

ARIZONA SCHOOL FACILITIES BOARD
WEB-BASED PROGRAM INSTRUCTIONS

RENOVATION AND BUILDING RENEWAL EXPENDITURES
FISCAL YEAR 2007

JOHN ARNOLD
EXECUTIVE DIRECTOR





STATE OF ARIZONA
SCHOOL FACILITIES BOARD

Governor of Arizona
Janet Napolitano

Executive Director
John Arnold

August 10, 2007

Last year, we introduced a web-based system for districts to complete their three-year building renewal plans. The feedback we received was very positive. This year, we have expanded the web-based system to include two additional reports – prior year renovations and prior year building renewal expenditures.

School districts are required to submit renovation reports by September 1 per A.R.S. §15-2031(F). This information is used to calculate future building renewal needs. A.R.S. §15-2031(H) requires districts to report by October 15 projects funded with building renewal in the previous fiscal year, as well as a building renewal plan for the following three years. The web-based system will allow the SFB to compare district-reported expenditures with the projects budgeted in the three-year plan. The School Facilities Board is required to withhold building renewal monies until the district has complied with the building renewal reporting requirements.

Although the expenditure report is not due until October 15, it could **save the district time to complete it at the same time as the renovation report**. These two reports generally contain overlapping information. The web-based system allows districts to enter the data once, and choose whether or not it transfers to the other report. Further, the FY 2007 expenditure report should be done before the FY 2008 three-year plan is started, as certain features make reporting easier if done in this order. Specifically, FY 2007 building renewal expenditures will be used to calculate the FY 2008 carry forward amount used in the three-year plan. Also, projects not marked as “complete” in the expenditure report will roll over into the FY 2008 plan; districts will not have to re-type the information.

Attached are instructions to aid districts in completing their renovation and building renewal expenditure reports. Instructions for the three-year plan will be sent by September 1. As always, we welcome suggestions for improvement from the users of this system.

Sincerely,

A handwritten signature in black ink, appearing to read "John Arnold".

John Arnold
Executive Director

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BACKGROUND

What statutes constitute the framework for renovation, prior year building renewal expenditure reporting, and building renewal plans?

Arizona Revised Statutes, Chapter 16 – School Capital Finance, Article 4 – Building Renewal provides the legal framework for the use and associated reporting requirements for building renewal funds. The following statutes or provisions of statutes provide the framework for a school district’s planning and use of building renewal funds.

A.R.S. § 15-2002—Powers and duties; executive director, staffing, report

Subsection K

By October 1, 2002, each school district shall develop routine preventative maintenance guidelines for its facilities. The guidelines shall be submitted to the School Facilities Board for review and approval by February 1, 2003. If upon inspection by the School Facilities Board it is determined that a school district facility was inadequately maintained pursuant to the school district’s routine preventative maintenance guidelines, the school district shall use building renewal monies pursuant to A.R.S. § 15-2031, Subsection J to return the building to compliance with the school district’s routine preventative maintenance guidelines. Once the district is in compliance, it no longer is required to use building renewal monies for preventative maintenance.

A.R.S. § 15-2031—Building renewal fund; definition

Subsection B

The School Facilities Board shall inventory and inspect all school buildings in this state in order to develop a database to administer the building renewal formula. The database shall include the student capacity of the building as determined by the School Facilities Board. The board shall distribute monies from the building renewal fund to school districts in an amount computed pursuant to subsection I of this section. A school district that receives monies from the building renewal fund shall use the monies first for any projects that fall below the minimum school facility adequacy guidelines, as adopted by the School Facilities Board pursuant to section 15-2011, and that are part of any buildings in the database and second for any other projects that are part of any buildings owned by the school district for any of the following:

1. Major renovations and repairs of a building.
2. Upgrading systems and areas that will maintain or extend the useful life of the building.
3. Infrastructure costs.
4. Relocation and placement of portable and modular buildings.

