Auditor's Comments on ASDB's response

The Joint Legislative Audit Committee requires all agencies to respond to whether they agree with audit findings and plan to implement the recommendations. We appreciate ASDB's response, including its agreement to implement or implement in another manner all recommendations. However, ASDB has included certain statements in its response that necessitate the following clarification. Specifically,

Chapter 2: Complaints

As outlined in its response, ASDB did not agree to the finding's statement that its actions related to complaints could potentially affect student and staff safety, and asserts that ASDB prioritizes staff and student safety, including by putting investigated staff on administrative leave. However, as discussed in Chapter 2, pages 13 to 17, ASDB did not explicitly prioritize any of the complaints it received between August 2024 and June 2025, based on factors that could impact student and staff safety, and did not have policies, procedures, or guidance detailing a prioritization process. Additionally, our report does not indicate that any of the 15 complaint files we reviewed had staff that had been placed on administrative leave during the investigation, including substantiated complaints of sexual harassment, and none of ASDB's existing complaint policies specify when putting a staff member on administrative leave in relation to a complaint allegation would be required. Implementing the recommendations included in Chapter 2 will help ensure that ASDB is addressing complaints in a timely manner and effectively ensuring student and staff safety.

Chapter 3: Background Checks

As outlined in its response, ASDB asserts that it obtains and reviews all fingerprint background checks using a yearly tracking spreadsheet to monitor compliance. However, as discussed in Chapter 3, pages 18 to 20, we found that the tracking spreadsheets ASDB maintained during the audit period were incomplete – which ASDB acknowledges in its response – and as a result did not contain sufficient details for us to corroborate that ASDB did obtain and review the required fingerprint background checks.

In its response, ASDB also states that we clarified that background check records should align with the Arizona State Library and Archives Personnel Files retention schedule. However, our report and recommendations do not specify that ASDB's retention of background check records should align with the Arizona State Library and Archives Personnel Files retention schedule. Throughout the course of the audit, ASDB provided or directed us to 10 individual requirements associated with the retention of background check information. As stated in Chapter 3, page 20, we found ASDB had not established internal policies, procedures, or written guidance defining which retention requirements for background-check documentation it will follow, to include the specific information that will be captured or retained.

Finally, ASDB states in its response that the audit report may misinterpret ASDB policy. However, ASDB did not separately provide us with specific instances within the report where this misinterpretation was evident, nor does its response provide such instances. For example, the statement provided in its response following its claim that we have misinterpreted policy restates A.R.S. §15-1330 requirements for non-certificated personnel, which is included on pages 18 to 20 of the audit report, and is the criteria against which we assessed ASDB's compliance. ASDB also noted that its internal policy is more stringent than A.R.S. §15-1330 for non-certificated staff because it requires non-certificated staff to submit fingerprints within 7 days of employment, rather than the 20-day period required by A.R.S. §15-1330(B). However, the findings in Chapter 3 are based on the 20-day period, which means that ASDB also did not meet its more stringent requirement of 7 days.

Chapter 8: Internal Controls

In its response, ASDB states that “there is no evidence to support the premise that ASDB leaders mismanaged...” However, the findings, conclusions, and recommendations included in Chapters 1 through 7 of the report, as summarized in Chapter 8, pages 38 to 42, clearly demonstrate that ASBD’s system of internal control contains a number of deficiencies that have limited its ability to ensure educational quality or student safety and to manage its day-to-day operations. These chapters include 39 recommendations designed to improve ASDB’s management of its day-to-day operations and achievement of statutory objectives.

ASDB also states that there is no evidence to support the premise that leaders “engaged in intentional wrong-doing,” but the audit report does not make this assertion, and we have not referred any individuals for further investigation as a result of this work.

Chapter 9: Tucson Campus Relocation

ASDB’s response to Chapter 9 contains numerous assertions that are contradicted by the evidence and detailed timeline provided within Chapter 9, pages 43 through 49, and the associated Appendix I, pages 97 to 100. Most significantly, ASDB states that the relocation announcement followed its established governance process, including presentations in public meetings and Board approval prior to implementation. However, all of the stated activities occurred *after* the decision was announced to the public. As evidenced by our audit report and the publicly available communications, stakeholders were not provided with any opportunity to discuss the decision or potential alternatives before the decision was presented as final. As one example, the initial communication did not include any statement that the decision required or was pending ASDB Board approval.

Additionally, in its response, ASDB states that “A revised Master Facilities Plan could not be prepared until the Board had sufficient information regarding future enrollment, educational programming, staffing levels, and long-term operational requirements.” However, this statement fails to acknowledge that ASDB’s existing Master Facilities Plan was completed in 2024, less than two years prior to the 2026 organizational decision. At that time, the Master Facilities Plan noted that the Tucson Campus had been experiencing a decline in enrollment but had started to see a stabilization of enrollment ranging from 115 to 150. These numbers align with the enrollment numbers presented by ASDB as justification for the relocation. Although the Master Facilities Plan presented two potential scenarios for each campus to address ASDB’s aging infrastructure and enrollment numbers, moving to a leased facility was not included as a potential option.

Furthermore, unlike the 2026 organizational changes, the process to develop the 2024 Master Facilities Plan included significant public involvement and assessment of alternative scenarios prior to finalization. Specifically, between June 2023 and March 2024, ASDB held 14 stakeholder meetings, at which the scenarios were presented and feedback was obtained and documented.