

SCHOOL FACILITIES BOARD  
January 5, 2006  
Phoenix, Arizona

The School Facilities Board held a board meeting at the State Capitol in Phoenix. The meeting began at approximately 10:05 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Chovich, Cynthia	Al Flores, Vail Unified
Davidson, Frank	Jay St. John, Sahuarita Unified
Gober, Patricia	
McGee, Kate, Chair	
Ortega, David	
<u>Members Absent</u>	
Conley, Patrice	
Keenan, Brooks, Vice Chair	
Granillo, Peter	
Phil Williams, Superintendent's Representative (non-voting)	
Taxpayer Representative Position Vacant	
<u>Staff Present</u>	
John Arnold, Acting Executive Director	
Carol Civiello, Interim Deputy Director of Facilities	
Kristen Landry, Public Information Officer	
Amber Peterson, School Finance Specialist	
Debra Sterling, Attorney General's Office	

- I. Call to Order  
Board Chair, Kate McGee, called the meeting to order at approximately 10:05 A.M.

- II. Roll Call  
There were five Board Members present at this meeting.

Kate McGee recognized Frank Davidson being named Arizona's Superintendent of the Year by the Arizona School Administrators Association.

Kate McGee announced the newest member to the Board, Penny Taylor, who fills the taxpayer representative position.

III. Approval of Minutes of December 1, 2005 Board Meeting

Patricia Gober moved that the Board approve the December 1, 2005 minutes. Cynthia Chovich seconded. Motion passed on a 4-0-1 voice vote with David Ortega abstaining.

IV. Consent Agenda

a. Consideration and possible vote of 3 Year Building Renewal Plans

b. Consideration and possible vote of 5 Year Building Renewal Plans

c. Consideration and possible vote of Preventive Maintenance Plans

Frank Davidson moved that the Board approve the items as listed in the Consent Agenda. David Ortega seconded. Motion passed on a 5-0 voice vote.

V. Director's Report

a. Audit Update

John Arnold explained that when Bill Bell went to the Department of Administration, he was to retain administration over the audit. Legal counsel has determined that the Audit responsibilities should be transferred from DOA personnel to SFB personnel. The following is the status of the various Audits that have not been finalized:

- DMJM: SFB staff signed the final settlement agreement with DMJM this last month. DMJM agreed to pay the SFB \$92,694 to settle all claims.
- Vanir: The SFB claim and the Vanir counter claim have been combined at OAH and are currently scheduled to be heard in March. The SFB staff and Vanir have agreed to mediation. That will take place on January 13.
- GVE: The SFB is preparing a claim for OAH. As of today, the hearing is scheduled for January 23.
- Heery: The preliminary audit report has been issued; staff is working on the final audit report.
- Flagstaff Design: The preliminary audit report has been issued; staff is working on the final audit report.
- Pinnacle One: The final report has been issued. Staff is negotiating with the firm to settle any potential claims.

Patricia Gober asked if any larger themes had been identified during these six audits. Mr. Arnold explained that of the remaining five, four are Project Management firms. He added that the one finding that was consistent was failure to complete the daily site visits.

b. Proposal for "Type 3" Districts that wish to Unify

John Arnold explained that staff received two comments on the proposed policy presented at last month's meeting. Based on the comments, staff has adjusted the proposed language with the final version presented in this agenda item.

He explained that this is a rule and will be subject to the rulemaking process. This will not be in effect until the rule is changed which could take up to 12 months. He would like to have the rule in place for next year's capital plans.

Patrica Gober asked whom projects resident high school students listed in Item #2. Mr. Arnold said that the statute states the SFB establishes all the projections; the districts would provide an internal analysis, which would be certified by the Board. Ms. Gober asked for clarification on the methodology that is used to clarify the projections. Mr. Arnold added that staff is taking steps to make the methodology clearer.

Kate McGee asked if the Board could address the methodology issue from a policy standpoint. Mr. Arnold explained that staff wants the methodology as transparent as possible, however, the same methodology cannot be used in every case. He added that most projections take place in the near time period and are reviewed a year later to be sure those projections are on track.

Frank Davidson commented that the capital plan forms ask districts to indicate the methodology used to make their projections. He added that he would like to see district continue to define how their projections are based.

Kate McGee suggested continuing to define the methodology used for the Board and the public. She suggested holding a study session.

Cynthia Chovich asked at what point the SFB would receive public input again. Mr. Arnold stated that the rulemaking process requires a series of hearings and a schedule of the process would be put together for the Board.

