

# ARIZONA STATE LEGISLATURE

## JOINT LEGISLATIVE AUDIT COMMITTEE

### Minutes of the Meeting

June 1, 2026

9:00 A.M., HHR 1

**Members of the public may access a livestream of the meeting here:**

<https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2026061000>

#### **Members Present:**

Senator Mark Finchem, Chair 2025

Senator Hildy Angius

Senator Eva Diaz

Senator Timothy "Tim" Dunn

Senator Catherine Miranda

Representative Matt Gress, Chair 2026

Representative Michael Carbone

Representative Sarah Liguori

Representative Michele Peña

Representative Betty J. Villegas

#### **Members Excused:**

Senator Warren Petersen, Ex-officio

Representative Steve Montenegro, Ex-officio

#### **Staff:**

Anna Nguyen, Senate Research Analyst

Montse Lavender, House Research Analyst

Chairman Gress called the meeting to order at 9:07 a.m. and attendance was noted.

The Arizona Auditor General's Office distributed a booklet entitled "Joint Legislative Audit Committee, June 1, 2026—9:00 a.m." (Attachment A).

Representative Gress offered opening remarks.

### **TOPOCK ELEMENTARY SCHOOL DISTRICT'S NONCOMPLIANCE STATUS WITH THE UNIFORM SYSTEM OF FINANCIAL RECORDS FOR ARIZONA SCHOOL DISTRICTS (USFR)**

#### **Presentation by the Arizona Auditor General's Office (Office)**

**Meghan Hieger, Director, Accountability Services Division, Arizona Auditor General's Office**, distributed and explained a PowerPoint presentation entitled "Topock Elementary School District; USFR noncompliance update" (Attachment B) and referenced the booklet entitled "Joint Legislative Audit Committee, June 1, 2026—9:00 a.m." (Attachment A). Ms. Hieger answered questions posed by the Committee.

The Committee offered comments.

Ms. Hieger answered additional questions posed by the Committee.

## **Presentation by Topock Elementary School District**

Representative Gress offered comments.

**Kaili Lee, Superintendent, Topock Elementary School District**, offered comments and answered questions posed by the Committee.

The Committee offered comments.

Ms. Lee answered additional questions posed by the Committee.

**Lacey Hewlett, Business Manager, Topock Elementary School District**, answered questions posed by the Committee.

The Committee offered additional comments.

**Lindsay Perry, Arizona Auditor General**, answered questions posed by the Committee.

**Meghan Hieger, Director, Accountability Services Division, Arizona Auditor General's Office**, answered questions posed by the Committee.

The Committee offered additional comments.

## **CONSIDERATION OF REQUEST FOR A FOURTH SPECIAL AUDIT OF ARIZONA SCHOOL DISTRICTS' AND CHARTER SCHOOLS' SCHOOL SAFETY PRACTICES**

Representative Gress offered comments.

**Lindsay Perry, Arizona Auditor General**, explained the special audit request related to school safety practices and referenced the booklet entitled "Joint Legislative Audit Committee, June 1, 2026—9:00 a.m." (Attachment A).

**Representative Teresa Martinez, Legislative District 16**, further explained her request for a special audit related to school safety practices and offered comments.

**Senator Finchem moved the request for a fourth school safety special audit and/or the request for a special audit of the Phoenix Union High School District. If JLAC approves the Office to conduct work to review the school-safety-related areas outlined in the special audit request as part of the fourth school safety special audit as recommended to include a sample of schools and Phoenix Union High School District, the Office will commence this work upon issuing the third school safety special audit, which is by December 31, 2026. Pursuant to JLAC's December 2023 resolution directing the Office to conduct the series of school safety special audits, if JLAC approves the fourth school safety special audit, it will be due on or before December 31, 2027.**

Ms. Perry answered questions posed by the Committee.

**Senator Finchem's motion CARRIED with a roll call vote of 10-0-0 (Attachment 1).**

## **PRESENTATION OF FISCAL YEARS 2027 AND 2028 SCHOOL DISTRICT PERFORMANCE AUDIT SCHEDULE**

**Scott Swagerty, Director, Division of School Audits, Arizona Auditor General's Office**, referenced the booklet entitled "Joint Legislative Audit Committee, June 1, 2026—9:00 a.m." (Attachment A) and presented the fiscal years 2027 and 2028 school district performance audit schedule. Mr. Swagerty answered questions posed by the Committee.

The Committee offered comments.

## **CHILD CARE AND DEVELOPMENT FUND FINDINGS (2023-111, 2023-112, 2024-107, AND 2024-108), STATE OF ARIZONA SINGLE AUDIT REPORTS FOR FISCAL YEARS 2023 AND 2024**

### **Presentation by Office**

**Katherine Edwards Decker, Director, Financial Audit Division, Arizona Auditor General's Office**, distributed and explained a PowerPoint presentation entitled "Child Care and Development Fund Finding; State of Arizona Single Audit Reports" (Attachment C) and referenced the booklet entitled "Joint Legislative Audit Committee, June 1, 2026—9:00 a.m." (Attachment A). Ms. Decker answered questions posed by the Committee.

