

~~SCHOOL FACILITIES OVERSIGHT~~
~~BOARD~~
DIVISION OF SCHOOL FACILITIES
IX. Building Renewal Grant Fund Policy

Adopted: October 2, 2008

Modified: August 6, 2014, August 1, 2018, April 1, 2020, September 1, 2021 (eff. 9/29/21)

Per A.R.S. §41-1091 B: This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties you may petition the agency under A.R.S. §41-1033 for a review of the statement.

A. Eligibility

Pursuant to A.R.S. §41-5731 (Laws 2021, 1st Regular Session, Ch. 404, §69 (effective September 29, 2021), Building Renewal Grant Funds are only available to correct existing deficiencies in academic buildings that are owned by the school district and are used for student instruction or other academic purposes to meet the minimum adequacy guidelines for student capacity and have received preventative maintenance. Project requests shall be prioritized by the [Division Board](#), with priority given to school districts that have provided routine preventative maintenance on the facility.

[Annual preventative maintenance, renovation expenditure, and building inventory update reports are required in order to be eligible for Building Renewal Grant funding.](#)

[District expenditures for investigations or deficiency corrections completed prior to the application approval, unless the Division had pre-authorized the school district to proceed in writing, are not eligible for reimbursement.](#)

To be considered for funding, a school district must submit an application as outlined below.

B. Applications

~~A school district may submit a request for monies from the Building Renewal Grant Fund.~~

The request shall be on an application developed by [the Division Staff](#) and provide ~~at least~~ the following information:

Contact Information

District Name

Superintendent Name

Contact Person

Contact Phone

Number Contact Email

Address

School and Building Information

Justification

Detailed description of the Minimum Adequacy Guideline deficiency to be corrected

Any completed professional studies

Any citations or reports from government entities

Recommended solution

Estimated cost including backup documentation

Project Category

Funding

Is the requested project in a building, or part of a building, that is being leased to another entity?

Amount of local funding the district plans to use for this specific project

Associated insurance coverage including why insurance cannot cover the expense

A performance period for the estimated project timeline (a maximum of 12 months cannot be exceeded). Additional time must be requested in writing to [the DivisionStaff](#).

Preventative Maintenance*

The school district will provide a report of the preventative maintenance activities completed over the prior 12 months at the school district building for which the monies are being requested to meet the definition of Primary Building Renewal Project. If the school district is unable to provide the required information, the school district may submit an incomplete application and ask [the DivisionStaff](#) for assistance in developing the information required. The application will not be considered complete until all required and necessary information is submitted.

*Routine Preventative Maintenance

Pursuant to A.R.S. §41-5731. (N.2), routine maintenance is the recurring need to keep in good repair building systems or components, and is synonymous with routine preventative maintenance. These items are performed on a regular schedule, at intervals ranging from four times per year to once every three years, or on the schedule of services recommended by the manufacturer of the specific building system or equipment, that are intended to extend the useful life of the building system and reduce the need for major repairs. Examples include: roofing and flashing repair, routine replacement of cooler pads and filters; replacement of light bulbs and ballasts; replacement of drive belts; replacement of ceiling tiles; routine lubrication; routine interior painting schedules; routine elevator maintenance, etc.

C. Unforeseen Conditions

The District shall notify [the DivisionStaff](#) if any unforeseen conditions arise during project implementation. [the DivisionStaff](#) will direct the District on how to proceed in writing. The District must submit a Change Order through a grant amendment which includes the signature of the District Representative, Architect (when applicable), and Contractor prior to receiving written approval from [the DivisionStaff](#) to proceed. Any work associated with the Change Order will also indicate any changes to the contract value, contract schedule, or contract scope. No work shall proceed without a fully executed [SFOBSEB](#) Change Order Form that includes Staff signature. [the DivisionStaff](#) shall approve or reject a Change Order within two business days.

D. Local Funds

If the District intends to supplement the Project with additional funds ~~for upgrades beyond the Minimum School Facility Adequacy Guidelines~~, the District shall ~~provide to the Board an itemized the funding sources on each purchase order, detailing the commitment of additional funding that clearly indicates the amount being committed to each Project signed by a district representative authorized to make the expenditure.~~ Additional backup documentation may be required on a

case-by-case basis.

