

TUCSON UNIFIED SCHOOL DISTRICT

Office of the Superintendent

February 28, 2018

Ms. Debbie Davenport
Auditor General
2910 North 44th Street, Suite 410
Phoenix, Arizona 85018

Ms. Davenport,

The Tucson Unified School District respectfully submits the following response to the letter dated February 22, 2018 regarding the preliminary performance audit report for the Tucson Unified School District.

The District is committed to maintaining operations in the most efficient and effective manner possible and will work closely to ensure that the recommendations set forth by the Auditor General are implemented.

Thank you for your time and professionalism throughout this process.

Respectfully,

Gabriel Trujillo, Ed.D.
Superintendent

Finding 1: District had much higher administrative costs and lacked adequate computer controls

District Response: The District agrees with the finding and recommendations. The District paid salaries that were higher than peer groups in administrative positions and employed more administrative positions. Specifically, administrative assistant and related positions, salaries are higher as a result of long-term employees. The average years of service in this category for general administrative support services and central services combined is over 17 years.

In past years, the District implemented a compensation program that allowed for participation in professional development as a means to increasing the employee's base salary. This program was eliminated. However, the increases incurred through the program were sustained for those employees.

The District is under a desegregation court order and is mandated to employ a number support positions that affects administrative position comparisons to other districts.

Tucson Unified is a pilot district and assumes accounting responsibility which means it operates with full independence from the county school superintendent with respect to revenues and expenditures, including allocating revenues, monitoring vouchers, authorizing and issuing warrants and maintaining and verifying staff records for certification and payroll purposes. This responsibility warrants hiring higher qualified staff and higher salaries.

Recommendation 1: The District should review its administrative positions, related duties, and salaries and determine and implement ways to reduce administrative costs.

District Response: The District paid some administrative positions higher salaries. The salary for the district superintendent was subsequently been reduced in the 2017-18 school year by \$70k, which is more in line with other school districts of similar size.

The District has many long-term employees in the centralized finance support staff but will conduct a review of the average salary of business managers, payroll, and purchasing and procurement analysts.

The District employed more administrative positions. The district will implement a review of site and central administrative positions to include site level administrative staffing levels.

The District is working on a restructuring plan for 2018-19 that will reduce administrative costs while sustaining school-level support.

Recommendation 2: The District should implement and enforce stronger password requirements for its computer network and accounting system related to password length, complexity, and expiration.

District Response: The District is working to strengthen its password requirements, and plans to enable the new requirements by August 1, 2018.

Recommendation 3: The District should develop and implement a formal process to ensure that terminated employees have their computer network, systems, and VPN access promptly removed.

District Response: For critical requests, system access is removed or modified immediately for terminated or transferred employees. By August 1, 2018, system access will be removed within one week after termination/transfer for all non-critical requests.

Recommendation 4: The District should create a formal IT contingency plan and test it periodically to identify and remedy deficiencies.

District Response: The District will finalize its Disaster Recovery Plan by August 1, 2018. Data will continue to be backed up daily.

Finding 2: District had high plant operations costs

District Response: The District agrees with the finding and recommendations. The average age of school structures within the District is 46 years. As a result, the District's cost to maintain them is high. A master facility plan was developed in order to prioritize and address these concerns.

Recommendation 1: The District should continue to review the use of space at each of its schools and determine and implement ways to reduce identified excess space.

District Response: The district maintains a room use database, derived from master schedules, for each school. This allows us to calculate operating capacities for each school. Using this, we compile an annual report of utilization rates based on enrollment and capacity. These are used for facility planning such as program additions or changes, or for determining how many open-enrollment students can be accepted by a school. The bond, which was presented to the voters in November, included funding to reduce portables. With the failure of that bond, there are no existing programs to reduce space in the district. Having gone through the painful process of closing 20 schools in the last 8 years, with the resultant enrollment losses, our current goal, at least in the short-term, is to increase enrollment or at a minimum reduce declines.

Recommendation 2: The District should continue its efforts to reduce energy usage and develop and implement comprehensive energy conservation plans to help further reduce its energy usage and costs.

District Response: The District is implementing Phase 3 of a solar plan. Upon completion of this project, the District will be one of the largest energy conservation school districts. The District has schools that participate in the Energy Star Program. As a result of the District's \$29 million ESCO project, energy costs have been reduced over 5% since 2012.

Finding 3: District spent \$63 million on court-ordered desegregation programs in fiscal year 2016

District Response: The District agrees with the facts and recommendations contained in this finding, which confirms that the District is following state law regarding the expenditure of A.R.S. 15-910(G) funds.

Recommendation 1: The District should continue working with ADE to develop an alternative model for ELL instruction that meets the legal requirements of state statute and its desegregation order.

District Response: The District presented an alternative model for ELL instruction to the State Board of Education on September 25, 2017. The State Board did not approve the model because the Board determined that the alternative would violate state law.

The District has worked with, and will continue to work with, ADE to develop alternative strategies that meet the legal requirements of state statute and its desegregation order.

Recommendation 2: The District should continue to work with its Special Master and the court to evaluate its desegregation programs and determine practical ways to create sustainable long-term programs that will meet the USP's requirements, which would help position it to attain unitary status.

District Response: At the recommendation of the court, Special Master, and plaintiff representative parties, the District is working jointly to develop a completion plan that will lead to unitary status.