Subsection C

Monies received from the building renewal fund shall be used for primary projects, unless only secondary projects exist. Note that subsection N defines primary and secondary projects as follows:

1. "Primary projects" means projects that are necessary for buildings owned by school districts that are required to meet the academic standards listed in the database maintained pursuant to subsection F of this section and that fall below the minimum school facility adequacy guidelines, as adopted by the School Facilities Board pursuant to section 15-2011.
2. "Secondary projects" means all projects that are not primary projects.

Subsection D

Notwithstanding subsections B and C, school districts shall use building renewal monies on secondary projects to comply with building, health, fire or safety codes. Before spending building renewal monies on secondary projects to comply with building, health, fire or safety codes, the School Facilities Board shall approve the projects.

Subsection E

Monies received from the building renewal fund shall not be used for any of the following purposes:

1. New construction.
2. Remodeling interior space for aesthetic or preferential reasons.
3. Exterior beautification.
4. Demolition.
5. The purchase of soft capital items pursuant to section 15-962, subsection D.
6. Routine maintenance except as provided in section 15-2002, subsection K and subsection L of A.R.S. §15-2031.

Subsection F

The School Facilities Board shall maintain the building renewal database and use the database for the computation of the building renewal formula distributions. The board shall ensure that the database is updated on at least an annual basis to reflect changes in the ages and value of school buildings. The facilities listed in the database shall include only those buildings that are owned by school districts that are required to meet academic standards. Each school district shall report to the School Facilities Board no later than September 1 of each year the number and type of school buildings owned by the district, the square footage of each building, the age of each building, the nature of any renovations completed and the cost of any renovations completed. The School Facilities Board may review or audit, or both, to confirm the information submitted by a school district. The board shall adjust the age of each school facility in the database whenever a building is significantly upgraded or remodeled.

Subsection G

The School Facilities Board shall submit an annual report to the President of the Senate, the Speaker of the House of Representatives, the Arizona State Library, Archives and Public Records and the Governor by October 1 that includes the computation of the amount of monies to be distributed from the building renewal fund for the current fiscal year. The Joint Committee on Capital Review shall review the School Facilities Board's calculation of the building renewal fund distributions. After the Joint Committee on Capital Review reviews the distributions computed by the School Facilities Board, the School Facilities Board shall distribute the monies from the building renewal fund to school districts in two equal installments in November and May of each year.

Subsection H

School districts that receive monies from the building renewal fund shall establish a district building renewal fund and shall use the monies in the district building renewal fund only for the purposes prescribed in subsection B. Ending cash balances in a school district's building renewal fund may be used in following fiscal years for building renewal pursuant to subsection B of this section. By October 15 of each year, each school district shall report to the School Facilities Board the projects funded at each school in the previous fiscal year with monies from the district building renewal fund, including the amount of expenditures dedicated to primary projects and to secondary projects (Note: **the amount of money dedicated to primary and secondary projects will not be required for FY 2007 expenditures but will be required for FY 2008 expenditure reporting**). On receipt of these reports, the School Facilities Board shall forward this information to the joint legislative budget committee staff and the governor's office of strategic planning and budgeting staff. Each school district shall also report to the School Facilities Board an accounting of the monies remaining in the district building renewal fund at the end of the previous fiscal year and a comprehensive three year plan that details the proposed use of building renewal monies. If a school district fails to submit the report by October 15, the School Facilities Board shall withhold building renewal monies from the school district until the School Facilities Board determines that the school district has complied with the reporting requirement. When the School Facilities Board determines that the school district has complied with the reporting requirement, the School Facilities Board shall restore the full amount of withheld building renewal monies to the school district.

Subsection J

If the School Facilities Board determines that a school district has spent monies from the building renewal fund for purposes other than those prescribed in subsection B of this section, the School Facilities Board shall notify the superintendent of public instruction. Notwithstanding any other law, the superintendent of public instruction shall withhold a corresponding amount from the monies that would otherwise be due the school district under the capital outlay revenue limit until these monies are repaid.

Subsection L

Notwithstanding subsections B and E, a school district may use eight per cent of the building renewal amount computed pursuant to subsection I of this section for routine preventative maintenance. The board, after consultation with maintenance specialists in school districts, shall provide examples of recommended services that are routine preventative maintenance. Subsection N defines "routine preventative maintenance" as services that are performed on a regular schedule at intervals ranging from four times a year to once every three years and that are intended to extend the useful life of a building system and reduce the need for major repairs.

