





Arizona State Schools for the Deaf and the Blind

24-Month Followup of Report 22-109

The September 2022 Arizona State Schools for the Deaf and the Blind (ASDB) performance audit and sunset review found that ASDB provides sensory impaired students in the State with educational and support services and has processes for maintaining its campus schools' accreditation but has not developed a multiyear capital plan, impacting its ability to address its capital improvement needs, and it may be collecting more revenue than needed to administer its Itinerant Services Program. We made **15** recommendations to ASDB, including subparts to the recommendations.

Board's status in implementing 15 recommendations

Implementation status	Number of recommendations
 Implemented	4 recommendations
 In process	8 recommendations
 In process in a different manner	1 recommendation
 Not implemented	2 recommendations

On December 10, 2024, the Joint Legislative Audit Committee authorized the Auditor General to contract for a forensic and performance audit as part of ASDB's sunset review to examine its financial activities, operations, and student outcomes. As a result, rather than conducting a separate followup of the 11 outstanding recommendations, ASDB's efforts to implement these recommendations will be assessed as part of its sunset review, which is due by October 1, 2026.

Recommendations to the Board

Finding 1: ASDB has not developed and implemented a multiyear capital plan and projected capital budget, hindering its ability to address capital improvement needs in a timely and cost-effective manner

1. ASDB should develop and implement a comprehensive, multi-year capital plan and projected capital budget that assesses, identifies, and documents its capital needs, consistent with GFOA best practices. The comprehensive, multi-year capital plan and projected capital budget should:

a. Cover a period of at least 3 years.

▶ Status: **Implemented at 24 months.**

ASDB has developed and implemented a capital improvement and planning policy that requires the establishment of a capital review committee with responsibilities for developing and maintaining a comprehensive list of all buildings; developing a 3-year projection of all capital funding projects and budgets, including those for capital improvement and building renewal projects; and annually reviewing ASDB program requirements and student demographic information to adopt any changes to its long-range facility plans.

ASDB's capital review

committee has developed a 3-year capital improvement plan (CIP)—

Consistent with its policy, ASDB established a capital review committee. This committee has developed and annually updated a CIP, established 5 categories/criteria for prioritizing proposed building construction and renovations, and contracted for the development of a master facility plan, which includes a facility

Key terms

Capital funding—For the purposes of this followup, capital funding refers to monies appropriated to pay for capital projects and building renewal projects through the State budget process. This definition excludes other types of capital purchases such as vehicles, furniture, and equipment.

Capital projects—Buildings, structures, facilities, and areas constructed for use or benefit of the State. Capital projects generally involve new construction, such as new buildings, building additions, or infrastructure, as well as extensive remodeling.

Building renewal projects—Major activities that involve the repair or reworking of a building and its supporting infrastructure that will result in maintaining the building's expected useful life. Building renewal does not include new building additions, new infrastructure additions, landscaping and area beautification, routine preventive maintenance, or demolition and removal of a building.

Capital improvement plan (CIP)—A plan that assesses capital project and building needs over a multiyear period.

Source: Auditor General staff review of Arizona Revised Statutes (A.R.S.) §§41-790 and 41-793.

needs assessment and student demographic information. Specifically, the committee has developed a CIP that identifies ASDB’s capital improvement needs, including the full extent of each project’s scope, proposed timing of the project, and associated costs and budgets for a period of at least 3 years. According to its fiscal year 2026 CIP, ASDB has identified nearly \$71 million in needed capital improvements for fiscal years 2026 through 2028 (see Table 1 below). These improvements include consolidation, renovations, and new construction on its Tucson campus (see page 7); renovating and converting an existing building that is currently unusable due to mold to a new centralized deaf programs center to accommodate American Sign Language (ASL)/Spanish language interpreters; converting and renovating office space to additional classroom space; and demolishing antiquated and unusable buildings that pose a health and safety risk.¹

Table 1
ASDB’s fiscal year 2026 CIP budget request submitted to the Arizona Department of Administration (ADOA) included 13 capital improvement projects for new building construction, renovation, or demolition during fiscal years 2026 through 2028^{1,2}

