

State of Arizona  
Senate  
Fifty-first Legislature  
Second Regular Session  
2014

# SENATE BILL 1102

AN ACT

AMENDING SECTIONS 15-2002, 15-2011, 15-2032 AND 15-2041, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 7.1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-883.05; RELATING TO SCHOOL FACILITIES.

(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 and approve the distribution of grants as appropriate.

9 2. ~~Inventory and inspect all school buildings in this state in order~~  
10 ~~to develop~~ MAINTAIN a database OF SCHOOL FACILITIES to administer the  
11 building renewal grant fund and new school facilities formula. THE  
12 FACILITIES LISTED IN THE DATABASE MUST INCLUDE ALL BUILDINGS THAT ARE OWNED  
13 BY SCHOOL DISTRICTS. The school facilities board shall ~~maintain the database~~  
14 ~~and~~ ensure that the database is updated on at least an annual basis. Each  
15 school district shall report to the school facilities board no later than  
16 September 1 of each year information as required by the school facilities  
17 board for the administration of the building renewal grant fund and  
18 computation of new school facilities formula distributions, INCLUDING THE  
19 NATURE AND COST OF MAJOR REPAIRS, RENOVATIONS OR PHYSICAL IMPROVEMENTS TO OR  
20 REPLACEMENT OF BUILDING SYSTEMS OR EQUIPMENT THAT WERE MADE IN THE PREVIOUS  
21 YEAR AND THAT WERE PAID FOR EITHER WITH LOCAL MONIES OR MONIES PROVIDED BY  
22 THE SCHOOL FACILITIES BOARD FROM THE BUILDING RENEWAL GRANT FUND. EACH  
23 SCHOOL DISTRICT SHALL REPORT ANY SCHOOL OR SCHOOL BUILDINGS THAT HAVE BEEN  
24 CLOSED, THAT HAVE BEEN LEASED TO ANOTHER ENTITY OR THAT OPERATE AS A CHARTER  
25 SCHOOL. The school facilities board may review or audit the information, or  
26 both, to confirm the information submitted by a school district.  
27 NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER, IF A SCHOOL DISTRICT  
28 CONVERTS SPACE THAT IS LISTED IN THE DATABASE MAINTAINED PURSUANT TO THIS  
29 PARAGRAPH TO SPACE THAT WILL BE USED FOR ADMINISTRATIVE PURPOSES, THE SCHOOL  
30 DISTRICT IS RESPONSIBLE FOR ANY COSTS ASSOCIATED WITH THE CONVERSION,  
31 MAINTENANCE AND REPLACEMENT OF THAT SPACE. IF A BUILDING IS SIGNIFICANTLY  
32 UPGRADED OR REMODELED, THE SCHOOL FACILITIES SHALL ADJUST THE AGE OF THAT  
33 SCHOOL FACILITY IN THE DATABASE AS FOLLOWS:

34 (a) DETERMINE THE BUILDING CAPACITY VALUE AS FOLLOWS:

35 (i) MULTIPLY THE STUDENT CAPACITY OF THE BUILDING BY THE PER PUPIL  
36 SQUARE FOOT CAPACITY ESTABLISHED BY SECTION 15-2041.

37 (ii) MULTIPLY THE PRODUCT DETERMINED IN ITEM (i) OF THIS SUBDIVISION  
38 BY THE COST PER SQUARE FOOT ESTABLISHED BY SECTION 15-2041.

39 (b) DIVIDE THE COST OF THE RENOVATION BY THE BUILDING CAPACITY VALUE  
40 DETERMINED IN SUBDIVISION (a) OF THIS PARAGRAPH.

41 (c) MULTIPLY THE QUOTIENT DETERMINED IN SUBDIVISION (b) OF THIS  
42 PARAGRAPH BY THE CURRENTLY LISTED AGE OF THE BUILDING IN THE DATABASE.

43 (d) SUBTRACT THE PRODUCT DETERMINED IN SUBDIVISION (c) OF THIS  
44 PARAGRAPH FROM THE CURRENTLY LISTED AGE OF THE BUILDING IN THE DATABASE,

1    ROUNDED TO THE NEAREST WHOLE NUMBER.  IF THE RESULT IS A NEGATIVE NUMBER, USE  
2    ZERO.

3           3.  Inspect school buildings at least once every five years to ensure  
4    compliance with the building adequacy standards prescribed in section 15-2011  
5    and routine preventative maintenance guidelines as prescribed in this section  
6    with respect to construction of new buildings and maintenance of existing  
7    buildings.  The school facilities board shall randomly select twenty school  
8    districts every thirty months and inspect them pursuant to this paragraph.

9           4.  Review and approve student population projections submitted by  
10   school districts to determine to what extent school districts are entitled to  
11   monies to construct new facilities pursuant to section 15-2041.  The board  
12   shall make a final determination within six months of the receipt of an  
13   application by a school district for monies from the new school facilities  
14   fund.

15          5.  Certify that plans for new school facilities meet the building  
16   adequacy standards prescribed in section 15-2011.

17          6.  Develop prototypical elementary and high school designs.  The board  
18   shall review the design differences between the schools with the highest  
19   academic productivity scores and the schools with the lowest academic  
20   productivity scores.  The board shall also review the results of a valid and  
21   reliable survey of parent quality rating in the highest performing schools  
22   and the lowest performing schools in this state.  The survey of parent  
23   quality rating shall be administered by the department of education.  The  
24   board shall consider the design elements of the schools with the highest  
25   academic productivity scores and parent quality ratings in the development of  
26   elementary and high school designs.  The board shall develop separate school  
27   designs for elementary, middle and high schools with varying pupil  
28   capacities.

29          7.  Develop application forms, reporting forms and procedures to carry  
30   out the requirements of this article.

31          8.  Review and approve or reject requests submitted by school districts  
32   to take actions pursuant to section 15-341, subsection G.

33          9.  Submit electronically an annual report on or before December 15 to  
34   the speaker of the house of representatives, the president of the senate, the  
35   superintendent of public instruction, the secretary of state and the governor  
36   that includes the following information:

37           (a)  A detailed description of the amount of monies distributed by the  
38   school facilities board in the previous fiscal year.

