

NOTICE OF SUPPLEMENTAL PROPOSED RULEMAKING
TITLE 7. EDUCATION
CHAPTER 6. SCHOOL FACILITIES OVERSIGHT BOARD
PREAMBLE

1. Citations to the agency’s Notice of Rulemaking Docket Opening, Notice of Proposed Rulemaking, and any other Notices of Supplemental Proposed Rulemaking (if applicable) as published in the Register as specified in R1-1-409(A). A list of any other related notices published in the Register to include the as specified in R1-1-409(A):

Notice of Rulemaking Docket Opening, 27 A.A.R. 1661, October 8, 2021

Notice of Proposed Rulemaking, 27 A.A.R. 1617, October 8, 2021

Notice of Rulemaking Docket Opening, 28 A.A.R., XX

<u>2. Articles, Parts, or Sections Affected (as applicable)</u>	<u>Rulemaking Action</u>
R7-6-101	Amend
R7-6-205	Amend
R7-6-210	Amend
R7-6-211	Amend
R7-6-213	Amend
R7-6-215	Amend
R7-6-216	Amend
R7-6-220	Amend
R7-6-221	Amend
R7-6-227	Amend
R7-6-230	Amend
R7-6-235	Amend
R7-6-245	Amend
R7-6-246	Amend
R7-6-247	Amend
R7-6-251	Repeal
R7-6-258	Amend
R7-6-260	Repeal
R7-6-261	Repeal

R7-6-265	Amend
R7-6-270	Amend
R7-6-271	Amend
R7-6-275	Amend
R7-6-276	Amend
R7-6-301	Amend
R7-6-302	Amend
Article 5	Amend
R7-6-501	Amend
R7-6-502	Amend
R7-6-503	Amend
R7-6-504	Amend
R7-6-505	Amend
R7-6-506	Amend
Article 6	Repeal
R7-6-601	Repeal

3. Citations to the agency’s statutory authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statute: A.R.S. § 41-5711(F)

Implementing statute: A.R.S. § 41-5711(F)

4. The agency’s contact person who can answer questions about the rulemaking:

Name: Jack Smith, Administrator

Address: 100 N 15th Avenue, Suite 301
Phoenix, AZ 85007

Telephone: 602-421-1882

E-mail: jack.smith@azdoa.gov

Website: <https://sfb.az.gov>

5. An agency’s justification and reason why a rule should be made, amended, repealed, or renumbered, to include an explanation about the rulemaking:

The Board’s rules were made in 2001. Some of the rules were amended in 2020 through an expedited ruling making but no substantive changes were made at that time. As a result, the rules have become inconsistent with current industry standards and Board practice, technological changes, and best practices regarding education. The rules are being updated to address these issues and implement recommendations identified in a five-year-review report approved by the

Council on November 3, 2020.

An exemption from Executive Order 2022-01 was provided for this rulemaking by Kaitlin Harrier, Director of the Governor's Office of Education, on March 8, 2022.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Board does not intend to review or rely on any study in its evaluation of or justification for any rule in this rulemaking.

7. An explanation of the substantial change that resulted in this supplemental notice:

Multiple Sections are added to the rulemaking; internal citations are corrected; the name of the Board is corrected; Article 6 is repealed; and changes are made to comply with requirements of the Secretary of State.

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision:

Not applicable

9. The preliminary summary of the economic, small business, and consumer impact:

The Board expects the rule amendments will have some economic impact. For example:

- R7-6-211, Classroom Fixtures and Equipment, is amended to allow electronic as well as non-electronic surfaces for classroom use. Electronic surfaces are more expensive than non-electronic surfaces. The estimated difference in cost is from \$300 to \$4,200 per surface depending on the kind chosen. A school facility requires multiple surfaces.
- R7-6-215, Classroom Air Quality, reduces the acceptable CO² level to 700 PPM above the ambient CO² level. This makes the requirement consistent with current industry standards. The Board estimates the cost of meeting this standard will be approximately \$75/unit annually.
- R7-6-221, Equipment for Learning and Technology Center, substitutes a multimedia display for a TV in the center. Depending on the kind of multimedia display chosen, the Board estimates an additional cost of \$1,920 to \$4,000 per unit.
- R7-6-235, Technology, requires a network connected multimedia device for every student rather than one device for every eight students. If each device costs approximately \$300, the cost to provide a device for each student rather than for every eight students would result in an increase of \$2,100/eight students.

10. The agency's contact person who can answer questions about the economic, small business, and consumer impact statement:

Name: Jack Smith, Administrator

Address: 100 N 15th Avenue, Suite 301
Phoenix, AZ 85007

Telephone: 602-421-1882

E-mail: jack.smith@azdoa.gov

Website: <https://sfb.az.gov>

11. The time, place, and nature of the proceedings to make, amend, renumber, or repeal the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the supplemental proposed rule:

An oral proceeding regarding the proposed rules will be held as follows:

Date: Tuesday, June 28, 2022

Time: 10:00 A.M.

Location: The oral proceeding will be held remotely. Instructions for joining will be posted on the Board's website.

12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

None

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The Board does not issue permits.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

Civil rights laws prohibiting discrimination are federal laws applicable to school facilities.

The rules are not more stringent than federal law.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No analysis was submitted.

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

None

14. The full text of the rules follows:

TITLE 7. EDUCATION
CHAPTER 6. SCHOOL FACILITIES OVERSIGHT BOARD
ARTICLE 1. DEFINITIONS

Section

R7-6-101. Definitions

ARTICLE 2. MINIMUM SCHOOL FACILITY GUIDELINES

Section

R7-6-205. School Site

R7-6-210. Classroom Square Footage

R7-6-211. Classroom Fixtures and Equipment

R7-6-213. Classroom Temperature

R7-6-215. Classroom Air Quality

R7-6-216. Measuring Classroom Comfort

R7-6-220. Learning and Technology Center

R7-6-221. Equipment for Learning and Technology Center

R7-6-227. Equipment List for Food Services

R7-6-230. Multiuse Space

R7-6-235. Technology

R7-6-245. Science Facilities

R7-6-246. Equipment List for Science Facilities

R7-6-247. Arts Facilities; Career and Technical Education Facilities

R7-6-251. ~~Alternative Delivery Method~~ Repealed

R7-6-258. Administrative Space

R7-6-260. ~~Laws and Building Codes~~ Repealed

R7-6-261. ~~Energy Saving Measures~~ Repealed

R7-6-265. Building Systems

R7-6-270. Building Structural Soundness

R7-6-271. Exterior Envelope, Interior Surfaces and Interior Finishes

R7-6-275. Minimum Gross Square Footage

R7-6-276. Assessment of Minimum Gross Square Footage

ARTICLE 3. SQUARE FOOTAGE CALCULATIONS

Section

R7-6-301. Square Footage Calculations

R7-6-302. Modification of Square Footage for Geographic Factors

ARTICLE 5. NEW SCHOOL FACILITY AND LAND FUNDING

Section

R7-6-501. Capital Plans

R7-6-502. Funding for New ~~Schools~~ School Facilities or Additional Square Footage

