

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RANDALL GNANT
CHAIRMAN 1999
GUS ARZBERGER
RUSSELL W. "RUSTY" BOWERS
JACK A. BROWN
TOM SMITH
RUTH SOLOMON
JOHN WETTAW

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BOB MCLENDON
ANDY NICHOLS
CHRISTINE WEASON

REVISED MEETING NOTICE

DATE: Tuesday, November 28, 2000

TIME: ~~10:00 a.m.~~ 8:30 a.m.

PLACE: HOUSE HEARING ROOM 5

TENTATIVE AGENDA

- Call to Order
- [Approval of Minutes of October 19, 2000.](#)
- DIRECTOR'S REPORT (if necessary).
- 1. [ARIZONA DEPARTMENT OF ADMINISTRATION - Consider Approval of FY 2002 and FY 2003 Rental Rates for State-Owned Space.](#)
- 2. [ARIZONA DEPARTMENT OF TRANSPORTATION - Review of Scope, Purpose, and Estimated Cost of Motor Vehicle Division Central Arizona Port Project.](#)
- 3. [SCHOOL FACILITIES BOARD - Review of FY 2001 Building Renewal Allocation Plan.](#)
- 4. [DEPARTMENT OF HEALTH SERVICES/ARIZONA DEPARTMENT OF ADMINISTRATION - Report on the Arizona State Hospital Construction Project.](#)
- 5. [ARIZONA STATE PARKS - Report on Kartchner Caverns State Park.](#)

The Chairman reserves the right to set the order of the agenda.
11/20/00

People with disabilities may request accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Requests for accommodations must be made with 72 hours prior notice. If you require accommodations, please contact the JLBC Office at (602) 542-5491.

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MINUTES OF THE MEETING JOINT COMMITTEE ON CAPITAL REVIEW

Thursday, October 19, 2000

The Chairman called the meeting to order at 10:12 a.m. Thursday, October 19, 2000 in House Hearing Room 5 and attendance was noted.

Members:	Representative Burns, Chairman Representative Cooley Representative Johnson Representative Weason	Senator Gnant, Vice-Chairman Senator Arzberger Senator Brown Senator Solomon Senator Smith Senator Wettaw
Absent:	Representative Daniels (Excused) Representative McLendon Representative Nichols	Senator Bowers
Staff:	Richard Stavneak Lorenzo Martinez Chris Earnest Steve Grunig	Jan Belisle, Secretary Bruce Groll Stefan Shepherd Paul Shannon
Others:	Greg Fahey, U of A Dick Roberts, U of A Greg Gemson, House Charlotte Hosseini, ADOA Douglas Schuster, Mohave Sheriff's Office Fred Bloom, Game & Fish	Paul Davenport, Press Terry Jones, Gila County Jay Ziemann, State Parks Renee Bahl, State Parks Robert Teel, ADOA Pat Curtis, DES

APPROVAL OF MINUTES

Representative Burns asked for corrections or additions to the minutes of September 14, 2000. Hearing none, the minutes were approved as submitted.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) — Recommendation on Rent Exemption for Motor Pool and Maintenance Facilities.

Paul Shannon, JLBC Staff presented ADOA's request that the Committee recommend a partial rent exemption of \$58,600 for the tenants of the new motor pool building and the 2 new buildings at the maintenance compound. The exemption is required as a result of obligations for existing space and increased space at the new facilities for which rent was not appropriated. The JLBC Staff recommends the Committee recommend the rent exception.

In reply to Senator Smith, Mr. Shannon stated the exemption would be for FY 2001.

(Continued)

Senator Gnant moved that the Committee recommend to the Director of the Arizona Department of Administration a FY 2001 rent exemption of \$58,600 to the Facilities Management and Support Services programs of ADOA. The motion carried.

DEPARTMENT OF ECONOMIC SECURITY - Review of the Scope, Purpose, and Estimated Cost of Safety Improvements at the Arizona Training Program at Coolidge.

Stefan Shepherd, JLBC Staff presented the scope, purpose and estimated cost of safety improvements at the Arizona Training Program at Coolidge in the amount of \$938,300. This amount would renovate 5 group homes and replace fire alarm panels in 6 buildings. The JLBC Staff recommends a favorable review of the request.

In response to Senator Arzberger, Senator Gnant stated that Staff has also recommended any transfers among the listed projects in excess of \$50,000 be reported to the JLBC Staff prior to expenditure as a result of prior requests by the Committee to have that stipulation included.

In answer to Representative Weason, Lorenzo Martinez, JLBC Staff stated that design costs for capital projects are usually within 5-10% of total project cost and the amount of \$72,000 or 9% is reasonable.

Senator Gnant moved that the Committee give a favorable review to the scope, purpose and estimated cost of the safety improvements at the Arizona Training Program at Coolidge in the amount of \$938,300. The Committee also requested that any transfers among the projects in excess of \$50,000 be reported to the Joint Legislative Budget Committee Staff prior to expenditure. The motion carried.

ARIZONA GAME AND FISH DEPARTMENT — Review of FY 2001 Building Renewal Allocation Plan.

Bruce Groll, JLBC Staff presented the Arizona Game and Fish Department FY 2001 Building Renewal allocation plan of \$275,400 from the Game and Fish Fund. The JLBC Staff recommends a favorable review of the allocation plan.

In answer to Representative Cooley, Mr. Groll said that building renewal is one of the allowable uses of the Game and Fish Fund.

Senator Gnant moved that the Committee give a favorable review to the FY 2001 Building Renewal allocation plan of \$275,400 from the Game and Fish Fund. The motion carried.

ARIZONA STATE PARKS — Review of State Lake Improvement Fund Projects.

Chris Earnest, JLBC Staff presented the review of the State Lake Improvement Fund (SLIF) projects and grants for FY 2001. There is a total of 20 projects and grants totaling \$6,234,100. The JLBC Staff recommends a favorable review of these projects and grants. There is a growing unobligated balance in the SLIF that is currently \$1.6 million (after projects and grants are awarded). The Staff is monitoring the situation relative to whether the amount of monies received by the fund are excessive relative to the grants being requested, or whether the evaluation criteria used to determine grants is too stringent.

In response to Representative Johnson, Chris Earnest said there was approximately \$8 million requested for grants this year. Approximately \$4.7 million was available for grants. No one entity may receive more than 20% of the available revenues. More was requested than was available and \$4.1 million was approved of the \$4.7 available. There is 11.8% available revenues for administration which equates this year to \$926,000. The statewide average amount for administration may vary depending on how Administration is defined. At the present time there is no standard definition.

Senator Smith asked if the \$244,414 for the Mohave County Sheriff's Office to purchase two watercraft was excessive.

Douglas Schuster, Mohave County Sheriff Office stated that commercial grade watercraft are necessary to patrol the Colorado. Mohave County has the busiest lake in the state and adequate boats are needed.

(Continued)

Senator Gnant asked if the boats came fully equipped. Mr. Schuster said yes and that the boats are 27 feet long. The trailer is also included in the price.

In reply to Senator Solomon, Mr. Schuster stated the boats are specifically for Lake Havasu and are replacing two existing boats that were purchased about 10 years ago.

In response to Senator Solomon, Mr. Earnest replied that there was a recommendation in the last biennium to transfer \$1,000,000 from the SLIF fund to the General Fund.

Senator Arzberger asked if the SLIF fund can improve lakes on forest service land. Mr. Earnest said that the federal government is not an eligible participant. Only state and local entities are eligible.

Representative Weason asked what benefit the \$250,000 engineering feasible study for Crescent Lake brings to the state. Renee Bahl, State Parks stated the feasibility study is to determine the technical and economic viability of a lake should they decide to build one there. The cost of the study is not unreasonable for this type of project. What will be determined is how many people will come and what the economic benefit will be. To the Parks knowledge, there have not been studies done in the past. LaPaz County will determine whether to conduct the study as one contract, or multiple contracts.

Representative Weason asked for an itemized list of expenditures and how much of that would be for administrative costs.

Representative Cooley stated that he did not feel 45 miles to drive to have access to water is a hindrance to recreation. He did not feel there was sufficient justification for building another lake.

Senator Gnant moved that the Committee give a favorable review to the State Lake Improvement Fund projects and grants totaling \$6,234,100.

Representative Johnson moved to amend the motion to exclude the \$250,000 for an Engineering Feasibility Study for a lake in LaPaz County until the Committee receives more information.

Division was called on the amendment to the motion. With a show of hands there were 5 Ayes, 5 Nays. The motion to amend the original motion failed.

The original motion carried.

Report on Kartchner Caverns State Parks.

Chris Earnest, JLBC Staff gave a brief report on Kartchner Caverns State Park. The bats have left the cave and the project is scheduled for completion in November 2003. There have been concerns regarding the humidity and environmental conditions in the cave. The Staff recommends the Parks Board include information in their next report on the environmental conditions in the cave.

Representative Cooley asked if the revenue generated at the park has been dedicated to further construction and development of the park. Mr. Earnest stated that the monies go into the State Parks Enhancement Fund which does benefit Kartchner Caverns. Half of the fund is used for parks operations including the operations at Karchner Caverns. The other half is dedicated for acquisition and development of state parks.

Jay Ziemann, State Parks distributed to the Committee the Arizona State Parks Capital Needs Continued Development report. He stated that Kartchner Caverns is in fine health. There has been a lot of rain in the last couple of months and water is pouring into the cave.

The distributed report shows the needs and impacts that Karchner has had on other parks. The projects in the report have not been prioritized as of yet.

