

SCHOOL FACILITIES BOARD
September 21, 2007
Phoenix, Arizona

The School Facilities Board held a board meeting at the School Facilities Board Office in Phoenix. The meeting began at approximately 1:00 P.M.

<u>Members Present</u>	<u>Guests Present</u>
Davidson, Frank, Chair	
Keenan, Brooks, Vice Chair (by phone)	
Gober, Patricia	
Marks, Gary (by phone)	
Rushin, Tom	
<u>Members Absent</u>	
Taylor, Penny	
Ortega, David	
Salazar, Vicki, Superintendent's Representative (non-voting)	
Private Business Owner Representative, position vacant	
Teacher Representative, position vacant	
<u>Staff Present</u>	
John Arnold, Executive Director	
Dean Gray, Deputy Director of Facilities	
Monica Petersen, Deputy Director of Finance	
Amber Peterson, School Finance Specialist	
Ron Passarelli, Special Projects	
Kerry Campbell, Manager's Assistant	
Nancy Oyen, Attorney General's Office	

- I. Call to Order
Frank Davidson called the meeting to order at approximately 1:00 P.M.

- II. Roll Call
There were five board members present at this meeting, including two members who participated by phone.

- III. New School Construction
 - a. Consideration and possible vote of New Construction Projects Review, Bids, Bid Packages and Change Orders including projects from:

Tom Rushin moved that the Board approve the following:
 1. **Littleton Elementary District's** request to proceed with [CM@Risk](#) Project 070465000-9999-008N, upon staff receipt of necessary documents, and that the Board approve additional funding for inflation in the amount of \$1,807,484.

2. **Nadaburg Unified District's** request to proceed with [CM@Risk](#) Project 070381000-9999-201N, upon staff receipt of necessary documents, and that the Board approve additional funding for specific site requirements in the amount of \$224,000 and additional funding for inflation in the amount of \$2,676,588.

Gary Marks seconded. Motion passed on a 5-0 voice vote.

- IV. Director's Report - Review, Consideration, and Edit of the following items:
 - a. 21st Century Schools Report - Draft

John Arnold reviewed the changes provided in the Board packet. In addition to minor verbiage changes, the following substantive changes are proposed:

Executive Summary

The executive summary was re-organized to group recommendations within each section as follows: recommendations to the State, recommendations to school districts, and those that require legislative action. Monica Petersen drew the Board members' attention to the first recommendation under "accommodate and enrich the teacher / student connection", and indicated that the phrase, "whether funded by the SFB or not" may mislead people into thinking that the SFB has resources to fund the recommended awards program. Ron Passarelli clarified that the phrase was a modifier for "Arizona school buildings", which may or may not be SFB-funded. Staff will revise the wording in this paragraph. Ms. Petersen also noted that the recommendation for increased day lighting in interior spaces could result in increased cooling costs for the districts, and expressed concern that the recommendation to school districts to build a variety of school sizes was categorized as not requiring significant increases to capital. She noted that the fiscal responsibility for the State could be significant. John Arnold agreed that there is a cost associated with building smaller schools, as it reduces economies of scale and requires more school sites. He suggested that staff add some language to that section of the report discussing the long-term fiscal impact, but he pointed out that the law currently allows districts latitude to customize school sizes, so the recommendation would not require legislative action. Frank Davidson added that operational costs also need to be considered by districts when determining school sizes. Tom Rushin expressed his appreciation for the report's reaffirmation of local control regarding how a facility fits into its community.

Applied Technologies in the Classroom

John Arnold indicated that staff has been asked repeatedly whether the recommendation for hard wire infrastructure (six data drops per classroom) may be redundant when also recommending a wireless system. Tom Rushin indicated that the Yuma Elementary District standard is currently eight drops per classroom plus wireless. The drops support a wireless system, and students use them as wireless gets bogged down. He was comfortable with the report's recommendation. Gary Marks agreed. Ron Passarelli asked Mr. Rushin about the editorial comment on page 20 which incorrectly states that Yuma Elementary District's standard is twelve drops per classroom, and Mr. Rushin clarified that some classrooms have that many, but not all of them.

Requirements for Construction Financing

This section now contains a full analysis of the cost of debt financing vs. cash. Frank Davidson asked Director Arnold about the more conservative assumptions by DES as presented in Scenario II. Mr. Arnold explained that DES excluded an economic forecast when producing its population forecast. However, this scenario demonstrates that if Arizona's population growth rate declines, then the cost of school construction will decline accordingly. A paragraph was also added regarding upgrading existing schools, and suggests that a district's bonding authority could be expanded from the current one-third of its bonding capacity to two-thirds, stipulating that the additional authority be used for modernization projects. The modernization projects could be limited to energy, water conservation, and safety projects. This narrow definition would help avoid disparity between high-wealth and low-wealth districts. The State would likely need to continue with the program it has now (approximately \$2.5 million).

Implications for Facility Size and Classroom Dimensions

Frank Davidson asked whether kindergartners were assumed to have a weight of one ADM or one-half. John Arnold stated that staff originally approached the report assuming kindergarten students would have a weight of one. However, after discussing the issue with the Governor's office, the report was changed to assume a kindergarten weight of one-half. As a result, a sentence was added on page 50 to note that the current standard of 36 SF per student would yield a 270 SF kindergarten classroom vs. 540 SF as previously reported (assuming a class size of 15 students). Tables were also changed as follows:

- Page 49: SFB sq. ft. allocations per student for Kindergarten was changed from 36 to 18
- Page 51: the left column was changed from K-3 to 1-3.

John Arnold indicated that staff would produce a "next steps" document outlining methodologies for implementing the recommendations. This will be available in October. Staff will also send another hard copy of the report to board members labeled "final draft" within a couple of days. He asked the board members to review the specific recommendations listed in the executive summary, and noted again that some of the recommendations are items that districts would be asked to do. Dr. Gober asked him to expand on that. He replied that the SFB cannot enforce any of these items; it can only encourage districts to follow through with them. Staff will advertise these recommendations and educate districts on the benefit of these items, but ultimately, the decisions will be made locally. Staff will also pursue the recommended legislative changes in cooperation with the Governor.

V. Future Agenda Items
None

VI. Public Comment
None

VII. Adjournment

There being no further business, Frank Davidson adjourned the meeting at approximately 1:44 P.M.

Approved by the School Facilities Board on October 4, 2007

Frank Davidson
Chair