Fiscal year	ASDB capital improvement project	Campus	ASDB project description	Costs
2026	Pre-K - 12th grade school and consolidation of campus	Tucson	Consolidation of campus, renovation of existing buildings, and construction of new Pre-K - 12th grade school to align with Arizona Administrative Code space requirements, reduce costs of utilities, and reduce future building renewal needs due to antiquated campus.	\$47,373,304
2026	Birth-to-5 center	Phoenix	New construction of Birth-to-5 center to provide additional space for increased populations requiring specialized space and equipment.	11,342,697
2026	Deaf programs building	Phoenix	Renovation of current unsafe building into new deaf programs building to house ASL/Spanish language interpreters and central office for the Deaf Mentor Program.	791,198
2026	Drivers apartment wash bay	Tucson	Demolition of building beyond its usable life and posing a health and safety risk to use the concrete pad as a location to wash other equipment.	55,000
2026	Live-in portable building	Tucson	Demolition of building beyond its usable life and posing a health and safety risk.	150,000
2026	Clifford spa	Tucson	Demolition of building beyond its usable life and posing a health and safety risk.	55,000

¹ According to invoices provided by ASDB, it contracted for remediation of the mold in a building on its Phoenix campus in June 2024.

Table 1 continued

Fiscal year	ASDB capital improvement project	Campus	ASDB project description	Costs
2026	Spray booth	Tucson	Demolition of building beyond its usable life and posing a health and safety risk.	15,000
2026	Vocational building	Tucson	Demolition of building beyond its usable life and posing a health and safety risk.	600,000
2026	Gym building	Tucson	Renovation of gym building due to age and condition of the building.	2,180,454
2026	Maintenance building	Tucson	Renovation of 2 buildings to house transportation and facilities departments as part of planned campus consolidation.	861,212
2027	Track and field system renovation	Phoenix	Replace current track and field system to accommodate athletic programs	3,997,551
2027	Career and Technical Education Center	Phoenix	Renovate building to a new Career and Technical Education Center.	1,547,150
2028	Occupational therapy, physical therapy, student recreation, and flex classrooms	Phoenix	Renovate building for flexible classrooms, student recreation center, and flexible office space.	2,025,250
Total				\$70,993,815

¹ ASDB's CIP also identifies 9 additional capital improvement projects for fiscal years 2029 through 2036 at an estimated cost of nearly \$17.3 million. These projects include renovating classrooms and office space in fiscal year 2029, ASDB's sports and performing arts building in fiscal year 2034, and additional buildings in fiscal years 2035 and 2036.

² These capital improvement projects are listed in priority order as designated by ASDB.

Source: Auditor General staff review of ASDB documentation.

ASDB has also identified and included in its fiscal year 2026 CIP 19 building renewal projects with an estimated cost of nearly \$30 million (see Table 2 on pages 5 through 6). These projects include nearly \$5 million to replace antiquated roof systems on various buildings, approximately \$6 million to repair all damaged sidewalks and drainage systems, \$2.5 million to upgrade current playgrounds to provide Americans with Disabilities Act (ADA) accessibility, and more than \$4 million to replace antiquated heating, ventilation, and air conditioning (HVAC) systems.

Table 2

ASDB’s fiscal year 2026 capital improvement plan budget request submitted to ADOA included 19 building renewal project requests to replace or repair buildings, equipment, and other infrastructure during fiscal year 2026¹

ASDB building renewal project	Campus	ASDB project description	Costs
Electrical switchgear replacement/service	Phoenix and Tucson	Replace and or service antiquated switchgear	\$1,950,000
Kachina building post replacements	Tucson	Replace termite and water damaged porch posts	90,200
Roof replacements	Phoenix and Tucson	Replace antiquated roof systems on various buildings	4,950,000
HVAC replacements	Phoenix and Tucson	Replace antiquated HVAC systems that are beyond their useful life	4,070,000
Light pole replacements	Tucson	Replace damaged/rusted light poles	80,000
Electrical system replacements	Phoenix and Tucson	Replace all main breaker panels and inspect and repair electrical systems	730,000
Playground replacements	Phoenix and Tucson	Upgrade current playgrounds and include ADA accessibility	2,500,000
Classroom/hallway carpet replacement	Phoenix and Tucson	Remove and replace antiquated flooring systems	551,650
Sidewalk and drainage systems improvements	Phoenix and Tucson	Repair all damaged sidewalks and address drainage concerns	5,996,635
Window replacements	Phoenix and Tucson	Replace antiquated windows	1,860,000
Hot water system replacements	Phoenix and Tucson	Replace all antiquated boilers, hot water heaters and related pumps	605,000
Energy management system (EMS) upgrades	Phoenix and Tucson	Replace local thermostats to cloud based EMS system	250,000
Perimeter fence repairs and upgrades	Phoenix and Tucson	Upgrade or repair fences	600,000
Water main replacements	Phoenix and Tucson	Replace all water mains from meter to the building including backflows	1,000,000
Parking lot repairs and replacements	Phoenix and Tucson	Repair and replace antiquated parking lots and driveways	2,275,000
Plumbing lining	Phoenix	Line all main lines and laterals on all buildings	1,000,000
Light-emitting diode (LED) lighting upgrades	Phoenix	Replace all interior and exterior lighting with LED lighting systems	736,000