(Continued)

Representative Burns asked how individuals came to the conclusion that conditions in the cave are drying and the temperature differs from 10-15 years ago. Mr. Ziemann stated that the genesis of the criticism started with the two men who discovered Kartchner in 1988. The concerns were discussed in an article that appeared in the New York Times. The discoverers were part of a company that had done some of the original baseline environmental assessments inside the cave in 1989. It was a very raw cave at that point. What they discovered were some changes in the evaporation rate, the humidity and temperatures inside Kartchner Caverns beginning about 1997. The New York Times article attributed all the changes to human visitation to the cave. There are several factors that will impact the environment of the cave. They are visitation, the construction and development and the drought that has been experienced over the last 3-4 years. It appears that one needs to be vigilant and monitor the cave when making changes to the cave.

No Committee action was required.

UNIVERSITY OF ARIZONA - Report on Mt. Graham Observatory Lease-Purpose Project.

Lorenzo Martinez, JLBC Staff presented follow-up information on the Mt. Graham Observatory Lease-Purpose Project. The power line will be financed with Certificates of Participation (COPs) and the university is confident user fees will be sufficient to repay the project.

In response to Representative Johnson, Lorenzo Martinez stated that the COPs will be paid back over a 25 year period at an interest rate of 5.6%.

No Committee action was required.

Without objection, the meeting adjourned at 10:45 a.m.

Respectfully submitted:

Jan Belisle, Secretary

Lorenzo Martinez, Senior Fiscal Analyst

Representative Robert "Bob" Burns, Chairman

NOTE: A full tape recording of this meeting is on file in the JLBC Staff office at 1716 W. Adams.

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DATE: November 20, 2000

TO: Representative Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Lorenzo Martinez, Senior Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF ADMINISTRATION - CONSIDER APPROVAL OF FY 2002
AND FY 2003 RENTAL RATES FOR STATE-OWNED SPACE

Request

The Arizona Department of Administration (ADOA) requests the Committee determine the FY 2002 and FY 2003 rental rates for state-owned office and storage space. Based on actions of the Lease Cost Review Board (LCRB), the Director of ADOA recommends the following FY 2002 and FY 2003 rental rates (per square foot):

<u>FY 2001</u>		<u>FY 2002</u>		<u>FY 2003</u>	
<u>Office</u>	<u>Storage</u>	<u>Office</u>	<u>Storage</u>	<u>Office</u>	<u>Storage</u>
\$13.50	\$4.50	\$15.00	\$5.50	\$15.50	\$6.00

The LCRB also estimates that the state's average cost for leasing privately-owned office space will be \$17.50 per square foot in FY 2002 and \$18.25 per square foot in FY 2003.

Recommendation

The JLBC Staff recommends the Committee defer determining rental rates until other issues that may impact the General Fund in FY 2002 and FY 2003 are better quantified. In comparison to the FY 2001 budget, the ADOA proposal will cost the General Fund \$912,800 in FY 2002 and \$1,224,400 in FY 2003.

Analysis

Pursuant to A.R.S. § 41-792.01(D), the Committee determines the rental rate for state-owned office and storage space after considering the recommendation of the Director of ADOA. Rent paid for state-owned space is deposited in the Capital Outlay Stabilization Fund (COSF). The monies in COSF are available for appropriation for utility payments on ADOA office buildings, Building Renewal, operating costs of the Building and Planning Services and Construction Services sections of the ADOA General Services Division, and specific capital projects. Agencies pay their rent from a variety of sources, including federal and other non-appropriated funds.

The state began charging agencies for occupying state-owned space in an attempt to hold agencies accountable for their space usage, to encourage the efficient use of space, and to generate monies to maintain state buildings. Rent is paid on buildings located on the Capitol Mall and Tucson Mall.

(Continued)

The recommended rates reflect the LCRB belief that the state rental rate should be 85% to 95% of private sector rates in order to encourage state building use and to allow the state to manage state-owned buildings effectively. In addition, keeping pace with private sector rates lessens the funding requirement if an agency must relocate from state space to private space (given that state space is effectively 100% occupied).

The recommended rates would require additional funding in agency budgets. The following table lists the estimated impact of the increases associated with the new rates.

	<u>General Fund</u>	<u>Other Appropriated Funds</u>	<u>Non-Appropriated Funds</u>	<u>Total</u>
FY 2002 Increase (from FY 2001)	\$ 912,800	\$260,800	\$130,400	\$1,304,000
FY 2003 Increase (from FY 2001)	<u>\$1,224,400</u>	<u>\$349,800</u>	<u>\$174,900</u>	<u>\$1,749,100</u>
Total Biennial Requirement	\$ 2,137,200	\$610,600	\$305,300	\$3,053,100

While the increased rates would generate approximately \$915,900 from non-General Fund sources over the FY 2002-FY 2003 biennium, it would require an additional \$2,137,200 from the General Fund over the same time period. Given that the FY 2002-FY 2003 biennial budget is still being developed, the JLBC Staff recommends the Committee defer determining rental rates until other issues that may impact the General Fund are better quantified. On the other hand, Committee approval of the ADOA proposal would generate an additional \$3,053,100 in the FY 2002-FY 2003 biennium for COSF items such as ADOA Building Renewal.

In addition, the Joint Legislative Study Committee on the State Building Renewal Formula and Process is considering recommending the implementation of an assessment on agencies that do not currently pay rent in order to generate additional funding for COSF to fully fund Building Renewal. If an assessment to generate sufficient COSF monies for Building Renewal (and the other programs it currently supports) were implemented, the need to increase state rental rates may not be as great. The Study Committee is also exploring other mechanisms to fully fund Building Renewal, which if accomplished, could also reduce the need to generate COSF monies through rental rates.

RS:LM:jb

JANE DEE HULL
Governor



J. ELLIOTT HIBBS
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

1700 WEST WASHINGTON • ROOM 601
PHOENIX, ARIZONA 85007

(602) 542-1500

July 27, 2000

JUL 27 2000

The Honorable Robert Burns, Chairman
Joint Committee on Capital Review
Arizona House of Representatives
1700 West Washington Street
Phoenix, Arizona 85007

Dear Representative Burns:

A.R.S. § 41-792 requires the Lease Cost Review Board in even numbered years to estimate the average square foot dollar cost of private lease space for the following two fiscal years. The statute also requires the Board to recommend the rental rate for State agencies using space in buildings owned by or leased to the State for the same timeframe.

The Lease Cost Review Board met on June 29, 2000 and unanimously agreed upon the following actions.

1. Establishing the estimated average square footage cost for privately leased office space at:
 - \$17.50 per square foot in Fiscal Year 2002
 - \$18.25 per square foot in Fiscal Year 2003
2. Recommending the rental rate charged to State agencies for office space within State owned buildings at:
 - \$15.00 per square foot in Fiscal Year 2002
 - \$15.50 per square foot in Fiscal Year 2003
3. Recommending the rental rate charged to State agencies for storage space within State owned buildings at:
 - \$5.50 per square foot in Fiscal Year 2002
 - \$6.00 per square foot in Fiscal Year 2003

I am in agreement with the Board's recommendations and request consideration of these rates by the Joint Committee on Capital Review. Should you have any questions regarding this matter do not hesitate to contact me at (602) 542-1500.

Sincerely,

A handwritten signature in dark ink, appearing to read "J. Elliott Hibbs".

J. Elliott Hibbs
Director

JEH:sas

cc: The Honorable Randall Gnant, Arizona State Senate
Tom Betlach, Director, Office of Strategic Planning & Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
✓ Lorenzo Martinez, Senior Fiscal Analyst, Joint Legislative Budget Committee

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DATE: November 17, 2000

TO: Representative Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Bob Hull, Principal Research/Fiscal Analyst

SUBJECT: ARIZONA DEPARTMENT OF TRANSPORTATION - REVIEW OF SCOPE, PURPOSE,
AND ESTIMATED COST OF MOTOR VEHICLE DIVISION CENTRAL ARIZONA
PORT PROJECT

Request

The Arizona Department of Transportation (ADOT) requests that the Committee review the release of \$268,300 to replace 3 trailers and to make site improvements at the Motor Vehicle Division (MVD) Central Arizona Port (\$268,300 FY 2001 appropriation).

Recommendation

The JLBC Staff recommends a favorable review of the request.

Analysis

Pursuant to A.R.S. § 41-1252(C), the Committee shall review the scope, purpose, and estimated cost of appropriated capital projects prior to the release of monies for construction. Laws 1999, Chapter 2, 1st Special Session appropriated \$268,300 in FY 2001 from the State Highway Fund to ADOT, to replace 3 old trailers and to fund site improvements at the MVD Central Arizona Port, which is located at 1225 N. 25th Avenue in central Phoenix.

ADOT proposes to buy and install a single 4,260 square foot 6-unit modular building, and to remove and dispose of 2 of the 3 old trailers, with the third trailer being kept for storage. The new modular building would cost a total of \$243,300, including \$240,500 for the building, and \$2,800 for a 50-foot long canopy. The following table summarizes the department's expenditure plan for the appropriation:

Modular Building	\$240,500
Canopy	2,800
Remove 2 Existing Trailers	5,700
Telecommunications & Computer Hookups	8,000
Design, Risk Management, & Contingency	11,300
Total Appropriation	\$268,300

(Continued)

ADOT reports that outside utility lines, such as water, sewer and electricity, may need to be relocated and upgraded to accommodate the larger modular building, which will be sited near the existing trailers but in a different position. ADOT plans to use other funding sources to accomplish this should it be necessary.

The JLBC Staff recommends a favorable review of the request.