R7-6-503. Funding for Land

R7-6-504. Donations of Real Property

R7-6-505. Constructing ~~Bond-Funded Schools~~ Bond-funded School Facilities on Land Funded by the
~~School Facilities~~ Board

R7-6-506. Providing Technical Assistance in the Form of Project Management

ARTICLE 6. CONTINGENCY FUNDS REPEALED

Section

R7-6-601. ~~Allocation and Use of Contingency Monies~~ Repealed

ARTICLE 1. DEFINITIONS

R7-6-101. Definitions

The definitions at A.R.S. §§ ~~15-2032~~ 41-5701 and 41-5711 apply to this Chapter. Additionally, unless otherwise specified, in this Chapter:

1. “Ambient CO² level” means the carbon dioxide level of the outside air.
2. “All-weather surface” means an area for vehicular use or parking that is surfaced with asphalt, concrete, chip seal, graded and compacted gravel, or other stabilized system.
- ~~3. “Board” means the School Facilities Board.~~
- ~~4.~~3. “Decibel” means a unit for expressing the relative intensity of sounds.
- ~~5.~~4. “Eligible students” has the same meaning as prescribed at A.R.S. § 15-901.
- ~~6.~~5. “Equipment” means an item not affixed to the real property of a school facility.
- ~~7.~~6. “Exterior envelope” means the exterior walls, floor, and roof of a building.
- ~~8.~~7. “Fixture” means an item affixed to the real property of a school facility.
- ~~9.~~8. “Foot-candle” means the amount of illumination the inside surface of a one-foot-radius sphere would receive from a candle 7/8 inch in diameter burning at the exact center of the sphere at 7.776 grams per hour.
- ~~10.~~9. “FTE” means full-time equivalent.
- ~~11.~~10. “General classroom” means a space that can be configured for instruction in at least the areas of language arts, mathematics, and social studies.
- ~~12.~~11. “HVAC” means a heating, ventilation, and air conditioning system. The air conditioning system may or may not be refrigerated.
- ~~13.~~12. “IEP” means individualized educational plan, a legal document required by law for each public school child who needs special education.
- ~~14.~~13. “Normal conditions” means occupancy during regular school hours while the building system is operating.
- ~~15.~~14. “PPM” means parts per million.
- ~~16.~~15. “Random sample” means arbitrary selection through a process in which each classroom in each building has an equal chance of being selected.
- ~~17.~~16. “School facility” means a building or group of buildings and outdoor area that are administered together to comprise a school campus.
- ~~18.~~17. “School site” means one or more parcels of land where a school facility is located. More than one school facility may be located on a school site.
- ~~19.~~18. “Specialty classroom” means classroom square footage specifically designed for instruction in science, physical education, career and technical education, or art.

~~20-19.~~ “Student” means an individual:

- a. Enrolled at a school facility; and
- b. In average daily membership, which is defined at A.R.S. § 15-901.

~~24-20.~~ “Student body” means the number of students at a school facility.

ARTICLE 2. MINIMUM SCHOOL FACILITY GUIDELINES

R7-6-205. School Site

- A.** A school ~~district shall ensure a school~~ site ~~shall have~~ has safe access, parking, drainage, and security to accommodate a school facility that complies with:
1. The minimum gross square footage requirements established in A.R.S. § ~~15-2014~~ 41-5711(C), for the number of students at the school facility; and
 2. This Chapter.
- B.** A school site provides safe access by having:
1. A student drop-off area; and
 2. A pedestrian pathway that allows students to enter the school facility through a designated point of entry without crossing vehicular traffic or by crossing vehicular traffic at a designated crosswalk.
- C.** A school site provides adequate parking by having an all-weather surface area large enough to accommodate one parking space per staff FTE and one visitor parking space per 100 students. A school site that is unable to provide adequate parking may have the sufficiency of parking at the school site determined by the Board using the following criteria:
1. Availability of street parking around the school facility;
 2. Availability of any nearby parking lots;
 3. Availability of public transit;
 4. Number of staff who drive to work on a daily basis; and
 5. The average number of visitors on a daily basis.
- D.** A school site provides adequate drainage if the school site is prepared in a manner consistent with the drainage and floodplain management standards of the jurisdiction in which the school site is located.
- E.** A school site provides adequate security if:
1. ~~there~~ There is a fenced or walled, outdoor, play or physical education area for preschool ~~students~~ children with disabilities and students in kindergarten through grade six. A school site that is unable to provide adequate security may have the sufficiency of security at the school site determined by the Board using the following criteria:
 - ~~1-a.~~ Amount of vehicular traffic near the school site;

- ~~2-b.~~ Existence of hazardous or natural barriers on or near the school site;
 - ~~3-c.~~ The amount of animal nuisance near the school site; and
 - ~~4-d.~~ Visibility of the outdoor, play or physical education area; and
2. The emergency response plan required under A.R.S. § 15-341(A) has been developed.

R7-6-210. Classroom Square Footage

- A.** A school district shall have school facilities with the following minimum cumulative classroom square footage:
1. For preschool ~~students~~ children with disabilities through grade three: 32 square feet per student;
 2. For grades four through six: 28 square feet per student;
 3. For grades seven and eight: 26 square feet per student; and
 4. For grades nine through 12: 25 square feet per student.
- B.** Classroom square footage of a school facility is measured from interior wall to interior wall of a classroom and is the space required for teaching. Both general and specialty classrooms are included in the classroom square footage of a school facility.
- C.** Cumulative classroom square footage is measured as follows:
1. 100 percent of the classroom square footage usable for general classroom purposes and occupied throughout a day by the same students in programs for preschool ~~students~~ children with disabilities, kindergarten, and grades one through six;
 2. 90 percent of the classroom square footage usable for general and specialty classroom purposes in programs for students in grades seven and eight; and
 3. 85 percent of the classroom square footage usable for general and specialty classroom purposes in programs for students in grades nine through 12.
- D.** Classroom square footage includes space allocated for any of the following purposes:
1. Garment storage,
 2. Supply storage,
 3. Work counter; and
 4. Teacher or student collaboration.
- ~~**E.** An exterior space may be included in the classroom square footage of a school facility if the exterior space is covered and meets all other standards in this Chapter.~~

R7-6-211. Classroom Fixtures and Equipment

Each general and specialty classroom shall:

1. Contain a work surface and seat for each student, teacher, and other individual regularly assigned to the classroom. The work surface and seat shall be:
 - a. Appropriate for the normal activity of the class conducted in the room, and
 - b. Capable of being moved into different configurations;
2. Have at least one or more, non-electronic or electronic, mounted or retractable, ~~surfaces~~ surface, at least three feet by five feet, which ~~fulfill~~ fulfills all of the following purposes:
 - a. Is erasable,
 - b. Is suitable for projection, and
 - c. Is suitable for display;
3. Have storage for classroom materials or conveniently accessible storage; and
4. Have secure storage for student records or conveniently accessible secure storage. Student records may be stored electronically.

