



Phone: (928) 348-3393
Fax: (928) 348-3037
cemery@giftjted.org
www.gift-tech.org
3998 W. Ball Park Street
Thatcher, Arizona 85552

November 23, 2021

Lindsey Perry
Arizona Auditor General
2910 N. 44th Street, Suite 410
Phoenix, AZ. 85018

Ms. Perry:

Gila Institute For Technology has received and reviewed the Performance Audit report conducted during the 2019-2020 school year. The recommendations made will assist our efforts to enhance and improve our internal operating procedures. After the opportunity to reflect and engage in the findings, GIFT District agrees with the findings and recommendations resulting from the audit and plans to expedite and implement the said recommendations. We continually strive to perform at the highest levels of academic and fiscal management.

GIFT would like to thank the audit team for their insight, professionalism, and courtesy throughout the audit process, along with the opportunity to engage in discussions and collaboration. If you have any questions, please feel free to contact me or Mrs. Michele Johnson, Business Manager.

Sincerely,



Clay Emery

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

District Response: The District agrees with the finding.

We agree with the finding, but acknowledge that much of this was out of the scope of control for GIFT and would prefer that it be a finding that was not reportable, but rather a recommendation for increased effectiveness. GIFT has begun to gather data since the initial recommendation from the Auditor General's Office, but without direction and structure from The Arizona Department of Education, most efforts have been done without feedback as to whether they are adequate, up to now.

We are very willing to pursue this and see the need to do so. It does feel like a new "un-funded mandate" from the state. The Arizona Department of Education is currently developing a new metric for implementation. K-12 Districts have been given metrics and a platform to perform this function. Currently, most CTEDs can only follow up via one to one communication (telephonically or email) when it comes to a "where are they now" type of situation which we are willing to do.

We acknowledge that this was stated by the Auditor General's Office, and understand that GIFT needs to increase effectiveness in the pieces regarding the types of data collected and especially how that data is utilized to evaluate effectiveness. See samples below:

From Auditor General Report for GIFT -

District did not collect data because District officials were waiting for ADE to require it to do so

District officials reported that they did not collect student employment and industry certifications earned data for all students enrolled in the District's CTE programs because they were waiting for ADE to require it to do so. Despite the 2016 law requiring ADE to include each CTED in its annual achievement profiles and include student postgraduation employment rate as a performance indicator, **ADE had not yet implemented this requirement for fiscal year 2019 and therefore had not prescribed the data CTEDs needed to collect.**⁷

From Auditor General Special Study 2021

Some CTEDs and member districts were required to collect student job placement and industry certification data, but their data was inaccurate and incomplete

Not all CTEDs and member districts were required to track and report student job placement and industry certification data **because ADE did not implement statutory requirement** and CTEDs, member districts, and ADE did not implement prior audit recommendation.

We look forward to working with The Arizona Department of Education and The Auditor General's office to move this forward.

ADE/CTE has recently created an Arizona Industry Credential Incentive Program, which GIFT is participating in. Additionally, GIFT submits JTED completer data to the state for graduated students.

Recommendation 1: Collect complete and reliable postgraduation employment and industry certification data for all its CTE students.

District Response: The District agrees with the recommendation and will implement the recommendation.

See response above.

Recommendation 2: 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.

District Response: The District agrees with the recommendation and will implement the recommendation.

See response above.

Recommendation 3: Accurately report to ADE postgraduation employment and industry certification data for all its CTE students when ADE requires it to do so.

District Response: The District agrees with the recommendation and will implement the recommendation.

See response above.

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

District Response: The District agrees with the finding.

Again, GIFT agrees with the finding, but would rather it be a recommendation for increased effectiveness.

GIFT has consistently provided funding to satellites to facilitate everything that is requested. Often, communications between the LEA Satellite and their CTE Departments may be such that a request is made to LEA administration and CTE directors, and that may not be passed along to the CTED. This would create the perception that GIFT was not providing for what is asked for.

ARS 15-393 states the following in regards to CTED funding with member districts:

The school district or charter school and the career technical education district shall determine the apportionment of the average daily membership for that pupil between the school district or charter school and the career technical education district.

GIFT has created a policy/process – a “special projects program” for member districts to access additional funds for purchases or projects that exceed the scope of their annual funding.

An evaluation of the “unspent fund balance” was conducted by GIFT. In this evaluation, anecdotal evidence was gathered in regards to other CTEDs and member district’s reserves.

GIFT set a “goal range amount” to distribute for these projects. Projects can range from positions, capital items, or a combination thereof.

The GIFT board approved the creation of the “special projects fund” in fall 2020.

Member district administration (superintendents, principals, CTE directors) as well as teachers were notified of it’s creation.

A brief “form” was created to request funds and distributed to member districts and to Eastern Arizona College.

Since it’s creation, GIFT has been able to:

- provide districts with 3 additional shuttles for transportation to central campus programs and other CTE uses
- acquire equipment for auto shops including alignment machines and training materials
- fund a part time position in the cosmetology program at EAC
- partner in the construction of a playground for the pre-school/ECE program at a member campus.
- embark on a remodel of three culinary classrooms to transition from “home ec” classes to a culinary industrial kitchen model.
- provide laptops for instruction in an industrial electrician class.

GIFT continues to inform member districts of the program at each meeting with member districts.

Recommendation 4: 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.

District Response: The District agrees with the recommendation and will implement the recommendation.

See above response.

Recommendation 5: 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.

District Response: The District agrees with the recommendation and will implement the recommendation.

See above response.

Recommendation 6: Review its practice of retaining satellite funding each year and implement any needed changes to achieve the fund balance policy the District adopts.

District Response: The District agrees with the recommendation and will implement the recommendation.

See response above.