Table 2 continued

ASDB building renewal project	Campus	ASDB project description	Costs
Marquee replacements	Phoenix and Tucson	Replace the marquees	150,000
Master meter demise	Phoenix	Demise the master meter to individual meters	350,000
Total			\$29,744,485

¹ These building renewal projects are listed in priority order as designated by ASDB.

Source: Auditor General staff review of ASDB documentation.

ASDB provided its CIP to the ADOA for inclusion in ADOA’s annual State-wide CIP.² ADOA compiles and prioritizes a State-wide CIP based on agency requests and submits this CIP to the Governor and Legislature. Although ASDB reported submitting its fiscal year 2026 CIP for inclusion in ADOA’s State-wide CIP in June 2024, it has yet to receive funding for the requested capital improvement or projects but reported receiving more than \$2.4 million for its building renewal projects in January 2025.³

ASDB prioritizes capital improvement projects based on 5 different categories/criteria—To help develop its CIPs, ASDB’s capital improvement process specifies 5 categories/criteria for prioritizing projects to include in its CIP. In priority order, the 5 categories are health and safety, ADA compliance, purchases involving required equipment, technology needs, and building improvements. For example, among both capital improvement and building renewal projects included in its fiscal year 2026 CIP, ASDB requested approximately \$875,000 to address health and safety concerns, nearly \$8.5 million to address ADA compliance issues, and approximately \$83.8 million for building improvements.⁴ Although the committee should prioritize and recommend capital improvement projects based on these categories/criteria in accordance with its capital improvement and planning policy, ASDB reported the committee may consider other factors for prioritizing capital improvement needs and projects. These include considering the criticality of addressing identified building repairs or use limitations, building lifespan, equipment needs, length of time since the capital improvement request was submitted, and available funding. According to its capital improvement and planning policy, the capital review committee should use this information to recommend which capital improvement project requests to fund in a given fiscal year, with ASDB’s Superintendent providing the final approval.

² The capital review committee developed and ASDB submitted to ADOA a fiscal year 2025 CIP that included approximately \$34 million in capital improvement and building renewal project requests. ADOA included approximately \$10 million of this request in its State-wide fiscal year 2025 CIP. However, ASDB has not received this requested funding. Through its review process, the capital review committee updated its capital improvement needs in its fiscal year 2026 CIP by adding a new \$47 million Pre-K - 12th Grade school project and adjusting the estimated costs of several other projects. This included adding nearly \$5.6 million to the estimated costs for its Birth-to-5 Center and decreasing estimated renovation costs for another building by more than \$600,000.

³ The building renewal funding included \$950,000 for electrical switchgear replacements, \$900,000 for HVAC replacements, \$300,000 for roof replacements, \$200,000 for EMS upgrades, and \$122,000 for fencing and lighting replacements.

⁴ These requests include monies to purchase required equipment or technology needs related to some projects.