Subsection M

A school district that uses building renewal monies for routine preventative maintenance shall use the building renewal monies to supplement and not supplant expenditures from other funds for the maintenance of school buildings.

RENOVATION AND EXPENDITURE REPORTING

What is the purpose of reporting renovations?

Renovations are a key factor in the calculation of future building renewal needs. The board is required by statute to adjust the age of each school facility in the database whenever a building is significantly upgraded or remodeled.

What is the difference between a renovation and a building renewal expenditure?

Renovations:

- may or may not be funded with building renewal dollars
- are reported in the fiscal year in which they are completed, and the total project cost is provided even if it was expended over multiple fiscal years
- are building-specific, and therefore do not include projects such as fencing, playground, and parking lots

Building renewal expenditures:

- are not always for renovations (i.e. movement of a portable, resurfacing a parking lot)
- must be reported for each fiscal year, even if the project is not complete

How do I report renovations and building renewal expenditures?

Overview

Historical data shows that districts usually spend their building renewal funds on projects that qualify as renovations, and renovations are usually completed within one year. Therefore, there is usually significant overlap between these two reports. This system has been designed to allow districts to enter the data once, and choose whether or not it transfers to the other report. **These instructions assume that the user will work on both reports at the same time.** BR is frequently used as an abbreviation for building renewal throughout these instructions.

Getting started

To access the expenditure reporting program, go to the School Facilities Board website (<http://www.azsfb.gov/>). Select the “District Information” link at the top.

School Facilities Board (SFB) - Home Page - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Back Forward Stop Refresh Home Search Favorites

Address <http://www.azsfb.gov/sfb/sfbweb/sfbaays/home.asp> Go

ASFB STATE OF ARIZONA SCHOOL FACILITIES BOARD

MOVA ELEMENTARY SCHOOL

Orange High School

Home Contact **District Information**

FIND BY CATEGORY

- SFB Overview
- Rules and Policies
- New Construction
- Building Renewal

NEWS / ANNOUNCEMENTS

8/6/07 [21st CENTURY SCHOOLS RECOMMENDATIONS](#)

TELL US WHAT YOU THINK...

In January of 2007, the Governor issued an executive order requiring the School Facilities Board to issue a report addressing school capital requirements for the 21st century.

The SFB has completed an extensive review of existing literature resources, toured innovative education facilities, conducted a series of study groups with school district groups, and sponsored a forum on 21st century schools.

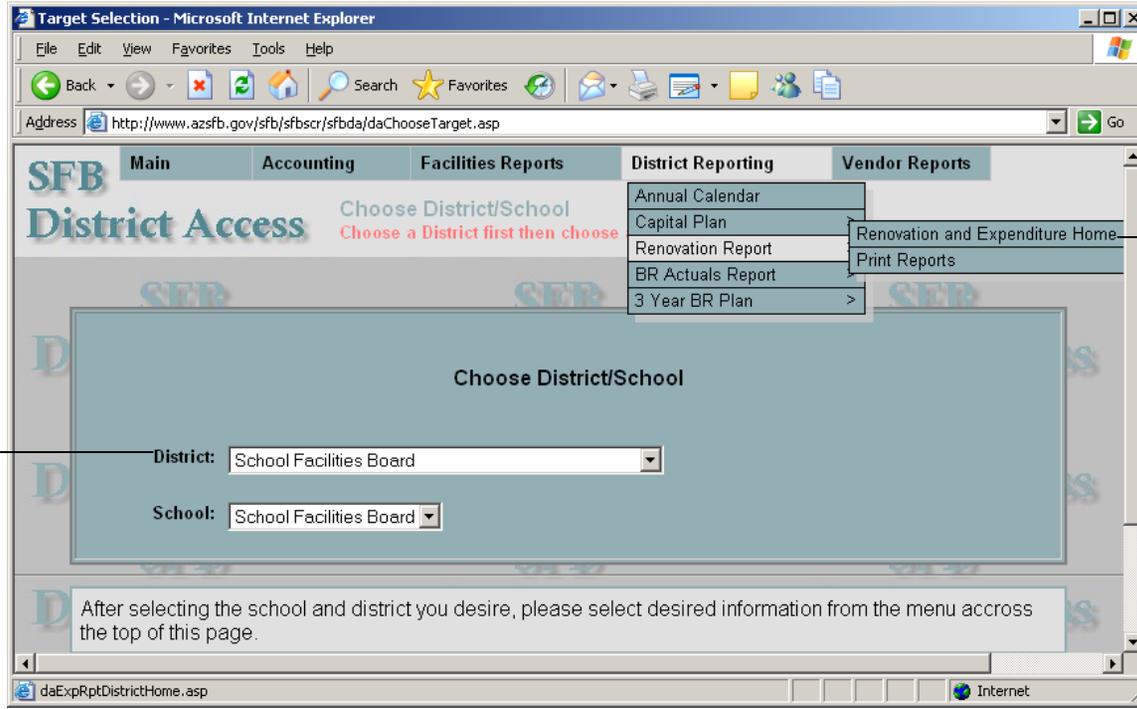
As a result of those efforts, the SFB has compiled a list of draft recommendations for the report and WE'RE SEEKING