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

43           (c)  A summary of the findings and conclusions of the building  
44   maintenance inspections conducted pursuant to this article during the  
45   previous fiscal year.

1 (d) A summary of the findings of common design elements and  
2 characteristics of the highest performing schools and the lowest performing  
3 schools based on academic productivity, including the results of the parent  
4 quality rating survey. For the purposes of this subdivision, "academic  
5 productivity" means academic year advancement per calendar year as measured  
6 with student-level data using the statewide nationally standardized  
7 norm-referenced achievement test.

8 10. On or before December 1 of each year, report electronically to the  
9 joint committee on capital review the amounts necessary to fulfill the  
10 requirements of sections 15-2022 and 15-2041 for the following fiscal year  
11 and the estimated amounts necessary to fulfill the requirements of sections  
12 15-2022 and 15-2041 for the fiscal year following the next fiscal year. The  
13 board shall provide copies of the report to the president of the senate, the  
14 speaker of the house of representatives and the governor.

15 11. Adopt minimum school facility adequacy guidelines to provide the  
16 minimum quality and quantity of school buildings and the facilities and  
17 equipment necessary and appropriate to enable pupils to achieve the  
18 educational goals of the Arizona state schools for the deaf and the blind.  
19 The school facilities board shall establish minimum school facility adequacy  
20 guidelines applicable to the Arizona state schools for the deaf and the  
21 blind.

22 12. In each even-numbered year, report electronically to the joint  
23 committee on capital review the amounts necessary to fulfill the requirements  
24 of section 15-2041 for the Arizona state schools for the deaf and the blind  
25 for the following two fiscal years. The Arizona state schools for the deaf  
26 and the blind shall incorporate the findings of the report in any request for  
27 new school facilities monies. Any monies provided to the Arizona state  
28 schools for the deaf and the blind for new school facilities are subject to  
29 legislative appropriation.

30 13. On or before June 15 of each year, submit electronically detailed  
31 information regarding demographic assumptions, a proposed construction  
32 schedule and new school construction cost estimates for individual projects  
33 approved in the current fiscal year and expected project approvals for the  
34 upcoming fiscal year to the joint committee on capital review for its  
35 review. A copy of the report shall also be submitted electronically to the  
36 governor's office of strategic planning and budgeting. The joint legislative  
37 budget committee staff, the governor's office of strategic planning and  
38 budgeting staff and the school facilities board staff shall agree on the  
39 format of the report.

40 14. Every two years, provide school districts with information on  
41 improving and maintaining the indoor environmental quality in school  
42 buildings.

43 B. The school facilities board may contract for the following services  
44 in compliance with the procurement practices prescribed in title 41,  
45 chapter 23:

- 1           1. Private services.
- 2           2. Construction project management services.
- 3           3. Assessments for school buildings to determine if the buildings have
- 4           outlived their useful life pursuant to section 15-2041, subsection G.
- 5           4. Services related to land acquisition and development of a school
- 6           site.
- 7           C. The governor shall appoint an executive director of the school
- 8           facilities board pursuant to section 38-211. The executive director is
- 9           eligible to receive compensation as determined pursuant to section 38-611 and
- 10          may hire and fire necessary staff subject to title 41, chapter 4, article 4
- 11          and as approved by the legislature in the budget. The executive director
- 12          shall have demonstrated competency in school finance, facilities design or
- 13          facilities management, either in private business or government service. The
- 14          executive director serves at the pleasure of the governor. The staff of the
- 15          school facilities board is exempt from title 41, chapter 4, articles 5 and 6.
- 16          The executive director:
- 17           1. Shall analyze applications for monies submitted to the board by
- 18           school districts.
- 19           2. Shall assist the board in developing forms and procedures for the
- 20           distribution and review of applications and the distribution of monies to
- 21           school districts.
- 22           3. May review or audit, or both, the expenditure of monies by a school
- 23           district for deficiencies corrections and new school facilities.
- 24           4. Shall assist the board in the preparation of the board's annual
- 25           report.
- 26           5. Shall research and provide reports on issues of general interest to
- 27           the board.
- 28           6. May aid school districts in the development of reasonable and
- 29           cost-effective school designs in order to avoid statewide duplicated efforts
- 30           and unwarranted expenditures in the area of school design.
- 31           7. May assist school districts in facilitating the development of
- 32           multijurisdictional facilities.
- 33           8. Shall assist the board in any other appropriate matter or method as
- 34           directed by the members of the board.
- 35           9. Shall establish procedures to ensure compliance with the notice and
- 36           hearing requirements prescribed in section 15-905. The notice and hearing
- 37           procedures adopted by the board shall include the requirement, with respect
- 38           to the board's consideration of any application filed after July 1, 2001 or
- 39           after December 31 of the year in which the property becomes territory in the
- 40           vicinity of a military airport or ancillary military facility as defined in
- 41           section 28-8461 for monies to fund the construction of new school facilities
- 42           proposed to be located in territory in the vicinity of a military airport or
- 43           ancillary military facility, that the military airport receive notification
- 44           of the application by first class mail at least thirty days before any
- 45           hearing concerning the application.

1           10. May expedite any request for monies in which the local match was  
2 not obtained for a project that received preliminary approval by the state  
3 board for school capital facilities.

4           11. Shall expedite any request for monies in which the school district  
5 governing board submits an application that shows an immediate need for a new  
6 school facility.

7           12. Shall make a determination as to administrative completion within  
8 one month after the receipt of an application by a school district for monies  
9 from the new school facilities fund.

10          13. Shall provide technical support to school districts as requested by  
11 school districts in connection with the construction of new school facilities  
12 and the maintenance of existing school facilities and may contract directly  
13 with construction project managers pursuant to subsection B of this section.  
14 This paragraph does not restrict a school district from contracting with a  
15 construction project manager using district or state resources.

16          D. When appropriate, the school facilities board shall review and use  
17 the statewide school facilities inventory and needs assessment conducted by  
18 the joint committee on capital review and issued in July, 1995.

