

## Arizona School Facilities Oversight Board

**Board has taken steps to meet some statutory responsibilities, but has not ensured the accuracy of student enrollment projections or reviewed consistent information when approving districts' square footage reduction requests, increasing its risk of approving State monies to build new school facilities that are not needed**

### Audit purpose

To assess the Board's process for meeting its statutory responsibility to review requests and approve funding for public school districts' (districts) construction of new school facilities, including reviewing and revising districts' enrollment projections and approving or denying square footage reductions for school buildings that have been condemned or are at the end of their useful life, and respond to the statutory sunset factors.

### Key findings

The Board:

- Has taken steps to meet its statutory responsibility to certify that plans for new school facilities meet building adequacy standards and has updated its rules establishing minimum adequacy guidelines for school facilities.
- Is required to approve or revise districts' enrollment projections when reviewing requests for New School Facilities (NSF) Fund monies to expand/build new school facilities, but had not implemented our 2021 recommendations to improve its enrollment projection review process, which could result in districts receiving NSF Fund monies to accommodate student enrollment growth that does not materialize and inefficient use of district resources.
- Analyzed 1 year of data to assess the accuracy of its enrollment projections compared to districts' self-reported enrollment projections but had not developed a process to review this information on a regular basis, hindering its ability to improve the accuracy of its enrollment projection review process.
- Reviewed inconsistent information when approving district square footage reduction requests based on buildings' end of useful life, increasing the risk of making inappropriate determinations on whether buildings are at the end of their useful life and related requests to fund new buildings with NSF Fund monies, but developed a policy for this process during the audit.
- Is required to contract for inspections of each school building in the State every 5 years to ensure districts' compliance with building adequacy standards, a requirement that is mostly duplicated by the Arizona Department of Administration's Division of School Facilities, which is similarly required to conduct or contract for inspections of school buildings in the State every 5 years.

### Key recommendations

The Board should:

- Revise its enrollment projection review process consistent with our 2021 recommendations.
- Develop and implement policies and procedures for assessing the accuracy of its enrollment projections.
- Develop written procedures or other written guidance for implementing its policy related to square footage reductions based on buildings' end of useful life.
- Work with the Legislature to clarify and/or revise statutory school building inspection requirements.