RS:BH:jb



Jane Dee Hull
Governor

Mary E. Peters
Director

Arizona Department of Transportation

Office of the Director

206 S. 17th Ave. Phoenix, Arizona 85007-3213
Phone 602.712.7226 FAX 602.712.6941

October 30, 2000

Victor M. Mendez
Deputy Director

The Honorable Robert Burns, Chairman
Joint Committee on Capital Review
1700 West Washington
Phoenix, Arizona 85007



Dear Representative Burns:

We respectfully request to be placed on the agenda of the next scheduled JCCR meeting, so that the Committee can review the release of \$268,300 appropriated for Fiscal Year 2001. This allocation is for Site Improvements and Building Replacement at the MVD Central Arizona Port located at 1225 N. 25th Avenue in Phoenix, Arizona.

This project, to buy and install replacement modular units, is for the MVD Administrative Center of the Southern Region Enforcement Offices, the International Border Port Of Entry's, as well as the Commercial Drivers License, Permit Issuance, and Motorcycle Skill Testing facilities. This project is on State owned land under the Stack and it will replace the overcrowded, unsafe and outdated buildings, which are long overdue for demolition. We have hired an A&E firm for the fee of \$8,960, which will address the site improvements, and locating the units. We have a Modular Office builder on State contract that will construct, deliver and connect water sewer and electric at the units for the sum of \$248,971. We have set aside \$1,608 for Risk Management fees and \$8,000 for Telecommunications modifications and connections of phones and computers. This will leave a contingency in the amount of \$761 for any unforeseen items. It is our intention to meet our budget, proposed scope of work, and a completion date of no later than March 1, 2001.

We respectfully request approval to proceed with the purchase of the modular units, as well as the installation and hook up of utilities to such. Your review and approval of this request is greatly appreciated.

Sincerely,

Mary E. Peters

cc: The Honorable Randall Gnant, JCCR
Marcel Benberou, OSPB
Richard Stavneak, JLBC
Stacy Stanton, ADOT
John Bogert, ADOT
Charles Haverstick, ADOT

Tom Betlach, OSPB
Bret Cloninger, OSPB
Robert Hull, JLBC
Victor Mendez, ADOT
David Jankofsky, ADOT

MEP/cdh

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DATE: November 20, 2000

TO: Representative Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Patrick Fearon, Senior Fiscal Analyst

SUBJECT: SCHOOL FACILITIES BOARD — REVIEW OF FY 2001 BUILDING RENEWAL
ALLOCATION PLAN

Request

The School Facilities Board requests that the Committee review its proposed distribution of Building Renewal Fund monies for FY 2001, as required by A.R.S. § 15-2031.

Recommendation

The JLBC Staff recommends that the Committee give a favorable review of the request, pending further clarification and resolution of litigation surrounding prior-year funding shortfalls (see discussion below). We only became aware today of a Superior Court's October 13 ruling on this litigation and we have not yet had an opportunity to analyze the decision.

Analysis

The Building Renewal Fund is established by A.R.S. § 15-2031 in order to provide funding for school districts to maintain the adequacy of existing school facilities. Building renewal monies are intended for major renovations/repairs, upgrading systems to extend the life of a building, and infrastructure costs on academic buildings owned by a district. By October 1 of each year, A.R.S. § 15-2031(E) requires the JCCR to review the board's distribution plan for Building Renewal Fund monies prior to their being allocated to school districts. The board did not approve the proposed distribution plan until November 9. For FY 2001, the board plans to distribute a total of \$120 million from the Building Renewal Fund. The proposed allocation to each school district appears in the attached table. A.R.S. § 15-2031(E) requires that these monies be distributed in two equal installments in November and May.

Under A.R.S. § 15-2002(A10), the board must report to JCCR by December 1 of each even-numbered year regarding the estimated amounts needed for building renewal in the following 2 fiscal years. A.R.S. § 15-2002(A10) also requires the board to instruct the Treasurer by January 1 each year regarding

(Continued)

the amount of Transaction Privilege Tax revenues to be credited to the Building Renewal Fund in the following fiscal year. These monies do not require an appropriation. For FY 2001, the board reported to JCCR at the December 6, 1999 meeting and subsequently instructed the Treasurer to credit \$120 million to the Building Renewal Fund in FY 2001. This amount has been built into the overall General Fund budget for FY 2001.

Status of Prior Year Shortfalls. During the past two fiscal years, the board's distributions to school districts for building renewal were cumulatively \$55.3 million less than the building renewal formula would have required for "full funding." In FY 1999, the board distributed \$75 million for building renewal, equaling the amount appropriated for building renewal for that year in Students FIRSTC but that amount was \$28.7 million less than required by the formula. Accordingly, the board reduced each school district's allocation to approximately 72% of its full formula amount. In FY 2000, the board distributed all \$82.5 million available in the Building Renewal Fund, but that amount was \$26.6 million less than required by the formula (for a total cumulative 2-year shortfall of \$55.3 million). The board therefore reduced each district's FY 2000 allocation under the formula to approximately 76% of its full formula amount.

In response to a lawsuit that would require payment of these shortfalls, a Maricopa County Superior Court ruled in October that the board could reduce the FY 1999 allocations because the amount available for distribution in that year was governed by a specific appropriation to the Building Renewal Fund. In FY 1999 the Legislature appropriated a specific amount for Building Renewal. In FY 2000, the funding level was determined by the board's January 2000 report to the Treasurer as required under A.R.S. § 15-2002. (See Attachment A for Superior Court decision. Please note that the court references to fiscal year 1998 should be to fiscal year 1999 and the FY 1999 references should be FY 2000).

With regard to FY 2000 and succeeding years, the Court appears to have ruled that the allocations under the Building Renewal Fund should be governed by the formula, not by the amount in the fund. According to the Court, "... had the legislature not intended the building renewal formula to be utilized for the fiscal year beginning July 1, 1999 it would have said so in the Act. The failure to include such a provision indicates that the legislature intended that the building renewal formula be utilized" for that fiscal year. The Court also appeared to suggest that the Board can provide supplemental instructions to the Treasurer after its January 1 statutory deadline if it receives updated information on the formula requirements.

The court also ruled that this does not necessarily mean that the shortfall was a violation of the state constitution's guarantee of a general and uniform school financing system. The Court ruled that evidence would have to be presented about the impact of the shortfall before such a finding could be made.

New Shortfall in FY 2001. For FY 2001, the board originally estimated the Building Renewal formula amount to be \$116.8 million, but instructed the treasurer in January 2000 to credit \$120 million to the Building Renewal fund to have a cushion for unexpected changes. Since then, the formula amount has been recalculated to require \$122.7 million in FY 2001. About \$5.6 million of the additional cost was the result of higher-than-expected increases in the construction cost inflator, while the remainder was because of corrections in the database. Because the Board instructed the Treasurer to deposit only \$120 million in the Building Renewal Fund, the board plans to reduce each district's FY 2001 formula allocation to about 98% of its full amount. For example, Washington Elementary District in Phoenix will receive \$3,921,704 versus \$4,010,768 under full funding. In total, the shortfall in FY 2001 will be \$2.7 million.

Quality of Data Used to Calculate Allocations. The primary components of the formula are the age of a building (which is adjusted for significant remodeling/upgrades) and building capacity value (which takes into account the building's student capacity, square footage, and square footage costs prescribed by

(Continued)

statute). Because this was a new process in prior years, the board based both the FY 1999 and FY 2000 estimates on self-reported data from school districts. This initial data is still being validated as part of a required assessment of school districts. A small proportion of school districts have provided corrected data. The data used to calculate the FY 2001 allocations, however, still are not completely validated. As noted during the Committee's FY 1999 and FY 2000 reviews, the JLBC Staff is concerned that self-reported data may penalize districts that accurately report renovations or other building characteristics that reduce their formula amounts. The JLBC Staff is also concerned about the extent to which important self-reported data in general were incomplete or missing for many school districts. In future years, we hope that the use of data from the current statewide assessment will address these issues.

Improvement in Building Age Calculation. Although the JLBC Staff was concerned in FY 1999 and FY 2000 that the board's method for adjusting building age penalized districts that renovated buildings before 1998, we believe that this is no longer an issue. For FY 1999, the board calculated building age using the assumption that all renovations reported during the original data collection occurred in 1998.

This reduces funding for districts that actually renovated in earlier years. The board used 1998 as the base year because many school districts lacked detailed records on pre-Students FIRST building renovationsCparticularly those from the distant past. In FY 2000 and later years, the renovations applied to a building's age in the building renewal database are simply the renovations in the previous fiscal year, which should be well documented for all school districts.

As the building renewal process matures, we would expect to see improvements in areas such as data quality and simplified assumptions. The current effort to validate districts' self-reported data and the greater accuracy of the building age calculation are signs of such improvement. Consequently, the JLBC Staff recommends a favorable review of the board's distribution plan under the assumption that the state's legal position is upheld.

RS/PF:jb
Attachments

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

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10/12/2000

CLERK OF THE COURT
FORM V000HON. SUSAN R. BOLTON
CIVIL PRESIDING JUDGEP. Woods
Deputy

CV 99-19062

FILED: OCT 13 2000ROOSEVELT ELEMENTARY SCHOOL
DISTRICT NO. 66, ET AL.TIMOTHY M. HOGAN/
TINA A. CALOS

v.

JANE D. HULL, ET AL.

DAVID M. LUJAN/
LYNNE C. ADAMS

W. SCOTT BALES

MINUTE ENTRY

The Court has had under advisement Plaintiff's Motion for Summary Judgment requesting that the Court declare that the Students FIRST Act of 1998 as implemented does not meet the requirements of Article 11, Sections 1 and 10 of the Arizona Constitution because the State failed to fully fund the building renewal formula for fiscal years 1998 and 1999. The Court has also had under advisement the State of Arizona's Cross-Motion for Summary Judgment requesting that the Court find that the State's funding of the building renewal fund for fiscal years 1998 and 1999 violated neither the Arizona Constitution nor the Students FIRST Act.