R7-6-213. Classroom Temperature

- ~~A.~~ A school facility shall have an HVAC or other system capable of maintaining a temperature between 68° and 82° F under normal conditions with an occupied classroom.
- ~~B.~~ ~~Except in areas where the elevation is above 5,000 feet, defective or non-operable air conditioners and evaporative coolers shall be replaced with air conditioning. Non air conditioned schools with elevations less than 5,000 feet shall be air conditioned.~~

R7-6-215. Classroom Air Quality

The CO² level in each general and specialty classroom shall not exceed ~~800~~ 700 PPM above the ambient CO² level.

R7-6-216. Measuring Classroom Comfort

To determine whether a school facility complies with the standards in R7-6-212 through R7-6-215:

1. Classroom lighting, temperature, acoustics, and air quality shall be measured at a work surface in the approximate center of a classroom under normal conditions; and
2. Measuring shall be performed for a random sample of 10 percent of the general, science, and art classrooms in each building of the school facility; ~~and~~
3. ~~All portable or modular buildings manufactured in the same year and installed at the school facility at the same time are considered a single building.~~

R7-6-220. Learning and Technology Center

- A. A school facility shall have a learning and technology center with space for students to access electronic and hard-copy research and reading materials. The learning and technology center shall include space for reading, listening, and viewing materials.
- B. For an elementary school facility ~~that serves at least 150 students~~, the learning and technology center shall have space equal to the ~~greater~~ lesser of 1000 square feet or the square footage equal to 20 square feet per student for 10 percent of the student body.
- C. For a middle or junior high or high school facility that serves at least 150 students, the learning and technology center shall have space equal to the ~~greater~~ lesser of 1200 square feet or the square footage equal to 20 square feet per student for 10 percent of the student body.

R7-6-221. Equipment for Learning and Technology Center

- A. The learning and technology center of a school facility shall contain the following minimum equipment:
 - ~~1.~~ ~~One linear foot of book shelf space per student;~~
 - ~~2.~~1. For a school facility of 150 or more students, one One work surface and seat for every 20 students, minimum of 15, maximum of 75;
 - ~~3.~~2. One ~~TV~~ multimedia display;
 - ~~4.~~3. Projection equipment and projection surface;
 - ~~5.~~4. Ten books per student; and
 - ~~6.~~5. An electronic or hard copy of each of the following:
 - a. Almanac,
 - b. Encyclopedia,
 - c. Atlas, and
 - d. Unabridged dictionary.
- B. If a hard-copy almanac, encyclopedia, or atlas is used, each shall have a publication date of ~~2000~~ 2015 or later.

R7-6-227. Equipment List for Food Service

- A. A school facility that receives, stores, prepares, and serves food to students shall have the following fixtures and equipment:
 - 1. One three-compartment sink,
 - 2. One double-stack oven or a warming oven,

3. One dishwasher if reusable dishes and silverware are used,
4. One hot-food holding appliance,
5. One range with hood,
6. One refrigerator,
7. One freezer, and
8. One milk refrigerator.

B. An alternative may be substituted for any item in subsection (A) if the alternative enables the school facility to receive, store, prepare, and serve food to students.

C. A school facility that receives, stores, and serves food prepared off the school site may ~~adjust~~ substitute equipment required for a warming kitchen for the items in subsection (A) accordingly.

R7-6-230. Multiuse Space

A school facility shall have a space capable of being used for student assembly. The space shall be:

1. Large enough to accommodate one-third of the student body, and
2. The same size or larger than an average classroom at the school facility, ~~and~~
3. ~~At least seven square feet multiplied by one-third of the student body in addition to the square footage of open aisle and exiting path space.~~

R7-6-235. Technology

A school facility shall provide at least one network connected multimedia device, ~~available for student use,~~ for every ~~eight students~~ student. A multimedia device is a computer, tablet, or other smart device with internet access capable of presenting multimedia content.

R7-6-245. Science Facilities

A. A school facility with students in grades five through 12 shall have classroom square footage for delivery of practical instruction in science.

1. For grades five through eight, no classroom square footage is required other than as specified in R7-6-210.
2. For grades nine through 12, four square feet per student is required for practical instruction in science. The space shall not be smaller than the average classroom at the facility and may be used for other instruction when not needed for practical instruction in science.

- B.** ~~Except as specified in R7-6-251, a~~ A school facility with students in grades five through 12 shall have the science fixtures and equipment specified in R7-6-246 for delivery of practical instruction in science.

R7-6-246. Equipment List for Science Facilities

- A.** ~~Science facilities for~~ A school facility with students in grades nine through 12 shall have the following science-facility fixtures and equipment:
1. One demonstration table with non-corrosive surface per 250 students;
 2. Six laboratory stations with a non-corrosive surface per 250 students;
 3. One fume hood;
 4. One chemical storage unit per 1,000 students;
 5. One eyewash or safety shower station per 250 students;
 6. Access to one ~~dissecting~~ microscope per 25 students, minimum of 12 microscopes or the number equal to one-half the number of students in grades nine through 12 divided by 25, whichever is fewer; and
 7. One refrigerator.
- B.** ~~Science facilities for~~ A school facility with students in grades five through 12 shall have the following science-facility fixtures and equipment:
1. One sink per 250 students;
 2. Access to one ~~compound~~ microscope per 25 students, minimum of 12 microscopes or the number equal to one-half the number of students in grades five through 12 divided by 25, whichever is fewer; and
 3. One balance per 250 students.

R7-6-247. Arts Facilities; Career and Technical Education Facilities

- A.** ~~Except as specified in R7-6-251, a~~ A school facility with students in grades seven through 12 shall have space to deliver art education programs, including visual, music, and performing arts, and career and technical education programs.
- B.** A school facility with students in grades seven through 12 shall have four square feet per student of space for art education and/or career and technical education. The space shall not be smaller than the average classroom at the facility and may be used for other instruction when not needed for instruction in the arts or career and technical education.

- C. A school facility with students in kindergarten through sixth grade may deliver art education in the classroom square footage specified in R7-6-210. Education in performing arts may be delivered to students in kindergarten through sixth grade in spaces such as a multiuse space, gymnasium, or cafeteria if the spaces have appropriate acoustical treatment.

R7-6-251. ~~Alternative Delivery Method Repealed~~

~~A school district may use an alternative method to deliver instruction in art, science, or career and technical education. Before an alternative method is used, the school district shall:~~

- ~~1. Have the school district governing board determine the alternative method is capable of meeting the requirements established in the academic standards prescribed by the State Board of Education for the specific subject; and~~
- ~~2. Approve use of the alternative method.~~

R7-6-258. Administrative Space

- A. A school facility shall have space for use by the administration of the school facility. For the school administrator, 150 designated square feet is required. For general administrative purposes, a space between 150 square feet and 1.5 square feet per student, as reasonable for the size of the anticipated student body, is required. ~~The maximum may be exceeded.~~
- B. A school facility shall have a dedicated space in which to isolate a sick student from the other students. This space shall be accessible to a restroom and large enough to accommodate one cot per 200 students, with a maximum of four cots.
- C. A school facility shall have work space available to the faculty that is in addition to any work space in or near a classroom. A space between 150 square feet and one square foot per student, as reasonable for the size of the anticipated student body, is required. The faculty work space may be in multiple locations throughout the school facility and may have more than one function.

