




## Gila Institute for Technology

### 36-Month Followup of Report 21-205

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The November 2021 Gila Institute for Technology performance audit found that the District did not collect all required student outcome data to help assess whether its career and technical education programs were effective in preparing students for high-need occupations and did not follow best practices regarding its unspent fund balance. We made **6** recommendations to the District.

#### District's status in implementing 6 recommendations

Implementation status		Number of recommendations
	Implemented	3 recommendations
	Partially implemented	1 recommendation
	Not implemented	2 recommendations

Unless otherwise directed by the Joint Legislative Audit Committee, this report concludes our followup work on the District's efforts to implement the recommendations from the November 2021 report.

# Recommendations to the District

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## Finding 1: District did not collect all required student outcome data in fiscal year 2019 to help assess whether its CTE programs were effective in preparing students for high-need occupations

1. The District should collect complete and reliable postgraduation employment and industry certification data for all its CTE students.

► Status: **Partially implemented at 36 months.**

In fiscal year 2019, the District did not collect any student postgraduation employment data for its CTE programs. However, since the audit, the District has made progress in collecting postgraduation placement data using a placement survey it had developed and began using prior to our 24-month followup based on the postgraduation information it is required to report to the Arizona Department of Education (ADE). The District sends the survey directly to students and uses the results for its required ADE reporting. Although the District continued to collect postgraduation placement data for its fiscal year 2024 CTE program graduates, the District still has not developed a process to consistently verify the data's accuracy. By continuing to rely on self-reported placement information and lacking a process to verify the accuracy of all the placement data it collects, the District may not be reporting accurate information to ADE.

Despite increasing the amount of data it collects, the District continued to lack processes for reviewing its placement data before reporting it to ADE to identify potential errors. For example, our review of the District's placement data reported to ADE in fiscal year 2024 identified an instance where the District reported an Electrical and Power Transmission Installation program graduate as employed in a position using program skills when their survey response indicated they were employed as a cook at a restaurant. Further, although 12 students reported in their responses to the District that they were employed, the District inaccurately reported to ADE that 6 of these students were not employed. For 1 student the District reported was working, it did not report whether the student's employment was related to their CTE field, leaving the field blank in the data it reported to ADE. By not consistently reviewing and verifying collected postgraduation employment data, the District is unable to demonstrate that its programs are effective in meeting their statutory purpose of preparing students for high-need occupations.

Regarding its process for collecting industry certification data, the District has also made substantial improvements since fiscal year 2019 because it now collects and maintains copies of certifications for student industry certifications rather than relying upon students to self-report this information. However, the District retains records only for students who earned a license or certification and not for students who attempted to obtain a license or certification and were not successful. As a result, the District does not have complete outcome data for its CTE program graduates and may be unable to use the information it collects to determine which programs are most effective in helping students earn industry licenses or certifications related to their CTE programs and make changes to its programs to ensure it uses public monies most effectively.

2. The District should analyze postgraduation employment and industry certification data, after collecting complete and reliable data, to evaluate the effectiveness of its CTE programs in preparing students for high-need occupations.

► Status: **Not implemented.**

District officials indicated that the District evaluates student postgraduation employment and industry certification data multiple times each year during meetings with community members, member districts, and community colleges, as well as during advisory meetings with industry members. However, as explained in Recommendation 1, the District's fiscal year 2024 placement and industry certification data is not complete and reliable. Further, although the District provided documentation indicating that District officials discussed industry credentials during advisory meetings, this documentation does not demonstrate that the District evaluated the effectiveness of its CTE programming by analyzing the certification data it collected for its CTE students. The District-provided documentation also does not indicate that it analyzed student placement data during its evaluation of its CTE programs. When asked to provide examples of the District using student placement and certification data to evaluate its CTE programs, District officials could not provide any specific instances of the District's evaluation of the effectiveness of its CTE programs in preparing students for high-need occupations.

3. The District should accurately report to ADE postgraduation employment and industry certification data for all its CTE students when ADE requires it to do so.

