

## ***XXI. End of Useful Life Assessment Policy***

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.** Per A.R.S. § 41-5741 (G), the End of Useful Life Assessment Policy is to align with statute and rules to ensure that all districts maintain their facilities in compliance with the State's building adequacy standards prescribed in A.R.S. § 41-5711 (the "Minimum Adequacy Guidelines"), 7A.A.C.6. (Adopted March 6, 2024)

### **B. Eligibility**

Eligibility to request an end of useful life assessment shall meet the following criteria:

- 1) The building(s) is in the district's building inventory as space that generates student capacity, and
- 2) The building(s) has received preventive maintenance as reported under A.R.S. §41-5731, and
- 3) Multiple major building systems observed as or suspected of being non-economically repairable, and
- 4) District wants to retire the buildings.

### **C. Application**

Must include:

- District Name
- School Name
- Building ID number from SFD Building Inventory
- Year the building was built
- Current use of building
- History of preventive maintenance
- Narrative describing district's analysis to determine building has reached end of useful life (e.g. Structural assessments, history of insurance claims, other facility reports)

### **D. Schedule and Submission Deadlines**

End of Useful Life assessment applications must be submitted by March 1. Districts will be notified whether or not the buildings are eligible for end of useful life assessment within 60 days. The assessment of the building must be completed by the end of August in order for the Board to determine if a building should be retired.

### **E. End of Useful Life Assessment and Report**

The Division shall use Division staff, ADOA General Services Division staff, Division contractors, or an appropriate combination to perform the End of Useful Life assessment using standard industry assessment tools and having standard training, shall assess and report on the following criteria not more than once every three years, unless there is an incident requiring an immediate end of useful life assessment.

- 1) Whether the building or buildings meet or exceed all of the Minimum Adequacy Guidelines set forth in A.R.S. § 41-5711 and in Title 7, Chapter 6, Article 2 of the Arizona Administrative Code.
- 2) Cost benefit analysis using a standard industry Facility Condition Index methodology.
- 3) Inventory of building systems, their age, condition, preventive maintenance history, and/or ability to be repaired.

#### **F. Board Action**

Division staff will review all reports, data, and information to make a recommendation to the Board about whether or not the building has outlived its useful life. The Board may approve, amend, or reject the staff recommendation. If the Board determines that the building has outlived its useful life, the building is retired for SFOB and Division purposes.

#### **G. Appealable Agency Action**

Pursuant to A.R.S. 41-5702 (A)(5)(i) and (P), New School Facilities Fund requests, including requests for End of Useful Life assessments, or determinations that building have not outlived useful life are an appealable agency action.

SFD Staff shall notify a school district that its request for End of Useful Life assessments for specific school buildings does not meet eligibility criteria. The written notification to the school district shall include documentation to support the staff's determination that the proposed project does not meet the eligibility criteria. The school district may directly appeal the staff's recommendation of ineligibility to the Assistant Director. The school district may directly appeal the Assistant Director's determination of ineligibility to the Board.

A school district may appeal the denial of a request for monies or any other appealable SFD action pursuant to title 41, chapter 6, article 10. For the purposes of this subsection, "appealable agency action" has the same meaning prescribed in section 41-1092.