Frank Davidson moved that the Board approve the change to the geographic factors definition as follows regarding type three districts that unify:

*If an elementary school district that is not in a high school district unifies after June 30, 2005, the resulting unified school district may qualify for high school space under ARS 15-2041 if it meets the following criteria:*

- 1. The elementary school district unifies after June 30, 2005 and*
- 2. The resulting unified school district is projected to have more than 350 resident high school students being served in school districts other than the student's resident school district within the three-years following the current fiscal year and*
- 3. One of the following is true: At least 350 of the high school students would travel for at least 20 miles to the receiving school facility or The school district that is expected to receive the majority of the projected resident high school students is projected to need additional high school space within seven years. For purposes of this analysis, the projected ADM of the receiving district should include the high school students of both the receiving and sending districts.*

David Ortega seconded. Motion passed on a 5-0 voice vote.

c. Legislative Update

John Arnold explained the process staff follows during the legislative session as indicated below:

SFB staff will be supporting the Governor's budget and legislative initiatives. This support generally includes technical advice provided to both the Executive and the Legislature. Staff provides information on the impacts to the existing Students' FIRST programs and advice on how such initiatives may be implemented.

In addition to supporting the Governor's programs, SFB staff is called upon from time to time to participate in meetings and provide testimony in hearings regarding initiatives sponsored by individual legislators. Again, staff's role in these meetings is to provide technical assistance. Staff generally will not take a position on these initiatives. At no time will staff communicate a Board position. All of staff's interaction with the Legislature is coordinated with the Governor's office.

During the legislative session, staff will provide the Board monthly reports on both the Executive's and the Legislature's initiatives impacting Students' FIRST. As a regulatory body, the Board generally has not taken specific positions on any piece of proposed legislation.

Kate McGee asked about the motion to clarify the Emergency Deficiency statute. Mr. Arnold explained that the Governor's staff requests ideas in August and this issue was submitted with the suggested language. He was not aware if the Governor would be pursuing this issue this session or next.

David Ortega suggested staff sending a memo to the board members on proposed legislation. Ms. McGee added that she would continue to work with staff, the Governor's office, and Senator Gray on potential legislation.

d. Full Day Kindergarten Capital Grants

David Ortega moved that the Board approve the district's Full Day Kindergarten Expenditure Plans as outlined in agenda item Vd. Cynthia Chovich seconded.

Motion passed on a 5-0 voice vote.

VI. New School Construction

a. Consideration and possible vote of FY 2006 Capital Plan New Construction Requests

David Ortega moved that the Board approve the following for the Casa Grande Elementary District: project 006N (K-5 for 750) to open in FY 08 and conceptual approval for three K-5 schools for 750 each to open one each in FY 09, FY 10, and FY 11 and a 6-8 school for 1,000 students to open FY 11. Cynthia Chovich seconded. Motion passed on a 4-0-1 voice vote with Frank Davidson recusing himself from this item.

Cynthia Chovich moved that the board approve the following:

1. Chandler Unified (K-6): That the Board approve the staff recommendation to approve project 017N (K-6 for 988) to open in FY 07, and approve project 018N (K-6 for 942) to open in FY 08. Staff also

recommends conceptual approval for two K-6 schools for 942 each to open one each in FY 09 and FY 10.

2. Dysart Unified (K-8): That the Board approve the staff recommendation to approve 3 K-8 schools for 1,100 students each to open in FY 07, FY 09, and FY 09 (projects 013N, 020N, and 021N) and to deny the district's request for project 022N to open in FY 09. Staff also recommends conceptual approval for 7 K-8 schools for 1,100 each to open in FY 10 through FY 13.
3. Dysart Unified (9-12): That the Board approve the staff recommendation to approve project 025N (9-12 for 1,800) to open in FY 09. Staff also recommends conceptual approval for a 9-12 school for 1,800 to open in FY 12.
4. Fowler Elementary (K-5): That the Board approve the staff recommendation to approve a new project (additional K-5 space at Fowler Elementary School for 110 students) to open in FY 08. Staff also recommends conceptual approval for additional K-5 space at Sunridge Elementary for 150 students to open FY 09, and a K-5 school for 750 students to open FY 09.
5. Humboldt Unified (K-5): That the Board approve the staff recommendation to deny project 004N (K-5 for 550) to open in FY 08. Staff recommends conceptual approval for project 004N to open in FY 10.
6. Humboldt Unified (6-8): That the Board approve the staff recommendation to approve project 005N (6-8 for 722) to open in FY 09.
7. Humboldt Unified (9-12): That the Board approve the staff recommendation to deny the district's request for the buildout of its core high school to open in FY 08. Staff recommends conceptual approval for the core high school's buildout to accommodate the remaining 600 students to open in FY 10.
8. Litchfield Elementary (K-5): That the Board approve the staff recommendation to deny project 009N (K-5 for 800) to open in FY 08. Staff recommends conceptual approval for project 009N to open in FY 11.
9. Litchfield Elementary (6-8): That the Board approve the staff recommendation to deny project 010N (6-8 for 900) to open in FY 09. Staff recommends conceptual approval for project 010N to open in FY 13.
10. Sahuarita Unified (K-8): District did not request current funding approval, only conceptual approval. Staff recommends conceptual approval for a K-8 school for 1,200 students to open FY 11.