[Select District Information link](#)

<http://www.azsfb.gov/sfb/sfbscr/sfbdahome.asp> Internet

Select district name and go to the “District Reporting” link along the top. Select “Renovation Report” from the drop-down menu. Select “Renovation and Expenditure Home” from the sub-menu (Note: this sub-menu item is also available under “BR Actuals Report” on the drop-down menu).

Select district.



This item is available under “Renovation Report” and “BR Actuals Report”. These two reports are integrated.

Expenditure Reporting District Summary

This summary page will list the number of projects for each school that were listed in the district's three-year BR plan last year. Use the school name links on the left to begin populating the remaining information.

Expenditure Reporting District Summary - School Facilities Board - FY 2007

School Name	Number of BR Plan Projects	Number of FY 07 BR Actual Records	FY 07BR Actual Expenditures	Number of FY 07 Renovation Projects	Total SFB Funded Costs of Renovations Completed in FY 07
School Facilities Board	2	0	\$0	0	\$0
School Facilities Board	0	0	\$0	0	\$0
SFB BR Test School 1	43	27	\$10,505	13	\$1,191,826
SFB BR Test School 2	4	0	\$0	5	\$14,839
Total	49	27	\$10,505	18	\$1,206,665

[Printable Version](#) [Printable Version](#)
[Submit BR Expenditure Report](#) [Submit Renovation Expenditure Report](#)

To begin entering Renovation or BR expenditure information, click on a school.

Addressed on page 13.

Expenditure Reporting Home

This school summary page is divided into two sections: 1) Renovations Completed in FY 2007 and 2) Building Renewal Expenditures for FY 2007. As renovations are added, user may need to scroll down to view the building renewal expenditure section.

SFB District Access Online - Microsoft Internet Explorer

Expenditure Reporting Home

School:

Renovations Completed in FY 2007

[Click Here to Enter a NEW Renovation](#)

Project Description	Total Renovation Amount	Renovation BR Amount	BR Project Title
Recarpet rooms A143 and A144	\$1,435.00	\$1,135.00	Recarpet Kindergarten classrooms
	\$1,435.00	\$1,135.00	

Building Renewal Expenditures for FY 2007

[Click Here to Create a NEW Building Renewal Plan Project](#)

BR Planned Projects for FY 2007	BR Funds Budget	Actual BR Amount	Complete	Renovation
Carpet for District Office: Replace 2000 square yards of carpet in District Office @ \$20 per square yard	\$0.00	<input type="text" value="1355"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
fix gym roof: fix gym roof	\$1,320.00	<input type="text" value="0"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recarpet Kindergarten classrooms: recarpet rooms A143 and A144	\$935.00	<input type="text" value="935"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Faucet renovation: replaced three faucets in girls' bathroom	\$1,223.00	<input type="text" value="1000"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total FY 2007	\$3,478.00	\$3,290.00		

User may select a different school without returning to the district summary screen.

