

State of Arizona
House of Representatives
Forty-fifth Legislature
First Regular Session
2001

HOUSE BILL 2552

AN ACT

AMENDING SECTIONS 15-2002 AND 15-2041, ARIZONA REVISED STATUTES; RELATING TO
THE SCHOOL FACILITIES BOARD.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-2002, Arizona Revised Statutes, is amended to
3 read:
4 15-2002. Powers and duties; executive director; staffing;
5 report
6 A. The school facilities board shall:
7 1. Make assessments of school facilities and equipment deficiencies
8 pursuant to section 15-2021 and approve the distribution of grants as
9 appropriate.
10 2. Develop a data base for administering the building renewal formula
11 prescribed in section 15-2031 and administer the distribution of monies to
12 school districts for building renewal.
13 3. Inspect school buildings at least once every ~~five~~ **TWO** years to
14 ensure compliance with the building adequacy standards prescribed in section
15 15-2011 with respect to construction of new buildings and maintenance of
16 existing buildings.
17 4. Review and approve student population projections submitted by
18 school districts to determine to what extent school districts are entitled to
19 monies to construct new facilities pursuant to section 15-2041. The board
20 shall make a final determination within six months of the receipt of an
21 application by a school district for monies from the new school facilities
22 fund.
23 5. Certify that plans for new school facilities meet the building
24 adequacy standards prescribed in section 15-2011.
25 6. Develop prototypical elementary and high school designs. The board
26 shall review the design differences between the schools with the highest
27 academic productivity scores and the schools with the lowest academic
28 productivity scores. The board shall also review the results of a valid and
29 reliable survey of parent quality rating in the highest performing schools
30 and the lowest performing schools in this state. The survey of parent
31 quality rating shall be administered by the department of education. The
32 board shall consider the design elements of the schools with the highest
33 academic productivity scores and parent quality ratings in the development of
34 elementary and high school designs. The board shall develop separate school
35 designs for elementary, middle and high schools with varying pupil
36 capacities.
37 7. Develop application forms, reporting forms and procedures to carry
38 out the requirements of this article.
39 8. Review and approve or reject requests submitted by school districts
40 to take actions pursuant to section 15-341, subsection F.
41 9. Submit an annual report by December 15 to the speaker of the house
42 of representatives, the president of the senate, the superintendent of public
43 instruction, the director of the Arizona state library, archives and public
44 records and the governor that includes the following information:
45 (a) A detailed description of the amount of monies distributed by the
46 school facilities board in the previous fiscal year.

1 (b) A list of each capital project that received monies from the
2 school facilities board during the previous fiscal year, a brief description
3 of each project that was funded and a summary of the board's reasons for the
4 distribution of monies for the project.

5 (c) A summary of the findings and conclusions of the building
6 maintenance inspections conducted pursuant to this article during the
7 previous fiscal year.

8 (d) A summary of the findings of common design elements and
9 characteristics of the highest performing schools and the lowest performing
10 schools based on academic productivity including the results of the parent
11 quality rating survey.

12 For the purposes of this paragraph, "academic productivity" means academic
13 year advancement per calendar year as measured with student-level data using
14 the statewide nationally standardized norm-referenced achievement test.

15 10. By December 1 of each even-numbered year, report to the joint
16 committee on capital review the estimated amounts necessary to fulfill the
17 requirements of sections 15-2021, 15-2031 and 15-2041 for the following two
18 fiscal years. By December 1 of each odd-numbered year, the board shall
19 provide to the joint committee on capital review an update of the estimated
20 amounts necessary to fulfill the requirements of sections 15-2021, 15-2031
21 and 15-2041 for the following fiscal year. No later than January 1 of each
22 year, the board shall instruct the state treasurer as to the amounts under
23 the transaction privilege tax to be credited in equal quarterly installments
24 for the following state fiscal year. The board shall provide copies of both
25 reports to the president of the senate, the speaker of the house of
26 representatives and the governor.

27 11. Adopt minimum school facility adequacy guidelines to provide the
28 minimum quality and quantity of school buildings and the facilities and
29 equipment necessary and appropriate to enable pupils to achieve the
30 educational goals of the Arizona state schools for the deaf and the blind.
31 The school facilities board shall establish minimum school facility adequacy
32 guidelines applicable to the Arizona state schools for the deaf and the blind
33 by December 31, 2000.

34 B. The school facilities board may contract for private services in
35 compliance with the procurement practices prescribed in title 41, chapter 23.

