

SCHOOL FACILITIES BOARD
February 5, 2009
Phoenix, Arizona

The School Facilities Board held a Board meeting at the Arizona State Capitol Building in Phoenix, Arizona. The meeting began at approximately 10:08 A.M.

<u>Members Present</u>	<u>Guests Present</u>
Chair, Dr. Frank Davidson	Candy Cooley, Queen Creek USD
Gary Marks	Judy Richardson, Stone & Youngberg
David Ortega	Cathy Rex, So. AZ School Facilities Grp.
Dr. Patricia Gober	Scott Beck, NTD Architecture
Tom Rushin	Tara Malloy, McCarthy
	Rob Langhoff, McCarthy
<u>Members Absent</u>	Bob Young, Dysart USD
Penny Allee Taylor	Todd Poer, Payson USD
John Corcoran	Marsha Crockett, DLR Group
Vicki Salazar (non-voting member)	
<u>Vacant Board Positions</u>	
Private Business Owner Representative	
Engineer Representative	
<u>Staff Present</u>	
John Arnold, Executive Director	
Dean Gray, Deputy Director	
Kerry Campbell, Public Information Officer	
Jim Chang, Demographer	
Amber Peterson, School Finance Specialist	
Debra Sterling, Attorney General's Office	

- I. Call to Order
Dr. Frank Davidson called the meeting to order at approximately 10:08 A.M.

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

- III. Consideration and possible vote of Minutes of January 8, 2009 and January 23, 2009
David Ortega moved for approval of the Minutes. Tom Rushin seconded. The motion passed with a 5-0 voice vote.

- IV. Director's Report
 - a. Legislative/Budget Update
John Arnold started with an explanation of the two competing federal stimulus packages, reviewing both the House bill and the Senate bill. Each contain some positive news for K-12 facilities, but are changing minute-by-minute. Frank Davidson pointed out that under the Senate version, ADE could keep approximately \$700,000 for administration, even though the SFB would be responsible for the facilities database required in this bill.

John Arnold also explained the impact of the FY09 State budget fix on the SFB. There was no impact under New Construction; however, the Legislature swept the remaining \$13 million in the Building Renewal Grant fund and \$3 million in debt service funds and reduced the SFB operating budget by \$451,700. For FY10, the Appropriations Committee Chair has issued a proposal that includes kindergarten students counted as ½ students for facilities purposes, continuing the New Construction moratorium, restricting the SFB from providing inflation funds above the New Construction Formula, changing the award process so new schools are awarded based on current ADM and not projected ADM, no funding for Building Renewal and suspending the Building Renewal Formula. We will keep the Board updated on how the FY10 budget progresses.

Dr. Gober asked about the funds remaining in the Emergency Deficiency fund. Mr. Arnold responded that there is approximately \$2 million in the fund and we plan to award about half of that later in today's agenda. There has been no talk of sweeping these funds, so we plan to continue to make them available to the districts.

Mr. Arnold continued with a brief review of the bills the SFB is tracking.

b. New School Construction Terms and Conditions

John Arnold explained that the New School Construction Terms and Conditions need to be updated with some new provisions as required by the Attorney General's Office.

David Ortega moved that the Board approve the revised New School Construction Terms and Conditions as recommended by staff. Gary Marks seconded. The motion passed with a voice vote of 5-0.

c. Blanket Waiver for Shared Spaces

Mr. Arnold explained that the minimum school facilities guidelines require that each school facility have certain spaces including cafeteria space, library space, and multipurpose space. There are several campuses in Arizona that have more than one school facility. On many of these campuses, the schools share one or more required spaces. These shared spaces meet the minimum school facilities guidelines, except for being located only in one school facility and serving students from multiple school facilities. The SFB is authorized to grant exceptions to the minimum school facilities guidelines when it determines that the intent of the minimum guideline can still be met per Arizona Administrative Code R7-6-285. Instead of bringing each of these cases to the Board for a guideline exception, the Board may authorize the Executive Director to grant guideline exceptions under these specific conditions.

