

SCHOOL FACILITIES BOARD
 March 6, 2008
 Phoenix, Arizona

The School Facilities Board held a Board meeting at the Fowler Elementary District Office – Board Room in Phoenix. The meeting began at approximately 10:05 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Davidson, Frank, Chair	Allen Robenstout-Parent CDS
Keenan, Brooks, Vice Chair	Jay A. Iole-Parent CDS
Ortega, David	Scott Harris-Parent CDS
Rushin, Tom	Jan Sawyer-Parent CDS
Allee Taylor, Penny	Angie Thornton-Parent CDS
Marks, Gary	Trish DeGraaf-Parent CDS
	Mary Lou Taylor-Parent CDS
<u>Members Absent</u>	Karen Johnston-Parent CDS
Gober, Patricia	Andy Anderson-Pinnacle One
Salazar, Vicki (non-voting member)	Heidi Birch-Gilbane Building
Private Business Owner Representative, position vacant	Candy Cooley-Queen Creek USD
Teacher Representative, position vacant	Chuck Breiten-Parent CDS
	Beverly Hurley-Buckeye UHSD
<u>Staff Present</u>	Rick Carr-EMC2 Architects
John Arnold, Executive Director	Emilie Doering-Student CDS
Dean Gray, Deputy Director - Facilities	Gordon Vasfaret-GVE
Monica Petersen, Deputy Director - Finance	Whitney Smith-GVE
Debra Sterling, Attorney General's Office	Riley Frei-Littlefield USD
Jim Chang, Demographer	Jennifer Doering-Parent CDS
Amber Peterson, School Finance Specialist	Kathy Sawyer-Parent CDS
Kerry Campbell, Public Information Officer	Randon Lawrence-Littlefield USD
	Mark Kuhl-Parent CDS
	Jerry Derwin-Fowler ESD
	Ed Mangam-Energy Design Consulting
	Tara Malloy-McCarthy
	Tom Rogers-Tanque Verde USD
	Jeff Keck-Adolphson & Peterson
	Kim Green-Parent CDS
	Charmaine Neuton-Parent CDS
	Cathy Rex-So. AZ School Facilities Gp
	Brock Huttenmeyer-Adolphson & Peterson
	Jim Adams-Parent CDS

I. Call to Order

Frank Davidson called the meeting to order at approximately 10:05 A.M.

II. Roll Call

There were six Board Members present at this meeting.

III. Approval of Minutes of February 7, 2008

Brooks Keenan moved that the Board approve the minutes of February 7, 2008. Penny Allee Taylor seconded. The motion passed with a 6-0 voice vote.

IV. Consent Agenda

a. Consideration of Preventive Maintenance Plans

Penny Allee Taylor moved that the Board ratify the plans listed in agenda item IVa. Gary Marks seconded. The motion passed with a 6-0 voice vote.

b. Consideration of FY08 3-Year Building Renewal Plans

David Ortega moved that the Board table this agenda item for action at a future board meeting. Gary Marks seconded. The motion passed with a 6-0 voice vote.

V. Director's Report

a. Land Acquisition Terms and Conditions for Purchase, Lease and Donation

John Arnold explained that for the last several years the SFB has required the districts to sign Terms and Conditions that govern the dollars awarded for projects. When initially established, there was only one version for land acquisition projects. There are actually three different types of land acquisition projects, purchase, lease, and donation. Upon review, SFB staff determined the need to have a unique set of Terms and Conditions for each type of acquisition. There are some specific and unique circumstances to each type. In addition, the original set was missing some language required for any state contract. Presented today are updated and individualized Terms and Conditions for land acquisition.

David Ortega wished to clarify Terms and Conditions for Donations, Item number 8, and Terms and Conditions for Purchase, Item number 12, which state, "The title to any land for which the Applicant received monies from the Fund for the Donation Value shall remain with the Applicant." There are no provisions for what is allowable or what may happen with the land in the future.

Mr. Arnold explained that land title control is governed by statute and that some of the items in the Terms and Conditions were included for informational purposes. To address Mr. Ortega's concern, Mr. Arnold suggested adding another item that speaks to future title transfer and what is allowable with regard to selling or disposing of the property and the consequential distribution of funds. He suggested the Board table this agenda item, giving SFB staff the opportunity to make these changes and bring the Terms and Conditions back to the Board in April.

David Ortega moved that the Board table this agenda item for consideration at the April Board Meeting. Penny Allee Taylor seconded. The motion passed with a 6-0 voice vote.

b. Legislative Update

Monica Petersen, SFB Deputy Director of Finance, gave a brief review of each of the following bills:

Energy Bills

HB 2042 had a striker on it last week. Its content has been completely changed. This is no longer an energy bill.

