

## East Valley Institute of Technology Report 2 of 2

**District has not developed and implemented comprehensive capital and strategic plans to ensure its spending for capital projects is efficient and does not negatively impact its career and technical education (CTE) programs, and that projects provide intended benefits**

### Audit purpose

To evaluate the District's planning and procurement activities associated with recent construction projects on its central campuses.

### Key findings

- Contrary to recommended practices, District lacked a comprehensive multiyear capital plan and a strategic planning process applicable to all capital projects.
- District risks not meeting the legislative intent to construct and furnish a 64-bed transitional housing facility for foster youth (HopeTech) within the \$10 million appropriated for the facility because it did not plan for all associated costs, including furnishing, prior to initiating and approving construction contracts.
- District has not planned for and determined the services it will offer to foster youth residing at HopeTech, the ongoing costs to operate the facility, or how it will pay for operations and maintenance.
- District risks not recouping about \$500,000 of the \$1.3 million it was approved to spend on renovations to a campus building for lease to a charter school operator because it did not evaluate whether the scope and cost of the project was appropriate for the amount it could reasonably expect to receive from the lease.
- District did not provide its governing board with the information necessary to evaluate approximately \$10.8 million in proposed construction spending for HopeTech and the building renovation project prior to approval.

### Key recommendations

The District should:

- Develop and implement a formal multiyear capital plan for its central campuses that includes components such as capital needs, maintenance requirements, funding options, and operating budget impacts.
- Develop and implement a formal strategic planning process to ensure that issues such as CTE program needs, costs, benefits, time frames, resources, and potential fiscal impacts are addressed for new capital projects.
- Develop and implement a formal strategic plan for operating HopeTech that includes information about such things as services to be offered, operation and maintenance costs, funding sources, and potential impacts on CTE programs, and present this plan to its Board.
- Determine the current costs and benefits of the charter school lease and operations on its campus and identify future goals to help guide decisions about the lease going forward and present this information to its Board.