ASDB contracted for the development of a master facility plan to assist in planning for its capital improvement needs—

In addition to the capital improvement plan, the committee is responsible for developing and periodically updating a master facility plan. ASDB contracted with LEA Architects and DigStudio to develop a master facility plan that includes a comprehensive list of all ASDB buildings and information such as building use, condition, expected lifespan, and estimated maintenance costs and published this plan on its website in 2024.⁵ The plan also includes an evaluation of all mechanical, plumbing, and HVAC systems on its Tucson campus, and an evaluation of current and historical student populations and building utilization for its Tucson and Phoenix campuses. For example, the number of students at ASDB’s Tucson campus has decreased from a high of approximately 375 students in 1980 to approximately 150 students in 2023. However, despite this significant decrease in its student population, ASDB’s Tucson campus has remained at approximately 346,000 square feet of building space. ASDB’s master facility plan identifies the following 2 options for addressing its declining student population and constant and aging building space:

- Option 1: Consolidate the Tucson campus from approximately 50 to 34.1 acres via the potential sale, lease, or transfer of land; reduce 346,000 square feet of building space to 180,000 square feet of usable building space through demolition of antiquated buildings and renovation of other buildings for dormitories, classrooms, office spaces, and library space; and construct a new preschool building.⁶ The estimated cost for this option totals approximately \$44.5 million and does not account for the proceeds from any sale, lease, or transfer of land. According to ASDB documentation, in July 2023, ASDB received an appraisal of \$7,218,000 for the approximately 15.9 acres of land it designated for potential sale, lease, or transfer.
- Option 2: Consolidate the Tucson campus from approximately 50 to 25.2 acres via the potential sale, lease, or transfer of land; demolition of nearly every building with the exception of the existing athletic building, performing arts center, maintenance building, and museum; and the construction of 98,550 square feet in new dormitories, classrooms, office space, and library space across the campus. The estimated cost for this option totals approximately \$38.2 million. This cost also does not account for any proceeds, sale, lease, or transfer of land, and ASDB did not obtain an appraised value for the approximately 24.8 acres of land, which includes the 15.9 acres of land discussed in Option 1.⁷

⁵ LEA Architects & DigStudio. (2024). Master Facility Plan. Arizona State Schools for the Deaf and Blind (ASDB). Retrieved 12/1/2024 from <https://asdb.az.gov/master-facilities-plan/>

⁶ A.R.S. §15-1304 specifies that the grant of 100,000 acres of land for ASDB made by the 1910 Arizona Enabling Act, or the proceeds of such lands if they are sold or otherwise disposed of, is forever reserved for the use and benefit of ASDB. Any sales, exchanges, or commercial leases exceeding 10 years of this land must receive majority approval of the voting members of ASDB’s Board of Directors. Additionally, relating to lands donated to ASDB, such as the Tucson campus, A.R.S. §§15-1303(C)(4) and 15-1323 designate ASDB as the trustee of all donated land for the benefit of the school and, according to Arizona Attorney General opinion I84-033, if ASDB determines land is no longer suitable, ASDB may sell or exchange the land and retain those proceeds.

⁷ ASDB reported that it did not obtain an appraisal for the approximately 24.8 acres of land because it was not included in the contractor’s original scope of work. Although not required to obtain an appraisal, doing so would provide ASDB information on the market value of its land and improvements.

ASDB has identified potential funding sources—Finally, ASDB’s capital improvement and planning policy identifies sources of available financing to help fund capital improvement projects and ongoing operating and maintenance costs. These sources include State monies through the ADOA CIP request process, separately requesting funding from the Legislature, and submitting capital improvement needs information to the Governor’s Office of Strategic Planning and Budgeting. Although ASDB reported it is still working to develop the necessary financing strategies to fully fund its identified capital improvement projects following reductions to its fiscal year 2025 budget, as previously mentioned, in June 2024, it developed and reported submitting a formal fiscal year 2026 capital improvement budget request for inclusion in ADOA’s State-wide CIP. Additionally, as part of its master facility plan, ASDB indicated it may consider the following funding sources: continued submissions to ADOA for inclusion in the State-wide CIP; State General Fund appropriations; grant funds from federal, State, and local sources; anticipated surplus property and/or land sales, leases, or transfers; and public-private partnerships, capital fundraising, and philanthropic contributions from donors.