The Students FIRST Act of 1998 became effective July 9, 1998, the day it was signed by the Governor, because it was passed with an emergency clause. Students FIRST was passed to reform the method of funding of the State's public schools after the Supreme Court declared unconstitutional the property tax based school financing system. Roosevelt v. Bishop, 179 Ariz.

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Deputy

CV 99-19062

233, 877 P.2d 806 (1994). The parties agree that the Students FIRST Act on its face satisfies the Arizona Constitution's requirement for a general and uniform public school system. The parties agree that the Act provides for state-wide minimum adequacy standards for capital facilities by providing State monies sufficient to fund each district's compliance. Plaintiff argues that the implementation of the building renewal fund in 1998 and 1999 did not comply with the statutory requirements. Plaintiff concludes that the failure to comply with statutory requirements for these two years results in a constitutional violation.

Students FIRST sets up several different funding sources. The funding source at issue is the building renewal fund which funds long-term capital needs such as major building renovations and repairs, upgrading of systems and areas that will maintain or extend a building's useful life and infrastructure costs. When Students FIRST was enacted as Senate Bill 1001, Section 64 provided for a specific appropriation of \$75 million from the State general fund for the 1998 fiscal year for the building renewal fund. Section 53 of the Act provided for a lump sum distribution by the school facilities board to the school districts on June 15, 1999 rather than distribution in two equal installments in November and May of each year. See, A.R.S. Section 15-2031(E).

The Court finds that the appropriation of a specific sum by the legislature for fiscal year 1998 demonstrates that there was no expectation that the formula for the building renewal fund was intended to be used by the school facilities board for the first fiscal year. The legislature determined that \$75 million was the appropriate amount for the building renewal fund in 1998 and the Court finds that no revision under the formula was contemplated or required for that year.

For all subsequent years, A.R.S. Section 15-2031 describes how the building renewal fund is determined. The school facilities board is required to inventory and inspect all school

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CV 99-19062

buildings in the State to develop a data base to administer the building renewal formula. A.R.S. Section 15-2031(G) provides for a specific formula for computing the building renewal fund. A.R.S. Section 15-2002(a)(10) requires that not later than January 1st of each year, the school facilities board instruct the State Treasurer of the amounts that will be credited in equal quarterly installments for the following fiscal year from the transaction privilege tax in order to fund the building renewal fund.

It is undisputed that the school facilities board did not compute the building renewal fund according to the formula when it reported to the State Treasurer on January 1, 1999 for the fiscal year beginning July 1, 1999. Instead the school facilities board simply increased the first fiscal year appropriation by ten percent and reported that amount to the Treasurer. \$82 million was the amount distributed in fiscal year 1999 to the school districts for their building renewal fund. It was not until fiscal year 2000 that the school facilities board complied with the requirements of the Act for calculating the building renewal fund.

Plaintiff argues that the statute required the school facilities board to calculate the building renewal fund pursuant to the method specified in A.R.S. Section 2031 and to report that amount to the State Treasurer for fiscal year 1999. The failure to do so is a non-compliance with the Act demonstrating a failure to comply with the requirements of the Arizona Constitution according to Plaintiff.

Defendant State of Arizona argues that the Act did not contemplate compliance until the fiscal year beginning July 1, 2000 and that the amount distributed for fiscal year 1999 complied with both the Act and the Arizona Constitution.

The State's argument is based on timing. The State argues that there wasn't sufficient time between the effective date of the Act and the deadline set up for reporting to the State

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MARICOPA COUNTY

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CV 99-19062

Treasurer to expect that there could be compliance in fiscal year 1999. While there is no provision in the Act that indicates that compliance with the formula was not required until 2000, the State asks the Court to determine that the legislature did not intend the building renewal fund to be calculated under the Act for 1999. The Court disagrees. In reviewing the Students FIRST Act, the Court notes that the legislature made specific provision for implementation of different portions of Students FIRST for different fiscal years. For example, Section 54 of the Act delays requirements for electronic data reporting until fiscal year 2000. Section 67 of the Act provides specific appropriations to the deficiencies correction fund for fiscal year 1999 and fiscal year 2000. Other specific appropriations, including the appropriation for the building renewal fund were designated only for 1998. The Court concludes that had the legislature not intended the building renewal formula to be utilized for the fiscal year beginning July 1, 1999 it would have said so in the Act. The failure to include such a provision indicates that the legislature intended that the building renewal formula be utilized beginning in fiscal year 1999.

The State argues that compliance was impossible because the school facilities board was not appointed until September, was required to set up a data base before schools could be contacted for reporting and did not have any figures until February, beyond the January 1st reporting deadline. What the State does not explain was why it was acceptable to miss all deadlines except the January 1st deadline. The State has not explained why it could not have reported late to the State Treasurer or why a supplemental report could not have been made so that the building renewal fund could be properly funded for 1999. The State did not contest that the building renewal fund was short approximately \$25 million of the amount the building renewal formula would have yielded for fiscal year 1999.

While the Court finds that compliance with the building renewal formula was clearly intended by the legislature to

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

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Deputy

CV 99-19062

commence for fiscal year 1999 and that the utilization of an estimate was not contemplated for that year, the Court concludes that this does not necessarily entitle the Plaintiff to a declaration that there was a constitutional violation for fiscal year 1999. The Court cannot conclude by the mere fact that the formula yielded a substantially higher number than the estimate used that there is a constitutional violation because of the failure to fully fund the building renewal formula for one year. No evidence has been presented to the Court concerning what impact, if any, the shortage caused. The Court cannot conclude that the \$25 million deficiency in the building renewal fund in 1999 means that there is not a general and uniform school financing system that includes minimum adequacy standards for capital facilities and that State monies are not sufficient to fund each district's compliance. Before this Court could find that the one year deficiency has resulted in a constitutional violation, evidence would have to be presented about the impact of the failure to comply with the building renewal formula on the constitutional test set forth by the Supreme Court in Albrecht I, 190 Ariz. 520, 960 P.2d 1144 (1997) and Albrecht II, 192 Ariz. 34, 960 P.2d 634 (1998).

IT IS THEREFORE ORDERED granting in part and denying in part Plaintiff's Motion for Summary Judgment.

IT IS FURTHER ORDERED denying Defendant's Motion for Summary Judgment.



Governor of Arizona
Jane Dee Hull

STATE OF ARIZONA SCHOOL FACILITIES BOARD

Executive Director
Dr. Philip E. Geiger

November 14, 2000

The Honorable Randall Gnant, Chairman, Joint Committee on Capital Review
The Honorable Bob Burns, Vice Chairman, Joint Committee on Capital Review



Dear Senator Gnant and Representative Burns:

As required by §15-2031, subsection E, Arizona Revised Statutes, attached is the School Facilities Board report on the proposed distribution of building renewal monies for FY 2000-2001. As you are aware, for FY 2000-2001 the School Facilities Board is required to distribute monies from the building renewal fund to school districts in two equal payments in November and May.

This report, adopted by the School Facilities Board on November 9, 2000, provides both the preliminary building renewal distribution amount for the current fiscal year for each district, as well as each district's prorated portion of the \$120 million that has been appropriated for this purpose. The formula to calculate building renewal was modified to include the statutory changes contained in the 2nd Regular Session, Chapter 158. In addition, the report identifies the rural (R) or urban (U) status of each district, determined in accordance with the Students FIRST law. For your information, I have also attached a copy of the building renewal assumptions approved by the School Facilities Board and dated April 30, 1999.

In addition to the building renewal distribution report by district, a more detailed report specifying the building renewal distribution on a school basis has also been prepared. The school level report is being provided to the Staff of the Joint Committee on Capital Review (JCCR) so that JCCR may review the School Facilities Board calculation, as required by law. The school level report is also being provided to the Governor's Office of Strategic Planning and Budgeting. I am pleased to make copies available to you at your request.

As a result of the majority of staff effort being devoted to the assessment of existing schools in Arizona, this report being submitted after the statutory deadline. The School Facilities Board has adopted this report and the funds will be distributed after review by this committee.

Please feel free to contact me if you have questions or would like to discuss the report.

Sincerely,

Dr. Philip Geiger
Executive Director

Cc: Members of the School Facilities Board
Tom Betlach, OSPB
Richard Stavneak, JLBC

attachments

SCHOOL FACILITIES BOARD

BUILDING RENEWAL CALCULATION ASSUMPTIONS

April 30, 1999

1. School buildings eligible for building renewal funding are "those buildings owned by school districts that are required to meet academic standards." This does not include district administrative facilities, buildings that are leased by the district for school purposes, buildings that are owned by the district that are not in use, or buildings that are owned by the district but not used by the district for noncharter public school purposes.
2. In accordance with statute, the building renewal amount for each school building is determined as follows:
 - a. Determine the building capacity value by multiplying the student capacity of the building by the statutorily prescribed per student design square footage and the statutorily prescribed construction cost per square foot.

The per student design square footage and the statutorily prescribed construction cost per square foot are imputed for a specific building, if necessary, to account for the configuration of grades at the school. These amounts are imputed based on the actual student population of the school. Additionally, the statutorily prescribed construction cost per square foot accounts for whether the district has been designated with a rural or urban status.
 - b. Multiply the building capacity value by the age of the building divided by 1275 and multiplied by 0.67. (For a modular or portable building the divisor is 210.)
3. The building renewal amount is calculated on a building basis and subsequently aggregated to determine the building renewal amount associated with each school and each district.
4. The age of each building is determined using the year built, as reported by the district, adjusted based on building renovations reported by the district, through the data base collection process.
5. The building age adjustment for building renovations is calculated by subtracting from the age of the building as of 1998 the cost of all renovations reported by the district for the building, divided by the building capacity value determined for the building and multiplied by the age of the building as of 1998.
6. The student capacity of each building is determined using the student capacity working definition mathematical calculation adopted by the School Facilities Board.