36 C. The governor shall appoint an executive director of the school
37 facilities board pursuant to section 38-211. The executive director is
38 eligible to receive compensation as determined pursuant to section 38-611 and
39 may hire and fire necessary staff as approved by the legislature in the
40 budget. The executive director shall have demonstrated competency in school
41 finance, facilities design or facilities management, either in private
42 business or government service. The executive director serves at the
43 pleasure of the governor. The staff of the school facilities board is exempt
44 from title 41, chapter 4, articles 5 and 6. The executive director:

45 1. Shall analyze applications for monies submitted to the board by
46 school districts.

- 1 2. Shall assist the board in developing forms and procedures for the
2 distribution and review of applications and the distribution of monies to
3 school districts.
- 4 3. May review or audit, or both, the expenditure of monies by a school
5 district for deficiencies corrections, building renewal and new school
6 facilities.
- 7 4. Shall assist the board in the preparation of the board's annual
8 report.
- 9 5. Shall research and provide reports on issues of general interest to
10 the board.
- 11 6. May aid school districts in the development of reasonable and
12 cost-effective school designs in order to avoid statewide duplicated efforts
13 and unwarranted expenditures in the area of school design.
- 14 7. May assist school districts in facilitating the development of
15 multijurisdictional facilities.
- 16 8. Shall assist the board in any other appropriate matter or method as
17 directed by the members of the board.
- 18 9. Shall establish procedures to ensure compliance with the notice and
19 hearing requirements prescribed in section 15-905.
- 20 10. May expedite any request for funds in which the local match was not
21 obtained for a project that received preliminary approval by the state board
22 for school capital facilities.
- 23 11. Shall expedite any request for funds in which the school district
24 governing board submits an application that shows an immediate need for a new
25 school facility.
- 26 12. Shall make a determination as to administrative completion within
27 one month after the receipt of an application by a school district for monies
28 from the new school facilities fund.
- 29 13. Shall provide technical support to school districts as requested by
30 school districts in connection with the construction of new school facilities
31 and the maintenance of existing school facilities, **INCLUDING ASSISTANCE IN**
32 **MEETING THE MAINTENANCE REQUIREMENTS ESTABLISHED PURSUANT TO SUBSECTION I OF**
33 **THIS SECTION.**
- 34 D. When appropriate, the school facilities board shall review and use
35 the statewide school facilities inventory and needs assessment conducted by
36 the joint committee on capital review and issued in July, 1995.
- 37 E. The school facilities board shall contract with one or more private
38 building inspectors to complete an initial assessment of school facilities
39 and equipment provided in section 15-2021 and shall inspect each school
40 building in this state at least once every ~~five~~ **TWO** years to ensure
41 compliance with section 15-2011. A copy of the inspection report, together
42 with any recommendations for building maintenance, shall be provided to the
43 school facilities board and the governing board of the school district.
- 44 F. The school facilities board may consider appropriate combinations
45 of facilities or uses in making assessments of and curing deficiencies
46 pursuant to subsection A, paragraph 1 of this section and in certifying plans

1 for new school facilities pursuant to subsection A, paragraph 5 of this
2 section.

3 G. The board shall not award any monies to fund new facilities that
4 are financed by class A bonds that are issued by the school district.

5 H. The board shall not distribute monies to a school district for
6 replacement or repair of facilities if the costs associated with the
7 replacement or repair are covered by insurance or a performance or payment
8 bond.

9 I. IN ORDER TO INSURE THAT SCHOOL BUILDINGS RECEIVE ADEQUATE
10 PREVENTATIVE MAINTENANCE, THE BOARD SHALL IMPLEMENT A SCHOOL MAINTENANCE
11 PROGRAM AS FOLLOWS:

12 1. THE BOARD SHALL DEVELOP AND DISTRIBUTE:

13 (a) STANDARDS FOR ROUTINE PREVENTATIVE BUILDING MAINTENANCE.

14 (b) GUIDELINES FOR DETERMINING THE APPROPRIATE AMOUNT OF MAINTENANCE
15 AND OPERATION MONIES THAT SHOULD BE BUDGETED FOR THE ROUTINE PREVENTATIVE
16 MAINTENANCE OF A FACILITY.