R7-6-260. ~~Laws and Building Codes Repealed~~

- ~~A. To the extent required by law, school buildings shall be in compliance with federal, state and local building and fire codes and laws that are applicable to the particular building. Existing school buildings are not required to comply with current requirements for new buildings unless this compliance is specifically mandated by law or by the building or fire code of the jurisdiction where the building is located.~~

~~B. At a minimum, the 1997 Uniform Building Code (UBC) is required to be met for new school facility construction and, as required, for building renovations in existing schools.~~

R7-6-261. Energy Saving Measures Repealed

~~Both construction of a new school facility and renewal of an existing school facility shall include energy conservation measures that will provide dollar savings in excess of the cost of the conservation measure within eight years of the construction or renewal.~~

R7-6-265. Building Systems

A. As required under A.R.S. § ~~15-2011(B)(3)~~ 41-5702(L), building systems in a school facility shall be in working order and ~~capable of being~~ properly maintained. A building system is considered to be in working order and ~~capable of being~~ maintained if:

1. The system is ~~capable of being~~ operated as intended;
2. The system is ~~capable of being~~ maintained according to manufacturer's instructions;
3. Newly manufactured or refurbished replacement parts are available;
4. ~~The remaining life expectancy of the system is at least three years;~~
- ~~5.4.~~ 5.4. The system is ~~capable of supporting~~ supports the gross square footage of the school facility; and
- ~~6.5.~~ 6.5. Components of the system present no imminent danger of personal injury.

B. Building systems required under A.R.S. § ~~15-2011(B)(3)~~ 41-5702(L) to be in working order and ~~capable of being~~ maintained include but are not limited to: roof, plumbing, telephone, electrical, and HVAC systems. Additionally, under this Chapter, ~~the following~~ building systems including but not limited to the following shall be in working order and ~~capable of being~~ properly maintained: fire alarm, two-way internal communication, network cabling, and security systems.

R7-6-270. Building Structural Soundness

As required under A.R.S. § ~~15-2011(B)(4)~~ 41-5711(B)(4), all buildings of a school facility shall be structurally sound. A building of a school facility is considered structurally sound if the building passes a structural assessment performed by a professional engineer.

1. ~~Presents no imminent danger of personal harm,~~
2. ~~Has no visible signs of major decay or distress, and~~
3. ~~Appears to have at least three years of remaining life expectancy.~~

R7-6-271. Exterior Envelope, Interior Surfaces, and Interior Finishes

The exterior envelope, interior surfaces, and interior finishes of a school facility shall be safe and capable of being maintained.

1. An exterior envelope is safe and capable of being maintained if:
 - a. Walls and roof are constructed of materials requiring minimal maintenance, including painting;
 - b. Walls, roof, doors, and windows are weather tight under normal conditions with routine upkeep; and
 - c. The building structural systems support the loads imposed on them.
2. An interior surface is safe and capable of being maintained if it is:
 - a. Structurally sound;
 - b. Capable of supporting a finish; and
 - c. Capable of continuing in its intended use, with normal maintenance and repair, ~~for at least three years.~~
3. An interior finish is safe and capable of being maintained if it is:
 - a. Free of exposed lead paint;
 - b. Free of friable asbestos; and
 - c. Capable of continuing in its intended use, with normal maintenance and repair, ~~for at least three years.~~

R7-6-275. Minimum Gross Square Footage

Each school district shall have sufficient school facilities, which comply with minimum school facility guidelines established in this Article, to meet the ~~per pupil~~ minimum adequate gross square footage requirements for ~~such~~ the district as determined by law, ~~for such district based on number and grade distribution of the students served by the district.~~

R7-6-276. Assessment of Minimum Gross Square Footage

- A. Computation of the gross square footage of a school facility may be by ~~physical measure~~ measurement or by calculation based on architectural plan documents.
- B. The gross square footage of a school facility equals all space within the facility excluding space used for district administrative purposes.

- C. The gross square footage of a district shall equal the sum of the gross square footage of each school facility in the district.
- D. The minimum gross square footage of a district equals the sum of the products of the students in each grade or program for preschool children with disabilities or kindergarten ~~program~~ multiplied by the minimum adequate gross square footage requirements per ~~pupil~~ student, applicable to the district for such grade or program.
- E. For the purpose of assessment of minimum gross square footage, the number of ~~children~~ students in all grades and kindergarten shall be evenly distributed across all grades and kindergarten served by the district.

ARTICLE 3. SQUARE FOOTAGE CALCULATIONS

R7-6-301. Square Footage Calculations

- A. A school district may use Class A bonds to supplement any project funded by the ~~School Facilities~~ Board ~~pursuant to under~~ A.R.S. § ~~15-2021~~ or A.R.S. § ~~15-2041~~ 41-5741. ~~Pursuant to Under~~ A.R.S. § ~~5-2002(H)~~ 41-5702(H), when a school district adds square footage to the district through the construction of a new school facility using Class A bonds, the ~~School Facilities~~ Board shall not provide funding to supplement construction of the new school ~~construction~~ facility.
- B. When a school district adds square footage to the district through the construction of a new school facility using ~~either~~ Class B bonds, or ~~unrestricted capital outlay monies~~ other funds, the ~~School Facilities~~ Board shall not include the square footage of the new school facility in the ~~gross net~~ square footage of the school district for ~~purposes of calculating building renewal distributions pursuant to~~ A.R.S. § ~~15-2031~~ and for determining needs need for additional square footage ~~pursuant to under~~ A.R.S. §§ ~~15-2041~~ 41-5711 and A.R.S. § ~~15-2041~~ 41-5741.
- C. When a school district adds square footage to the district through the construction of a new school facility using Class A bonds, the ~~School Facilities~~ Board shall include the square footage of the new school facility in the ~~gross net~~ square footage of the school district for ~~purposes of calculating building renewal distributions pursuant to~~ A.R.S. § ~~15-2031~~ and for determining needs need for additional square footage ~~pursuant to under~~ A.R.S. §§ ~~15-2041~~ 41-5711 and A.R.S. § ~~15-2041~~ 41-5741.
- D. ~~A~~ If a school district ~~that~~ uses Class B bonds and/or ~~unrestricted capital outlay monies~~ other funds to add or replace square footage at existing ~~schools~~ school facilities, the ~~Board~~ shall ~~have~~ treat the additional square footage or replacement square footage ~~treated~~ as follows:

1. ~~A school district that adds~~ If square footage is added to an existing school facility with the use of using Class B bonds or ~~unrestricted capital outlay monies shall not have~~ other funds, the Board will not include the additional square footage ~~included in the determination of~~ determining minimum adequate square footage ~~pursuant to~~ under A.R.S. § ~~15-2011(C)~~ 41-5711(C), but the School Facilities Board ~~shall consider~~ will include the additional square footage for purposes of in determining adequacy of the functional components of the school facility as specified in the ~~Minimum School Facilities Guidelines set forth in R7-6-201 through R7-6-285~~ Article 2.
 2. ~~A school district that both removes and adds square footage with the use of Class B bonds or unrestricted capital outlay monies shall not have the net additional square footage,~~ included in the determination of minimum adequate square footage pursuant to A.R.S. § 15-2011(C), but the School Facilities Board shall consider the net additional square footage for purposes of determining adequacy of the functional components of the school as specified in the Minimum School Facilities Guidelines set forth in R7-6-201 through R7-6-285.
 3. ~~For purposes of calculating building renewal pursuant to A.R.S. § 15-2031, replacement square footage constructed with Class B bonds or unrestricted capital outlay monies shall be included, but net additional square footage shall be excluded.~~
 4. ~~2. If a portion of the square footage is replaced at an existing school facility is replaced with the use of~~ using Class B bonds or ~~unrestricted capital outlay monies~~ other funds, the Board will determine the student capacity of the completed school facility after completion of the project will be determined in the same manner as it student capacity would have been determined prior to before the addition replacement. If Class B bonds or ~~unrestricted capital outlay monies~~ other funds are used to construct a complete replacement school facility, the Board will determine the student capacity of the completed school facility once the project is completed will be based on the provisions of A.R.S. § ~~15-2011(C)~~ 41-5711(C).
 5. ~~3. For purposes of this Section, replacement square footage is defined as~~ means square footage constructed with Class B bonds or ~~unrestricted capital outlay monies~~ other funds that replaces existing square footage.
- E.** If square footage is added to or replaced at an existing school facility with the use of using Class A bonds, the school district shall determine the student capacity of the facility after ~~completion of the project is completed using~~ will be determined in the same manner as it procedure the school district would have been determined prior to used before the addition or replacement.
- F.** ~~The method of computing the funding and square footage for any expansion of a core facility previously funded by the School Facilities Board shall follow the same method that was used for computing the original core facility.~~

R7-6-302. Modification of Square Footage for Geographic Factors

- A. The Board shall provide additional school facility square footage to a school district that has 100 or more students who: ~~In those school districts where students are~~
1. Are transported one hour or more via using the most reasonable and direct route; or where ~~students reside~~
 2. Live 45 miles or more from the closest school via using the most reasonable and direct route, and ~~where 100 or more students are affected by these conditions within the same region, the School Facilities Board shall provide additional school space to the district to accommodate the educational needs of the affected students.~~
- B. ~~However, the educational space provided may be modified as~~ If the Board provides additional school facility square footage under subsection (A), the Board shall make ~~sees fit in making~~ a conscientious effort to meet the Minimum Adequacy Guidelines without requiring an ~~extraordinary expenditures~~ expenditure of public funds.
- ~~B.C.~~ 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 square footage under A.R.S. § ~~15-2041~~ 41-5741 if it meets the following criteria:
1. ~~The elementary school district unifies after June 30, 2005; and~~
 - ~~2.~~1. The resulting unified school district is projected to have more than 350 resident high school students being served ~~in~~ by one or more school districts other than the ~~student's~~ students' resident school district within three years following the current fiscal year; and
 - ~~3.~~2. One of the following is true:
 - a. At least 350 of the high school students in the unified school district would travel 20 miles or more to ~~the a~~ receiving high school facility; or
 - b. The receiving high school district is projected to need additional high school space square footage within seven years. For purposes of this analysis, the projected average daily membership of the receiving high school district includes the high school students of both the receiving and sending school districts.

ARTICLE 5. NEW SCHOOL FACILITY AND LAND FUNDING

R7-6-501. Capital Plans

If a school district's capital plan, developed ~~pursuant to~~ under A.R.S. § ~~15-2041~~ 41-5741, indicates a the school district will need for a new school facility or an addition to an existing school facility within the

next four years or ~~a need for~~ land within the next ~~ten~~ 10 years, the school district shall complete the capital plan packet issued by the ~~School Facilities~~ Board and return the completed packet to the Board by the ~~announced~~ deadline prescribed under A.R.S. §41-5741.

R7-6-502. Funding for New Schools School Facilities or Additional Square Footage

- A. The Board shall prepare a New Construction Analysis for a school district that requests funding for additional square footage under the capital plan submitted under R7-6-501. The Board shall review ~~The~~ the data submitted by ~~each~~ the school district ~~requesting additional square footage under the capital plan shall be reviewed by staff to determine student capacity of the school district, -~~ Additionally, staff shall review and verify district student population projections, ~~and the existing square footage in the district. The staff shall prepare a New Construction Analysis for the district. Board shall provide a copy of the New Construction Analysis to the applicable school district.~~
- B. ~~If the proposed a school district proposes to locate a new school facilities are located facility in territory in the vicinity of a military an airport, as defined in A.R.S. § 28-8461, the Board shall provide notice to the military airport of the proposed new school facility construction and seek the military airports comments and analysis concerning whether the high noise or accident potential associated with airport operations is compatibility of compatible with the proposed school facilities facility with the high noise or accident potential generated by military airport operations that may have an adverse effect on and public health and safety. The Board shall consider and analyze the comments and analysis provided by the military airport prior to making a final determination before deciding whether to fund the new square footage school facility.~~
- C. At an open meeting and after reviewing the New Construction Analysis prepared under subsection (A) and hearing from members of the applicable school district, The the Board shall make a decision regarding decide the number of square feet and students to be funded for the district, the ~~appropriate~~ cost ~~cost~~ funding per square foot approved by the legislature, and the total budget based on the funding per square foot. ~~At the time the Board is making its decision, the New Construction Analysis shall be available to the Board members and the school district. The school district may address the Board at this time.~~
- D. ~~A school district that is approved for additional square footage shall have 60 days from the date of notification to officially accept, in writing, funding for the square footage approved by the Board or the approval shall expire. After a school district has accepted a project in writing and has signed signs the Terms and Conditions for New School Funding, the Board shall provide may make five percent of the monies funds approved available for architectural and engineering fees for projects of \$500,000 or~~

~~more.~~ The ~~individual~~ school district ~~shall be~~ is responsible for ~~establishing~~ deciding the actual ~~A and~~ E amount spent on architectural and engineering fees.