Building Renewal District Summary

11/14/00

Disbursement Year

2001

Disbursement

Adjustment

%2.220620

CTD	District	Rural Urban	Total Calculated Renewal Amt	Adjusted Renewal Amt	Disbursement Renewal Amount
010201000	St Johns Unified District	R	\$295,841.47	\$289,271.96	\$144,635.98
010208000	Window Rock Unified District	R	\$1,380,181.85	\$1,349,533.26	\$674,766.6
010210000	Round Valley Unified District	R	\$470,379.12	\$459,933.79	\$229,966.8
010218000	Sanders Unified District	R	\$186,002.95	\$181,872.53	\$90,936.27
010220000	Ganado Unified District	R	\$380,982.59	\$372,522.41	\$186,261.2
010224000	Chinle Unified District	R	\$663,699.69	\$648,961.44	\$324,480.7
010227000	Red Mesa Unified District	R	\$423,493.04	\$414,088.87	\$207,044.43
010306000	Concho Elementary District	R	\$13,229.76	\$12,935.98	\$6,467.9
010307000	Alpine Elementary District	R	\$27,877.09	\$27,258.05	\$13,629.02
010309000	Vernon Elementary District	R	\$18,333.60	\$17,926.48	\$8,963.24
010323000	McNary Elementary District	R	\$92,314.53	\$90,264.58	\$45,132.2
020100000	Ft Huachuca Accommodation District	U	\$0.00	\$0.00	\$0.00
020201000	Tombstone Unified District	U	\$300,229.07	\$293,562.12	\$146,781.06
020202000	Bisbee Unified District	R	\$596,431.62	\$583,187.14	\$291,593.5
020213000	Willcox Unified District	U	\$375,715.54	\$367,372.33	\$183,686.16
020214000	Bowie Unified District	R	\$148,981.94	\$145,673.62	\$72,836.81
020218000	San Simon Unified District	R	\$84,382.38	\$82,508.57	\$41,254.25
020221000	St David Unified District	U	\$165,941.18	\$162,256.26	\$81,128.13
020227000	Douglas Unified District	R	\$1,311,812.45	\$1,282,682.08	\$641,341.04
020268000	Sierra Vista Unified District	R	\$1,013,593.83	\$991,085.76	\$495,542.88
020323000	Naco Elementary District	R	\$59,266.57	\$57,950.48	\$28,975.24
020326000	Cochise Elementary District	U	\$50,845.18	\$49,716.10	\$24,858.05
020342000	Apache Elementary District	R	\$3,709.37	\$3,627.00	\$1,813.50
020345000	Double Adobe Elementary District	R	\$34,045.29	\$33,289.27	\$16,644.64
020349000	Palominas Elementary District	R	\$128,427.53	\$125,575.64	\$62,787.82
020355000	McNeal Elementary District	R	\$35,937.01	\$35,138.99	\$17,569.49
020366000	Rucker Elementary District	R	\$0.00	\$0.00	\$0.00
020381000	Forrest Elementary District	R	\$0.00	\$0.00	\$0.00
020409000	Benson Elementary District	U	\$139,841.34	\$136,736.00	\$68,368.00
020412000	Elfrida Elementary District	R	\$37,179.41	\$36,353.80	\$18,176.90
020422000	Pearce Elementary District	R	\$40,371.97	\$39,475.46	\$19,737.73
020453000	Ash Creek Elementary District	R	\$15,503.51	\$15,159.24	\$7,579.62
020464000	Pomerene Elementary District	U	\$17,988.31	\$17,588.86	\$8,794.43
020509000	Benson Union High School District	U	\$165,446.49	\$161,772.55	\$80,886.27
020522000	Valley Union High School District	R	\$99,283.58	\$97,078.87	\$48,539.44
030201000	Flagstaff Unified District	R	\$2,372,475.34	\$2,319,791.68	\$1,159,895.84
030202000	Williams Unified District	R	\$161,434.36	\$157,849.52	\$78,924.76
030204000	Grand Canyon Unified District	R	\$110,988.60	\$108,523.97	\$54,261.98
030206000	Fredonia-Moccasin Unified District	R	\$121,487.84	\$118,790.06	\$59,395.03
030208000	Page Unified District	R	\$755,128.57	\$738,360.03	\$369,180.02
030215000	Tuba City Unified District	R	\$810,898.30	\$792,891.33	\$396,445.66
030305000	Chevelon Butte School District	R	\$0.00	\$0.00	\$0.00
030310000	Maine Consolidated District	R	\$26,638.24	\$26,046.71	\$13,023.35
040201000	Globe Unified District	R	\$800,433.57	\$782,658.98	\$391,329.49
040210000	Payson Unified District	U	\$410,239.24	\$401,129.39	\$200,564.69
040220000	San Carlos Unified District	R	\$395,916.52	\$387,124.72	\$193,562.36

Building Renewal District Summary

11/14/00

Disbursement Year

2001

Disbursement

2

Adjustment

%2.220620

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amt</u>	<u>Adjusted</u> <u>Renewal Amt</u>	<u>Disbursement</u> <u>Renewal Amount</u>
040240000	Miami Unified District	U	\$433,513.89	\$423,887.19	\$211,943.60
040241000	Hayden-Winkelman Unified District	R	\$256,157.45	\$250,469.17	\$125,234.59
040305000	Young Elementary District	R	\$33,831.55	\$33,080.28	\$16,540.14
040312000	Pine Strawberry Elementary District	U	\$24,905.10	\$24,352.05	\$12,176.03
040333000	Tonto Basin Elementary District	U	\$13,486.97	\$13,187.48	\$6,593.74
050199000	Graham County Special Services	R	\$57,533.82	\$56,256.21	\$28,128.11
050201000	Safford Unified District	R	\$420,879.29	\$411,533.16	\$205,766.58
050204000	Thatcher Unified District	R	\$112,889.22	\$110,382.38	\$55,191.19
050206000	Pima Unified District	R	\$160,496.57	\$156,932.55	\$78,466.28
050207000	Ft Thomas Unified District	R	\$182,797.61	\$178,738.37	\$89,369.18
050305000	Solomon Elementary District	R	\$107,296.25	\$104,913.61	\$52,456.81
050309000	Klondyke Elementary District	R	\$0.00	\$0.00	\$0.00
050316000	Bonita Elementary District	U	\$38,873.61	\$38,010.37	\$19,005.19
060100000	Greenlee Alternative School District	U	\$0.00	\$0.00	\$0.00
060199000	Greenlee County Accommodation District	R	\$0.00	\$0.00	\$0.00
060202000	Duncan Unified District	R	\$194,020.28	\$189,711.83	\$94,855.92
060203000	Clifton Unified District	R	\$125,926.32	\$123,129.97	\$61,564.99
060218000	Morenci Unified District	R	\$275,304.56	\$269,191.09	\$134,595.54
060322000	Blue Elementary District	R	\$1,060.82	\$1,037.26	\$518.63
060345000	Eagle Elementary District	R	\$0.00	\$0.00	\$0.00
070177000	Maricopa County Regional Special Services District	U	\$0.00	\$0.00	\$0.00
070199000	Maricopa County Regional District	U	\$169,590.67	\$165,824.71	\$82,912.35
070204000	Mesa Unified District	U	\$10,897,110.56	\$10,655,127.14	\$5,327,563.57
070209000	Wickenburg Unified District	U	\$391,462.32	\$382,769.43	\$191,384.71
070211000	Peoria Unified District	U	\$3,012,138.27	\$2,945,250.13	\$1,472,625.06
070224000	Gila Bend Unified District	U	\$176,806.33	\$172,880.13	\$86,440.07
070241000	Gilbert Unified District	U	\$1,660,098.87	\$1,623,234.38	\$811,617.19
070248000	Scottsdale Unified District	U	\$4,148,327.71	\$4,056,209.12	\$2,028,104.56
070269000	Paradise Valley Unified District	U	\$3,423,096.31	\$3,347,082.35	\$1,673,541.17
070280000	Chandler Unified District	U	\$1,798,342.99	\$1,758,408.63	\$879,204.31
070289000	Dysart Unified District	U	\$680,238.58	\$665,133.07	\$332,566.54
070293000	Cave Creek Unified District	U	\$220,866.94	\$215,962.32	\$107,981.16
070295000	Queen Creek Unified District	U	\$185,076.82	\$180,966.97	\$90,483.49
070297000	Deer Valley Unified District	U	\$2,400,671.48	\$2,347,361.69	\$1,173,680.84
070298000	Fountain Hills Unified District	U	\$155,788.55	\$152,329.08	\$76,164.54
070360000	Higley Elementary District	U	\$35,697.37	\$34,904.67	\$17,452.33
070363000	Aguila Elementary District	R	\$26,392.82	\$25,806.74	\$12,903.37
070371000	Sentinel Elementary District	R	\$53,714.25	\$52,521.46	\$26,260.73
070375000	Morristown Elementary District	U	\$31,909.75	\$31,201.16	\$15,600.58
070381000	Nadaburg Elementary District	U	\$50,352.78	\$49,234.64	\$24,617.32
070386000	Mobile Elementary District	U	\$38,264.16	\$37,414.46	\$18,707.23
070390000	Ruth Fisher Elementary District	U	\$65,957.07	\$64,492.41	\$32,246.20
070394000	Paloma Elementary District	R	\$21,334.08	\$20,860.33	\$10,430.16
070401000	Phoenix Elementary District	U	\$903,512.49	\$883,448.91	\$441,724.46
070402000	Riverside Elementary District	U	\$94,704.87	\$92,601.83	\$46,300.92