11. Sahuarita Unified (9-12): That the Board approve the staff recommendation to approve project 007N (9-12 for 721) to open in FY 09.
12. Vail Unified (K-5): That the Board approve the staff recommendation to approve project 006N (K-5 for 600) to open in FY 07, and approve project 009N (K-5 for 600) to open in FY 08. Staff also recommends conceptual approval for a K-5 school for 600 to open in FY 10.
13. Vail Unified (6-8): That the Board approve the staff recommendation to deny project 010N (6-8 for 650) to open in FY 09. Staff recommends conceptual approval for project 010N to open in FY 11.
14. Vail Unified (9-12): District did not request current funding approval, only conceptual approval. Staff recommends conceptual approval for a 9-12 school for 750 students to open FY 10.

Frank Davidson seconded.

Patricia Gober noted that in some cases, staff is using the same projections as the districts, but are coming to different conclusions. Amber Peterson explained that in the majority of cases staff used the district's projections for outlying years and actual numbers for the current year. Ms. Gober asked about the timing of the need for space. Ms. Peterson stated that she did not believe districts typically do the analysis for themselves and do not necessarily plan their request based on the capacity of their existing schools. She added that districts that have gone through this process before have a clearer understanding of the formula than districts that have not.

John Arnold suggested posting a tool to the website that would allow a district to insert their growth projections to see when they would qualify. Frank Davidson added that because the requests are due in September, districts are submitting inaccurate data because the school year just started.

Ms. Gober noted that there are two issues: the projections and methodology of the formula.

David Ortega asked if there was any comment from districts on this issue.

Al Flores, of the Vail Unified School District, addressed the Board. He stated he has concerns with what the district projects and what comes back from the SFB. He said his district sees 30% growth in new housing developments that are selling out in months. He suggested finding a way to come to a closer understanding of those projections, especially in the fast growing districts.

Jay St. John, of the Sahuarita Unified School District, addressed the Board. He stated that the formula does not work in certain areas. He added that the process is very time consuming and he could use a full time employee just to deal with his district's growth.

Ms. Gober asked about Sahuarita's projections for a 9-12 school, which were the same as the SFB's. Dr. St. John stated that the projections are based on a five year average. He stated that five years ago, the district experienced a negative 2% growth and in the last four years they have experienced around a 15% growth, but the negative 2% is still included.

John Arnold said that he plans to simplify the capital plan process. He added that he is working with districts to make sure it is wise to approve a school when the district requests it.

Kate McGee asked if the statutory deadline for capital plans is a bad date. John Arnold said there is varying opinion on what the best date is. He explained that the September 1 date was set so the legislature would have budget information for the upcoming legislative session, but the date does not work for that purpose either because budget information is due in October. He added that the September 1 date is also difficult for districts because of the new school year.

Motion passed on a 5-0 voice vote.

b. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders including projects from:

David Ortega moved that the board approve the following:

1. Buckeye Union High School District's request to go to bid and the preliminary bid amount of \$21,342,801 (includes additional SFB funding of \$70,000 for site specific requirements and additional district funding of \$918,737) for a 9-12 high school (project 070501000-9999-002N).

2. Higley Unified School District's request to go to bid and the preliminary bid amount of \$32,518,308 (includes district funding of \$3,683,384) for a 9-12 high school (project 070260000-9999-005N).

3. Laveen Elementary District's request to go to bid and the preliminary bid amount of \$10,423,475 (includes additional SFB funding of \$170,000 for site specific requirements and \$443,267 for minimum adequacy requirements) for a K-8 school (project 070459000-9999-004N).

4. Sahuarita Unified District's request to begin construction of a K-8 school (CM at Risk project 100230000-9999-002N) upon receipt of necessary documents, in the amount of \$11,739,532 (includes district funding of \$48,000).

Frank Davidson seconded. Motion passed on a 5-0 voice vote.

c. Consideration of Other New Construction Issues

Carol Civiello explained that items included in item VIc are required for Humboldt Unified to meet the minimum adequacy guidelines. Staff requested that the Board approve all the requested items with the exception of the

special systems, which will be reviewed and brought back to the board at a later date.