E. A school district that ~~receives approval~~ is approved for funding for additional square footage ~~from the Board~~ shall proceed with the design development plan and specifications for the project. ~~Two~~ The school district shall submit to the Board one or more copies of the proposed ~~educational goals or drawings, specifications, and schematic design, with and~~ budget estimates are required to be submitted to the Board's staff. The school district shall ensure ~~items required to be included in the estimated budget~~ are all elements of new construction, excluding land acquisition, are included in the estimated budget. These elements include, but are not limited to:

1. Architectural and engineering fees;
2. ~~Survey~~ Surveying, testing, obtaining permits, advertising, and printing;
3. Construction costs;
4. Furniture, fixtures, and equipment;
5. Any necessary project management; and
6. A ~~five~~ three percent ~~contingency~~ retention amount to ensure the completed project meets all Minimum Adequacy Guidelines. ~~After Board staff review, the school district shall proceed with a preliminary bid package.~~

F. ~~If the school district includes reasonable upgrades to the new construction project for energy conservation purposes, the Board shall provide funding upgrades above the formula based award to cover the full amount of the upgrade. Upgrades will only be funded if the upgrade receives pre-approval by the Board staff and the school district architect or engineer certifies that the upgrade will provide dollar savings in excess of the cost of the upgrade within an eight year period.~~

G.F. ~~Upon review of the submitted schematic design, budget estimates and preliminary bid package, the Board's~~ After reviewing the materials submitted under subsection (E), the Board staff shall make a recommendation to the Board regarding the appropriateness of decide whether to authorize the school district to proceed with construction of the additional square footage ~~and the efficiency and effectiveness of the plan.~~ The ~~staff recommendation shall be based~~ Board shall base the decision on whether the project is within the original scope and Board ~~approved budget (including square footage and number of students)~~ approval, the project meets the ~~building adequacy standards~~ Minimum Adequacy Guidelines, initial comments from the local building authority and whether revised student population projections continue to justify the additional square footage. If the Board ~~approves the project, authorizes~~ the school district ~~shall be authorized~~ to proceed, with the final bid package school district may initiate construction. ~~Prior to authorization to contract the school district shall document that it has obtained local (city, county or equivalent) building department approval. For projects~~ If the

~~Board determines a project is~~ outside of the original scope and /or Board ~~approved budget approval~~ or ~~that do~~ does not meet the ~~minimum adequacy guidelines~~ Minimum Adequacy Guidelines, the Board may instruct the school district to resubmit ~~the project, under subsection (E)~~ or the Board may make an alternative decision. ~~Local~~ Other funds may be used by the school district in conjunction with the Board approved funding.

- ~~H.~~ Upon receipt of bids by the school district, the Executive Director shall authorize the district to proceed with the contract if the school district has documented that it has obtained local (city, county or equivalent) building department approval, and the bid is within the original scope and Board approved budget, and meets the building adequacy standards. The Executive Director may make an alternative recommendation to the full Board.
- ~~I.~~ The Board approved funding for additional square footage shall be available to the school district for one year from the date of notification. The bid process shall be completed within the one year period. The Board shall consider requests for an extension beyond the one year and may grant an extension for good reason.
- ~~J.G.~~ The Board may modify or waive the requirements of this Section for good cause.

R7-6-503. Funding for Land

- A.** A school district that is approved for funding of a new school facility under R7-6-502, may ask the Board to provide funding to purchase land on which to locate the new school facility.
- B.** The School Facilities Board follows a three-step approval process, as described in subsections (C) through (E), before recommending whether to authorize for the funding of to purchase land that is classified as Step One—Justification of Need for Land; Step Two—Request to Purchase a Specific Site; and Step Three—Due Diligence for construction of a new school facility. The executive director Director may deviate from the three-step approval process to meet other circumstances as they arise, such as purchasing state-owned or condemned land, and condemnation and The Director shall bring such recommendations a recommendation regarding funding to purchase land to the full Board.
- B.C.** Step One, is the initial request justification of the need for land for new construction of a new school facility.: ~~A~~ If a school district that currently owns land, the school district shall demonstrate include in the justification;
1. A list of all land parcels currently owned by the school district;
 2. The size and location of each district-owned land parcel; and
 3. Why the each district-owned property land parcel is not suitable for the needed new school facility in order for the school district to receive funding for the acquisition of land.

C.D. Step Two, ~~includes the following request to purchase a specific land site:~~

1. ~~The~~ A school district that requests to purchase a specific land site for construction of a new school facility shall provide the following to the Board:
 - a. ~~a~~ A map of the school district showing current ~~schools~~ school facilities and, for each school facility, the projected student population, grade levels served, and attendance boundaries ~~in various locations in the district, which supports the location of the new school at the requested site.~~ The school district shall also provide a listing of vacant parcels currently owned by the school district, (including the size of each parcel and its location),
 - b. ~~describe~~ A description the land site selection process;
 - c. ~~explain why~~ An explanation of why the land site requested was chosen over alternative sites;
 - d. ~~and summarize~~ A summary of any joint-use joint-use provisions or other intergovernmental agreements related to the land site requested; and. ~~The school district shall also provide a~~
 - e. The legal description, size, and estimated cost of the desired requested land site, the size of the site and an estimate of the cost of the site. The school district may provide information on more than one site. If the size of the requested land site is outside the range of acreage table approved by the Board, the school district shall justify the deviation.
2. ~~The Board shall make a decision regarding the site size for each site. The range of acreage table approved by the Board is provided to allow school districts some leeway in site selection. The school district shall provide special justification if the site size is not within the range shown on the range of acreage table. Allowances shall not be granted for additional acreage for limited use activities that are only remotely related to the teaching and learning enterprise. Limited use activities would include, but not be limited to, athletic fields that are only used for interscholastic competition rather than daily activities, and non school related community functions. The site size will be based on the eventual size of the school, if expansion is planned. The school district may request a larger or smaller site if conditions require. The school district may purchase additional acres with local funds. School districts should give careful consideration to joint use sites such as those which adjoin community parks and play grounds. The ranges indicated are not intended to dictate a minimum acreage if a joint use agreement provides the school with access to adjoining public space~~ review the information submitted under subsection (D)(1) and either authorize or deny authorization for the school district to proceed to perform due diligence regarding the land site the school district proposes to purchase.

3.E. Step Three, due diligence regarding the specific land site:

1. ~~If a~~ A school district that needs ~~monies~~ funds to verify, gather, and submit the information required ~~in Step Three, the school district~~ under subsection (E)(2) shall submit a cost estimate to

the Board, and the Board shall approve or disapprove the request ~~for monies to a maximum of~~ \$30,000. The Board shall deduct any funds advanced to a school district to verify, gather, and submit the information required under subsection (E)(2) from the final amount authorized, if any. Rather than allocating ~~monies funds to a~~ the school district to verify, gather, and submit information required in Step Three under subsection (E)(2), the Board may approve the staff of the School Facilities Board to contract and pay directly for such the services, in which case the contractors will be paid directly by the Board.