HB 2311 did not succeed in any hearing and is probably a dead bill.

HB 2588 passed the Rules Committee and the Majority and Minority Caucuses. This bill still has momentum.

HB 2618 has not received its secondary committee hearing and has no real momentum.

HB 2619 has not been picked up for its secondary committee hearing and is likely dead.

HB 2766 has not been picked up for its secondary committee hearing and has little momentum.

SFB Continuation Bills

HB 2232 continues to move along.

SB 1026 failed in the Senate.

Bonding Bill

HB 2234 has had no movement.

Rural Area Bill

HB 2508 still needs an Appropriations hearing, and may continue.

SFB Staff Bills

SB 1031 passed the Senate and is being transferred to the House.

SB 1032 passed the Senate and is being transferred to the House.

Impact Fee Bill

SB 1138 is not moving.

SB 1237 still has momentum.

John Arnold gave a brief update on the budget, explaining that there is currently an estimated FY 09 budget shortfall in the amount of \$2.9 billion. The current proposal is to cover the shortfall from four sources: 25% from agency reductions, 25% from the K-12 rollover, 25% from the rainy day fund, and 25% by financing long-term capital.

c. Audit Update

Mr. Arnold explained that the SFB is required to provide a 6-month update to the Office of the Auditor General on implementation of the audit recommendations. Brooks Keenan commented that the responses looked very good, noting that for a couple of items, information had been requested from the Auditor General's Office, yet nothing had been provided. His hope is that those items will be addressed and not forgotten.

Mr. Arnold responded that the SFB was cited for not providing sufficient oversight for building renewal expenditures. The SFB asked the Auditor General's Office to help us understand and develop a program to audit those expenditures. The team that performed the SFB audit thought this was an excellent idea and wanted to provide us with an ideal percentage of expenditures that would require review. This is the type of information that was requested from the Auditor General's Office with the hope of coming to a mutually agreed upon solution to the audit findings. SFB staff will go forward whether or not support is provided by the Auditor General's office.

VI. New School Construction

a. Consideration and possible vote of FY 2008 Capital Plan New Construction Requests

John Arnold explained that the Buckeye UHSD currently has a school in design and that by adopting the projections presented to the Board today, that school will be placed on hold until FY 2009. The Buckeye UHSD Superintendent is aware of this delay and understands that enrollment will be reviewed again in the fall of 2008 with the possibility of removing the hold to allow the project to move forward.

Brooks Keenan moved that the Board approve the staff recommendations as listed below:

1. **Apache Junction Unified (K-5):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
2. **Apache Junction Unified (9-12):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
3. **Buckeye Union (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 005N for 1,400 students to open in FY 14 and 006N for 1,400 students to open in FY 15.
4. **Chandler Unified (K-6):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 023N for 958 students to open in FY 13.
5. **Coolidge Unified (K-8):** **Deny** the district's request for three schools to open by FY 11. **Conceptually approve** 013N, 017N, 018N, and 019N for 800 students each to open in FY 12 through FY 16.

6. **Coolidge Unified (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 022N for 1,200 students to open in FY 14.
7. **Florence Unified (K-8):** **Deny** the district's request for additional K-8 space to open in FY 11. **Conceptually approve** 013N (additional space for 649 students) to open in FY 12 and four additional schools for 1,100 students each to open in FY 13 through FY 16.
8. **Florence Unified (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 017N for 1,500 to open in FY 12 and a new school to open in FY 16.
9. **Gilbert Unified (K-6):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
10. **Higley Unified (K-8):** **Deny** the district's request for two schools to open by FY 11. **Conceptually approve** 008N for 1,200 students to open in FY 12 and 010N for 1,200 students to open in FY 15.
11. **Higley Unified (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** a new school for 1,700 students to open in FY 15.
12. **J.O. Combs Unified (K-5):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 009N for 750 students to open in FY 12 and 013N for 750 students to open in FY 14.
13. **J.O. Combs Unified (6-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 008N for 1,000 students to open in FY 12.
14. **J.O. Combs Unified (9-12):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 017N for 1,822 students to open in FY 13.
15. **Maricopa Unified (K-5):** **Deny** the district's request for a school to open in FY 10. **Conceptually approve** 022N, 023N, 024N, and 025N for 850 students each to open in FY 11 through FY 16.
16. **Maricopa Unified (6-8):** **Approve** project 026N for 900 students to open in FY 11. Monies cannot be awarded for this facility until sufficient funds are available in the New School Facilities Fund. **Conceptually approve** two additional schools.
17. **Maricopa Unified (9-12):** **Approve** project 028N for 1,800 students to open in FY 11. Monies cannot be awarded for this facility until sufficient funds are available in the New School Facilities Fund. **Deny** conceptual approval for a new school.