Although not specifically indicated in its master facility plan as potential funding sources for capital improvement, statute authorizes various funds for ASDB’s use. Statutes for some of these funds do not restrict the use of these monies, and these monies may be available to help pay for capital improvement costs. As of June 30, 2024, monies in these funds totaled nearly \$3.9 million (see Table 3 on page 9).⁸ Specifically:

- The Schools for the Deaf and Blind Fund consists of monies collected from the expendable earnings of the land grant managed by the Arizona State Land Department (see footnote 4, page 6, for more information on the land grant), Arizona Department of Education (ADE) educational vouchers for deaf and blind students, and over-age and nonresident student fees. As of June 30, 2024, this fund had a balance of more than \$3.3 million. Although statute does not restrict the use of monies in this fund, the Legislature must appropriate monies from this fund for ASDB’s use.
- The Enterprise Fund consists of monies received from fees, rentals, and other charges from the nonschool use of facilities. As of June 30, 2024, this fund had a balance of nearly \$380,000. Statute does not restrict the use of these monies, and these monies are not appropriated by the Legislature.
- The Trust Fund consists of monies received from private endowment, which are outside the control of the State Treasurer and are held by the ASDB Board. As of June 30, 2024, this fund had a balance of more than \$160,000. Statute does not restrict the use of these monies, and these monies are not appropriated by the Legislature. However, ASDB policy lists some intended uses of monies in this fund and limits annual spending from this fund to 6 percent of the principal amount. Intended uses include providing assistance devices necessary for student education that parents may not be able to afford; outdoor activities that

⁸ According to ASDB documentation, it has used monies from 2 of the funds to pay for capital improvement projects, such as HVAC repair and maintenance.

will assist students in developing self-confidence and enhance their motivation for learning and that parents may not be able to afford, such as skiing, rafting, hiking, and camping; and staff development activities that encourage the development of new techniques and strategies to increase the effectiveness of ASDB programs.

Table 3
ASDB fund monies potentially available for capital improvement and building renewal projects

Fund name	Fund type	Statute	June 30, 2024 ending balance
Schools for the Deaf and Blind Fund	Permanent Trust Funds	A.R.S. §15-1304	\$3,343,134
Enterprise Fund	General	A.R.S. §15-1323	377,734
Trust Fund	General	A.R.S. §15-1303	161,465
Total			\$3,882,333

Source: Auditor General staff review of the *State of Arizona Annual Financial Report* for fiscal year 2024 and statute.

- b.** Identify and prioritize expected capital needs by creating a schedule for those needs based on each major capital asset’s lifespan.
 - ▶ Status: **Implemented at 24 months.**
 See explanation for recommendation 1a.
- c.** Determine the full extent of each project’s scope, timing, and cost.
 - ▶ Status: **Implemented at 24 months.**
 See explanation for recommendation 1a.
- d.** Develop financing strategies to implement projects and fund ongoing operating and maintenance costs.
 - ▶ Status: **Implementation in process.**
 See explanation for recommendation 1a. ASDB’s implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.
- e.** Adopt a formal capital budget as part of ASDB’s annual or biannual budget process that is directly linked to, and flows from, the multiyear capital plan.
 - ▶ Status: **Implementation in process.**
 See explanation for recommendation 1a. ASDB’s implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.

2. ASDB should develop and/or update and implement multi-year capital planning policies and procedures that include the following:
 - a. Guidelines for creating and updating a multi-year capital plan and budget, and for coordinating multiyear capital projects, including the promotion of long-term operational and capital financing strategies.
 - ▶ Status: **Implementation in process.**

Although ASDB’s capital improvement and planning policy specifies several processes for developing and maintaining a multiyear capital improvement plan and associated budgets, the policy does not include guidelines for coordinating multiyear capital projects or promoting long-term operational and capital financing strategies. ASDB’s implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.
 - b. Requirements for regularly updating planning and associated documentation to determine development or infrastructure needs as conditions change.
 - ▶ Status: **Implementation in process.**

See explanation for recommendation 1a. ASDB’s implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.

Sunset Factor 2: The extent to which the agency has met its statutory objective and purpose and the efficiency with which it has operated.

