

REFERENCE TITLE: school districts; adjacent ways; verification

State of Arizona  
Senate  
Fifty-second Legislature  
Second Regular Session  
2016

# **SB 1117**

Introduced by  
Senators Dial: Biggs

AN ACT

AMENDING SECTIONS 15-995 AND 15-2002, ARIZONA REVISED STATUTES; RELATING TO  
SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-995, Arizona Revised Statutes, is amended to  
3 read:

4 15-995. Special district assessment for adjacent ways by school  
5 district

6 A. The governing board of a school district may contract for  
7 constructing, maintaining or otherwise improving any public way adjacent to  
8 any parcel of land owned by the school district or leased for school purposes  
9 by the school district, or an intersection of any public way adjoining a  
10 quarter block in which the parcel of land is situated, and for the  
11 construction of sidewalks, sewers, utility lines, roadways and other related  
12 improvements in or along such streets and intersections, and to pay for such  
13 improvements by the levy of a special assessment ~~upon~~ ON the taxable property  
14 in the school district. A school district shall not use any portion of the  
15 monies generated from the special assessment for any construction,  
16 maintenance or other improvements to the school district's property except  
17 improvements necessary to ~~assure~~ ENSURE the safe ingress to and egress from  
18 public school property directly adjacent to the public way for buses and fire  
19 equipment. The assessment shall be made a part of the itemized statement  
20 THAT IS regularly filed with the county school superintendent and ~~showing~~  
21 THAT SHOWS the amount of monies needed for the expenses of schools within the  
22 school district for the ensuing year. THE ASSESSMENT SHALL NOT EXCEED THE  
23 AMOUNT OF THE PROJECT COST ESTIMATE FOR THE ADJACENT WAYS PROJECT. THE  
24 ASSESSMENT SHALL NOT BE CONDUCTED UNLESS THE SCHOOL FACILITIES BOARD  
25 VALIDATES ALL OF THE FOLLOWING:

26 1. THE PROJECT THAT IS PROPOSED TO BE FUNDED BY THE ASSESSMENT IS IN  
27 COMPLIANCE WITH STATE LAWS RELATING TO ADJACENT WAYS PROJECTS.

28 2. THE PROJECT COST ESTIMATE FOR THE PROPOSED ADJACENT WAYS PROJECT  
29 MATCHES THE ADJACENT WAYS PROPOSAL SUBMITTED BY THE SCHOOL DISTRICT.

30 3. THE PROPOSAL SELECTED BY THE SCHOOL DISTRICT DOES NOT CONTAIN  
31 ADDITIONAL WORK THAT IS NOT LISTED IN THE ADJACENT WAYS PROPOSAL SUBMITTED BY  
32 THE SCHOOL DISTRICT.

33 B. If any property THAT IS owned by a school district or leased by a  
34 school district for school purposes from any city or county, the state or the  
35 United States is included within the assessment district to be assessed to  
36 pay the costs and expenses of any public improvements initiated by a city, ~~as~~  
37 IN ORDER to make the assessments thereon payable by the city in which the  
38 improvement is initiated, the governing board may contract with the  
39 municipality or its improvement district to reimburse it for the amount of  
40 the assessment against the property and to pay the amount so contracted for  
41 by the levy of a special assessment as provided by subsection A of this  
42 section.

1 C. AFTER THE PROPOSED ADJACENT WAYS PROJECT IS VALIDATED BY THE SCHOOL  
2 FACILITIES BOARD PURSUANT TO SUBSECTION A OF THIS SECTION, the governing  
3 board of the school district shall follow the truth in taxation notice and  
4 hearing requirements prescribed in section 15-905.01, subsection B.

5 D. The portion of the primary tax rate to fund adjacent ways as  
6 provided in this section shall not be included in the computation of  
7 additional state aid for education as prescribed in section 15-972.

8 Sec. 2. Section 15-2002, Arizona Revised Statutes, is amended to read:  
9 15-2002. Powers and duties; executive director; staffing;  
10 report

11 A. The school facilities board shall:

12 1. Make assessments of school facilities and equipment deficiencies  
13 and approve the distribution of grants as appropriate.