19          E. The school facilities board shall contract with one or more private  
20 building inspectors to complete an initial assessment of school facilities  
21 and equipment and shall inspect each school building in this state at least  
22 once every five years to ensure compliance with section 15-2011. A copy of  
23 the inspection report, together with any recommendations for building  
24 maintenance, shall be provided to the school facilities board and the  
25 governing board of the school district.

26          F. The school facilities board may consider appropriate combinations  
27 of facilities or uses in making assessments of and curing deficiencies  
28 pursuant to subsection A, paragraph 1 of this section and in certifying plans  
29 for new school facilities pursuant to subsection A, paragraph 5 of this  
30 section.

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

33          H. The board shall not distribute monies to a school district for  
34 replacement or repair of facilities if the costs associated with the  
35 replacement or repair are covered by insurance or a performance or payment  
36 bond.

37          I. The board may contract for construction services and materials that  
38 are necessary to correct existing deficiencies in school district facilities.  
39 The board may procure the construction services necessary pursuant to this  
40 subsection by any method, including construction-manager-at-risk,  
41 design-build, design-bid-build or job-order-contracting as provided by title  
42 41, chapter 23. The construction planning and services performed pursuant to  
43 this subsection are exempt from section 41-791.01.

1 J. The school facilities board may enter into agreements with school  
2 districts to allow school facilities board staff and contractors access to  
3 school property for the purposes of performing the construction services  
4 necessary pursuant to subsection I of this section.

5 K. Each school district shall develop routine preventative maintenance  
6 guidelines for its facilities. The guidelines shall include plumbing  
7 systems, electrical systems, heating, ventilation and air conditioning  
8 systems, special equipment and other systems and for roofing systems shall  
9 recommend visual inspections performed by district staff for signs of  
10 structural stress and weakness. The guidelines shall be submitted to the  
11 school facilities board for review and approval. If on inspection by the  
12 school facilities board it is determined that a school district facility was  
13 inadequately maintained pursuant to the school district's routine  
14 preventative maintenance guidelines, the school district shall return the  
15 building to compliance with the school district's routine preventative  
16 maintenance guidelines.

17 L. The school facilities board may temporarily transfer monies between  
18 the capital reserve fund established by section 15-2003, the emergency  
19 deficiencies correction fund established by section 15-2022 and the new  
20 school facilities fund established by section 15-2041 if all of the following  
21 conditions are met:

22 1. The transfer is necessary to avoid a temporary shortfall in the  
23 fund into which the monies are transferred.

24 2. The transferred monies are restored to the fund where the monies  
25 originated as soon as practicable after the temporary shortfall in the other  
26 fund has been addressed.

27 3. The school facilities board reports to the joint committee on  
28 capital review the amount of and the reason for any monies transferred.

29 M. After notifying each school district, and if a written objection  
30 from the school district is not received by the school facilities board  
31 within thirty days of the notification, the school facilities board may  
32 access public utility company records of power, water, natural gas, telephone  
33 and broadband usage to assemble consistent and accurate data on utility  
34 consumption at school facilities to determine the effectiveness of facility  
35 design, operation and maintenance measures intended to reduce energy and  
36 water consumption and costs. Any public utility that provides service to a  
37 school district in this state shall provide the data requested by the school  
38 facilities board pursuant to this subsection.

39 N. The school facilities board shall not require a common school  
40 district that provides instruction to pupils in grade nine to obtain approval  
41 from the school facilities board to reconfigure its school facilities. A  
42 common school district that provides instruction to pupils in grade nine is  
43 not entitled to additional monies from the school facilities board for  
44 facilities to educate pupils in grade nine.

1           Sec. 2. Section 15-2011, Arizona Revised Statutes, is amended to read:  
2           15-2011. Minimum school facility adequacy requirements:  
3                                   definition

4           A. The school facilities board, as determined and prescribed in this  
5 chapter, shall provide funding to school districts for new construction as  
6 the number of pupils in the district fills the existing school facilities and  
7 requires more pupil space.

8           B. School buildings in a school district are adequate if all of the  
9 following requirements are met:

10           1. The buildings contain sufficient and appropriate space and  
11 equipment that comply with the minimum school facility adequacy guidelines  
12 established pursuant to subsection F of this section. The state shall not  
13 fund facilities for elective courses that require the school district  
14 facilities to exceed minimum school facility adequacy requirements. The  
15 school facilities board shall determine whether a school building meets the  
16 requirements of this paragraph by analyzing the total square footage that is  
17 available for each pupil in conjunction with the need for specialized spaces  
18 and equipment.

19           2. The buildings are in compliance with federal, state and local  
20 building and fire codes and laws that are applicable to the particular  
21 building. An existing school building is not required to comply with current  
22 requirements for new buildings unless this compliance is specifically  
23 mandated by law or by the building or fire code of the jurisdiction where the  
24 building is located.

25           3. The building systems, including roofs, plumbing, telephone systems,  
26 electrical systems, heating systems and cooling systems, are in working order  
27 and are capable of being properly maintained.

28           4. The buildings are structurally sound.

29           C. The standards that shall be used by the school facilities board to  
30 determine whether a school building meets the minimum adequate gross square  
31 footage requirements are as follows:

32           1. For a school district that provides instruction to pupils in  
33 programs for preschool children with disabilities, kindergarten programs and  
34 grades one through six, eighty square feet per pupil in programs for  
35 preschool children with disabilities, kindergarten programs and grades one  
36 through six.

37           2. For a school district that provides instruction to up to eight  
38 hundred pupils in grades seven and eight, eighty-four square feet per pupil  
39 in grades seven and eight.

40           3. For a school district that provides instruction to more than eight  
41 hundred pupils in grades seven and eight, eighty square feet per pupil in  
42 grades seven and eight or sixty-seven thousand two hundred square feet,  
43 whichever is more.

1           4. For a school district that provides instruction to up to four  
2 hundred pupils in grades nine through twelve, one hundred twenty-five square  
3 feet per pupil in grades nine through twelve.