3. ASDB should develop and implement policies and procedures to periodically review the appropriateness of its Itinerant Services Program (Program) fees and voucher reimbursement amount, including analyzing the costs of its processes and the services it provides, comparing these costs to the associated fees, and determining the appropriate fees and reimbursement amounts, and revise its fees and reimbursement amounts accordingly.
 - ▶ Status: **Not implemented.**

In January 2024, ASDB adopted a policy that requires its finance office to develop and implement policies and procedures for periodically reviewing its Program fees and voucher reimbursement amount. As of February 2025, ASDB developed an additional draft policy and procedures that require regular cost analysis of all fees, reimbursements, and services, including direct and indirect costs associated with providing each service. This policy also requires a comparison of forecasted revenues with actual revenues, including assessing any fluctuations in revenue and analyzing revenues generated by fees and services against its associated costs to identify potential areas for optimization. Although ASDB performed a review of Program revenues and expenses as of July 2024 prior to developing the draft policy and procedures and found its revenues exceeded expenses, it has not revised Program fees or voucher reimbursement amounts. As a result, its Cooperative Services Fund balance continues to increase. Specifically, as shown in Table 4 (see page 11), this Fund’s

fiscal year ending balance has increased from approximately \$4.4 million in fiscal year 2021 to more than \$13 million in fiscal year 2024. Most recently, Program revenues exceeded Program expenses by nearly \$2.4 million, according to ASDB’s initial review and documentation. By not aligning its Program fees with its Program costs, ASDB continues to receive more monies from public school districts that these districts could instead be using for other purposes, such as to reduce class sizes, increase teacher pay, and provide other special education service needs.

Table 4
ASDB’s Program revenues exceeded expenditures for fiscal years 2021 through 2024, continually increasing its Cooperative Services Fund balance

	Fiscal year			
	2021	2022	2023	2024
Total net revenues	\$16,964,134	\$18,567,363	\$17,391,692	\$17,808,034
Total expenditures	15,575,192	14,279,178	15,403,406	15,420,945
Budget surplus	1,388,942	4,288,185	1,988,286	2,387,089
Cooperative Services Fund ending balance	\$4,417,370	\$8,705,555	\$10,693,841	\$13,080,930

Source: Auditor General staff review of ASDB documentation and State of Arizona Annual Financial Report for fiscal years 2021 through 2024.

ASDB reported that it plans to increase voucher reimbursement amounts and eliminate the membership fee for participating schools beginning in fiscal year 2026. ASDB also reported that it has met with various internal and external stakeholders, including school districts, to discuss revising its Program funding model. ASDB reported that potential changes include eliminating the membership fee, eliminating the current fee-for-service structure for a voucher-based system, or eliminating voucher reimbursements and moving to a full fee-for-service structure. ASDB’s implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.

- ASDB should develop and implement policies and procedures for analyzing post-school outcomes (PSO) surveys agency-wide, including using ADE’s PSO data-based action planning template to help it identify predictors of post-school success and to develop standardized action planning steps for improving transition services.

► Status: **Implementation in process in a different manner.**

Although ASDB’s response to the sunset review report indicated it would implement this recommendation, during this followup, it reported that it is no longer planning to develop a formal policy but has developed a procedure for analyzing PSO surveys agency-wide. This procedure requires ASDB to identify and inform students about the upcoming survey, identify staff responsible for gathering information, annually obtain information from recent graduates, and use ADE’s PSO data-based action-planning template to create an action plan on key areas. These key areas include career

development, student skills, transition-planning process, motivation, and collaboration with parents and the community. Finally, ASDB's procedure for developing its action plan includes steps for staff to identify trends among student groups, compare results to State-level data, observe other school programs that are getting better results, and ensure staff have the needed expertise. In December 2023, ASDB reported it used this process and created an action plan to provide a series of transition workshops to its high school students that would introduce them to concepts of goal setting, self-advocacy, self-determination, autonomy, self-realization, and empowerment. In April 2024, ASDB provided workshops to high school students at both of its campuses focused on self-determination and developing related skills and, in August 2024, began providing weekly skills instruction on self-determination and self-efficacy to its Phoenix campus students. ASDB reported that it plans to annually perform an analysis of PSO survey data. However, in 2024, ASDB reported working with ADE to jointly develop a corrective action plan that includes action items addressing PSO and other special education action items jointly identified with ADE, such as ensuring its Individualized Education Programs document the student's eligibility for alternate assessments, and did not conduct a separate PSO analysis. ASDB's processes for assessing student educational outcomes, including PSO, and taking action to improve these outcomes will be further assessed during its sunset review, which is due by October 1, 2026.