18. **Red Rock Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 003N for 1,050 students to open in FY 15.
19. **Santa Cruz Valley Unified (K-5):** District did not request current funding approval, only conceptual approval. **Conceptually approve** a new school for 500 students to open in FY 15.
20. **Stanfield Elementary (K-8): Approve cancellation** of project 001N. **Conceptually approve** 001N for 700 students to open in FY 12 and 004N for 700 students to open in FY 16.
21. **Toltec Elementary (K-8): Approve** project 001N for 750 students to open in FY 11. Monies cannot be awarded for this facility until sufficient funds are available in the New School Facilities Fund. **Conceptually approve** 002N for 750 students to open in FY 16.

Seconded by Penny Allee Taylor. The motion passed with a 6-0 voice vote.

b. Consideration and possible vote of FY 2008 Capital Plan New Construction Requests

Frank Davidson recused himself from this agenda item since he is the Superintendent of the Casa Grande Elementary District. Brooks Keenan stepped in as co-chairman to facilitate this agenda item.

Gary Marks moved that the Board approve staff recommendations as listed below:

1. **Casa Grande Elementary (K-5): Deny** the district's request for a K-5 school to open in FY 10. **Conceptually approve** 007N for 750 students to open in FY 12, and 008N for 750 students to open in FY 15.
2. **Casa Grande Elementary (6-8): Deny** the district's request for a 6-8 school to open in FY 11. **Conceptually approve** 010N for 1,000 students to open in FY 13.

Seconded by Tom Rushin. The motion passed with a 5-0-1 vote. Frank Davidson rejoined the Board.

c. Consideration of New Construction Projects Review, Bids, Bid Packages and Change Orders

Frank Davidson asked John Arnold if he had any comments to make with regard to this agenda item.

Mr. Arnold explained that the Littlefield Unified District is a small district located in northwestern Arizona along the Utah/Nevada border. This project is to expand their existing high school. The budget is within the new construction formula; there are no inflation dollars being added.

David Ortega moved that the Board approve the following staff recommendation:

1. Approve **Littlefield Unified District's** request to proceed with [CM@Risk](#) Project 080409000-9999-005N, upon staff receipt of necessary documents.

Gary Marks seconded. The motion passed with a 6-0 voice vote.

d. Consideration of Other New Construction Issues- Request for Additional Design Fees

John Arnold explained that Apache Junction Unified was awarded a core high school in 2003 and the district proceeded with and completed the design. Archeological findings on the site have delayed the land acquisition process well past the completion of design. Student projections later resulted in the revision of the core high school to additional space at the existing high school. In making this award, staff assumed the original 5% distribution was available for the reduced project. However, the district has spent \$599,918 of those dollars on the design of the core high school and has requested that these dollars be added back into the current additional space award.

Gary Marks asked if there was any concern from staff about being able to use the design after the passing of time until a new school is awarded.

Mr. Arnold responded that it will cost money to resurrect the design and update it for code changes. The SFB will only pay for those items that are required by code changes and SFB requirements (i.e. changing it from a core to a full school design).

Tom Rushin moved that the Board approve Apache Junction Unified's request to increase funding for project number 110243000-9999-006N by \$599,918. Gary Marks seconded. The motion passed with a 5-0 voice vote (Penny Allee Taylor had temporarily stepped out).

e. Consideration of Other New Construction Issues- Request for Additional Construction Costs

John Arnold explained that Laveen Elementary is about to start construction on a new K-8 facility. The school site was donated to the district. During the acquisition process the environmental site assessment found existing power lines and easement bisecting the site. These would need to be moved before construction could begin. At the time the Board approved the donation, staff believed the cost of moving the power lines was more than accounted for in the donation value of the property. The original plan was to construct the school and move the power lines at the same time. The district wants to start construction in early May 2008. However, staff has informed the district they will likely not be able to start the project until July 2008 subject to additional appropriation authority from the Legislature. The district has approached the SFB with a proposal in the interest of conserving time. The district will assume the cost of construction until such time the SFB can reimburse the district subject to additional appropriation authority. Approval of this agenda item will allow the district to bid the contract to move the power lines at an estimated cost of \$150,000.

Frank Davidson clarified that the need for additional appropriation authority dictates that the earliest the district could receive funding is in the new fiscal year. Mr. Arnold confirmed that an FY 2008 supplemental appropriation is unlikely, thus the earliest the district could receive funding is FY 2009.

