Arizona School Facilities Board

Board has established processes for meeting some of its statutory responsibilities, but has not inspected school district buildings, ensured the accuracy of some school facility square footage information, and consistently published a list of vacant and partially used school district buildings.

Audit purpose
To determine whether the Board conducted statutorily required inspections of school districts' buildings and ensured the accuracy of school facility square footage information in its building inventory database, as required by statute, and respond to the statutory sunset factors.

Key findings
- The Board administers several statutory funds, including distributing monies from the New School Facilities (NSF) Fund to help school districts build new school facilities and is statutorily required to inspect school districts' buildings to assess compliance with several statutory requirements and to maintain a database of school district buildings to help administer the NSF Fund.
- Effective September 29, 2021, the Board’s statutory responsibilities will be transferred to the newly established Division of School Facilities and School Facilities Oversight Board within the Arizona Department of Administration, resulting in the Board’s termination.
- The Board has not inspected school district buildings as required by statute, limiting its ability to ensure student and staff health and safety and efficient use of State monies, but began developing a self-inspection program during the audit to help meet some inspection requirements.
- Board policy requires its staff to use information in the Board’s database to determine school districts’ eligibility to receive NSF Fund monies, but the database has contained inaccurate square footage information for some school districts, which could result in inaccurate or excess spending.
- The Board has not consistently published a list of all school districts’ or State-owned vacant and partially used buildings that may be suitable for the operation of a school, as required by statute.
- The Board approved enrollment projections for 5 fiscal year 2021 NSF Fund project awards that did not use the most recently available average daily membership data, potentially overestimating some school districts’ future enrollment growth, which could result in these school districts receiving monies to accommodate expected student enrollment growth that does not materialize.

Key recommendations
The Board should:
- Ensure all school buildings are inspected as required by statute by either conducting inspections, contracting for inspections, or certifying school districts’ self-inspections.
- Ensure the accuracy of school building inventory information in its database and develop and implement policies and procedures for doing so.
- Annually publish a list of vacant and partially used school buildings, as required by statute.
- Follow its process to evaluate revised enrollment projections for the 5 districts approved for NSF Fund monies in fiscal year 2021 and revise the amount of funding it will provide or decline to fund the project, as appropriate.