The Committee offered comments.

Ms. Decker answered additional questions posed by the Committee.

The Committee offered additional comments.

Ms. Decker answered additional questions posed by the Committee.

**Lindsay Perry, Arizona Auditor General**, answered questions posed by the Committee.

The Committee offered additional comments.

Ms. Perry answered additional questions posed by the Committee.

Ms. Decker answered additional questions posed by the Committee.

Ms. Perry answered additional questions posed by the Committee.

The Committee offered additional comments.

## **CONSIDERATION OF REQUEST FOR A SPECIAL AUDIT OF THE CHILD CARE AND DEVELOPMENT FUND**

**Lindsay Perry, Arizona Auditor General**, explained the special audit request related to the Child Care and Development Fund and referenced the booklet entitled "Joint Legislative Audit Committee, June 1, 2026—9:00 a.m." (Attachment A). Ms. Perry answered questions posed by the Committee.

Representative Liguori offered comments.

Ms. Perry answered additional questions posed by the Committee.

The Committee offered comments.

Ms. Perry answered additional questions posed by the Committee.

The Committee offered additional comments.

**Senator Finchem moved for a special audit of the CCDF program, including accessing information, records, and staff from State agencies including the Arizona Department of Economic Security, the Arizona Department of Health Services, the Arizona Early Childhood Development and Health Board, the Arizona Department of Child Safety, the Arizona Department of Education, Office of the Governor, University of Arizona, and any other agencies or departments that have reported CCDF program expenditures on the State's schedule of expenditures of federal awards, and the Auditor General will consider implementation of the new electronic system in the special audit. If JLAC approves the special audit request, the Office will commence this work immediately, with all reports being issued on or before July 31, 2027.**

**Senator Miranda moved that the Committee AMEND the Gress special audit request to also include the Diaz special audit request dated May 14, 2026, to authorize the Auditor General to also audit the Department of Education's ESA program based off findings from the state's fiscal year 2024 single audit.**

Senator Miranda offered comments.

The Committee offered additional comments.

**Chairman Gress ruled Senator Miranda's motion out of order and announced that the Committee would defer consideration of the special audit request related to the Child Care and Development Fund to a later time during the meeting.**

The Committee offered additional comments.

## **VALENTINE ELEMENTARY SCHOOL DISTRICT'S NONCOMPLIANCE STATUS WITH THE USFR**

### **Presentation by Office**

**Meghan Hieger, Director, Accountability Services Division, Arizona Auditor General's Office**, distributed and explained a PowerPoint presentation entitled "Valentine Elementary School District; USFR noncompliance update" (Attachment D) and referenced the booklet entitled "Joint Legislative Audit Committee, June 1, 2026—9:00 a.m." (Attachment A).

### **Presentation by Valentine Elementary School District**

**Cliff Angle, Superintendent, Valentine Elementary School District**, offered comments and answered questions posed by the Committee.

The Committee offered comments.

**Senator Finchem moved that JLAC continue to receive quarterly updates from the District regarding the outstanding deficiencies, ending its request for quarterly updates, submitting a letter to the Arizona State Board of Education regarding the District's continued USFR noncompliance and deficiencies, or taking any other actions JLAC may deem necessary.**

Representative Gress offered comments.

**Senator Finchem's motion CARRIED by voice vote.**

Representative Gress offered additional comments.

### **CONSIDERATION OF REQUEST FOR A SPECIAL AUDIT OF THE CHILD CARE AND DEVELOPMENT FUND (continued)**

Representative Gress offered comments.

**Senator Finchem moved for a special audit of the CCDF program, including accessing information, records, and staff from state agencies including the Arizona Department of Economic Security, the Arizona Department of Health Services, the Arizona Early Childhood Development and Health Board, the Arizona Department of Child Safety, the Arizona Department of Education, Office of the Governor, University of Arizona, and any other agencies or departments that have reported CCDF program expenditures on the State's schedule of expenditures of federal awards, and the Auditor General will consider implementation of the new electronic system in the special audit. If JLAC approves the special audit request, the office will commence this work immediately, with all reports being issued on or before July 31, 2027.**

**Senator Miranda moved that the Committee AMEND the Gress special audit request to also include the Diaz special audit request dated May 14, 2026, to authorize the Auditor General to also audit the six outlined factors of the Department of Education's ESA program based off findings from the state's fiscal year 2024 single audit. The motion FAILED by voice vote.**

The Committee offered comments.

**Senator Finchem's original motion CARRIED by voice vote.**

There being no further business, the meeting was adjourned at 11:53 a.m.

Respectfully submitted,

Jeff Christophersen  
Committee Secretary

(Audio recordings and attachments are on file in the Secretary of the Senate's Office/Resource Center, Room 115. Audio archives are available at <http://www.azleg.gov>)