Brooks Keenan asked if the district is funding this project at their own risk. Mr. Arnold explained that the district is aware of the risk and has submitted a letter to the SFB acknowledging this.

David Ortega moved that the Board approve the Laveen Elementary District's request to bid the power line relocation separate from the new construction project with reimbursement being subject to additional appropriation authority. Brooks Keenan seconded. The motion passed with a 6-0 voice vote.

VII. Reduction/Reconfiguration of Square Footage

a. Consideration and Possible Vote of Requests for Reduction in Square Footage

Frank Davidson explained that the Florence Unified request requires more analysis and asked for a motion to table their request for consideration at a future meeting.

Tom Rushin moved that the Board table Florence Unified's request for consideration at a future meeting. Seconded by Gary Marks, the motion passed with a 6-0 voice vote.

Penny Allee Taylor moved that the Board ratify staff's projection for Kyrene Elementary, which indicates that the demolition of Building 1007 at Kyrene de los Lagos is not projected to cause the district to fall below minimum square footage guidelines within three years. Tom Rushin seconded. The motion passed with a 6-0 voice vote.

b. Consideration and Possible Vote of Requests for Reconfiguration of Square Footage

John Arnold explained that Tanque Verde Unified has been a unified district for many years, but has never offered a traditional high school program. The district has two elementary schools and one middle school (configured 7-9). Their high school students (grades 10-12) have historically been tuitioned into the Tucson Unified District, mostly attending Sabino High School. Sabino is located in close proximity to Tanque Verde, thus there is no excessive travel burden to attend that school. About three years ago the district decided to convert the middle school from a 7-9 to a 7-12 to try to retain as many of the high school students as possible and approached the SFB in 2005 with a request for reconfiguration. SFB staff's recommendation to the Board at that time was going to be denial of the district's request based on the projections available at the time. The district formally requested withdrawal of their request pending further discussion and meetings with the SFB staff. A similar sequence of events happened again in 2007, also resulting in withdrawal of the district's request pending further discussion. Staff met with the district again last summer. The district has converted by adding one grade at a time and they are now operating the school as a 7-12. It appears that they are retaining some high school students but a majority still attend Sabino High

School. Mr. Arnold noted that it is very difficult without a history to project the retention of these students. The district believes they will retain a significant number of their students over the next five years. Staff's projection is quite a bit lower than the district's estimates. Staff's projections indicate that the proposed reconfiguration to a 7-12 will not cause the district to fall below the minimum guidelines within the next three years; however, staff does project a slight dip in capacity below the minimum guideline in FY 2013. The district believes the school population will ultimately exceed capacity by more than 200 students and in their long term planning would like to build/acquire another campus with their ultimate goal to have a 7-8 campus and make this current campus a 9-12. Mr. Arnold informed the Board of several options. If the Board accepts the staff recommended student projections, which show the district does not violate the standard, the SFB would not have the authority to deny or approve the reconfiguration. If the Board rejects the staff recommended student projections, there may be a vote to either accept or deny the grade reconfiguration.

Frank Davidson clarified that staff projections assume the district would retain about 50% of the eighth grade class next year and that percentage would increase up to 75% over the next five years, which means the majority of students would be retained.

Mr. Arnold agreed with Mr. Davidson's comment, adding this year they retained 48% of the eighth grade students with that percentage declining for the 9th-12th grades. Staff projections assume the district would grow their eighth grade retention and included a dropout rate for grades 9-12 over the next few years.

Brooks Keenan commented that this is a pretty unusual situation and asked if the district is already a unified district, first, can the district reconfigure the school, and second, doesn't the local school board have the authority to run/open a high school when they choose to do so and when they have enough students to do so? Does this put the SFB at odds with the district's intention to operate a high school or is the Board just considering this reconfiguration as one campus?

Mr. Arnold commented that Mr. Keenan's question is right in the heart of this issue. SFB staff tried to look at what is the Board's authority and responsibilities with regard to reconfiguration. The Board certainly has the authority to deny a reconfiguration of this middle school into a high school, but does this then mean we are required to build high school space because they have high school students without any space. Staff would argue that we are not because of the prohibition of providing high school space to districts that did not already have a high school prior to 2004, but that is a difficult question to answer.

David Ortega asked about the impact of this reconfiguration on the Tucson Unified School District. Mr. Arnold answered that he has spoken with the principal of Sabino High School, which is not at full capacity. Tucson Unified as a whole has experienced declining enrollment and is considering closing a couple of schools. The principal said she would not oppose a Tanque Verde

High School, and that Sabino would still welcome Tanque Verde students and invite them to participate in their orientation program.