D.2. ~~If the A school district receives approval~~ authorized under subsection (D)(2) to proceed to Step Three, the following information about perform due diligence regarding the land site shall be acquired the school district proposes to purchase shall submit the following information to the Board:

~~1.a. An appraisal~~ Two appraisals of the land that ~~documents that~~ show the proposed cost of the land site is at or below the fair market value;

~~2.b.~~ Legal description of the land- site;

~~3.c. Level~~ Phase one environmental assessment completed within the last 180 days, plus the following factors (if not included):

~~a.i.~~ Hazardous materials,

~~b.ii.~~ Archaeology,

~~c.iii.~~ Endangered flora and fauna,

~~d.iv.~~ Noise,

~~e.v.~~ Soil ~~Conditions~~ conditions, and

~~f.vi. Adjacent~~ Identity of adjacent land owners and/or uses;

~~4.d. Boundary~~ American Land Title Association and Topographical Survey topographical survey;

~~5.e.~~ Drainage statement;

~~6.f. Site~~ Estimate of land-site development cost;

~~7.g.~~ Photographic survey (if required by applicable planning and zoning departments); and

~~8.h. Feasibility site~~ Site feasibility diagram-conceptual study developed by a design professional illustrating that shows the proposed development of the land site (based on the eventual size of the school, if there are plans for expansion), indicating. The site feasibility diagram shall include:

~~a.i.~~ Property lines and measurements;

~~b.ii.~~ Setbacks, right-of-ways, and easements;

~~c.iii.~~ Vehicular access and parking;

~~d.iv.~~ Pedestrian and bicycle access;

~~e.v.~~ Building zone;

~~f.vi.~~ Drainage concept;

- ~~g~~.vii. Utility routes or systems;
- ~~h~~.viii. Activity fields and courts;
- ~~i~~.ix. Limit-lines and calculation of usable area;
- ~~j~~.x. Existing features to be demolished or preserved; and
- ~~k~~.xi. Future expansion capability.

3. After reviewing the information provided by the school district under subsection (E)(2), the Board shall prepare a recommendation for the Division regarding whether to authorize purchase of the requested land site. The Board shall include in the recommendation the cost of the land site and applicable closing costs.
4. If the Division decides to authorize purchase of the requested land site, the Division shall request a funding appropriation from the legislature.

~~E.F.~~ Final distribution. ~~Final distribution of monies to purchase the site may be made by the Board if Step Three reveals no serious problem with the site. If the actual cost of the site does not exceed the Board approved amount, the Executive Director may make the final determination of site funding without further action by the Board. If monies were distributed to the school district to verify, gather and submit the information required based on a cost estimate, an adjustment for the actual cost shall be made at the time of the final distribution. If the legislature appropriates funding for purchase of the requested land site, the school district shall submit a written funding request to the Division. The Director shall make final distribution of funds to the school district.~~

G. Additional matters.

1. ~~The A~~ A school district that receives funds under subsection (E)(1) shall provide documentation to the Board of the actual expenditures from the monies provided and the actual closing costs funds within 60 days of after the final distribution.
2. A school district that receives funding under subsection (F) shall provide documentation to the Board of actual closing costs after the final distribution. Expenditures exceeding the amount provided pursuant to subsection (C)(3) of this Section require approval by the Board.
3. If the site is rejected as a result of information gathered in Step Three completion of due diligence reveals a serious problem with the proposed site or if the actual cost of the requested site exceeds the amount approved by the Board, the school district may repeat Steps Two and Three with the three-step process for a new site.

~~F.H.~~ The Board may modify or waive the requirements of this Section for good cause.

R7-6-504. Donations of Real Property

- A. ~~A~~ If a school district wishes to receive funding to enable the school district seeking to acquire accept a donation of real property, by donation pursuant to as authorized under A.R.S. § 15-2041 41-5741, the school district shall complete and submit to the Board a the school site and school facility donation information requirements form and submit the form to the School Facilities Board that is available on the Board's website and provide information regarding the real property to be donated. ~~The information requested on the form for land shall include, among other items, a district map identifying existing school sites and facilities, student population and the location of the donation. The information requested on the form for a facility shall include, among other items, the size of the facility, grade levels served and location. If all of the information required is not available the school district lacks some of the required information and if a school district needs monies funds to verify, gather, and submit the missing information required, it the school board shall submit a cost-estimate request for the estimated amount to obtain the missing information at the same time it the school board submits the available information that is available.~~
- ~~B.~~ If all information is available, the School Facilities Board staff shall analyze the request to accept the donation and make a recommendation to the Board. If all information is not available, the School Facilities Board staff shall analyze the request on the basis of whether the school district should be awarded the funds necessary to complete the information gathering process, and shall make a recommendation to the Board.
- B. At an open meeting and after reviewing the information submitted under subsection (A) and hearing from members of the applicable school district, At the time the Board is making its shall make a decision regarding funding to accept the donation of real property, ,the staff analysis and recommendation shall be available to the School Facilities Before the meeting, the analysis and recommendation of the Board shall be available to Board members and the applicant school district. The applicant school district may address the Board.
- C. ~~If the Board approval is to award approves awarding the school district funds necessary to complete the obtain all required information gathering process, the district shall be notified by the Board Staff shall notify the school district. and upon acceptance If the school district accepts the award, the school district may proceed to gather the additional required information required. Once When the additional required information is submitted to the Board, the Staff Board shall analyze the request to accept the donation and make a recommendation to the Board as stated in subsection (B) follow the procedures in subsection (B).~~

- D. If the Board approves funding to enable a the school district request to accept the a donation of real property, the Board staff shall notify the school district. ~~The distribution of 20 percent of the value of the accepted donation pursuant to A.R.S. § 15-2041 shall be awarded to the school district upon notification to the Board that the donation has been accepted by the district.~~ The school district shall submit to the Board documentation ~~of its that the governing board action~~ accepted donation of the real property and ~~documentation that the property title has been was~~ transferred to the school district. ~~Upon receipt of~~ When this documentation is received, the Board staff shall ~~be authorized~~ direct the Division, under A.R.S. § 41-5741(F), to distribute ~~the approved~~ to the school district 20 percent amount of the fair-market value of the portion of donated property usable for academic purposes.
- E. If ~~monies funds~~ were distributed to ~~the a school district to verify, gather and submit the information required based on an estimated cost,~~ under subsection (C) the Board shall make an adjustment for the actual cost ~~shall be made~~ at the time of the final distribution. The school district shall provide documentation to the Board of the actual expenditures from the ~~monies funds~~ provided. ~~Expenditures~~ An expenditure exceeding ~~any amounts provided pursuant to R7-6-503(C)(3) shall require~~ \$30,000 requires advance approval by the Board.
- F. ~~In determining~~ In conducting the analysis under subsection (B) to determine whether ~~the~~ real property proposed for donation is ~~at an appropriate~~ as a school facility site or a school facility, the ~~School Facilities Board Staff~~ analysis shall ~~be based on~~ consider the following:
1. Location of the real property proposed for donation of real property;
 2. ~~District needs~~ School district need for additional square footage to accommodate student capacity;
 3. ~~District needs~~ School district need for additional land ~~(for site donations only)~~; for a school facility;
 4. Usable acres in the proposed ~~for~~ donation, taking into consideration the School Facilities Board Board's adopted usable approved range of acreage requirements; ~~table~~;
 5. ~~The ability of a~~ Whether the proposed site donation ~~to can~~ accommodate a school facility that meets the minimum adequacy guidelines ~~(for site donations only)~~; ~~or the adequacy of a proposed school whether a proposed facility donation can be developed into a school facility that meets the minimum adequacy guidelines~~;
 6. Estimated site development costs;
 7. Age and condition of ~~the real property (for facility donation only)~~; a facility donation; and
 8. Portion of the real property that can be used for academic purposes.
- G. ~~If the School Facilities Board Staff recommendation is to authorize the district to accept the donation,~~ the Staff shall prepare a recommended 20 percent distribution amount. The 20 percent distribution

~~recommendation will be based on the fair market value of the real property proposed for donation that is usable for academic purposes.~~

H.G. The Board may waive or modify the requirements of this Section for good cause.

