them from making progress and mitigate any health and safety impacts related to the continued existence of an uncorrected deficiency.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Once the management reports are implemented, SFB will be better positioned to identify projects that need SFB guidance. Currently, we rely on the districts and their liaisons to communicate and identify where and when additional guidance is needed.

Recommendation 3b: Hold districts accountable for meeting their BRG project responsibilities.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The BRG process is multifunctional and requires equal participation by the districts in completing required tasks. The SFB can identify a district's responsibilities, provide additional project management consulting as necessary, and then withhold or deny funding if a district continues to not meet its responsibilities. SFB will review any requirements and include accountability contract terms in the Terms and Conditions, including terms providing that district non-compliance or non-performance will cause payment delays until the issue has been corrected. In addition, SFB will continue to constantly communicate with the districts as to the various requirements and encourage timely compliance. SFB's communication will include site visits, SFB meetings, and other direct outreach.

Recommendation 3c: Proactively plan and request funding for future BRG projects. Before requesting a supplemental or increased appropriation, the Board should first review its

management reports and make a written determination of how much committed money can be recommitted to other projects.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Once the management reports are implemented, SFB will be better positioned to make a written determination of how much committed money can be recommitted to other projects.

Recommendation 3d: Plan Board staff's workload based on the status of its existing BRG projects.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Currently, the SFB projects future capital funding needs by observing trends in the number and type of BRG applications along with the aging of facilities. Once the management reports are implemented, SFB's ability to project future workload will be enhanced. For example, when it becomes evident that a substantial number of projects are nearing completion, SFB will shift and/or increase resources as necessary to accommodate the workload.

Recommendation 4: The Board should work with the Arizona Office of Grants and Federal Resources to obtain access to and implement the use of eCivis SRM for managing BRG projects. If the Board determines that it will continue devoting staff time and resources to modify its own IT systems to manage BRG projects, it should conduct and document the results of a cost-benefit analysis and justify the use of these resources rather than using the eCivis system.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The SFB will evaluate eCivis and if there is a benefit to adoption, it will be adopted as appropriate. The SFB has reached out to the Arizona Department of Administration Office of Grants and Federal Resources to request information. If the Board determines that it will continue devoting staff time and resources to modify its own IT systems to manage BRG projects rather than using the eCivis system, the SFB will conduct and document the results of a cost-benefit analysis to justify the use of these resources.

Finding 2: Board should improve its use of IT systems to better ensure timely payments to districts and BRG project closures so unspent monies can be recommitted to other BRG projects

Recommendation 5: The Board should modify its PayAppinator system to track and monitor the timeliness of open payment requests and rejected payment requests.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The data is currently available in PayAppinator. A process is being developed to ensure appropriate parties are notified about the status of open payment requests and rejected payment requests. The process will define a number of days a project is in suspense and will alert the Liaison and District as to the ongoing suspended status.

Recommendation 6: The Board should work with the Arizona Office of Grants and Federal Resources to obtain access to and implement the use of eCivis SRM for managing BRG project closeout. If the Board determines that it will continue devoting staff time and resources to modify the PayAppinator for managing BRG project closeout, it should conduct and document the results of a cost-benefit analysis and justify the use of these resources rather than using the eCivis system

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Same answer as indicated for Recommendation 4

Recommendation 7: The Board should develop and implement processes, supported by written policies and procedures where appropriate, to:

Recommendation 7a: Address any problems that are potentially leading to payment requests not being paid within 30 days.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Historically, projects that were not online took longer to process because of the difficulty of processing in a paper environment. With the adoption of PayAppinator, which includes the ability for electronic signatures, this challenge has been eliminated and project payment status is available in real-time. Payments are currently being processed within an average of 7 days.

Recommendation 7b: Regularly follow up with districts and provide assistance as needed to help ensure they resubmit rejected payment requests in a timely manner.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The SFB will evaluate its IT systems and the eCivis system and also consider implementing automated reminders that will alert the district once a rejected payment has been suspended, and periodic reminders until the payment issue has been resolved.

Recommendation 7c: Address any problems that are potentially leading to untimely project closeout.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: As stated in the response to Recommendation 1, the SFB will undergo a review of its IT systems and eCivis, and will evaluate tools (i.e. monthly status updates,

remaining unencumbered funds, timeline, percent work to complete, etc.) that enable the SFB to work with Districts to correct deficiencies and close projects in a timely manner. As the remaining legacy projects are closed, all projects awarded will be online providing for a much shorter turnaround time.