Building Renewal District Summary

11/14/00

Disbursement Year

2001

Disbursement

Adjustment

%2.220620

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amt</u>	<u>Adjusted</u> <u>Renewal Amt</u>	<u>Disbursement</u> <u>Renewal Amount</u>
070403000	Tempe Elementary District	U	\$2,144,756.79	\$2,097,129.89	\$1,048,564.94
070405000	Isaac Elementary District	U	\$734,047.60	\$717,747.19	\$358,873.51
070406000	Washington Elementary District	U	\$4,010,767.72	\$3,921,703.81	\$1,960,851.91
070407000	Wilson Elementary District	U	\$246,355.54	\$240,884.92	\$120,442.46
070408000	Osborn Elementary District	U	\$317,403.67	\$310,355.34	\$155,177.61
070414000	Creighton Elementary District	U	\$688,220.71	\$672,937.94	\$336,468.91
070417000	Tolleson Elementary District	U	\$83,399.37	\$81,547.39	\$40,773.69
070421000	Murphy Elementary District	U	\$414,774.53	\$405,563.96	\$202,781.91
070425000	Liberty Elementary District	U	\$105,023.02	\$102,690.86	\$51,345.43
070428000	Kyrene Elementary District	U	\$1,216,149.55	\$1,189,143.49	\$594,571.75
070431000	Balsz Elementary District	U	\$179,508.59	\$175,522.39	\$87,761.11
070433000	Buckeye Elementary District	U	\$168,128.52	\$164,395.02	\$82,197.51
070438000	Madison Elementary District	U	\$729,211.31	\$713,018.30	\$356,509.15
070440000	Glendale Elementary District	U	\$1,224,656.32	\$1,197,461.36	\$598,730.68
070444000	Avondale Elementary District	U	\$279,799.28	\$273,586.00	\$136,793.00
070445000	Fowler Elementary District	U	\$145,433.50	\$142,203.97	\$71,101.99
070447000	Arlington Elementary District	U	\$66,382.21	\$64,908.11	\$32,454.05
070449000	Palo Verde Elementary District	U	\$22,384.03	\$21,886.97	\$10,943.48
070459000	Laveen Elementary District	U	\$150,073.53	\$146,740.97	\$73,370.48
070462000	Union Elementary District	U	\$25,517.79	\$24,951.14	\$12,475.57
070465000	Littleton Elementary District	U	\$145,282.92	\$142,056.74	\$71,028.37
070466000	Roosevelt Elementary District	U	\$1,570,212.81	\$1,535,344.35	\$767,672.18
070468000	Alhambra Elementary District	U	\$722,354.68	\$706,313.93	\$353,156.96
070479000	Litchfield Elementary District	U	\$303,835.63	\$297,088.60	\$148,544.30
070483000	Cartwright Elementary District	U	\$1,489,194.74	\$1,456,125.38	\$728,062.69
070492000	Pendergast Elementary District	U	\$561,426.47	\$548,959.32	\$274,479.66
070501000	Buckeye Union High School District	U	\$419,033.27	\$409,728.13	\$204,864.07
070505000	Glendale Union High School District	U	\$3,372,884.41	\$3,297,985.46	\$1,648,992.73
070510000	Phoenix Union High School District	U	\$4,765,945.96	\$4,660,112.41	\$2,330,056.20
070513000	Tempe Union High School District	U	\$2,856,025.75	\$2,792,604.27	\$1,396,302.13
070514000	Tolleson Union High School District	U	\$445,382.39	\$435,492.14	\$217,746.07
070516000	Agua Fria Union High School District	U	\$518,376.64	\$506,865.46	\$253,432.73
080199000	Mohave County Accommodation District	R	\$0.00	\$0.00	\$0.00
080201000	Lake Havasu Unified District	R	\$551,125.58	\$538,887.18	\$269,443.59
080208000	Peach Springs Unified District	R	\$78,148.96	\$76,413.57	\$38,206.79
080214000	Colorado City Unified District	R	\$90,626.91	\$88,614.43	\$44,307.21
080403000	Hackberry School District	R	\$3,048.60	\$2,980.90	\$1,490.45
080404000	Kingman Elementary District	R	\$671,774.07	\$656,856.52	\$328,428.26
080406000	Owens-Whitney Elementary District	R	\$33,467.77	\$32,724.58	\$16,362.29
080409000	Littlefield Elementary District	R	\$25,156.30	\$24,597.67	\$12,298.84
080411000	Chloride Elementary District	R	\$25,277.64	\$24,716.32	\$12,358.16
080412000	Topock Elementary District	R	\$7,914.26	\$7,738.51	\$3,869.26
080413000	Yucca Elementary District	R	\$12,494.06	\$12,216.61	\$6,108.31
080415000	Bullhead City Elementary District	R	\$285,095.70	\$278,764.81	\$139,382.40
080416000	Mohave Valley Elementary District	R	\$248,057.65	\$242,549.23	\$121,274.61
080422000	Valentine Elementary District	R	\$5,648.39	\$5,522.96	\$2,761.48

Building Renewal District Summary

11/14/00

Disbursement Year

2001

Disbursement

2

Adjustment

%2.220620

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amt</u>	<u>Adjusted</u> <u>Renewal Amt</u>	<u>Disbursement</u> <u>Renewal Amount</u>
080502000	Colorado River Union High School District	R	\$256,308.74	\$250,617.10	\$125,308.55
080530000	Mohave Union High School District	R	\$550,382.60	\$538,160.69	\$269,080.34
090199000	Rainbow Foundation	U	\$3,838.74	\$3,753.50	\$1,876.75
090201000	Winslow Unified District	R	\$750,034.47	\$733,379.05	\$366,689.53
090202000	Joseph City Unified District	R	\$316,283.37	\$309,259.92	\$154,629.96
090203000	Holbrook Unified District	R	\$638,655.52	\$624,473.41	\$312,236.70
090204000	Pinon Unified District	R	\$171,018.60	\$167,220.93	\$83,610.46
090205000	Snowflake Unified District	R	\$571,969.86	\$559,268.58	\$279,634.29
090206000	Heber-Overgaard Unified District	R	\$97,527.48	\$95,361.77	\$47,680.88
090210000	Show Low Unified District	R	\$442,738.65	\$432,907.11	\$216,453.55
090220000	Whiteriver Unified District	R	\$411,032.91	\$401,905.43	\$200,952.71
090225000	Cedar Unified District	R	\$179,976.78	\$175,980.18	\$87,990.09
090227000	Kayenta Unified District	R	\$462,992.07	\$452,710.78	\$226,355.39
090232000	Blue Ridge Unified District	R	\$631,142.39	\$617,127.12	\$308,563.56
100100000	Pima Accommodation District	U	\$4,749.44	\$4,643.97	\$2,321.99
100201000	Tucson Unified District	U	\$13,357,624.75	\$13,061,002.66	\$6,530,501.33
100206000	Marana Unified District	U	\$1,785,914.38	\$1,746,256.01	\$873,128.00
100208000	Flowing Wells Unified District	U	\$1,044,730.38	\$1,021,530.89	\$510,765.44
100210000	Amphitheater Unified District	U	\$2,795,247.27	\$2,733,175.45	\$1,366,587.73
100212000	Sunnyside Unified District	U	\$2,113,737.05	\$2,066,798.98	\$1,033,399.49
100213000	Tanque Verde Unified District	U	\$108,557.69	\$106,147.04	\$53,073.52
100215000	Ajo Unified District	R	\$229,762.81	\$224,660.65	\$112,330.33
100216000	Catalina Foothills Unified District	U	\$368,330.68	\$360,151.46	\$180,075.73
100230000	Sahuarita Unified District	U	\$285,324.79	\$278,988.81	\$139,494.40
100240000	Indian Oasis-Baboquivari Unified District	U	\$190,698.36	\$186,463.67	\$93,231.84
100320000	Vail Elementary District	U	\$165,364.79	\$161,692.67	\$80,846.34
100335000	San Fernando Elementary District	U	\$803.29	\$785.45	\$392.73
100337000	Empire Elementary District	U	\$0.00	\$0.00	\$0.00
100339000	Continental Elementary District	U	\$53,453.94	\$52,266.93	\$26,133.47
100344000	Redington Elementary District	U	\$0.00	\$0.00	\$0.00
100351000	Altar Valley Elementary District	U	\$103,525.91	\$101,226.99	\$50,613.50
110100000	Mary C O'Brien Accommodation District	U	\$164,628.82	\$160,973.04	\$80,486.52
110199000	Pinal County Special Education Program	U	\$0.00	\$0.00	\$0.00
110201000	Florence Unified School District	U	\$382,907.87	\$374,404.94	\$187,202.47
110203000	Ray Unified District	U	\$419,580.58	\$410,263.29	\$205,131.65
110208000	Mammoth-San Manuel Unified District	U	\$626,698.55	\$612,781.96	\$306,390.98
110215000	Superior Unified District	U	\$296,895.60	\$290,302.68	\$145,151.34
110220000	Maricopa Unified School District	U	\$269,847.09	\$263,854.81	\$131,927.41
110221000	Coolidge Unified District	U	\$617,709.06	\$603,992.09	\$301,996.04
110243000	Apache Junction Unified District	U	\$544,553.45	\$532,460.99	\$266,230.49
110302000	Oracle Elementary District	U	\$99,228.97	\$97,025.47	\$48,512.74
110344000	J O Combs Elementary District	U	\$27,255.17	\$26,649.94	\$13,324.97
110404000	Casa Grande Elementary District	U	\$605,840.92	\$592,387.50	\$296,193.75
110405000	Red Rock Elementary District	U	\$0.00	\$0.00	\$0.00
110411000	Eloy Elementary District	U	\$260,575.76	\$254,789.36	\$127,394.68
110418000	Sacaton Elementary District	U	\$125,365.68	\$122,581.78	\$61,290.89