R7-6-505. Constructing ~~Bond-Funded Schools~~ Bond-funded School Facilities on Land Funded by the School Facilities Board

- A. A school district that acquires land by sale or lease ~~pursuant to~~ under A.R.S. § ~~15-2041~~ 41-5741 may construct a new school facility on ~~that~~ purchased or leased land using Class A bonds. The Board will include the square footage of the new school facility ~~shall be included~~ in the gross square footage of the school district ~~for purposes of determining needs for~~ to determine whether additional square footage ~~and~~ or building renewal distributions are needed.
- B. A school district that acquires land by sale or lease ~~pursuant to~~ under A.R.S. § ~~15-2041~~ 41-5741 may construct a school facility on ~~that~~ the purchased or leased land using Class B bonds ~~provided that if~~ the school district ~~agrees~~ acknowledges in writing that when the school district qualifies for a new school facility funded by the School Facilities Board, ~~that the School Facilities Board will~~ shall not provide funding ~~for the~~ to lease or purchase of an additional site for ~~that~~ the school facility. The Board will not include the square footage of ~~the~~ a new school facility constructed with Class B ~~bond monies~~ bonds ~~shall not be included~~ in the gross square footage of the school district ~~for purposes of determining needs for~~ to determine whether additional square footage ~~and~~ or building renewal distributions are needed.

R7-6-506. Providing Technical Assistance in the Form of Project Management

- A. A school district that does not have the experience or resources to ~~successfully oversee~~ manage successfully construction of a new school ~~construction project~~ facility may request technical support from the Board ~~pursuant to~~ under A.R.S. § ~~15-2002(13)~~ 41-5702(D)(13) in the form of project management ~~services~~.
- B. The ~~Executive~~ Director may approve ~~the project management~~ or deny a request made under subsection (A). ~~Should~~ If the ~~Executive~~ Director ~~deny~~:
1. Denies the request, the school district ~~has the right to~~ may appeal the decision to the Board; and
 2. Approves the request, the school district shall agree to reimburse the Board from allocated funds the cost of any independent contractors the Board uses to provide the project-management technical assistance.

- C. The Board shall ensure the cost of the project management shall be made a part of project-management technical assistance, if needed, is included in the overall cost of the new school facility; and those funds shall be derived from the total allocation for the project provided made by the School Facilities Board for construction of the new school facility. ~~Should~~ If the allocation of funds that the school district receives pursuant to under A.R.S. § 15-2041 41-5741 satisfy both the base cost of the new school facility and plus the cost of the project management project-management technical assistance, ~~then~~ the Board shall not provide any additional funds to the school district for project management services project-management technical assistance.
- D. If the school district's request for project management services is approved, the school district shall agree to reimburse the Board from its allocated funds for the cost of any independent contractors that the Board uses to provide the project management services.
- E.D.** The Board may provide ~~the~~ a school district with monies funds to pay for the ~~project management services~~ project-management technical assistance in addition to the monies funds the school district receives ~~pursuant to under~~ A.R.S. § 15-2041 provided 41-5741 if:
1. The school district demonstrates ~~that the monies funds~~ it receives ~~pursuant to under~~ A.R.S. § 15-2041 41-5741 are not sufficient to build a school facility that meets the building adequacy guidelines and pay ~~the fees for the~~ project management; and
 2. The school district demonstrates in writing to the Board's satisfaction that the school district does not have the experience or resources necessary to ~~successfully complete~~ construction of the new school ~~construction project~~ facility successfully.

ARTICLE 6. CONTINGENCY FUNDS REPEALED

R7-6-601. Allocation and Use of Contingency Monies Repealed

- A. ~~A sum equal to a percentage of the construction bid shall be set aside as a contingency fund to cover the cost of unknown conditions that could arise during construction. The School Facilities Board shall set aside an amount equal to five percent of the base cost for new construction and ten percent of the base cost for renovation of a structure or system replacement to cover these potential costs. Contingency funds are not part of the construction budget and are to be used only if needed. For deficiency corrections projects, any contingency funds which are not used shall be returned to the deficiency corrections fund. For projects funded by the new school facilities fund, any contingency funds which are not used may be used by the school district in accordance with A.R.S. § 15-2041.~~
- B. ~~The mechanism that is used to spend contingency funds during construction is a "change order." There are three types of situations that generally require a change order:~~

1. ~~An unknown condition that was not determined until after construction was started and that requires a change, deletion or addition to the construction contract.~~
 2. ~~The school district has determined to change the scope of work and add to or delete from the contract.~~
 3. ~~A change is required to correct a discrepancy between what the contractor bid and what the architect and owner intended. This type of change order could be determined an “error or omission” on the part of the architect. If so, the owner should pursue the architect’s error and omissions insurance to recover the costs of the required change.~~
- ~~C. Change orders can be additive or subtractive to the construction contract and both should be used. All changes in the scope of the contract and the contract documents should be considered potential change orders. Change order should not be used to correct conditions known prior to or discovered during the bid process. These should be addendum items and made part of the bid.~~
- ~~D. The following conditions apply to the use of all contingency monies allocated to a specific project approved by the School Facilities Board. If the district wishes to issue change orders that do not comply with these rules, the associated costs shall be accounted for separately and not considered part of the approved project. In other words, they would need to be paid out of separate monies and would not be considered part of the approved project, even though they might be included in the same basic contract. These costs would be paid for using local funds.~~
1. ~~The school district may use contingency monies only to cover change orders that are to correct unknown conditions.~~
 2. ~~Contingency funds may not be used to cover change orders for the other two types of situations discussed in subsection (B) above: the district has determined to change the scope of work during construction by adding components, or a change is required to correct a discrepancy created by the architect that could be considered an error or omission by the architect.~~
 3. ~~For deficiency correction projects performed pursuant to A.R.S. § 15-2021 only, the Executive Director shall have the discretion to authorize the use of contingency funds for expansion of scope, to accommodate low budget estimates, and for all other project related costs.~~
 4. ~~Contingency monies shall not be used to pay for “bid add alternates.” These items are not part of the final approved project.~~
- ~~E. A school district whose deficiency correction projects are combined with the deficiency correction projects of one or more additional school districts pursuant to R7-6-401 shall have the contingency amount included as a percentage of the overall set of projects that have been grouped together for such purposes. The Executive Director shall have the discretion to use, transfer, and/or combine the contingency amounts for any projects within such a group to any other project within the group of~~

~~projects. The Executive Director's adjustment authority pursuant to R7-6-401 shall be considered as a percentage or sum of the overall group of projects.~~

~~F. The Board may modify or waive the requirements of this Section for good cause.~~