David Ortega moved that the Board approve additional minimum adequacy funding in the amount of \$135,198 for project 130222000-9999-001N for Humboldt Unified School District. Frank Davidson seconded. Motion passed on a 5-0 voice vote.

VII. Reduction of Square Footage

Patricia Gober moved that the Board approve the following:

1. That the Board authorize staff to reflect the reconfiguration of 22,100 square feet in the SFB building database for El Mirage Elementary School in the Dysart Unified District, contingent upon the Board's approval of additional space as recommended in separate agenda item.
2. That the Board authorize staff to reflect the reduction of 1,680 square footage in the SFB building database for Aire Libre Elementary School in the Paradise Valley Unified District.

David Ortega seconded. Motion passed on a 5-0 voice vote.

VIII. Consideration of Request for Land or Real Property Purchase, Lease, or Donation, including requests from:

a. Steps I and/or II

Frank Davidson moved that the Board approve the following:

1. That the Board approve Chino Valley Unified School District's request to lease 26 acres for an elementary school site and move to Step III for necessary testing.
2. That the Board approve Coolidge Unified School District's request to accept a donation of 15 acres for an elementary school site and move to Step III for necessary testing.
3. That the Board approve Dysart Unified School District's request to accept a partial purchase/ partial donation of 13.782 acres for an elementary school site and move to Step III for necessary testing.

David Ortega seconded. Motion passed on a 5-0 voice vote.

b. Step III

David Ortega moved that the Board approve the following:

1. That the Board approve Buckeye Union High School District's request to accept a donation of 60 acres for a high school site.

2. That the Board approve Buckeye Elementary School District's request to accept a donation of 14.82 acres for an elementary site.

Cynthia Chovich seconded.

Cynthia Chovich asked why there were multiple acreages listed in Buckeye Union's land analysis. Kristen Landry explained that the first section of the write-up is what was presented for Steps I and II. At that time, the definite acreage was unknown because a survey had not yet been completed. The second section, presented at final approval, reflects the surveyed acreage. Additionally, the donation factor is only based on 45 of the 60 requested acres because of the recommended site size.

Motion passed on a 5-0 voice vote.

c. Other Land Issues

David Ortega moved that the Board approve additional funding in the amount of \$4,000 for pesticide testing in the Higley Unified School District. Cynthia Chovich seconded.

Patricia Gober asked what happens if the pesticide levels come back too high. John Arnold explained that it would depend on how extensive the contamination was. It would likely be mitigated unless there was a high level of contamination.

Motion passed on a 5-0 voice vote.

David Ortega moved that the Board approve funding in the amount of \$5,000 to conduct trenching in the Laveen Elementary School District. Frank Davidson seconded. Motion passed on a 5-0 voice vote.

Cynthia Chovich moved that the Board approve funding in the amount of \$40,000 to complete a work plan and conduct trenching in the Santa Cruz Valley Unified School District. David Ortega seconded. Motion passed on a 5-0 voice vote.

IX. Consideration of Emergency Deficiency Project

a. Ash Fork Unified

David Ortega moved that the Board approve funding in the amount of \$155,754 (\$148,854 for contractor change orders and \$6,900 for engineer additional services) for completion of the septic system replacement project for the Ash Fork Unified School District. Frank Davidson seconded.

Kate McGee asked if the Certificate of Occupancy has been issued. Carol Civiello explained that the school was occupied and the septic system has been certified; the Certificate of Occupancy was issued in December of 2004. Ms. McGee asked if the district has submitted their Building Renewal Plan. Ms. Civiello said that the district submitted their 5 year plan in March of

2005, but has not submitted their 3 year building renewal plan. Ms. McGee asked if the district is putting any money into the project, which they are not.

Frank Davidson indicated that he thought this was an extension of the original approval. Ms. Civiello said the system was functioning at the time of construction and began to show problems during construction so she can understand why it was not included into the deficiencies program.

David Ortega said if a school experienced a sudden loss of water or sewer, the school would close. He believes this is a required function of the school.

Motion passed on a 5-0 voice vote.

X. Chairman's Report

a. Policy and Rules Subcommittee Update

Kate McGee updated the board on the status of the committee.

XI. Future Agenda Items

Frank Davidson suggested having a workshop on the new construction formula

David Ortega suggested staff forward news clips to the board.

XII. Public Comment

Al Flores addressed the Board and said while the construction index was recently increased, it is still not enough. He added that the timing of approvals of new construction projects make it difficult to open in the fall. He said districts need at least two years to open an elementary and three to open a high school. He encouraged the SFB to visit districts and see the growth.

Adjournment

There being no further business, Kate McGee, adjourned the meeting at approximately 11:45 A.M.

Approved by the School Facilities Board on \_\_\_\_\_, 2006

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Kate McGee, Chair