14 2. Maintain a database of school facilities to administer the building  
15 renewal grant fund and new school facilities formula. The facilities listed  
16 in the database must include all buildings that are owned by school  
17 districts. The school facilities board shall ensure that the database is  
18 updated on at least an annual basis. Each school district shall report to  
19 the school facilities board no later than September 1 of each year  
20 information as required by the school facilities board for the administration  
21 of the building renewal grant fund and computation of new school facilities  
22 formula distributions, including the nature and cost of major repairs,  
23 renovations or physical improvements to or replacement of building systems or  
24 equipment that were made in the previous year and that were paid for either  
25 with local monies or monies provided by the school facilities board from the  
26 building renewal grant fund. Each school district shall report any school or  
27 school buildings that have been closed, that have been leased to another  
28 entity or that operate as a charter school. The school facilities board may  
29 review or audit the information, or both, to confirm the information  
30 submitted by a school district. Notwithstanding any other provision of this  
31 chapter, if a school district converts space that is listed in the database  
32 maintained pursuant to this paragraph to space that will be used for  
33 administrative purposes, the school district is responsible for any costs  
34 associated with the conversion, maintenance and replacement of that space.  
35 If a building is significantly upgraded or remodeled, the school facilities  
36 board shall adjust the age of that school facility in the database as  
37 follows:

38 (a) Determine the building capacity value as follows:

39 (i) Multiply the student capacity of the building by the per pupil  
40 square foot capacity established by section 15-2041.

41 (ii) Multiply the product determined in item (i) of this subdivision  
42 by the cost per square foot established by section 15-2041.

43 (b) Divide the cost of the renovation by the building capacity value  
44 determined in subdivision (a) of this paragraph.

1 (c) Multiply the quotient determined in subdivision (b) of this  
2 paragraph by the currently listed age of the building in the database.

3 (d) Subtract the product determined in subdivision (c) of this  
4 paragraph from the currently listed age of the building in the database,  
5 rounded to the nearest whole number. If the result is a negative number, use  
6 zero.

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

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

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

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

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

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

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

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

43 (b) A list of each capital project that received monies from the  
44 school facilities board during the previous fiscal year, a brief description

1 of each project that was funded and a summary of the board's reasons for the  
2 distribution of monies for the project.

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

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

13 10. On or before December 1 of each year, report electronically to the  
14 joint committee on capital review the amounts necessary to fulfill the  
15 requirements of sections 15-2022 and 15-2041 for the following three fiscal  
16 years. In developing the amounts necessary for this report, the school  
17 facilities board shall use the most recent average daily membership data  
18 available. On request from the board, the department of education shall make  
19 available the most recent average daily membership data for use in  
20 calculating the amounts necessary to fulfill the requirements of section  
21 15-2041 for the following three fiscal years. The board shall provide copies  
22 of the report to the president of the senate, the speaker of the house of  
23 representatives and the governor.

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

31 12. In each even-numbered year, report electronically to the joint  
32 committee on capital review the amounts necessary to fulfill the requirements  
33 of section 15-2041 for the Arizona state schools for the deaf and the blind  
34 for the following two fiscal years. The Arizona state schools for the deaf  
35 and the blind shall incorporate the findings of the report in any request for  
36 new school facilities monies. Any monies provided to the Arizona state  
37 schools for the deaf and the blind for new school facilities are subject to  
38 legislative appropriation.

39 13. On or before June 15 of each year, submit electronically detailed  
40 information regarding demographic assumptions, a proposed construction  
41 schedule and new school construction cost estimates for individual projects  
42 approved in the current fiscal year and expected project approvals for the  
43 upcoming fiscal year to the joint committee on capital review for its review.  
44 A copy of the report shall also be submitted electronically to the governor's  
45 office of strategic planning and budgeting. The joint legislative budget

1 committee staff, the governor's office of strategic planning and budgeting  
2 staff and the school facilities board staff shall agree on the format of the  
3 report.

4 14. Every two years, provide school districts with information on  
5 improving and maintaining the indoor environmental quality in school  
6 buildings.

7 15. On or before December 31 of each year, report to the joint  
8 legislative budget committee on all class B bond approvals by school  
9 districts in that year. Each school district shall report to the school  
10 facilities board on or before December 1 of each year information required by  
11 the school facilities board for the report prescribed in this paragraph.

12 16. VALIDATE PROPOSED ADJACENT WAYS PROJECTS SUBMITTED BY SCHOOL  
13 DISTRICTS AS PRESCRIBED IN SECTION 15-995.

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

17 1. Private services.

18 2. Construction project management services.

19 3. Assessments for school buildings to determine if the buildings have  
20 outlived their useful life pursuant to section 15-2041, subsection G.

21 4. Services related to land acquisition and development of a school  
22 site.