4           5. For a school district that provides instruction to more than four  
5 hundred and up to one thousand pupils in grades nine through twelve, one  
6 hundred twenty square feet per pupil in grades nine through twelve or fifty  
7 thousand square feet, whichever is more.

8           6. For a school district that provides instruction to more than one  
9 thousand and up to one thousand eight hundred pupils in grades nine through  
10 twelve, one hundred twelve square feet per pupil in grades nine through  
11 twelve or one hundred twenty thousand square feet, whichever is more.

12           7. For a school district that provides instruction to more than one  
13 thousand eight hundred pupils in grades nine through twelve, ninety-four  
14 square feet per pupil in grades nine through twelve or two hundred one  
15 thousand six hundred square feet, whichever is more.

16           D. The school facilities board may modify the square footage  
17 requirements prescribed in subsection C of this section or modify the amount  
18 of monies awarded to cure the square footage deficiency pursuant to this  
19 section for particular school districts based on extraordinary circumstances  
20 for any of the following considerations:

21           1. The number of pupils served by the school district.

22           2. Geographic factors.

23           3. Grade configurations other than those prescribed in subsection C of  
24 this section.

25           E. In measuring the square footage per pupil requirements of  
26 subsection C of this section, the school facilities board shall:

27           1. Use the most recent one hundredth day average daily membership.

28           2. For each school, use the lesser of either:

29           (a) Total gross square footage.

30           (b) Student capacity multiplied by the appropriate square footage per  
31 pupil prescribed by subsection C of this section.

32           3. Consider the total space available in all schools in use in the  
33 school district, except that the school facilities board shall allow an  
34 exclusion of the square footage for certain schools and the pupils within the  
35 schools' boundaries if the school district demonstrates to the board's  
36 satisfaction unusual or excessive busing of pupils or unusual attendance  
37 boundary changes between schools.

38           4. Compute the gross square footage of all buildings by measuring from  
39 exterior wall to exterior wall. Square footage used solely for district  
40 administration, storage of vehicles and other nonacademic purposes shall be  
41 excluded from the ~~gross~~ NET square footage.

42           5. Include all portable and modular buildings.

43           6. Include in the net square footage new construction funded wholly or  
44 partially by the school facilities board based on the square footage funded  
45 by the school facilities board. If the new construction is to exceed the

1 square footage funded by the school facilities board, the excess square  
2 footage shall not be included in the net square footage if any of the  
3 following applies:

4 (a) The excess square footage was constructed before July 1, 2002 or  
5 funded by a class B bond, impact aid revenue bond or capital outlay override  
6 approved by the voters after August 1, 1998 and before June 30, 2002 or  
7 funded from unrestricted capital outlay expended before June 30, 2002.

8 (b) The excess square footage of new school facilities does not exceed  
9 twenty-five per cent of the minimum square footage requirements pursuant to  
10 subsection C of this section.

11 (c) The excess square footage of expansions to school facilities does  
12 not exceed twenty-five per cent of the minimum square footage requirements  
13 pursuant to subsection C of this section.

14 7. Exclude square footage built under a developer agreement according  
15 to section 15-342, paragraph 33 until the school facilities board provides  
16 funding for the square footage under section 15-2041, subsection 0.

17 8. Include square footage that a school district has leased to another  
18 entity, including square footage leased to a charter school that is sponsored  
19 by a school district pursuant to section 15-183.

20 F. The school facilities board shall adopt rules establishing minimum  
21 school facility adequacy guidelines. The guidelines shall provide the  
22 minimum quality and quantity of school buildings and facilities and equipment  
23 necessary and appropriate to enable pupils to achieve the academic standards  
24 pursuant to section 15-203, subsection A, paragraphs 12 and 13 and sections  
25 15-701 and 15-701.01. At a minimum, the school facilities board shall  
26 address all of the following in developing these guidelines:

27 1. School sites.

28 2. Classrooms.

29 3. Libraries and media centers, or both.

30 4. Cafeterias.

31 5. Auditoriums, multipurpose rooms or other multiuse space.

32 6. Technology.

33 7. Transportation.

34 8. Facilities for science, arts and physical education.

35 9. Other facilities and equipment that are necessary and appropriate  
36 to achieve the academic standards prescribed pursuant to section 15-203,  
37 subsection A, paragraphs 12 and 13 and sections 15-701 and 15-701.01.

38 10. Appropriate combinations of facilities or uses listed in this  
39 section.

40 G. The board shall consider the facilities and equipment of the  
41 schools with the highest academic productivity scores, as prescribed in  
42 section 15-2002, subsection A, paragraph 9, subdivision (d), and the highest  
43 parent quality ratings in the establishment of the guidelines.

1 H. The school facilities board may consider appropriate combinations  
2 of facilities or uses in making assessments of and curing existing  
3 deficiencies pursuant to section 15-2002, subsection A, paragraph 1 and in  
4 certifying plans for new school facilities pursuant to section 15-2002,  
5 subsection A, paragraph 5.

6 I. For the purposes of this section, "student capacity" means the  
7 capacity adjusted to include any additions to or deletions of space,  
8 including modular or portable buildings at the school. The school facilities  
9 board shall determine the student capacity for each school in conjunction  
10 with each school district, recognizing each school's allocation of space as  
11 of July 1, 1998, to achieve the academic standards prescribed pursuant to  
12 section 15-203, subsection A, paragraphs 12 and 13 and sections 15-701 and  
13 15-701.01.

14 J. A CHILD CARE FACILITY THAT PROVIDES SERVICES UTILIZING THE PRACTICE  
15 OF A DOCUMENTED EDUCATIONAL PHILOSOPHY INCLUDING LEAST RESTRICTIVE  
16 ENVIRONMENT PURSUANT TO SECTION 36-883.05 MAY INCORPORATE THE MINIMUM SCHOOL  
17 FACILITY ADEQUACY GUIDELINES PURSUANT TO SUBSECTION F OF THIS SECTION WHEN  
18 SELECTING A FACILITY IF THE GUIDELINES DO NOT CONFLICT WITH FACILITY  
19 REQUIREMENTS ESTABLISHED BY THE DEPARTMENT OF HEALTH SERVICES.