17 2. THE INSPECTION PRESCRIBED IN SUBSECTION A, PARAGRAPH 3 OF THIS
18 SECTION SHALL INCLUDE A DETERMINATION OF WHETHER THE ROUTINE PREVENTATIVE
19 MAINTENANCE OF THE BUILDING HAS BEEN ADEQUATE, EXCEPT THAT A SCHOOL FACILITY
20 SHALL NOT BE INSPECTED FOR PREVENTATIVE MAINTENANCE UNTIL AFTER THE BOARD
21 CERTIFIES THAT THE FACILITY MEETS ALL OF THE MINIMUM SCHOOL FACILITY ADEQUACY
22 GUIDELINES ADOPTED PURSUANT TO SECTION 15-2011, SUBSECTION F AND AFTER THE
23 REQUIREMENTS OF PARAGRAPH 1 OF THIS SUBSECTION HAVE BEEN MET.

24 3. IF THE BOARD DETERMINES THAT A BUILDING HAS RECEIVED INADEQUATE
25 PREVENTATIVE MAINTENANCE, THE BOARD SHALL NOTIFY THE SCHOOL DISTRICT OF THE
26 INADEQUACY AND THE REQUIREMENTS THAT MUST BE MET FOR THE BUILDING TO MEET THE
27 MAINTENANCE STANDARDS PRESCRIBED PURSUANT TO PARAGRAPH 2 OF THIS SUBSECTION.

28 4. NO SOONER THAN SIX MONTHS AFTER PROVIDING THE NOTICE PRESCRIBED IN
29 PARAGRAPH 3 OF THIS SUBSECTION, THE BOARD SHALL REINSPECT THE INADEQUATE
30 BUILDINGS IN THE SCHOOL DISTRICT.

31 5. IF THE BOARD DETERMINES THAT THE SCHOOL DISTRICT FAILED TO MEET THE
32 MAINTENANCE STANDARDS AFTER THE SIX-MONTH CORRECTION PERIOD, THE BOARD SHALL
33 NOTIFY THE DISTRICT OF THE AMOUNT OF MAINTENANCE AND OPERATIONS MONEY THAT
34 SHALL BE BUDGETED FOR THE MAINTENANCE OF THE SCHOOL THAT CONTAINS THE
35 INADEQUATE BUILDING OR BUILDINGS.

36 6. THE SCHOOL DISTRICT SHALL BUDGET AT LEAST THE AMOUNT PRESCRIBED IN
37 PARAGRAPH 5 OF THIS SUBSECTION FOR THE FOLLOWING FISCAL YEAR AND FOR EACH
38 FISCAL YEAR THEREAFTER UNTIL THE BOARD DETERMINES THAT THE PREVENTATIVE
39 MAINTENANCE OF THE FACILITY IS ADEQUATE. THE DISTRICT MAY NOT EXPEND THE
40 MONIES SO BUDGETED FOR ANY OTHER PURPOSE.

41 Sec. 2. Section 15-2041, Arizona Revised Statutes, is amended to read:

42 15-2041. New school facilities fund; capital plan

43 A. A new school facilities fund is established consisting of monies
44 appropriated by the legislature and monies credited to the fund pursuant to
45 section 37-221 or 42-5030.01. The school facilities board shall administer
46 the fund and distribute monies, as a continuing appropriation, to school

1 districts for the purpose of constructing new school facilities. On June 30
2 of each fiscal year, the state treasurer shall credit any unobligated in
3 contract monies in the new school facilities fund to the capital reserve fund
4 established by section 15-2003.

5 B. The school facilities board shall prescribe a uniform format for
6 use by the school district governing board in developing and annually
7 updating a capital plan that consists of each of the following:

8 1. Enrollment projections for the next five years for elementary
9 schools and eight years for middle and high schools, including a description
10 of the methods used to make the projections.

11 2. A description of new schools or additions to existing schools
12 needed to meet the building adequacy standards prescribed in section 15-2011.
13 The description shall include:

14 (a) The grade levels and the total number of pupils that the school or
15 addition is intended to serve.

16 (b) The year in which it is necessary for the school or addition to
17 begin operations.

18 (c) A timeline that shows the planning and construction process for
19 the school or addition.

20 3. Long-term projections of the need for land for new schools.

21 4. Any other necessary information required by the school facilities
22 board to evaluate a school district's capital plan.

23 C. If the capital plan indicates a need for a new school or an
24 addition to an existing school within the next four years or a need for land
25 within the next ten years, the school district shall submit its plan to the
26 school facilities board and shall request monies from the new school
27 facilities fund for the new construction or land. Monies provided for land
28 shall be in addition to any monies provided pursuant to subsection D of this
29 section.