See next page for screen that appears when this link is selected.

Helpful Hint: If the renovation included building renewal funds, enter the building renewal information below first, and select the "Renovation" check box. User will then be directed to the Renovation Detail screen where some information will already be populated.

Total amounts expended on renovations that were completed in FY 2007. Any portion of these funds may have been expended in a prior fiscal year.

Only use this link if adding a project for which actual expenditures were made in FY 2007, if the project was not included on the district's three-year plan last year. Adding projects for FY 2008 or later will be done through the FY 2008 Three-Year Building Renewal Plan. See page 12 for a sample of the screen that appears when this link is selected.

Check this box if this project was completed in FY 2007 AND qualifies as a renovation. Renovations are projects that prolong a building's life, or improve a building's system.

Check this box if BR project was completed in FY 2007. If box is not checked, project will roll over into the FY 2008 three-year plan.

Enter all Building Renewal expenditures that occurred between July 1, 2006 and June 30, 2007, inclusive.

Saves all changes made directly to this screen.

Cancels all changes made directly to this screen since the last time "Save All" was selected.

Renovation Detail Form

School: 99999901S - SFB BR Test School 2
Renovation ID: 0
Renovation Description:
Category: HVAC
Sub Category: Boilers
Renovation Completion Year: FY-2007

Renovation Expenditure Detail
 Enter TOTAL Amounts Expended on this project (not only the amounts spent last fiscal year)

Building Renewal Funds:	<input type="text" value="0"/>
Capital Equity Funds:	<input type="text" value="0"/>
Deficiency Correction Funds:	<input type="text" value="0"/>
Capital Outlay Funds:	<input type="text" value="0"/>
Class A Bond Funds:	<input type="text" value="0"/>
New Construction Funds:	<input type="text" value="0"/>
Class B Bond Funds:	<input type="text" value="0"/>
Other Funds (Amount):	<input type="text" value="0"/>
Renovation Total:	<input type="text" value="0"/> <small>Calculated Total Expenditure</small>

Other Funds (Description):

Buildings Included in Renovation You must select at least one building

1001 - BR Test Building 1 in School 2
 1002 - Test BR Building 2 at School 2

Enter a project description.

Categories and Sub Categories. Projects are classified into eight categories: 1)HVAC, 2) Roofing, 3) Electrical, 4) Plumbing, 5) Surfaces, 6) Special Systems, 7) Special Equipment, and 8) General Renovation. Each category has sub categories that need to be associated.

If renovation is created using the link on the previous screen instead of the renovation check box, and a BR amount is entered, user will need to associate it with a BR plan project. See next page.

Enter total amounts expended on this project (for all fiscal years). Since renovations are not reported until after they are completed, there may have been expenditures in prior fiscal years that need to be included in the project cost.