20 Sec. 3. Section 15-2032, Arizona Revised Statutes, is amended to read:  
21 15-2032. School facilities board building renewal grant fund;  
22 definitions

23 A. The building renewal grant fund is established consisting of monies  
24 appropriated to the fund by the legislature. The school facilities board  
25 shall administer the fund and distribute monies to school districts for the  
26 purpose of maintaining the adequacy of existing school facilities. Monies in  
27 the fund are exempt from the provisions of section 35-190 relating to lapsing  
28 of appropriations.

29 B. The school facilities board shall distribute monies from the fund  
30 based on grant requests from school districts to fund primary building  
31 renewal projects. Project requests shall be prioritized by the school  
32 facilities board, with priority given to school districts that have provided  
33 routine preventative maintenance on the facility, and to school districts  
34 that can provide a match of monies provided by the fund. The school  
35 facilities board shall approve only projects that will be completed within  
36 twelve months, unless similar projects on average take longer to complete.

37 C. School districts that receive monies from the fund shall use these  
38 monies on projects for buildings or any part of a building in the school  
39 facilities board's database for any of the following:

- 40 1. Major renovations and repairs to a building.
- 41 2. Upgrading systems and areas that will maintain or extend the useful  
42 life of the building.
- 43 3. Infrastructure costs.

1 D. Monies received from the fund shall not be used for any of the  
2 following purposes:

- 3 1. New construction.
- 4 2. Remodeling interior space for aesthetic or preferential reasons.
- 5 3. Exterior beautification.
- 6 4. Demolition.
- 7 5. Routine preventative maintenance.
- 8 6. Any project in a building, or part of a building, that is being  
9 leased to another entity, including a charter school that is sponsored by a  
10 school district pursuant to section 15-183.

11 E. Accommodation schools are not eligible for monies from the building  
12 renewal grant fund.

13 F. For the purposes of this section:

14 1. "Primary building renewal projects" means projects that are  
15 necessary for buildings owned by school districts that are required to meet  
16 the minimum adequacy standards for student capacity and that fall below the  
17 minimum school facility adequacy guidelines, as adopted by the school  
18 facilities board pursuant to section 15-2011, for school districts that have  
19 provided routine preventative maintenance to the school facility.

20 2. "Routine preventative maintenance" means services that are  
21 performed on a regular schedule at intervals ranging from four times a year  
22 to once every three years, **OR ON THE SCHEDULE OF SERVICES RECOMMENDED BY THE**  
23 **MANUFACTURER OF THE SPECIFIC BUILDING SYSTEM OR EQUIPMENT, and** that are  
24 intended to extend the useful life of a building system and reduce the need  
25 for major repairs.

26 3. "Student capacity" has the same meaning prescribed in section  
27 15-2011.

28 Sec. 4. Section 15-2041, Arizona Revised Statutes, is amended to read:  
29 15-2041. New school facilities fund; capital plan; report

30 A. A new school facilities fund is established consisting of monies  
31 appropriated by the legislature and monies credited to the fund pursuant to  
32 section 37-221. The school facilities board shall administer the fund and  
33 distribute monies, as a continuing appropriation, to school districts for the  
34 purpose of constructing new school facilities and for contracted expenses  
35 pursuant to section 15-2002, subsection B, paragraphs 2, 3 and 4. On June 30  
36 of each fiscal year, any unobligated contract monies in the new school  
37 facilities fund shall be transferred to the capital reserve fund established  
38 by section 15-2003.

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

- 42 1. Enrollment projections for the next five years for elementary  
43 schools and eight years for middle and high schools, including a description  
44 of the methods used to make the projections.

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

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

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

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

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

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

13          5. If a school district pays tuition for all or a portion of the  
14 school district's high school pupils to another school district, the capital  
15 plan shall indicate the number of pupils for which the district pays tuition  
16 to another district. If a school district accepts pupils from another school  
17 district pursuant to section 15-824, subsection A, the school district shall  
18 indicate the projections for this population separately. This paragraph does  
19 not apply to a small isolated school district as defined in section 15-901.

20          C. If the capital plan indicates a need for a new school or an  
21 addition to an existing school within the next four years or a need for land  
22 within the next ten years, the school district shall submit its plan to the  
23 school facilities board by September 1 and shall request monies from the new  
24 school facilities fund for the new construction or land. The school  
25 facilities board may require a school district to sell land that was  
26 previously purchased entirely with monies provided by the school facilities  
27 board if the school facilities board determines that the property is no  
28 longer needed within the ten year period specified in this subsection for a  
29 new school or no longer needed within that ten year period for an addition to  
30 an existing school. Monies provided for land shall be in addition to any  
31 monies provided pursuant to subsection D of this section.

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

34           1. The school facilities board shall review and evaluate the  
35 enrollment projections. On or before March 1, following the submission of  
36 the enrollment projections, the school facilities board shall either approve  
37 the projections as submitted or revise the projections. In determining new  
38 construction requirements, the school facilities board shall determine the  
39 net new growth of pupils that will require additional square footage that  
40 exceeds the building adequacy standards prescribed in section 15-2011. If  
41 the projected growth and the existing number of pupils exceed three hundred  
42 fifty pupils who are served in a school district other than the pupil's  
43 resident school district, the school facilities board, the receiving school  
44 district and the resident school district shall develop a capital facilities  
45 plan on how to best serve those pupils. A small isolated school district as

1 defined in section 15-901 is not required to develop a capital facilities  
2 plan pursuant to this paragraph.

3 2. If the approved projections indicate that additional space would  
4 not have been needed during the current school year in order to meet the  
5 building adequacy standards prescribed in section 15-2011, the request shall  
6 be held for consideration by the school facilities board for possible future  
7 funding and the school district shall annually submit an updated plan until  
8 the additional space is needed.