Mr. Ortega asked about the projected enrollment and if there was a minimum required to operate a high school. Mr. Arnold said there is no minimum number of students required either in statute or policy, adding that the SFB has approved very small schools for accommodation districts.

Mr. Ortega asked if there was anyone from the district present to speak to this issue. Tom Rogers, Superintendent of Tanque Verde Unified, introduced himself and explained that the district's projections made last summer were, in part, based on Tucson Unified's decision to no longer accept Tanque Verde's high school students. At that time, Tanque Verde believed they would retain 80-90% of those students. A month later, Tucson Unified reversed their policy. The SFB staff projections are probably more accurate than the district's because Tanque Verde will continue to compete with Tucson Unified, charter schools, and private schools.

Mr. Ortega asked if some Sabino students would likely attend Tanque Verde through open enrollment. Mr. Rogers answered that it is unlikely because Tanque Verde is a small high school of about 200 students and cannot offer the wide range of activities that are offered at Sabino. Mr. Rogers clarified for Mr. Ortega that Sabino High School invites Tanque Verde students to their open enrollment and to participate in their orientation program as a means to recruit them.

Brooks Keenan moved that the Board ratify staff's projection which indicates that the reconfiguration of Emily Gray Junior High School from a 7-9 school to a 7-12 school is not projected to cause the Tanque Verde Unified District to fall below minimum guidelines within the next three years. Seconded by Penny Allee Taylor. The motion passed with a 6-0 voice vote.

VIII. Policy Review

a. Policy Approval-VI. Emergency Requests

Frank Davidson explained that the Emergency Request Policy is on today's agenda for approval and that it has been made available for public comment since the last board meeting. Included in the board packet is a Summary of Changes that includes those changes made as a result of Board and public input.

John Arnold explained that the key change made during the public comment period was the addition of a clarifying statement with regard to district expenditures for investigations or corrections made prior to the application not being reimbursable by the SFB.

Gary Marks moved that the Board approve staff recommended changes to the Emergency Request Policy. David Ortega seconded and the motion passed with a 6-0 voice vote.

b. Updated Policy Review Schedule

John Arnold explained that the policy review has been more involved than initially thought and that we appreciate the Board's patience. The schedule now includes some additional time for the more lengthy policies and when the Board reviews policy II. Policy Development in November, we will propose changing the annual review to a four or five year review.

XI. Future Agenda Items

There were no requests for future agenda items.

XII. Public Comment

There were several people from the Tempe Union High School District that wanted to address the Board. Debra Sterling explained that since this issue is not on the agenda, the public is welcome to speak to the Board, but the Board may not respond. A time limit of three minutes per person was imposed.

Jim Adams, a parent of two daughters at Corona del Sol High School and a professor at ASU involved in teaching courses including those on chemical toxicity, expressed his concern about poor air quality in the school. Last week 400 parents and school staff met for several hours regarding the report of serious health problems including increased fatigue, headaches, and brain tumors. Many staff commented that they were terminating their employment at the school and advised parents to enroll their students in other schools. Previously employed staff, also present at the forum, commented regarding their health concerns. Mr. Adams cited a number of statistics regarding the original construction and energy efficiency of the building and the current OSHA standards for CO2 levels. He commented that the air quality testing performed at Corona del Sol in the past was grossly flawed and urged the Board to perform more scientifically competent testing.

Jennifer Doering, parent of a student at Corona del Sol High School, brought to the Board's attention the indoor air quality information posted on the School Facilities Board website and that asthma is a growing public health concern in Arizona. She went on to cite a number of statistics regarding air quality and its effect on kids with asthma.

Mark Kuhl, a parent of four children including one at Corona del Sol High School, commented that he attended the forum last week and as a parent is concerned about this serious health issue. He appealed to the Board to reconsider their vote to deny fixing the issue. Mr. Kuhl cited a number of statistics with regard to respiratory problems and expressed his goal to help educate other parents about this issue.


Kathi Sawyer, a parent, expressed her concern for her son and his health problems.

Scott Harris, a parent of a future student of Corona del Sol High School, expressed his concern for the safety of the students. He cited a number of statistics regarding the purpose of the School Facilities Board and indoor air quality standards. He requested the Board reconsider the denial of Tempe UHSD's request for emergency funding for the remediation of the school.

XII. Adjournment

There being no further business, Frank Davidson adjourned the meeting at approximately 11:14 A.M.

Approved by the School Facilities Board on April 3, 2008



Chair