

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 ENSURE 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 TO SCHOOL DISTRICTS:

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 1, SUBDIVISION (a) OF  
28 THIS SUBSECTION.

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

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

37 6. THE SCHOOL DISTRICT SHALL BUDGET AT LEAST THE AMOUNT PRESCRIBED IN  
38 PARAGRAPH 5 OF THIS SUBSECTION FOR THE FOLLOWING FISCAL YEAR UNTIL THE BOARD  
39 DETERMINES THAT THE PREVENTATIVE MAINTENANCE OF THE FACILITY IS  
40 ADEQUATE. THE DISTRICT MAY NOT EXPEND THESE MONIES 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.