Sunset Factor 3: The extent to which the agency serves the entire State rather than specific interests.

5. ASDB should develop and implement conflict-of-interest policies and procedures to help ensure it complies with State conflict-of-interest requirements and follows recommended practices, including:
 - a. Requiring all employees and Board members to complete a conflict-of-interest disclosure form upon hire/appointment, and reminding them at least annually to update their form when their circumstances change, including attesting that no conflicts exist, if applicable, consistent with State requirements and recommended practices.

▶ Status: **Implementation in process.**

ASDB revised its conflict-of-interest policies and procedures to require employees and Board members to complete a conflict-of-interest disclosure form (disclosure form) upon hire or appointment and when their circumstances change. Additionally, ASDB revised its employee and Board member disclosure forms to include an "affirmative no" statement, requiring employees and Board members to attest that they do not have any potential conflicts of interest. As of September 2023, all ASDB Board members had completed the required disclosure form. Additionally, as of February 2025, ASDB reported that it had obtained disclosure forms from 664 of 708 employees, or approximately 94 percent of its employees. Additionally, ASDB revised its conflict-of-interest policies to require annual conflict-of-interest training, which includes a reminder for employees and Board members to update their form when their circumstances change. ASDB began implementing this annual training in July 2023, and as of February 2025, our review of ASDB's training log found

that 704 of 708 ASDB employees have completed the training after January 2024.⁹ Finally, in August 2023, ASDB provided this training to 6 of 7 Board members. ASDB's implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.

- b.** Storing all substantial interest disclosures in a special file available for public inspection, as required by statute.

- ▶ Status: **Not implemented.**

ASDB has not established a special file available for public inspection for substantial interest disclosures, including substantial interest disclosures made on completed disclosure forms and Board member recusals during Board meetings. Although it reported all completed disclosure forms, including those that do not report a substantial interest disclosure, are retained in its personnel system and can be queried for public inspection, this process does not satisfy the statutory requirement to establish a special file. Additionally, ASDB's personnel system does not have information on Board member recusals. ASDB reported it will establish the required special file by the end of fiscal year 2025. ASDB's implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.

- c.** Establishing a process to review and remediate disclosed conflicts, consistent with recommended practices.

- ▶ Status: **Implementation in process.**

ASDB has revised its conflict-of-interest policies to outline a process for reviewing and remediating conflicts disclosed by employees or Board members. According to the policies, if an employee discloses a conflict, the employee's supervisor and ASDB's assistant superintendent must review and determine whether any remediation is necessary and, if so, work with ASDB's human resources department to develop a plan to remediate the conflict. These policies further specify that ASDB's legal counsel may assist its Superintendent or Board President in reviewing potential conflicts disclosed by Board members and state that Board members must recuse themselves from all discussions and votes related to a disclosed conflict. Our review of 5 employee disclosure forms submitted between November 2023 and May 2024 that disclosed conflicts found that ASDB adhered to its policies for reviewing and determining the need to remediate the disclosed conflicts. However, none of the 7 Board member disclosure forms submitted in August and September 2023 included disclosed conflicts that would have required review or remediation. ASDB's implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.

⁹ According to ASDB's conflict-of-interest training tracker, 1 of the remaining 4 employees took this training in September 2023, and 3 did not receive training as they were either out of the country or were separating from ASDB.

- ASDB should provide periodic training on its conflict-of-interest requirements, process, and form, including providing training to all employees and Board members on how the State's conflict-of-interest requirements relate to their unique program, function, or responsibilities.

▶ Status: **Implementation in process.**

In March 2023, ASDB revised its conflict-of-interest policies to require annual employee training on ASDB's conflict-of-interest policies. This training provides information on the State's conflict-of-interest requirements related to ASDB employees' unique programs, functions, and responsibilities. As discussed in recommendation 5a, ASDB began implementing the annual employee training in July 2023 and, as of February 2025, our review of ASDB's training log found that 704 of 708 ASDB employees have completed the training after January 2024.¹⁰ Finally, as discussed in recommendation 5a, in August 2023, ASDB provided training to 6 of 7 Board members on their unique statutory roles and responsibilities and relevant Board conflict-of-interest policies. ASDB's implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.