► Status: **Not implemented.**

The District continued reporting inaccurate postgraduation employment data to ADE. In some instances, the District corrected information reported by students through the District's survey to ensure its accuracy. For example, the District's survey requires students to self-report which CTE program(s) they participated in by typing in the program name(s), but our review of the District's data identified an instance where 1 student reported their CTE program as "JTED," not a specific CTE program the District offered. In its report to ADE, the District corrected the student's survey data to report the student's actual CTE program. However, as discussed in Recommendation 1, our review of the District's postgraduation employment data also found apparent errors in the data the District reported to ADE.

District officials stated that the District did not complete its required submission of student certification data to ADE for fiscal year 2024 because it missed the submission deadline. Additionally, although the District's data showed that 13 students enrolled at central campus programs had earned credentials, District officials indicated that these reported credentials may have been submitted directly by member districts.

## **Finding 2: District accumulated \$2.93 million in unspent fund balance by end of fiscal year 2020 but did not have policy regarding purpose or amount to maintain**

4. The District should follow best practices guidance by developing and implementing a formal policy for the level of fund balance that it will maintain and for what purpose it will maintain the fund balance.

► Status: **Implemented at 24 months.**

In accordance with best practices developed by the Government Finance Officers Association, the District developed and the Governing Board (Board) adopted a formal fund policy for its general fund that includes the level of fund balance it will maintain as well as the purpose for which retained funds would be used. Specifically, the District's policy indicates that the District may maintain a balance of 20% of its annual operating costs to insure against sudden financial or material loss. We reviewed how the District implemented this policy by using monies in excess of the 20% identified in its fund balance policy to fund special projects as discussed in Recommendation 5.

5. The District should work with its member districts to plan if and how the District could use its unspent fund balance to help purchase needed equipment for member districts' satellite programs and incorporate this into its formal fund balance policy.

► Status: **Implemented at 24 months.**

As previously discussed, since the previous 6-month followup, the Board adopted a formal fund balance policy that indicates the District may maintain a fund balance of up to 20% of its annual operating costs. The policy further specifies any general fund balance in excess of 20% of the District's annual operating costs may be used to fund its special projects program, which is a program for member districts to apply for additional funding beyond the annual funding they already receive to enhance existing CTE programs. In fiscal years 2022 and 2023, the District provided funding for 8 and 6 special projects, respectively, allocating a total of approximately \$475,000 to these 14 projects from its general fund balance, including projects to renovate facilities and provide updated equipment for 1 member district's culinary program and provide updated equipment for a different member district's woodshop program. According to the District's most recent *Annual Financial Report* at the time this recommendation was implemented at 24 months, the District's general fund balance at the end of fiscal year 2023 was over \$2.5 million, or approximately 10 months of annual operating expenses. District officials indicated the District's special projects program would continue funding projects in fiscal year 2024, which we reviewed and discuss in Recommendation 6.

6. The District should review its practice of retaining satellite funding each year and implement any needed changes to achieve the fund balance policy the District adopts.

► Status: **Implemented at 36 months.**

In fiscal years 2023 and 2024, the District did not retain any monies generated by satellite program enrollments and passed through more of these monies than it received, passing through 115% and 103% of its satellite funding amounts, respectively,

in each fiscal year. Further, the Board continues to review its practice of retaining satellite funding each year. For example, at the March 2025 Board meeting, the Board approved funding for member district programs, including sustainability funding of \$15,000 per year, per program.

Additionally, as discussed in Recommendation 5, the District developed and the Board adopted a formal fund policy that indicates fund balances in excess of 20% of the District's annual operating costs may be used for its special projects program. In fiscal year 2024, the District used approximately \$374,000 of excess monies to provide funding for 13 special projects, including updating member districts' transportation fleets used to transport member district students to central programs, and providing an alignment machine and jack for a member district's automotive program. The District allocated monies to these projects from its general fund balance, increasing its spending on projects compared to fiscal years 2022 and 2023.