E. Change Orders

Change Orders are generated by an executed Field Order or Request for Change. Either may result in a Change Order which may affect the Scope of Work, Schedule, Cost, or a combination of the three.

The Change Order is initiated by the contractor, reviewed and certified by the design professional (if applicable), accepted by the district, and approved by the DivisionStaff.

Pursuant to A.R.S. §41-5701.02 (I.), if a school district approves (issues a purchase order or otherwise authorizes) work referenced in a change order before the DivisionBoard (~~'The Board' for the purposes of a Change Order is interchangeable with 'ADOA/ Staff'~~) approves the change order, the school district is responsible for the cost and construction of the project ('The Project' is defined for the purposes of a change order as the work defined in the change order).

the DivisionStaff shall approve or reject a change order within two business days. Business day is defined as the beginning of a full business day (business day starts at 8 am).

Any unspent monies shall be returned to the fund, and monies spent without proper authorization from the DivisionStaff must be returned within thirty (30) days of being notified.

F. Delegated Authority Division Responsibilities

~~The Board authorizes Staff to review BRG applications for eligibility pursuant to A.R.S. §41-5731 (Laws 2021, 1st Regular Session, Ch. 404 (J.2.), (effective September 29, 2021) and Section A of this policy. Staff~~ The Division must review and approve or reject applications within 15 business days after the application is determined to be administratively complete.

the DivisionStaff is required to produce a monthly report to the Board to show the approved projects during that month. This report must include:

1. Detailed list of projects approved including:
 - a. Project Scope of Work
 - b. Project Title
 - c. Funding Award
 - d. Deficiency Identified
 - e. Performance Period
2. Total number of awards and funding
3. Current balance of the BRG fund
4. Balance of BRG Contingency Fund
5. List of Rejected Projects that includes reason for rejection

the DivisionStaff may authorize additional project funds as necessary through a grant amendment. Any unforeseen conditions or contingency monies must be requested through a grant amendment.

the DivisionStaff are required to:

1. Review and approve or reject grant amendments within 5 business days;
2. Provide a written explanation to districts as to why an amendment was rejected.

~~District expenditures for investigations or deficiency corrections completed prior to the application approval, unless Staff had pre-authorized the school district to proceed in writing, are not eligible for reimbursement.~~

G. Funding

~~Annually, the Director will set a quarterly allotment schedule to ensure funding is distributed throughout the year and funding for emergencies or urgent projects is available. The Director and Staff will also create an annual contingency fund broken out into quarterly allotments for unforeseen costs. Contingency funds that are not used in that particular quarter will be distributed to new projects the following quarter.~~

the DivisionStaff shall establish a project number and account for the project. The school district shall submit a funding request with appropriate invoices and supporting documents to receive awarded funds. If there are any unspent funds at the conclusion of the project, these funds shall be remitted to the Building Renewal Grant Fund.

H. Insufficient Funds

~~If Staff receives qualifying applications in a particular month that are in excess of the quarterly allotment schedule, Staff~~ The Division will prioritize the applications based on fire, life safety and compliance with the Preventative Maintenance Program.

~~The agenda item may include language similar to the following:~~

Funding for ~~these~~ these projects will be made available when sufficient legislative appropriation to the Building Renewal Grant Fund is made.

I. Project Awards and Pre-Award Meetings

The DivisionStaff will ~~facilitate~~participate in a pre-award design meetings ~~to review~~ with the district, and architect ~~and responsive bidder and to~~ determine the ~~that all~~ scope of work to be included in the construction bid documents, defined by the construction documents are included and adhered to in the bid proposals. This is a condition that must be met prior to bidding and the release of funds.

~~Any award based on an estimate is subject to Staff approval of the procurement process and award of the bid or quote as applicable prior to distribution of funds to the district.~~

J. Prohibition of recommending specific vendors

The Division of School Facilities staff and consultants are prohibited from requiring or recommending that districts use specific vendors for projects that receive Building Renewal Grant monies.