Building Renewal District Summary

11/14/00

Disbursement Year

2001

Disbursement

Adjustment

%2.220620

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amt</u>	<u>Adjusted</u> <u>Renewal Amt</u>	<u>Disbursement</u> <u>Renewal Amount</u>
110422000	Toltec Elementary District	U	\$71,709.42	\$70,117.03	\$35,058.51
110424000	Stanfield Elementary District	U	\$103,610.36	\$101,309.57	\$50,654.7
110433000	Picacho Elementary District	U	\$16,909.95	\$16,534.44	\$8,267.2
110502000	Casa Grande Union High School District	U	\$131,301.08	\$128,385.38	\$64,192.69
110540000	Santa Cruz Valley Union High School District	U	\$247,932.24	\$242,426.61	\$121,213.3
120201000	Nogales Unified District	R	\$1,018,324.14	\$995,711.03	\$497,855.51
120235000	Santa Cruz Valley Unified District	U	\$221,854.94	\$216,928.38	\$108,464.1
120328000	Santa Cruz Elementary District	R	\$52,188.74	\$51,029.83	\$25,514.9
120406000	Patagonia Elementary District	U	\$30,808.98	\$30,124.83	\$15,062.42
120425000	Sonoita Elementary District	U	\$21,334.26	\$20,860.51	\$10,430.2
120520000	Patagonia Union High School District	U	\$62,884.05	\$61,487.63	\$30,743.8
130201000	Prescott Unified District	U	\$1,133,922.23	\$1,108,742.13	\$554,371.06
130209000	Sedona-Oak Creek Joint Unified District	R	\$151,644.44	\$148,276.99	\$74,138.4
130220000	Bagdad Unified District	R	\$244,247.01	\$238,823.21	\$119,411.61
130222000	Humboldt Unified District	R	\$492,907.01	\$481,961.42	\$240,980.71
130228000	Camp Verde Unified District	U	\$245,490.68	\$240,039.26	\$120,019.6
130231000	Ash Fork Unified District	R	\$88,646.31	\$86,677.81	\$43,338.91
130240000	Seligman Unified District	R	\$137,272.20	\$134,223.91	\$67,111.95
130243000	Mayer Unified District	U	\$141,987.89	\$138,834.88	\$69,417.44
130251000	Chino Valley Unified District	R	\$285,610.20	\$279,267.88	\$139,633.94
130302000	Williamson Valley Elementary District	R	\$0.00	\$0.00	\$0.00
130307000	Walnut Grove Elementary District	U	\$0.00	\$0.00	\$0.00
130314000	Champie Elementary District	U	\$0.00	\$0.00	\$0.00
130315000	Skull Valley Elementary District	R	\$22,877.11	\$22,369.10	\$11,184.5
130317000	Congress Elementary District	U	\$0.00	\$0.00	\$0.00
130323000	Kirkland Elementary District	U	\$8,334.62	\$8,149.54	\$4,074.77
130326000	Beaver Creek Elementary District	R	\$36,365.09	\$35,557.56	\$17,778.7
130335000	Hillside Elementary District	R	\$9,923.36	\$9,703.00	\$4,851.50
130341000	Crown King Elementary District	U	\$8,613.04	\$8,421.78	\$4,210.89
130350000	Canon Elementary District	U	\$52,729.08	\$51,558.17	\$25,779.08
130352000	Yarnell Elementary District	U	\$7,310.36	\$7,148.02	\$3,574.01
130403000	Clarkdale-Jerome Elementary District	R	\$30,421.91	\$29,746.35	\$14,873.18
130406000	Cottonwood-Oak Creek Elementary District	R	\$196,749.44	\$192,380.38	\$96,190.19
130504000	Mingus Union High School District	R	\$215,775.06	\$210,983.52	\$105,491.76
140199000	Yuma County Accommodation District	U	\$0.00	\$0.00	\$0.00
140401000	Yuma Elementary District	U	\$1,097,540.76	\$1,073,168.55	\$536,584.27
140411000	Somerton Elementary District	U	\$109,114.99	\$106,691.96	\$53,345.98
140413000	Crane Elementary District	U	\$545,602.16	\$533,486.41	\$266,743.21
140416000	Hyder Elementary District	R	\$195,034.72	\$190,703.74	\$95,351.87
140417000	Mohawk Valley Elementary District	R	\$43,293.65	\$42,332.26	\$21,166.13
140424000	Wellton Elementary District	U	\$100,832.78	\$98,593.67	\$49,296.83
140432000	Gadsden Elementary District	U	\$140,987.17	\$137,856.38	\$68,928.19
140550000	Antelope Union High School District	U	\$195,340.12	\$191,002.36	\$95,501.18
140570000	Yuma Union High School District	U	\$1,249,960.33	\$1,222,203.46	\$611,101.73
150227000	Parker Unified School District	R	\$764,015.36	\$747,049.48	\$373,524.74

Building Renewal District Summary

11/14/00

Disbursement Year 2001
Disbursement 2
Adjustment %2.220620

<u>CTD</u>	<u>District</u>	<u>Rural</u> <u>Urban</u>	<u>Total</u> <u>Calculated</u> <u>Renewal Amt</u>	<u>Adjusted</u> <u>Renewal Amt</u>	<u>Disbursement</u> <u>Renewal Amount</u>
150404000	Quartzsite Elementary District	U	\$63,333.76	\$61,927.36	\$30,963.68
150419000	Wenden Elementary District	R	\$59,078.05	\$57,766.15	\$28,883.08
150426000	Bouse Elementary District	R	\$43,980.54	\$43,003.90	\$21,501.95
150430000	Salome Consolidated Elementary District	R	\$13,204.78	\$12,911.55	\$6,455.78
150576000	Bicentennial Union High School District	U	\$98,317.28	\$96,134.03	\$48,067.02
<u>Grand Total:</u>			<u>\$122,725,261.19</u>	<u>\$119,999,999.57</u>	<u>\$59,999,999.75</u>

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

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CHAIRMAN 1999
GUS ARZBERGER
RUSSELL W. "RUSTY" BOWERS
JACK A. BROWN
TOM SMITH
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1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 542-5491

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HOUSE OF
REPRESENTATIVES

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ANDY NICHOLS
CHRISTINE WEASON

DATE: November 21, 2000

TO: Representative Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Gina Guarascio, Senior Fiscal Analyst

SUBJECT: DEPARTMENT OF HEALTH SERVICES/ADOA – REPORT ON THE ARIZONA
STATE HOSPITAL CONSTRUCTION PROJECT

Request

Pursuant to Laws 2000, Chapter 1 the Arizona Department of Administration (ADOA) and the Department of Health Services (DHS) are providing a quarterly status report on the Arizona State Hospital (ASH) demolition and construction project.

Recommendation

This item is for information only and no Committee action is required. ADOA is in the process of reviewing responses to the Request for Proposal (RFP) for construction of the new civil hospital and adolescent facility, and is making progress on the demolition of unoccupied buildings, a step that is necessary before construction on the new facilities can begin.

Analysis

Background

Laws 2000, Chapter 1 appropriated \$80 million over 4 years for the demolition, construction and renovation of ASH. ADOA is to use the appropriations to provide at least 176 new civil beds at ASH, and to renovate and expand existing facilities to address physical plant needs for civil and forensic populations, an adolescent unit, and sexually violent offenders. The legislation also created the Arizona State Hospital Capital Construction Commission and charged them with reviewing capital construction and renovation plans at ASH for the purpose of making recommendations to ADOA and JCCR. ADOA and DHS are required to report at the end of each quarter to the Committee on the status of the ASH project. This report represents the third of these quarterly reports.

(Continued)

Quarterly Update and Status Report

Table 1	<u>Budgeted Amount</u>	<u>Total Reviewed To Date</u>
SVP Program	\$ 8,369,100	\$ 5,340,600
Civil Hospital	32,599,700	0
Sitework/Tunnels/Telephone/Data	12,414,900	9,435,000
Adolescent Facility	3,907,100	0
Forensic Hospital	11,803,700	0
Contingency	<u>7,155,400</u>	<u>587,000</u>
TOTAL	\$76,249,900	\$15,362,600

Table 1 presents the amounts ADOA and DHS have budgeted for each portion of the ASH demolition and construction project, as well as the total value of expenditure plans for the project that JCCR has favorably reviewed to date.

At its June meeting, JCCR approved an expenditure plan for construction of 2 new 60-bed dormitories for the Sexually Violent Persons (SVP) program using the Inmate Construction program. Construction is now underway on both of the dormitories, with completion expected in July of 2001.

At the September meeting, JCCR approved the renovation of Birch Hall for use by the Least Restrictive Alternative (LRA) population. DHS Family Health personnel that have been housed at Birch Hall have been relocated to their new location at 35th Ave and Thomas in Phoenix. The LRA program is currently housed in the Alamo building in the northwest quadrant of the ASH complex. ADOA's current master plan places the new civil hospital in this location. The asbestos abatement of Birch Hall has now been completed and renovation of the building for use by the LRA program is underway.