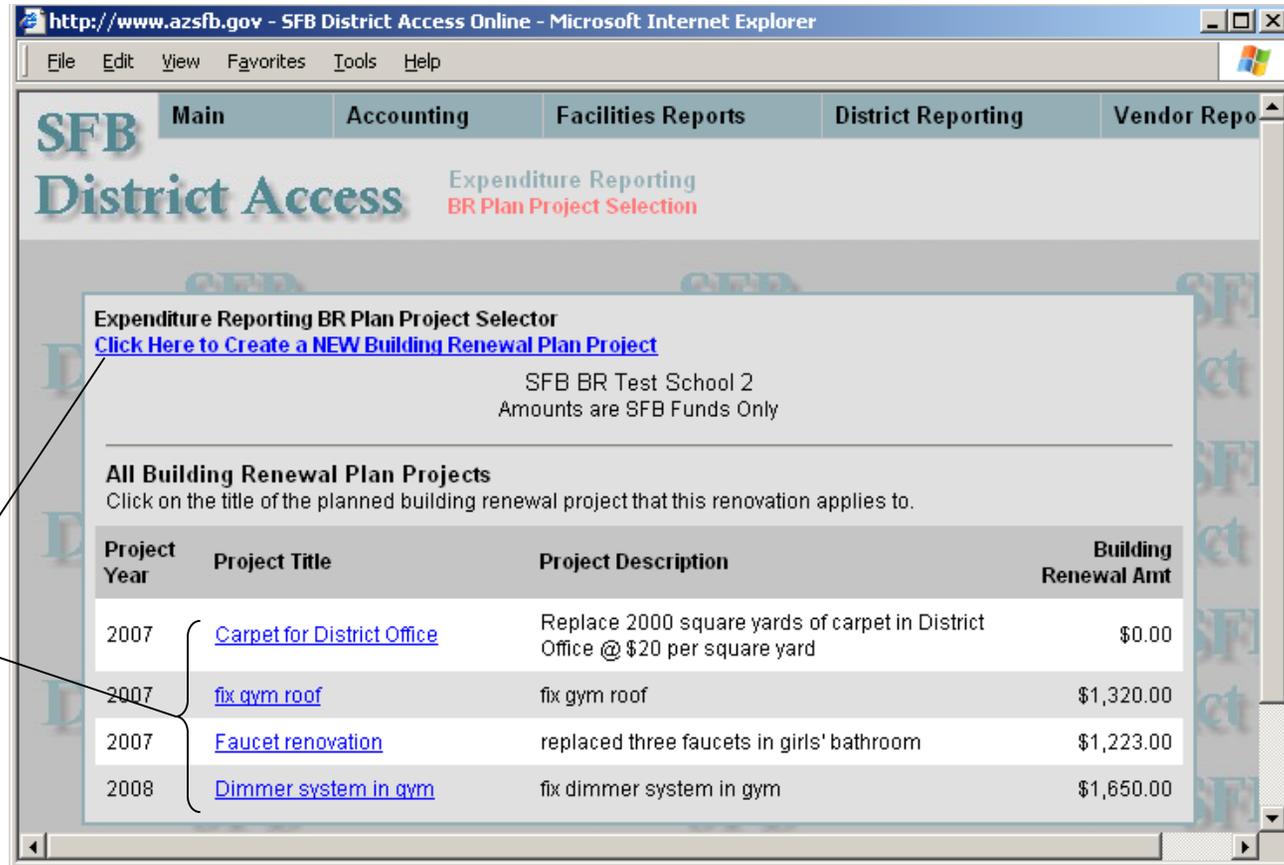
If funding source is not listed above, provide description of funding source.

At least one building must be selected. If user selects more than one building, project cost will be pro-rated and allocated to each selected building based on gross square footage.

Saves data and returns user to previous screen

Clears the information on this screen allowing user to start over

If user enters a building renewal amount for a renovation created by the link rather than the renovation check box, user will need to associate that renovation with a BR plan project. After entering and saving renovation detail, user will be directed to the screen below. If the project was included in the district's three-year plan last year, select the project from the list. User will then be prompted to enter the amount of building renewal that was expended on the project in FY 2007. If the project was not included in the district's three-year plan last year, user may create a new project using the link.



Either select the BR plan project that this renovation applies to, or create the new BR plan project using the link above.

If user creates a new BR project, the Building Renewal Project Detail Form will appear. See next page for a sample of that screen.

Below is the screen that users will see if they select the link to create a new Building Renewal Plan project on the previous screen or on the Expenditure Reporting Home screen.

Building Renewal Project Detail Form

Building Renewal Plan Project Detail Form - Microsoft Internet Explorer

File Edit View Favorites Tools Help

District Access District Building Renewal Projects
Project Detail Form

SFB SFB S

[Expenditure Reporting Home](#) > Project Detail Form
DO NOT use these links if you have made changes to data on this form. Use the save button at the bottom of the form instead.

School: 99999901S - SFB BR Test School 2

Project ID: 0

Project Title: Default Title

Project Description:

Statutory Compliance: Major renovations or repair of building

Category: HVAC

Sub Category: Boilers

Deleted:

BR Funds Expended in FY 07: 0

Buildings Included in Project

1001 - BR Test Building 1 in School 2

1002 - Test BR Building 2 at School 2

Save Delete Cancel

Enter a project title. Users should select a title that when used in isolation will adequately describe the nature of the project.