9 3. If the approved projections indicate that additional space would  
10 have been needed during the current school year in order to meet the building  
11 adequacy standards prescribed in section 15-2011, the school facilities board  
12 shall provide an amount as follows:

13 (a) Determine the number of pupils requiring additional square footage  
14 to meet building adequacy standards. This amount for elementary schools  
15 shall not be less than the number of new pupils for whom space will be needed  
16 in the next year and shall not exceed the number of new pupils for whom space  
17 will be needed in the next five years. This amount for middle and high  
18 schools shall not be less than the number of new pupils for whom space will  
19 be needed in the next four years and shall not exceed the number of new  
20 pupils for whom space will be needed in the next eight years.

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

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

36 (ii) Geographic factors.

37 (iii) Grade configurations other than those prescribed in this  
38 subdivision.

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

41 (c) Multiply the product obtained in subdivision (b) of this paragraph  
42 by the cost per square foot. The cost per square foot is ninety dollars for  
43 preschool children with disabilities, kindergarten programs and grades one  
44 through six, ninety-five dollars for grades seven and eight and one hundred  
45 ten dollars for grades nine through twelve. The cost per square foot shall

1 be adjusted annually for construction market considerations based on an index  
2 identified or developed by the joint legislative budget committee as  
3 necessary but not less than once each year. The school facilities board  
4 shall multiply the cost per square foot by 1.05 for any school district  
5 located in a rural area. The school facilities board may only modify the  
6 base cost per square foot prescribed in this subdivision for particular  
7 schools based on geographic conditions or site conditions. For the purposes  
8 of this subdivision, "rural area" means an area outside a thirty-five mile  
9 radius of a boundary of a municipality with a population of more than fifty  
10 thousand persons.

11 (d) Once the school district governing board obtains approval from the  
12 school facilities board for new facility construction funds, additional  
13 portable or modular square footage created for the express purpose of  
14 providing temporary space for pupils until the completion of the new facility  
15 shall not be included by the school facilities board for the purpose of new  
16 construction funding calculations. On completion of the new facility  
17 construction project, if the portable or modular facilities continue in use,  
18 the portable or modular facilities shall be included as prescribed by this  
19 chapter, unless the school facilities board approves their continued use for  
20 the purpose of providing temporary space for pupils until the completion of  
21 the next new facility that has been approved for funding from the new school  
22 facilities fund.

23 4. For projects approved after December 31, 2001, and notwithstanding  
24 paragraph 3 of this subsection, a unified school district that does not have  
25 a high school is not eligible to receive high school space as prescribed by  
26 section 15-2011 and this section unless the unified district qualifies for  
27 geographic factors prescribed by paragraph 3, subdivision (b), item (ii) of  
28 this subsection.

29 5. If a joint technical education district leases a building from a  
30 school district, that building shall be included in the school district's  
31 square footage calculation for the purposes of new construction pursuant to  
32 this section.

33 6. If a school district leases a building to another entity, including  
34 a charter school that is sponsored by a school district pursuant to section  
35 15-183, that building shall be included in the school district's square  
36 footage calculation for purposes of new construction pursuant to this  
37 section.

38 7. A school district shall qualify for ~~MONIES FROM THE~~ new  
39 ~~construction funding~~ SCHOOL FACILITIES FUND in a fiscal year only if the  
40 school facilities board has approved or revised its enrollment projection  
41 under paragraph 3 of this subsection on or before March 1 of the prior fiscal  
42 year.

43 E. Monies for architectural and engineering fees, project management  
44 services and preconstruction services shall be distributed on the completion  
45 of the analysis by the school facilities board of the school district's

1 request. After receiving monies pursuant to this subsection, the school  
2 district shall submit a design development plan for the school or addition to  
3 the school facilities board before any monies for construction are  
4 distributed. If the school district's request meets the building adequacy  
5 standards, the school facilities board may review and comment on the  
6 district's plan with respect to the efficiency and effectiveness of the plan  
7 in meeting state square footage and facility standards before distributing  
8 the remainder of the monies. If the school facilities board modifies the  
9 cost per square foot as prescribed in subsection D, paragraph 3, subdivision  
10 (c) of this section, the school facilities board may deduct the cost of  
11 project management services and preconstruction services from the required  
12 cost per square foot. The school facilities board may decline to fund the  
13 project if the square footage is no longer required due to revised enrollment  
14 projections.

15 F. The school facilities board shall distribute the monies needed for  
16 land for new schools so that land may be purchased at a price that is less  
17 than or equal to fair market value and in advance of the construction of the  
18 new school. If necessary, the school facilities board may distribute monies  
19 for land to be leased for new schools if the duration of the lease exceeds  
20 the life expectancy of the school facility by at least fifty per cent. A  
21 school district shall not use land purchased or partially purchased with  
22 monies provided by the school facilities board for a purpose other than a  
23 site for a school facility without obtaining prior written approval from the  
24 school facilities board. A school district shall not lease, sell or take any  
25 action that would diminish the value of land purchased or partially purchased  
26 with monies provided by the school facilities board without obtaining prior  
27 written approval from the school facilities board. The proceeds derived  
28 through the sale of any land purchased or partially purchased, or the sale of  
29 buildings funded or partially funded, with monies provided by the school  
30 facilities board shall be returned to the state fund from which it was  
31 appropriated and to any other participating entity on a proportional basis.  
32 Except as provided in section 15-342, paragraph 33, if a school district  
33 acquires real property by donation at an appropriate school site approved by  
34 the school facilities board, the school facilities board shall distribute an  
35 amount equal to twenty per cent of the fair market value of the donated real  
36 property that can be used for academic purposes. The school district shall  
37 place the monies in the unrestricted capital outlay fund and increase the  
38 unrestricted capital budget limit by the amount of monies placed in the fund.  
39 Monies distributed under this subsection shall be distributed from the new  
40 school facilities fund. A school district that receives monies from the new  
41 school facilities fund for a donation of land pursuant to section 15-342,  
42 paragraph 33 shall not receive monies from the school facilities board for  
43 the donation of real property pursuant to this subsection. A school district  
44 shall not pay a consultant a percentage of the value of any of the following:

1           1. Donations of real property, services or cash from any of the  
2 following:  
3           (a) Entities that have offered to provide construction services to the  
4 school district.  
5           (b) Entities that have been contracted to provide construction  
6 services to the school district.  
7           (c) Entities that build residential units in that school district.  
8           (d) Entities that develop land for residential use in that school  
9 district.  
10          2. Monies received from the school facilities board on behalf of the  
11 school district.  
12          3. Monies paid by the school facilities board on behalf of the school  
13 district.  
14          G. In addition to distributions to school districts based on pupil  
15 growth projections, a school district may submit an application to the school  
16 facilities board for monies from the new school facilities fund if one or  
17 more school buildings have outlived their useful life. If the school  
18 facilities board determines that the school district needs to build a new  
19 school building for these reasons, the school facilities board shall remove  
20 the square footage computations that represent the building from the  
21 computation of the school district's total square footage for purposes of  
22 this section. If the square footage recomputation reflects that the school  
23 district no longer meets building adequacy standards, the school district  
24 qualifies for a distribution of monies from the new school construction  
25 formula in an amount determined pursuant to subsection D of this section.  
26 The school facilities board may only modify the base cost per square foot  
27 prescribed in this subsection under extraordinary circumstances for  
28 geographic factors or site conditions.  
29          H. School districts that receive monies from the new school facilities  
30 fund shall establish a district new school facilities fund and shall use the  
31 monies in the district new school facilities fund only for the purposes  
32 prescribed in this section. By October 15 of each year, each school district  
33 shall report to the school facilities board the projects funded at each  
34 school in the previous fiscal year with monies from the district new school  
35 facilities fund and shall provide an accounting of the monies remaining in  
36 the new school facilities fund at the end of the previous fiscal year.  
37          I. If a school district has surplus monies received from the new  
38 school facilities fund, the school district may use the surplus monies only  
39 for capital purposes for the project for up to one year after completion of  
40 the project. If the school district possesses surplus monies from the new  
41 school construction project that have not been expended within one year of  
42 the completion of the project, the school district shall return the surplus  
43 monies to the school facilities board for deposit in the new school  
44 facilities fund.

1 J. The board's consideration of any application filed after December  
2 31 of the year in which the property becomes territory in the vicinity of a  
3 military airport or ancillary military facility as defined in section 28-8461  
4 for monies to fund the construction of new school facilities proposed to be  
5 located in territory in the vicinity of a military airport or ancillary  
6 military facility shall include, if after notice is transmitted to the  
7 military airport pursuant to section 15-2002 and before the public hearing  
8 the military airport provides comments and an analysis concerning  
9 compatibility of the proposed school facilities with the high noise or  
10 accident potential generated by military airport or ancillary military  
11 facility operations that may have an adverse effect on public health and  
12 safety, consideration and analysis of the comments and analysis provided by  
13 the military airport before making a final determination.

14 K. If a school district uses its own project manager for new school  
15 construction, the members of the school district governing board and the  
16 project manager shall sign an affidavit stating that the members and the  
17 project manager understand and will follow the minimum adequacy requirements  
18 prescribed in section 15-2011.

19 L. The school facilities board shall establish a separate account in  
20 the new school facilities fund designated as the litigation account to pay  
21 attorney fees, expert witness fees and other costs associated with litigation  
22 in which the school facilities board pursues the recovery of damages for  
23 deficiencies correction that resulted from alleged construction defects or  
24 design defects that the school facilities board believes caused or  
25 contributed to a failure of the school building to conform to the building  
26 adequacy requirements prescribed in section 15-2011. Attorney fees paid  
27 pursuant to this subsection shall not exceed the market rate for similar  
28 types of litigation. On or before December 1 of each year, the school  
29 facilities board shall report to the joint committee on capital review the  
30 costs associated with current and potential litigation that may be paid from  
31 the litigation account.

32 M. Until the state board of education and the auditor general adopt  
33 rules pursuant to section 15-213, subsection I, the school facilities board  
34 may allow school districts to contract for construction services and  
35 materials through the qualified select bidders list method of project  
36 delivery for new school facilities pursuant to this section.

37 N. The school facilities board shall submit electronically a report on  
38 project management services and preconstruction services to the governor, the  
39 president of the senate and the speaker of the house of representatives by  
40 December 31 of each year. The report shall compare projects that use project  
41 management and preconstruction services with those that do not. The report  
42 shall address cost, schedule and other measurable components of a  
43 construction project. School districts, construction manager at risk firms  
44 and project management firms that participate in a school facilities board

1 funded project shall provide the information required by the school  
2 facilities board in relation to this report.

3 0. If a school district constructs new square footage according to  
4 section 15-342, paragraph 33, the school facilities board shall review the  
5 design plans and location of any new school facility submitted by school  
6 districts and another party to determine whether the design plans comply with  
7 the adequacy standards prescribed in section 15-2011 and the square footage  
8 per pupil requirements pursuant to subsection D, paragraph 3, subdivision (b)  
9 of this section. When the school district qualifies for a distribution of  
10 monies from the new school facilities fund according to this section, the  
11 school facilities board shall distribute monies to the school district from  
12 the new school facilities fund for the square footage constructed under  
13 section 15-342, paragraph 33 at the same cost per square foot established by  
14 this section that was in effect at the time of the beginning of the  
15 construction of the school facility. Before the school facilities board  
16 distributes any monies pursuant to this subsection, the school district shall  
17 demonstrate to the school facilities board that the facilities to be funded  
18 pursuant to this section meet the minimum adequacy standards prescribed in  
19 section 15-2011. The agreement entered into pursuant to section 15-342,  
20 paragraph 33 shall set forth the procedures for the allocation of these funds  
21 to the parties that participated in the agreement.

