

## Mesa Unified School District

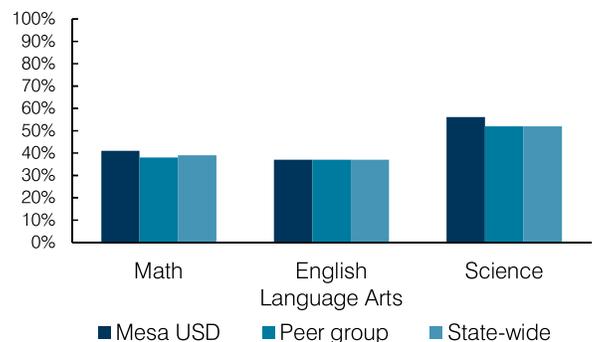
**CONCLUSION:** In fiscal year 2017, Mesa Unified School District's student achievement was similar to the peer districts', on average, and its operations were reasonably efficient overall. Specifically, the District's administrative costs per pupil and its food service cost per meal were similar to the peer districts' averages. Although the District had slightly higher plant operations costs than the peer districts, on average, the District has taken steps to lower these costs. In addition, although the District's transportation costs per mile and per rider were much higher than the peer districts' averages, the program was reasonably efficient, and the high costs resulted primarily because a larger proportion of Mesa USD's miles and riders were related to special needs transportation. Despite reasonably efficient operations, the District needs to improve its cash-handling and computer controls, ensure catering revenues cover costs, and consult with legal counsel to determine if its catering program is constitutional.

### District student achievement similar to peer districts', and operations were reasonably efficient

**Student achievement similar to peer districts'**—In fiscal year 2017, the percentages of Mesa USD students who passed state assessments were similar to the peer districts' averages in all three tested areas. The District's 79 percent graduation rate in fiscal year 2016 was slightly lower than the peer districts' 86 percent average and similar to the State's 80 percent average. In addition, under the Arizona Department of Education's A-F Accountability System, 16 of Mesa USD's schools received A letter grades, 34 received Bs, 21 received Cs, and 2 received Ds.

**Reasonably efficient operations overall**—In fiscal year 2017, Mesa USD's per pupil administrative costs were the same as the peer districts' average. The District's plant operations costs per pupil and per square foot were slightly higher than the peer districts' averages, but the District has taken steps to lower these costs. For example, in fiscal year 2013, the District closed three schools, which increased its overall capacity usage rate from 77 percent to 81 percent. In addition, in fiscal year 2018, the District established a special work team to improve the efficiency of some maintenance and custodial tasks. Also, the District monitors energy usage and follows an energy conservation policy. The District's food service program was reasonably efficient, and its cost per meal was similar to the peer districts' average. Finally, the District's transportation costs per mile and per rider were much higher than the peer districts' averages, primarily because a larger proportion of its miles and riders were related to special needs transportation, which typically comes at a higher cost than regular education transportation.

#### Percentage of students who passed state assessments Fiscal year 2017



#### Comparison of cost measures Fiscal year 2017

Cost measure	Mesa USD	Peer group average
Administrative cost per pupil	\$ 680	\$ 680
Plant operations cost per square foot	6.73	6.15
Plant operations cost per pupil	940	877
Food service cost per meal	2.81	2.79
Transportation cost per mile	4.56	3.61

## District should strengthen cash-handling and computer controls

**Cash-handling controls**—In fiscal year 2017, Mesa USD lacked adequate controls over its bookstore cash transactions and its student behavior rewards program, which increased its risk of theft. Specifically, the District did not require that supervisors at the school sites conduct timely reviews of all voided bookstore transactions for appropriateness. In addition, the District’s bookstores collected monies for various fees and fines, including athletic, class material, and textbook fees/fines, which could be waived or partially waived for various reasons such as a student’s financial difficulty or changes in a student’s class schedule. Waiver decisions were based on each school’s determination and procedures. However, the District’s bookstore employees could waive fees/fines without obtaining the proper approval. Finally, the District operated a Positive Behavioral Interventions and Supports (PBIS) program, which rewards students with tickets they could redeem for reward items such as having lunch with a favorite staff member. However, some schools allowed students to use their PBIS tickets at school bookstores to purchase items, such as school event tickets and t-shirts, that are typically purchased with cash, and the District lacked sufficient controls over these types of PBIS ticket purchases. Specifically, at one school, we observed that PBIS tickets were placed in an open box below the register when they were redeemed, but they were not marked or labeled to indicate the specific transaction that they were used for. In addition, PBIS tickets were not included as supporting documentation for deposits.

**Computer controls**—Mesa USD lacked adequate controls over its computer network and information technology (IT) systems, which exposed the District to an increased risk of unauthorized access to these critical systems and potential data loss. Specifically, the District lacked adequate password requirements for access to its computer network and accounting and student information systems. In addition, we reviewed a sample of 30 accounting system user accounts and 50 student information system user accounts and found that 1 accounting system user account and 17 student information system user accounts were linked to employees who no longer worked for the District. Also, we found 7 accounting system user accounts and 22 student information system user accounts with administrator-level access that may not require this level of access, which gives the user full control over system settings and data. Further, the District lacked a formal, up-to-date IT contingency plan to help ensure continued operations in the event of a system or equipment failure or interruption.

### Recommendation

The District should implement stronger controls over cash-handling and its computer network and systems.

## District should ensure catering revenues cover costs and that its practice of providing food and beverages at nonstudent events is constitutional

In fiscal year 2017, Mesa USD operated a catering program through which it provided meals, snacks, and beverages for students attending daycare, preschool, and afterschool enrichment programs and for district employees, governing board members, and parents attending district meetings, trainings, and other events. However, the District’s analysis of program revenues and expenditures shows that its catering program lost over \$71,000 in fiscal year 2017, and not all costs were included. Additionally, the District may have violated the Arizona Constitution’s gift of public monies clause by providing food and beverages to nonstudents.

### Recommendation

The District should ensure that catering revenues cover all related costs and consult with legal counsel to determine if its catering program is constitutional. If present practices are continued, the District should document the public purpose of providing food and beverages at nonstudent events and whether the public benefits of providing food and beverages at these events outweigh the costs to the District.