23 C. The governor shall appoint an executive director of the school  
24 facilities board pursuant to section 38-211. The executive director is  
25 eligible to receive compensation as determined pursuant to section 38-611 and  
26 may hire and fire necessary staff subject to title 41, chapter 4, article 4  
27 and as approved by the legislature in the budget. The executive director  
28 shall have demonstrated competency in school finance, facilities design or  
29 facilities management, either in private business or government service. The  
30 executive director serves at the pleasure of the governor. The staff of the  
31 school facilities board is exempt from title 41, chapter 4, articles 5 and 6.  
32 The executive director:

33 1. Shall analyze applications for monies submitted to the board by  
34 school districts.

35 2. Shall assist the board in developing forms and procedures for the  
36 distribution and review of applications and the distribution of monies to  
37 school districts.

38 3. May review or audit, or both, the expenditure of monies by a school  
39 district for deficiencies corrections and new school facilities.

40 4. Shall assist the board in the preparation of the board's annual  
41 report.

42 5. Shall research and provide reports on issues of general interest to  
43 the board.

1           6. May aid school districts in the development of reasonable and  
2 cost-effective school designs in order to avoid statewide duplicated efforts  
3 and unwarranted expenditures in the area of school design.

4           7. May assist school districts in facilitating the development of  
5 multijurisdictional facilities.

6           8. Shall assist the board in any other appropriate matter or method as  
7 directed by the members of the board.

8           9. Shall establish procedures to ensure compliance with the notice and  
9 hearing requirements prescribed in section 15-905. The notice and hearing  
10 procedures adopted by the board shall include the requirement, with respect  
11 to the board's consideration of any application filed after July 1, 2001 or  
12 after December 31 of the year in which the property becomes territory in the  
13 vicinity of a military airport or ancillary military facility as defined in  
14 section 28-8461 for monies to fund the construction of new school facilities  
15 proposed to be located in territory in the vicinity of a military airport or  
16 ancillary military facility, that the military airport receive notification  
17 of the application by first class mail at least thirty days before any  
18 hearing concerning the application.

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

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

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

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

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 and shall inspect each school building in this state at least  
40 once every five years to ensure compliance with section 15-2011. A copy of  
41 the inspection report, together with any recommendations for building  
42 maintenance, shall be provided to the school facilities board and the  
43 governing board of the school district.

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

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

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

12 I. The board may contract for construction services and materials that  
13 are necessary to correct existing deficiencies in school district facilities.  
14 The board may procure the construction services necessary pursuant to this  
15 subsection by any method, including construction-manager-at-risk,  
16 design-build, design-bid-build or job-order-contracting as provided by title  
17 41, chapter 23. The construction planning and services performed pursuant to  
18 this subsection are exempt from section 41-791.01.

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

23 K. Each school district shall develop routine preventative maintenance  
24 guidelines for its facilities. The guidelines shall include plumbing  
25 systems, electrical systems, heating, ventilation and air conditioning  
26 systems, special equipment and other systems and for roofing systems shall  
27 recommend visual inspections performed by district staff for signs of  
28 structural stress and weakness. The guidelines shall be submitted to the  
29 school facilities board for review and approval. If on inspection by the  
30 school facilities board it is determined that a school district facility was  
31 inadequately maintained pursuant to the school district's routine  
32 preventative maintenance guidelines, the school district shall return the  
33 building to compliance with the school district's routine preventative  
34 maintenance guidelines.

35 L. The school facilities board may temporarily transfer monies between  
36 the capital reserve fund established by section 15-2003, the emergency  
37 deficiencies correction fund established by section 15-2022 and the new  
38 school facilities fund established by section 15-2041 if all of the following  
39 conditions are met:

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

42 2. The transferred monies are restored to the fund where the monies  
43 originated as soon as practicable after the temporary shortfall in the other  
44 fund has been addressed.

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

3           M. After notifying each school district, and if a written objection  
4 from the school district is not received by the school facilities board  
5 within thirty days of the notification, the school facilities board may  
6 access public utility company records of power, water, natural gas, telephone  
7 and broadband usage to assemble consistent and accurate data on utility  
8 consumption at school facilities to determine the effectiveness of facility  
9 design, operation and maintenance measures intended to reduce energy and  
10 water consumption and costs. Any public utility that provides service to a  
11 school district in this state shall provide the data requested by the school  
12 facilities board pursuant to this subsection.

13           N. The school facilities board shall not require a common school  
14 district that provides instruction to pupils in grade nine to obtain approval  
15 from the school facilities board to reconfigure its school facilities. A  
16 common school district that provides instruction to pupils in grade nine is  
17 not entitled to additional monies from the school facilities board for  
18 facilities to educate pupils in grade nine.