Finding 3: Board members failed to disclose interests, and 1 Board member failed to refrain from participating in decisions related to those interests

Recommendation 8: The Board should establish a process to allow Board members to fully disclose substantial interests in its public meetings as a reason for not participating in a meeting agenda item. These disclosures should be documented in the Board's meeting minutes, including the name of the person with an interest (i.e., Board member or Board member's relative), the interest's description, and the reason the Board member is refraining from voting or otherwise participating.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: It has been the responsibility of each Board member to recuse themselves as appropriate. It's worth noting neither the Board nor staff select the vendors who perform work funded by SFB Grants and Board Members recuse themselves out of an abundance of caution. The SFB staff endeavors to make apparent, by attachments to the Board package, the names of vendors and other information. Because the projects are taken to the Board in phases, information from a prior phase may not be visible in a subsequent phase. It is evident that Board Members have made a good faith effort to recuse themselves despite the few reported deficiencies. The SFB is currently evaluating IT systems that will provide a more robust display of data displaying all instances and identifying companies who have provided services for a specific project. In addition, the Board currently completes a conflict-of-interest form at least annually, which is maintained in a separate special file for public inspection. SFB staff will discuss with the Board additional strategies to assist in identifying potential conflicts of interest. The SFB has modified its agenda format to include an item in which Board members identify and state any known conflicts of interest at the beginning of each Board meeting. The SFB will work with its Assistant Attorney General to provide training to Board members on a regular basis.

Recommendation 9: The Board should develop and implement a process to help Board members identify meeting agenda items involving their interests, such as notating Board meeting agendas and/or adding vendor names to the project summary, to identify agenda items for which Board members have conflicts based on the interests listed on their forms.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: Same answer as indicated for Recommendation 8.

Recommendation 10: The Board should continue using its new, more comprehensive conflict-of-interest form.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Board will continue using its new, more comprehensive conflict-of-interest form.

Recommendation 11: The Board should develop and implement a process to ensure new Board members complete and file a conflict-of-interest form before they begin serving on the Board.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The Board will implement the explanation in Recommendation 10 in order to comply with this recommendation.

Recommendation 12: The Board should require all Board members and employees to complete conflict-of-interest forms at least annually and maintain these disclosures in a separate special file for public inspection.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The SFB will require all board members and employees to complete conflict-of-interest forms at least annually and maintain these disclosures in a separate special file for public inspection.

Finding 4: Board staff and vendor actions and Board procurement policy and guidance for districts could confuse districts, leading to decreased competition, potentially unfavorable pricing, and compliance issues

Recommendation 13: The Board should develop a written policy, procedure, or other employment document that prohibits Board staff from requiring or recommending that districts use specific vendors for projects that receive Board monies.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: The SFB will create an employment document for new employees which will require their signature clearly stating the expectation prohibiting Board staff from requiring or recommending that districts use specific vendors for projects that receive Board monies. This form will be reviewed with each new employee by their supervisor.

Recommendation 14: The Board should revise its policies for districts to explicitly state that districts are solely responsible for procuring, selecting, and contracting with vendors, and that Board staff are not authorized to select vendors or otherwise require or suggest that districts use specific vendors.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: While SFB staff is prohibited from requiring or recommending that districts use specific vendors for projects that receive Board monies, the SFB will revise policy to include the recommended language.

Recommendation 15: The Board should reassess and revise its procurement policy to ensure it does not mislead districts and is consistent with the School District Procurement Rules and the USFR and explicitly states that districts must comply with all requirements in the School District Procurement Rules and the USFR, such as the USFR's requirement for considering cumulative purchases when determining the appropriate procurement method in addition to following the Board's procurement policy.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: SFB will revise its policies to include references to the School District Procurement Rules and the USFR.

Recommendation 16: The Board should revise its terms and conditions to:

Recommendation 16a: Change "procurement rules developed by the State Board of Education" to the "School District Procurement Rules adopted by the Arizona State Board of Education."

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: SFB staff will comply.

Recommendation 16b: Add a reference to the USFR purchasing guidelines.

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: SFB staff will comply.

Recommendation 16c: Delete the reference to "Arizona Procurement Code."

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: SFB staff will comply.

Recommendation 16d: Also require that district staff who are responsible for procuring and selecting vendors, such as the business manager or chief financial officer, sign the terms and conditions

Board Response: The finding of the Auditor General is agreed to and the audit recommendation will be implemented.

Response explanation: SFB staff will evaluate expanding the list of required signatures to include the Governing Board President, Superintendent, CFO/Business Manager and Facilities Director.

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Auditor General
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