

REPORT HIGHLIGHTS
PERFORMANCE AUDIT

Subject

The Tempe Union High School District is about 162 square miles and serves the City of Tempe, the Town of Guadalupe, the Gila River Indian Community, the Ahwatukee Foothills area of Phoenix, and parts of Chandler. In FY 2008, the District served 12,894 students in grades 9 through 12.

Our Conclusion

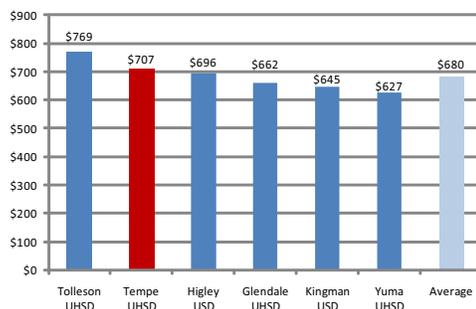
Tempe Union High School District's administrative costs were similar to comparable districts', and its transportation program operated efficiently. The District's plant operations were also efficient, but costly, because the District operated most of its schools well below their designed capacity. The District's 58.2 percent classroom dollar percentage was above the state and comparable districts' averages, but the District supplanted at least \$245,000 of Proposition 301 monies. The District's ELL program did not fully comply with the State's model.



2009

Similar administrative costs—The District's administrative costs were similar to the comparable districts'. However, the District needs to address two administrative issues.

Administrative Costs Per Pupil
 Fiscal Year 2008



First, its cash-handling policies and procedures were not being followed at all schools and were not adequate to properly safeguard cash. Further, the District did not always follow up in a timely manner when it became aware of problems. The poor controls and lack of enforcement likely delayed the discovery of the alleged theft of \$192,000 by a bookstore manager.

Second, the District spent \$43,700 on meals for staff who were not on travel status. According to the Attorney General, only staff who are on travel status are eligible for meals.

Recommendations—The District should:

- Strengthen controls over cash receipts.
- Discontinue paying meals for employees who are not on travel status.

Transportation program is efficient—Tempe UHSD's transportation program is efficient and operates at a lower cost than the comparable districts'. The lower costs were due to the District's

Transportation Costs
 Fiscal Year 2008

	Per rider	Per mile
Tempe UHSD	\$763	\$3.57
Comparable districts	\$1,091	\$3.73

paying lower salary and benefit costs, possibly because most of its bus drivers and assistants are college students who are working part-time and do not receive benefits. Additionally, the District's bus routes were efficient with routes operating at 81 percent capacity.

Although the transportation program operated efficiently and at a low cost, some improvements could be made. For example, the District used fuel cards for field trips and athletic trips. However, there was inadequate oversight of the fuel cards' use, including incomplete documentation and no reconciliations of receipts to fuel card statements to help ensure that purchases were appropriate.

The District also did not adequately document its bus preventative maintenance. It cannot show that it conducted periodic evaluations of items, such as bus brakes, tires, and suspension systems. It also was missing pre-and post-trip inspection reports for 12 of the 30 bus files we reviewed.

Recommendations—The District should:

- Ensure that the fuel card sign-out sheet is properly completed and reconcile receipts to credit card statements.
- Ensure that bus preventative maintenance is conducted and documented.

Plant costs affected by excess space—

Tempe UHSD's per-square-foot plant cost was 12 percent lower than comparable districts', but it spent more of its available operating dollars on plant operations because it maintained excess space. Tempe UHSD operated 180 square feet per student compared to the comparable districts' average of 144 square feet per student and the State's 94-square-foot-minimum requirement.

Further, the District's extra square footage does not appear necessary as most of its schools operated well below their design capacity. In addition, the District's enrollment has begun declining recently, with about 430 fewer students attending in FY 2008 than in FY 2006.

Recommendation—The District should review the use of space at each of its schools and determine ways to reduce excess space.

Proposition 301 monies used to supplant other district monies—

In FY 2008, at least \$245,000 of Proposition 301 monies were used to supplant—that is, replace—other district monies previously used to pay for teacher salaries. We analyzed changes in the District's FYs 2007 and 2008 salary schedules and found that, without Proposition 301 monies, teacher salaries would have actually decreased between the two years. This indicates that Tempe has decreased the amount of other district monies going to teacher salaries, which means that teachers have not received the full salary increases intended by Proposition 301.

Recommendations—The District should:

- Ensure that Proposition 301 monies are used to supplement rather than supplant other monies.
- Reimburse the Classroom Site Fund for monies supplanted in FY 2008.

Classroom dollar percentage above state average—

In FY 2008, Tempe UHSD spent 58.2 percent of the dollars it received in the classroom compared to 55.3 percent spent in the classroom by comparable districts and 57.3 percent spent state-wide. The District could further increase its classroom spending if it reduced plant costs and used Proposition 301 monies to supplement and not supplant existing funding.

English Language Learner (ELL) program should follow ELL model—

Tempe UHSD needs to modify its Structured English Immersion (SEI) program to be in compliance with state requirements. Specifically, the District incorrectly used Individual Language Learner Plans at one school that had more than 20 ELL students instead of providing language instruction in an SEI classroom and did not provide the required number of hours of language instruction to ELL students at another school. The District also over-reported its number of ELL students in FY 2009.

Recommendations—The District should:

- Ensure its SEI program meets all state requirements.
- Accurately report its number of ELL students.