Sunset Factor 6: The extent to which the agency has been able to investigate and resolve complaints that are within its jurisdiction and the ability of the agency to timely investigate and resolve complaints within its jurisdiction.

- ASDB should develop and implement policies and procedures for tracking all complaints throughout the complaint resolution process, including establishing time frames for investigating and resolving all complaints.

▶ Status: **Implementation in process.**

ASDB has developed several policies related to complaint-handling. These policies outline roles and responsibilities for investigating complaints, steps for processing/ investigating complaints, steps for parties to complaints to appeal ASDB decisions, and time frames for resolving some types of complaints, ranging between 10 to 30 days depending on the nature of the complaint. However, ASDB has not yet established specific time frames for investigating and resolving all types of complaints it receives. For example, some complaint policies reference a nonspecific time frame for resolving a complaint, such as "as soon as reasonable." Additionally, although ASDB's complaint-handling policies establish different time frames for investigating some complaints based on the nature of the complaint allegations, its policies do not establish requirements for prioritizing complaints for review and investigation based on the severity of the complaint and/or complaint allegations. ASDB hired a complaint administrator in February 2024 to oversee some of its complaint-handling processes, including assisting with the implementation of its complaint-tracking system to track and monitor the investigation and resolution of all complaints. ASDB also contracted for the development of a complaint-tracking system and, in August 2024, reported implementing its new complaint-tracking system that includes a web-based portal

¹⁰ According to ASDB's conflict-of-interest training tracker, 1 of the remaining 4 employees took this training in September 2023, and 3 did not receive training as they were either out of the country or were separating from ASDB.

available to the public for submitting complaints and the ability to generate reports to assist employees with complaint tracking.

Prior to implementing its complaint-tracking system, ASDB used manual complaint logs to record and track complaints it received. Our review of all 46 complaints that were received and recorded on ASDB's complaint logs between January 1, 2024 and July 30, 2024, found that, according to the complaint logs, ASDB resolved 12 of these complaints within 10 days and another 12 within 11 to 30 days.¹¹ However, it required 31 days or more to resolve 13 complaints, and the remaining 9 complaints had been open between 70 and 148 days as of July 30, 2024, which exceed the time frames in policy. Additionally, although the complaint logs included the complaint open and closed dates and resolution for the 37 of 46 complaints that were closed, they did not include sufficient information for some of the 46 complaints to ascertain the nature and severity of the complaint, the source of the complaint or complainant, and the applicable complaint-handling policy.

Our further review of a stratified random sample of 7 of the 46 complaints, consisting of 2 ADA noncompliance complaints and 5 other complaints, found that ASDB documented the nature of the complaint, the complainant, and ASDB's handling of the complaint investigation for the 2 ADA complaints in accordance with its policies. However, at the time of our review, these 2 complaints were open, and we were thus unable to review if ASDB took all steps required by its policies to resolve the complaints. Additionally, our review of the remaining 5 complaints involving concerns about employee behavior, including alleged reporting to work under the influence of alcohol and inappropriate conduct with students, and found that ASDB did not fully document key complaint-handling information, such as describing the original complaint or steps ASDB took to investigate and resolve the complaints. For example, although ASDB provided a summary document for all 5 complaints that included brief descriptions of the complaints and how they were resolved, including dismissal of the complaint, requiring supervisor meetings, and memos of concern and direction, it did not provide documentation of the original complaint, its complaint investigation, or its process for resolving the complaint, including determining any disciplinary action. Absent this documentation, we were unable to determine whether ASDB staff followed ASDB's complaint-handling policies and appropriately resolved the complaint. ASDB's implementation of this recommendation will be further assessed during its sunset review, which is due by October 1, 2026.

8. ASDB should make complaint-handling information readily available on its website, including a description of ASDB's complaint-handling process and forms.

▶ Status: **Implemented at 24 months.**

As of December 2024, ASDB has updated its website to provide more readily available complaint-handling information. Specifically, ASDB includes a link to its complaint-handling policies and forms on its website and developed a web-based portal for its staff and members of the public to submit complaints.

¹¹ These complaints include allegations of ADA noncompliance and administrative complaints against teachers for allegations of inappropriate conduct, neglect of duty, and discourteous treatment.