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May 6, 2020

The Honorable Anthony T. Kern, Chair  
Joint Legislative Audit Committee

The Honorable Rick Gray, Vice Chair  
Joint Legislative Audit Committee

Dear Representative Kern and Senator Gray:

We recently completed a 24-month followup of Tucson Unified School District's implementation status for the 8 audit recommendations presented in the performance audit report released in March 2018. As the attached grid indicates:

- 3 recommendations have been implemented.
- 5 recommendations are in the process of being implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our follow-up work on the District's efforts to implement the recommendations resulting from the March 2018 performance audit.

Sincerely,  
Vicki Hanson, Director  
Division of School Audits

cc: Governing Board  
Dr. Gabriel Trujillo, Superintendent  
Tucson Unified School District

# TUCSON UNIFIED SCHOOL DISTRICT

## Auditor General Performance Audit Report Issued March 2018 24-Month Follow-Up Report

Recommendation	Status/Additional Explanation
<b>FINDING 1: District had much higher administrative costs and lacked adequate computer controls</b>	
1. The District should review its administrative positions, related duties, and salaries and determine and implement ways to reduce administrative costs.	<p><b>Implementation in process</b></p> <p>Between fiscal years 2016 (the audit year) and 2019 (the most recent year for complete data), the District reduced its total administrative spending by approximately \$4 million, or about 10 percent. This includes a reduction of over \$3.2 million, or 9 percent, in salary and benefit costs. The District reduced its costs by reviewing and adjusting salaries of some administrative support positions and standardizing salary placements for new hires and transfers. However, the District's fiscal year 2019 per pupil administrative costs were still 20 percent higher than its peer districts' average. According to District officials, the District continues to look for ways to reduce its administrative costs. For example, the District reported that it is working to select a vendor to perform a compensation analysis, which may result in lower salary and benefit costs if additional changes are implemented. Continuing to reduce its administrative spending would allow the District to free up dollars that it could use on instruction, such as increasing teacher salaries or purchasing instructional materials, or other District priorities.</p>
2. The District should implement and enforce stronger password requirements for its computer network and accounting system related to password length, complexity, and expiration.	<b>Implemented at 12 months</b>
3. The District should develop and implement a formal process to ensure that terminated employees have their computer network, systems, and Virtual Private Network (VPN) access promptly removed.	<b>Implemented at 6 months</b>
4. The District should create a formal information technology (IT) contingency plan and test it periodically to identify and remedy deficiencies.	<b>Implemented at 6 months</b>

**FINDING 2: District had high plant operations costs**

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.

**Implementation in process**

According to District officials, the District is working to utilize its excess space by relocating programs to more usable spaces and demolishing or selling older buildings that are no longer useful to the District. However, since fiscal year 2016 (the audit year), the District has not substantially reduced its total square footage, and its number of students has decreased, further highlighting the need to reduce excess space. Also, although the District's fiscal year 2019 (the most recent year for complete data) plant operations cost per square foot was similar to the peer districts' average, its cost per pupil was 23 percent higher than the peer districts' average primarily because of the District's excess space. Because the District's funding is based primarily on its number of students and not on its amount of square footage, the District should address this issue to allow it to free up dollars that could be spent on instruction or other District priorities.

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.

**Implementation in process**

Since the 12-month followup, the District has continued to operate various programs to help reduce its energy usage. These programs focus on things like developing short- and long-term sustainability goals and guidelines for the overall reduction of energy usage throughout the District and reducing energy consumption through behavior modification by working with local energy providers and providing training for employees and incentives for energy reduction. The District is also working with its local energy provider to obtain energy-saving light bulbs for its schools and plans to have energy audits conducted for 5 of its schools. Because of its efforts, the District has reduced its total costs for natural gas and electricity by over \$800,000, or 37 percent, between fiscal years 2016 (the audit year) and 2019 (the most recent year for complete data). However, as stated above, the District's plant operations cost per pupil was still high compared to the peer districts' average. Similar to its excess space, the District should continue to address this issue to allow it to free up dollars that could be spent on instruction or other District priorities.

**Recommendation****Status/Additional Explanation****FINDING 3: District spent \$63 million on court-ordered desegregation programs in fiscal year 2016**

1. The District should continue working with the Arizona Department of Education (ADE) to develop an alternative model for English Language Learner (ELL) instruction that meets the legal requirements of state statute and its desegregation order.

**Implementation in process**

During fiscal year 2020, District employees served on an Arizona State Board of Education (ASBE) subcommittee to help develop procedures for moving 4-hour structured English immersion models (SEI) to 2-hour models based on Senate Bill 1014, which was passed by the Legislature during the 2019 legislative session and modified the requirements for SEI models. According to District officials, the District is working to implement either an ASBE-approved, 2-hour SEI model or a model for smaller numbers of English learners depending on the number of English learners at each District school.

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 unitary status plan's (USP) requirements, which would help position it to attain unitary status.

**Implementation in process**

On December 31, 2019, the District filed a petition with the court for unitary status stating that there are no remaining vestiges of a dual school system and the District has demonstrated that it has and will continue to act in good faith. According to District officials, the Special Master must submit a report regarding the District's petition by May 13, 2020, and the plaintiffs and the District must file any responses they may have to the Special Master's report within 30 days of filing his report with the court. After that, the court will hear the District's case, but there are currently no time frames within which the court must hear the case. In the meantime, District officials stated that they will continue to work with the Special Master and the court to evaluate and modify its desegregation programs to ensure they are sustainable, long-term programs that meet the USP's requirements.