30 D. The school facilities board shall distribute monies from the new
31 school facilities fund as follows:

32 1. The school facilities board shall review and evaluate the
33 enrollment projections and either approve the projections as submitted or
34 revise the projections. In determining new construction requirements, the
35 school facilities board shall determine the net new growth of pupils that
36 will require additional square footage that exceeds the building adequacy
37 standards prescribed in section 15-2011.

38 2. If the approved projections indicate that additional space will not
39 be needed within the next two years for elementary schools or three years for
40 middle or high schools in order to meet the building adequacy standards
41 prescribed in section 15-2011, the request shall be held for consideration by
42 the school facilities board for possible future funding and the school
43 district shall annually submit an updated plan until the additional space is
44 needed.

45 3. If the approved projections indicate that additional space will be
46 needed within the next two years for elementary schools or three years for

1 middle or high schools in order to meet the building adequacy standards
2 prescribed in section 15-2011, the school facilities board shall provide an
3 amount as follows:

4 (a) Determine the number of pupils requiring additional square footage
5 to meet building adequacy standards. This amount for elementary schools
6 shall not be less than the number of new pupils for whom space will be needed
7 in the next year and shall not exceed the number of new pupils for whom space
8 will be needed in the next five years. This amount for middle and high
9 schools shall not be less than the number of new pupils for whom space will
10 be needed in the next four years and shall not exceed the number of new
11 pupils for whom space will be needed in the next eight years.

12 (b) Multiply the number of pupils determined in subdivision (a) of
13 this paragraph by the square footage per pupil. The square footage per pupil
14 is ninety square feet per pupil for preschool children with disabilities,
15 kindergarten programs and grades one through six, one hundred square feet for
16 grades seven and eight, one hundred thirty-four square feet for a school
17 district that provides instruction in grades nine through twelve for fewer
18 than one thousand eight hundred pupils and one hundred twenty-five square
19 feet for a school district that provides instruction in grades nine through
20 twelve for at least one thousand eight hundred pupils. The total number of
21 pupils in grades nine through twelve in the district shall determine the
22 square footage factor to use for net new pupils. The school facilities board
23 may modify the square footage requirements prescribed in this subdivision for
24 particular schools based on any of the following factors:

25 (i) The number of pupils served or projected to be served by the
26 school district.

27 (ii) Geographic factors.

28 (iii) Grade configurations other than those prescribed in this
29 subdivision.

30 (iv) Compliance with minimum school facility adequacy requirements
31 established pursuant to section 15-2011.

32 (c) Multiply the product obtained in subdivision (b) of this paragraph
33 by the cost per square foot. The cost per square foot is ninety dollars for
34 preschool children with disabilities, kindergarten programs and grades one
35 through six, ninety-five dollars for grades seven and eight and one hundred
36 ten dollars for grades nine through twelve. The cost per square foot shall
37 be adjusted annually for construction market considerations based on an index
38 identified or developed by the joint legislative budget committee as
39 necessary but not less than once each year. The school facilities board
40 shall multiply the cost per square foot by 1.05 for any school district
41 located in a rural area. The school facilities board may modify the base
42 cost per square foot prescribed in this subdivision for particular schools
43 based on geographic conditions or site conditions. For purposes of this
44 subdivision, "rural area" means an area outside a thirty-five mile radius of
45 a boundary of a municipality with a population of more than fifty thousand
46 persons according to the most recent United States decennial census.

1 (d) Once the school district governing board obtains approval from the
2 school facilities board for new facility construction funds, additional
3 portable or modular square footage created for the express purpose of
4 providing temporary space for pupils until the completion of the new facility
5 shall not be included by the school facilities board for the purpose of new
6 construction funding calculations. On completion of the new facility
7 construction project, if the portable or modular facilities continue in use,
8 then the portable or modular facilities shall be included as prescribed by
9 this chapter, unless the school facilities board approves their continued use
10 for the purpose of providing temporary space for pupils until the completion
11 of the next new facility that has been approved for funding from the new
12 school facilities fund.

13 E. Monies for architectural and engineering fees shall be distributed
14 on the completion of the analysis by the school facilities board of the
15 school district's request. After receiving monies pursuant to this
16 subsection, the school district shall submit a design development plan for
17 the school or addition to the school facilities board before any monies for
18 construction are distributed. If the school district's request meets the
19 building adequacy standards, the school facilities board may review and
20 comment on the district's plan with respect to the efficiency and
21 effectiveness of the plan in meeting state square footage and facility
22 standards before distributing the remainder of the monies. The school
23 facilities board may decline to fund the project if the square footage is no
24 longer required due to revised enrollment projections.