Tom Rushin moved that the Board authorize the Executive Director to grant waivers of the applicable minimum school facilities guideline requiring a specific space when there are multiple schools on a single campus that share one or more of the required spaces. David Ortega seconded. The motion passed with a voice vote of 5-0.

d. Litigation Update

Debra Sterling explained that Tempe Union has requested the court dismiss their case. The court has granted this request with prejudice, which means the district can never bring suit against the SFB again on this issue and has ended all litigation with regard to denial of Emergency Deficiency funding for the Corona del Sol air quality issues.

e. Transfer of funds to Emergency Deficiency Fund

John Arnold explained that the SFB recently received some cash in the Deficiency Corrections fund, but since this program has ended, staff recommends transferring these funds to the Emergency Deficiency fund as allowed under ARS§15-2022A. These funds are reimbursements from SCIP and districts as required by the Deficiency Corrections Program.

Gary Marks moved that the Board approve the transfer of \$404,620 from the Deficiency Corrections fund to the Emergency Deficiency Corrections fund as recommended by staff. David Ortega seconded. The motion passed with a voice vote of 5-0.

V. New School Construction

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

David Ortega moved that the Board approve staff recommendations as listed below:

1. **Coolidge Unified (K-8): Deny** the district's request for a K-8 school to open in FY 12. **Conceptually approve** four schools.
2. **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 17.
3. **Florence Unified (K-8): Deny** the district's request for 013N (additional K-8 space at an existing school) to open in FY 12. **Conceptually approve** 013N and four additional schools.
4. **Florence Unified (9-12): Deny** the district's request for a 9-12 school to open in FY 12. **Conceptually approve** 017N to open in FY 14.
5. **Gadsden Elementary (K-6):** District did not request current funding approval, only conceptual approval. **Conceptually approve** buildout of Ed Pastor (project 008N) to open in FY 12.
6. **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 13, and 013N for 750 students to open in FY 15.
7. **J.O. Combs Unified (6-8): Deny** the district's request for a 6-8 school to open in FY 12. **Conceptually approve** 008N for 1,000 students to open in FY 13.

8. **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 15.
9. **Liberty Elementary (K-8):** **Cancel** 004N for 800 students and **conceptually-approve** 004N to open in FY 17.
10. **Maricopa Unified (K-5):** **Deny** the district's request for a K-5 school to open in FY 11. **Conceptually approve** four schools.
11. **Maricopa Unified (6-8):** **Change status** of 026N to On Hold, projected to open in FY 13. **Conceptually approve** 027N to open in FY 17.
12. **Maricopa Unified (9-12):** **Change status** of 028N to On Hold, projected to open in FY 13.
13. **Quartzsite Elementary (K-8):** **Deny** the district's request for a K-8 school to open in FY 10.
14. **Queen Creek Unified (K-5):** **Approve** 005N for 700 students to open in FY 11. Only design monies for the FDK portion are available in FY 09. Funding for the project's remainder will not be available until sufficient funds are available in the New School Facilities Fund. **Conceptually approve** one additional school.
15. **Queen Creek Unified (9-12):** **Change status** of 009N to On Hold, projected to open in FY 14.
16. **Red Rock Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
17. **Somerton Elementary (K-5):** **Approve** 003N (buildout of core Valle Del Encanto School) to open in FY 11. Only design monies for the FDK portion are available in FY 09. Funding for the project's remainder will not be available until sufficient funds are available in the New School Facilities Fund. **Conceptually approve** one additional school.
18. **Toltec Elementary (K-8):** District did not request current funding approval, only conceptual approval. **Deny** conceptual approval for a new school.
19. **Yuma Union (9-12):** **Deny** the district's request for a 9-12 school to open in FY 11. **Deny** conceptual approval for a new school.

Dr. Gober asked about the necessity of conceptually approving projects when the program keeps changing. John Arnold explained that by doing so, the Board is recording the needs of the school districts so that the legislators understand the impacts when they make changes to the laws.

Tom Rushin seconded. The motion passed with a voice vote of 5-0.