Enter a project description.

Select the drop down menu and choose one of the four reasons outlined in statute as authorized building renewal uses. If the project doesn't fit within the statutory uses, then it is not building renewal eligible. Please call your liaison if you need any guidance.

Categories and Sub Categories. Projects are classified into eight categories: 1)HVAC, 2) Roofing, 3) Electrical, 4) Plumbing, 5) Surfaces, 6) Special Systems, 7) Special Equipment, and 8) General Renovation. Each category has sub categories that need to be associated.

Enter amount of BR funds expended in FY 07 on this project.

Select building(s) and select Save.

How do I submit my renovation and building renewal expenditure reports to the School Facilities Board?

The renovation report is due to the School Facilities Board by **September 1, 2007**, and the building renewal expenditures report is due by **October 15, 2007**. Please note that once the reports are electronically submitted, they will not be available for editing. As such, please review the reports carefully and get the proper approvals before transmitting them to the School Facilities Board.

To submit, return to **Expenditure Reporting District Summary** screen, and select the Submit buttons at the bottom. User will be required to enter name and contact information, in case of questions.

School Name	Number of BR Plan Projects	Number of FY 07 BR Actual Records	FY 07BR Actual Expenditures	Number of FY 07 Renovation Projects	Total SFB Funded Costs of Renovations Completed in FY 07
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School Facilities Board	0	0	\$0	0	\$0
SFB BR Test School 1	43	27	\$10,505	13	\$1,191,826
SFB BR Test School 2	4	0	\$0	5	\$14,839
Total	49	27	\$10,505	18	\$1,206,665

[Printable Version](#) [Printable Version](#)
[Submit BR Expenditure Report](#) [Submit Renovation Expenditure Report](#)

Please compare totals with district's records prior to submitting.

Submit by October 15th.

Use these buttons to print reports to share with other district staff and to obtain all necessary approvals prior to submitting to the School Facilities Board.

Submit by September 1st.

For the following reasons, the FY 2007 building renewal expenditure report should be completed prior to the district beginning its FY 2008 three-year BR plan:

SFB District Access Online - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Expenditure Reporting Home

School: SFB BR Test School 2

Renovations

[Click Here to Enter a NEW Renovation](#)

Project Title	Total Renovation Amount	Renovation BR Amount	BR Project Title
Recarpet rooms A143 and A144	\$1,435.00	\$1,135.00	Recarpet Kindergarten classrooms
Total FY 07	\$1,435.00	\$1,135.00	

Building Renewal Expenditures for Fiscal Year 2007

[Click Here to Create a NEW Building Renewal Plan Project](#)

BR Planned Projects for FY 2007	BR Funds Budget	Actual BR Amount	Complete	Renovation
Carpet for District Office: Replace 2000 square yards of carpet in District Office @ \$20 per square yard	\$0.00	1355	<input checked="" type="checkbox"/>	<input type="checkbox"/>
fix gym roof. fix gym roof	\$1,320.00	0	<input type="checkbox"/>	<input type="checkbox"/>
Recarpet Kindergarten classrooms: recarpet rooms A143 and A144	\$935.00	935	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Faucet renovation: replaced three faucets in girls' bathroom	\$1,223.00	1000	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Total FY 07	\$3,478.00	\$3,290.00		

Save All Cancel All

Any projects for which the Complete box is not checked will roll over into the FY 2008 Three-Year Building Renewal Plan.

The Total Actual BR Amount for FY 07 will be used to calculate the district's carry forward displayed in the FY 2008 Three-Year BR Plan.

Although the system will allow user to fill out the three-year plan prior to the expenditure report, this may cause extra work for the district. For maximum efficiency, **it is strongly recommended that the user complete the expenditure report in conjunction with the renovation report, and then complete the three-year plan.**

QUESTIONS?

Whom do I call if I need help?

If you have questions, you may contact your School Facilities Board Liaison listed below.

Mike Barfield	(602) 364-0859
Gerry Breuer	(602) 542-6139
Sameer Pandey	(602) 364-1193