25 F. The school facilities board shall distribute the monies needed for
26 land for new schools so that land may be purchased at a price that is less
27 than or equal to fair market value and in advance of the construction of the
28 new school. If necessary, the school facilities board may distribute monies
29 for land to be leased for new schools if the duration of the lease exceeds
30 the life expectancy of the school facility by at least fifty per cent. The
31 proceeds derived through the sale of any land purchased or partially
32 purchased with monies provided by the school facilities board shall be
33 returned to the state fund from which it was appropriated and to any other
34 participating entity on a proportional basis. If a school district acquires
35 real property by donation at an appropriate school site approved by the
36 school facilities board, the school facilities board shall distribute an
37 amount equal to twenty per cent of the fair market value of the donated real
38 property that can be used for academic purposes. The school district shall
39 place the monies in the unrestricted capital outlay fund and increase the
40 unrestricted capital outlay limit by the amount of monies placed in the fund.
41 Monies distributed under this subsection shall be distributed from the new
42 school facilities fund.

43 G. In addition to distributions to school districts based on pupil
44 growth projections, a school district may submit an application to the school
45 facilities board for monies from the new school facilities fund if one or
46 more school buildings have outlived their useful life. If the school

1 facilities board determines that the school district needs to build a new
2 school building for these reasons, the school facilities board shall remove
3 the square footage computations that represent the building from the
4 computation of the school district's total square footage for purposes of
5 this section. If the square footage recomputation reflects that the school
6 district no longer meets building adequacy standards, the school district
7 qualifies for a distribution of monies from the new school construction
8 formula in an amount determined pursuant to subsection D of this section.
9 Buildings removed from a school district's total square footage pursuant to
10 this subsection shall not be included in the computation of monies from the
11 building renewal fund established by section 15-2031. The school facilities
12 board may modify the base cost per square foot prescribed in this subsection
13 under extraordinary circumstances for geographic factors or site conditions.

14 H. School districts that receive monies from the new school facilities
15 fund shall establish a district new school facilities fund and shall use the
16 monies in the district new school facilities fund only for the purposes
17 prescribed in this section. By October 15 of each year, each school district
18 shall report to the school facilities board the projects funded at each
19 school in the previous fiscal year with monies from the district new school
20 facilities fund and shall provide an accounting of the monies remaining in
21 the new school facilities fund at the end of the previous fiscal year.

22 I. If a school district has surplus monies received from the new
23 schools facilities fund, the school district may use the surplus monies for
24 any other capital purpose.

25 J. THE SCHOOL FACILITIES BOARD MAY DISTRIBUTE MONIES FOR SCHOOL
26 DISTRICTS TO LEASE FACILITIES FOR NEW SCHOOLS IF THE SCHOOL FACILITIES BOARD
27 DETERMINES THAT, BASED ON THE SCHOOL DISTRICT'S ENROLLMENT PROJECTIONS, IT
28 WOULD BE MORE APPROPRIATE FOR THE SCHOOL DISTRICT TO LEASE FACILITIES RATHER
29 THAN CONSTRUCT NEW FACILITIES. AT THE REQUEST OF THE SCHOOL DISTRICT THE
30 SCHOOL FACILITIES BOARD MAY WAIVE ONE OR MORE OF THE BUILDING ADEQUACY
31 STANDARDS SET FORTH IN SECTION 15-2011 FOR FACILITIES THAT ARE LEASED
32 PURSUANT TO THIS SUBSECTION. THE SCHOOL FACILITIES BOARD SHALL DISTRIBUTE
33 THE MONIES NEEDED FOR LEASES PURSUANT TO THIS SUBSECTION PROVIDED THAT THE
34 RENT PAID BY THE SCHOOL DISTRICT IS LESS THAN OR EQUAL TO THE FAIR MARKET
35 VALUE FOR LEASES OF SIMILAR PROPERTY IN THAT AREA. MONIES DISTRIBUTED FOR
36 LEASES PURSUANT TO THIS SUBSECTION ARE NOT SUBJECT TO THE BASE COST PER
37 SQUARE FOOT CALCULATION PRESCRIBED IN SUBSECTION D OF THIS SECTION.