22 P. Accommodation schools are not eligible for monies from the new  
23 school facilities fund.

24 Sec. 5. Title 36, chapter 7.1, article 1, Arizona Revised Statutes, is  
25 amended by adding section 36-883.05, to read:

26 36-883.05. Child care facilities; infants; floor bedding;  
27 requirements; emergency evacuation; notice;  
28 definitions

29 A. A CHILD CARE FACILITY THAT PROVIDES CHILD CARE SERVICES UTILIZING  
30 THE PRACTICE OF A DOCUMENTED EDUCATIONAL PHILOSOPHY INCLUDING LEAST  
31 RESTRICTIVE ENVIRONMENT FOR INFANTS AND MEETS THE REQUIREMENTS OF THIS  
32 SECTION MAY USE FLOOR BEDDING IN THE FACILITY INSTEAD OF CRIBS.

33 B. FLOOR BEDDING PURSUANT TO SUBSECTION A OF THIS SECTION MUST MEET  
34 ALL OF THE FOLLOWING REQUIREMENTS:

35 1. BE A MAT THAT MEETS THE FOLLOWING DIMENSIONS:

36 (a) IS NOT LESS THAN TWO INCHES AND NOT MORE THAN THREE INCHES THICK.

37 (b) IS NOT LESS THAN THREE FEET AND NOT MORE THAN FOUR FEET LONG.

38 (c) IS NOT LESS THAN TWO FEET AND NOT MORE THAN THREE FEET WIDE.

39 2. NOT BE ELEVATED OR RAISED IN ANY WAY.

40 3. BE COVERED WITH A WATERPROOF AND WASHABLE MATTRESS PAD, A WASHABLE  
41 ZIP COVER AND AN INDIVIDUALLY ASSIGNED SHEET.

42 4. BE ASSIGNED TO AN INDIVIDUAL INFANT AND NOT SHARED WITH ANOTHER  
43 INFANT.

44 5. BE TURNED OVER AT LEAST ONCE A WEEK.

1           6. BE PLACED AT LEAST EIGHTEEN INCHES APART, EIGHTEEN INCHES FROM ANY  
2 WALL AND TWO FEET FROM ANY OTHER OBJECT.

3           7. BE PLACED ON A FLOOR THAT IS VACUUMED AND SANITIZED EVERY DAY AND,  
4 IF THE FLOOR IS CARPETED, IS SHAMPOOED AT LEAST TWICE A MONTH.

5           C. THE RATIO OF STAFF MEMBERS TO RESTING INFANTS IN THE RESTING AREA  
6 MUST BE AT LEAST ONE STAFF MEMBER TO EVERY FOUR INFANTS. A STAFF MEMBER IN  
7 THE RESTING AREA MUST BE SUPERVISED FOR THE FIRST NINETY DAYS OF EMPLOYMENT  
8 TO ENSURE THE STAFF MEMBER'S PROPER USE OF THE FLOOR BEDDING PURSUANT TO THIS  
9 SECTION. ANY STAFF MEMBER IN THE RESTING AREA SHALL HAVE CURRENT  
10 CERTIFICATION IN CARDIOPULMONARY RESUSCITATION AND FIRST AID.

11           D. IF AN EMERGENCY REQUIRING EVACUATION OCCURS, THE INFANT NURSERY  
12 STAFF SHALL PLACE THE INFANTS IN AN EVACUATION CRIB AND MOVE THE INFANTS IN  
13 THE CRIB TO A DESIGNATED EVACUATION ASSEMBLY AREA. EVACUATION CRIBS MUST BE  
14 STORED NOT MORE THAN TEN FEET FROM THE EXTERIOR EXIT. IF STORED ON THE  
15 OUTSIDE OF THE BUILDING, AN EVACUATION CRIB MUST BE PROTECTED FROM WEATHER.  
16 ON ARRIVAL AT THE DESIGNATED EVACUATION ASSEMBLY AREA, ALL INFANTS MUST BE  
17 PHYSICALLY ACCOUNTED FOR AGAINST THE SIGN-IN LOG AND THE RESULTS REPORTED TO  
18 THE DIRECTOR OF THE CHILD CARE FACILITY IMMEDIATELY. THE INFANT NURSERY  
19 SUPERVISOR IS RESPONSIBLE FOR BRINGING ALL ATTENDANCE SHEETS, CHILD ROSTERS  
20 AND INFORMATION SHEETS TO THE EVACUATION ASSEMBLY AREA. THE CHILD CARE  
21 FACILITY STAFF SHALL TAKE APPROPRIATE SUPPLIES DURING THE EVACUATION TO  
22 PROTECT THE CHILDREN, IF POSSIBLE, DURING INCLEMENT WEATHER.

23           E. A FACILITY SHALL PROVIDE THE DEPARTMENT WRITTEN NOTICE THIRTY DAYS  
24 BEFORE IMPLEMENTING THE USE OF FLOOR BEDDING PURSUANT TO THIS SECTION.

25           F. IF A LICENSED FACILITY DOES NOT COMPLY WITH THE REQUIREMENTS OF  
26 THIS SECTION, THE DEPARTMENT MAY REQUIRE THE INSTALLATION OF CRIBS.

27           G. A CHILD CARE FACILITY THAT PROVIDES SERVICES UTILIZING THE PRACTICE  
28 OF A DOCUMENTED EDUCATIONAL PHILOSOPHY INCLUDING LEAST RESTRICTIVE  
29 ENVIRONMENT MAY INCORPORATE THE MINIMUM SCHOOL FACILITY ADEQUACY GUIDELINES  
30 PURSUANT TO SECTION 15-2011 WHEN SELECTING A FACILITY IF THE GUIDELINES DO  
31 NOT CONFLICT WITH FACILITY REQUIREMENTS ESTABLISHED BY THE ARIZONA DEPARTMENT  
32 OF HEALTH SERVICES.

33           H. FOR THE PURPOSES OF THIS SECTION:

34           1. "INFANT" MEANS EITHER:

35           (a) A CHILD TWELVE MONTHS OR YOUNGER.

36           (b) A CHILD EIGHTEEN MONTHS OR YOUNGER IF NOT WALKING.

37           2. "RESTING AREA" MEANS A SPACE WITHIN THE CLASSROOM SEPARATE FROM THE  
38 ACTIVITY AREA THAT CONTAINS ONLY THE FLOOR BEDDING, INFANTS AND STAFF  
39 MEMBERS.