- b. Consideration and possible vote of Capital Plan New Construction Requests
Dr. Frank Davidson recused himself from the Board and Gary Marks chaired the Board for this agenda item.

David Ortega moved that the Board approve staff recommendations as listed below:

1. **Casa Grande Elementary (K-5): Approve** 007N for 750 students to open in FY 11. Only design monies for the FDK portion are available in FY 09. Funding for the project's remainder will not be available until sufficient funds are available in the New School Facilities Fund. Conceptually approve two additional schools.
2. **Casa Grande Elementary (6-8):** District did not request current funding approval, only conceptual approval. **Conceptually approve** 010N for 1,000 students to open in FY 16.

Tom Rushin seconded. The motion passed with a voice vote of 4-0. Dr. Davidson resumed facilitating the meeting at this time.

VI. Consideration and possible vote of Reduction of Square Footage Requests

Tom Rushin recused himself from the Board for this agenda item because he was the Superintendent of Yuma Elementary at the time of the fire as mentioned below.

John Arnold explained that Gadsden Elementary reconfigured space from K-6 to 7-8 space, reducing the district's K-6 capacity by 20, which would cause the district to fall below minimum square footage guidelines within three years. Stanfield Elementary is requesting the retirement of a building because it has outlived its useful life and Yuma Elementary has lost two buildings at Gwyneth Ham Elementary School due to fire.

David Ortega moved that the Board approve staff recommendations as listed below:

1. Board denial of **Gadsden Elementary's** request for reconfiguration of building 1010 at Rio Colorado Elementary School from K-6 to 7-8.
2. Board approval of **Stanfield Elementary's** request to retire Building 1013 at Stanfield Elementary School, on the basis that this building has outlived its useful life.
3. Board ratification of staff's projection for **Yuma Elementary** which indicates that the removal of buildings 1005 and 1006 at Gwyneth Ham is not projected to cause the district to fall below minimum square footage guidelines within three years.

Gary Marks seconded. The motion passed with a 4-0 voice vote. Tom Rushin then returned to the Board.

VII. Consideration and possible vote of Emergency Deficiency Corrections Requests

Dean Gray provided an explanation of each project request listed below.

Gary Marks moved that the Board approve the following staff recommendations:

1. Board approval to award **Murphy Elementary** Emergency funding in the amount of \$8,020 for the replacement of an HVAC unit. There is no contingency allowance in this request.
2. Board approval to award **Payson Unified** Emergency funding in the amount of \$521,588 for the upgrade of the fire alarm system at Payson High School and replacement of the fire alarm system at Rim Country Middle School. This includes \$40,000 for SFB contingency which will only be used with SFB staff approval.
3. Board approval to award **Pima Unified** Emergency funding in the amount of \$5,873 for the upgrade to the high school electrical service. This includes a \$1,000 SFB contingency that will only be used with SFB staff approval.
4. Board approval to award **Sierra Vista Unified** Emergency funding in the amount of \$370,998 for the replacement of three evaporative cooling units with HVAC units. This includes design costs and a \$25,000 SFB contingency that will only be used with SFB staff approval.
5. Board approval to award **Sierra Vista Unified** Emergency funding in the amount of \$111,159 for the replacement of the HVAC unit. This includes design costs, a \$5,000 allowance for heater rental, and \$10,000 for SFB contingency that will only be used with SFB staff approval.

Dr. Gober expressed concern about the balance remaining in the fund. John Arnold reminded the Board that it can continue to declare Emergencies even after the funds are depleted; in these cases the districts can petition their counties to levy taxes for remediation of these problems.

Tom Rushin seconded. The motion passed with a 5-0 voice vote.

VIII. Future Agenda Items

Gary Marks requested an update on the Energy Grant program.

IX. Public Comment

There was no public comment.

X. Adjournment

There being no further business, Dr. Frank Davidson adjourned the meeting at approximately 11:10 A.M.

Approved by the School Facilities Board on March 5, 2009

Frank Davidson
Chair