Significant progress has been made on the demolition of the unoccupied buildings, including the cottages in the northwest quadrant of the ASH complex. ADOA anticipates that demolition of all unoccupied buildings in this quadrant will be complete by the end of the year. Design of the tunnel abandonment and necessary utility rerouting is nearly complete. ADOA anticipates issuing a request for proposal to demolish the tunnels and complete this portion of the construction project by the end of November.

New Construction RFP

ADOA received responses on November 6, 2000 to Phase 2 of the RFP process from the three teams selected as most qualified based on responses to Phase 1 of the RFP. Phase 1 included a request for qualifications in which 3 teams were selected from the 9 respondents. In Phase 2, the 3 teams submit their responses to the RFP, including designs and cost estimates for the civil hospital and the adolescent facility. Each of the teams include a local architect, a construction firm, and an architecture firm with expertise in health care. The three teams are:

- 1) DPR, Kaplin McLaughlin Diaz, and Devenney Group,
- 2) Huber Hunt and Nichols, HKS, Stein Cox and Architecture, and
- 3) McCarthy, Cannon and Gould Evans Associates.

JCCR favorably reviewed Phase 2 of the RFP at its September meeting. ADOA and DHS are in the process of reviewing the responses. Pursuant to Chapter 1, JCCR is required to review the RFP, the responders' proposals, and the complete plan for the ASH campus prior to the start of construction. The review of the RFP is complete, leaving a review of the responder's proposals and the master plan to be completed. Our interpretation of these requirements is that ADOA would present the 3 proposals, along with their recommendation for contractor selection, to JCCR in Executive Session in December. After JCCR's review, ADOA would award the bid. Then, after the plans are finalized, ADOA would present the final plan to JCCR for review prior to beginning construction.

RS/GG:jb
Attachments

Jane Dee Hull
Governor



J. Elliott Hibbs
Director

ARIZONA DEPARTMENT OF ADMINISTRATION
GENERAL SERVICES DIVISION • 15 SOUTH 15TH AVENUE, SUITE 101
PHOENIX, ARIZONA 85007
(602) 542-1920

November 14, 2000

The Honorable Robert Burns, Chairman
Joint Committee on Capital Review
1700 West Washington
Phoenix, Arizona 85007

RE: Arizona State Hospital Quarterly Report

Dear Representative Burns:

In accordance with Laws 2000, Chapter 1, First Regular Session, the Arizona Department of Administration (ADOA) and the Arizona Department of Health Services (ADHS) are required to report to the Joint Committee on Capital Review (JCCR) regarding procurement procedures for design and construction of the Arizona State Hospital. Information on the progress of abatement and demolition is provided along with other related activities, all work is proceeding according to schedule and budget:

- 1 Demolition of the unoccupied buildings in the northwest quadrant is 70 % complete and schedule to finish in late December.
- 2 Abatement has begun on Birch Hall with renovations to start November 16, 2000.
- 3 Phase 2 of design-build procurement for the Civil Hospital and Adolescent facility has received favorable review from the Arizona State Hospital Capital Construction Commission and the Joint Committee on Capital Review concerning the process used and the selection of 3 qualified design-build teams to receive phase 2 of the RFP. Phase 2 proposals arrived on November 6, 2000. ADOA will return to the ASHCCC and JCCR for final reviews in December.
- 4 Design of tunnel abandonment and utility rerouting is 95% complete with bidding to begin by the end of November.
- 5 Arizona Community Protection Treatment Center Phase 3 work has begun with the Inmate Construction Program, completion of the next two dormitories is expected by the end of July 2001.

Thank you for your attention to this matter. Do not hesitate to contact me at (602) 542-1701 if you wish to discuss this matter further.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert Teel".

Robert Teel, Assistant Director ADOA GSD

cc: The Honorable Randall Gnant, Arizona State Senate
Tom Betlach, Director, OSPB
Richard Stavneak, Staff Director, JLBC
Lorenzo Martinez, JLBC
Elliott Hibbs Director, ADOA
Bruce Ringwald, General Manager ADOA Construction Services
Catherine R Eden, Director, ADHS
Leslie Schwalbe, Deputy Director, ADHS
Danny Valenzuela, Deputy Director, ADHS
Jack Silver, Superintendent, ASH
Walter Scott, Chief Operating Officer, ASH
Gene Messer, Director, Arizona Community Protection Treatment Center
Maria Black, Administrator, DHS

Jane Dee Hull
Governor

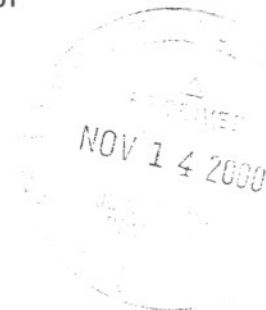


J. Elliott Hibbs
Director

ARIZONA DEPARTMENT OF ADMINISTRATION
GENERAL SERVICES DIVISION • 15 SOUTH 15TH AVENUE, SUITE 101
PHOENIX, ARIZONA 85007
(602) 542-1920

November 14, 2000

The Honorable Robert Burns, Chairman
Joint Committee on Capital Review
Arizona House of Representative
1700 West Washington Street
Phoenix, Arizona 85007



RE: Request for Placement on Joint Committee on Capital Review Agenda – November 2000

Dear Representative Burns:

The Arizona Department of Administration (ADOA) requests placement on the November 2000 agenda of the Joint Committee on Capital Review to review the following two items below. Please note that item one has received a favorable review from the Arizona State Hospital Capital Construction Commission.

1. Master Plan for the design and construction of the Arizona State Hospital as outlined within the Project Charter.
2. Arizona State Hospital Quarterly Report (Report Attached)

The information for this project is attached. Thank you for your attention to this matter and please do not hesitate to contact me at (602) 542-1701 if you wish to discuss this matter further.

Sincerely,

A handwritten signature in cursive script, reading "Robert C. Teel".

Robert C. Teel, Assistant Director, ADOA
ADOA General Services

Attachment

cc: Senator Randall Gnant, Arizona Senate
Tom Betlach, Director, OSPB
Richard Stavneak, Staff Director, JLBC
Lorenzo Martinez, JLBC
J. Elliott Hibbs, Director, ADOA
Bruce Ringwald, General Manager, Construction Services
Catherine R Eden, Director, ADHS
Danny Valenzuela, Deputy Director, ADHS
Leslie Schwalbe, Deputy Director, ADHS
Jack Silver, Superintendent, ASH
Walter Scott, Chief Operating Officer, ASH
Gene Messer, Director, Arizona Community Protection Treatment Center
Maria Black, Administrator, DHS

ARIZONA STATE HOSPITAL

BACKGROUND

Laws 2000, Chapter 1, appropriated the following monies in the identified fiscal years from the Arizona State Hospital capital construction fund to the Arizona Department of Administration (ADOA) for the demolition, renovation and construction of the Arizona state hospital. The ADOA is exempt from the provisions of title 41, chapter 23, Arizona Revised Statutes, relating to procurement procedures for the purposes of this project, but is required report to the Joint Committee on Capital Review and the Arizona State Hospital Capital Construction Commission as to any procurement procedures that vary from those specified in title 41, chapter 23, Arizona Revised Statutes:

1. \$20,000,000 in fiscal year 1999-2000.
2. \$20,000,000 in fiscal year 2000-2001.
3. \$20,000,000 in fiscal year 2001-2002.
4. \$20,000,000 in fiscal year 2002-2003.

The newly created Arizona State Hospital Capital Construction Commission shall review capital construction and renovation plans at the Arizona State Hospital for Forensic, Civil, and Sexually Violent Persons facilities, the design of the facilities, and future use of the facilities and make recommendations to the Department of Administration and the Joint Committee on Capital Review.

STATUS

	Start	Finish	Schedule	Budget
1. Civil Hospital Abatement	Complete		On time	Acceptable
2. Civil Hospital Demolition	9/15/00	12/15/00	On time	Acceptable
3. Utility Tunnel Abandonment Design	5/15/00	11/28/00	On time	Acceptable
4. Civil Hospital RFP Phase 2	7/27/00	11/6/00	On time	Acceptable
5. Civil Hospital RFP Phase 2 Selection	11/7/00	12/05/00	On time	Acceptable

Request

The Department of Administration requests that the Joint Committee on Capital review the following two items per Laws 2000 Chapter 1.

1. Arizona State Hospital Master Plan for the design and construction as outlined within the Project Charter, which has received a favorable review from the Arizona State Hospital Capital Construction Commission.
2. Arizona State Hospital Quarterly Report



Jane Dee Hull
Governor



J. Elliott Hibbs
Director

ARIZONA DEPARTMENT OF ADMINISTRATION
GENERAL SERVICES DIVISION • 15 SOUTH 15TH AVENUE, SUITE 101
PHOENIX, ARIZONA 85007
(602) 542-1920

Subject to review by Committee/Commission

March 17, 2000

Committee

Re: *Arizona State Hospital*
ADOA Project - 8300

Dear Members:

Laws 2000, Chapter 1, appropriated the Arizona State Hospital capital construction fund to the Arizona Department of Administration for the demolition, renovation and construction of the Arizona State Hospital.

The scope of work is outlined in Exhibit "1".

The short term objectives contain the following 4 elements:

- The construction and renovation project or work is to last 5 years.
- A therapeutic environment must be maintained for the patients.
- The hospital must continue to comply with facility and life safety standards (HCFA, JCAHO Licensure)
- The occupied cottages need to be vacated 2 months prior to construction.
- The Birch Hall must be vacated by August 1, 2000.

The long term objectives contain the following 6 elements:

- Present capacity and expansion for future needs.
- The materials selected for long life durability.
- The design be adaptable for changes of use.
- Meet present Licensing and National Standards and anticipate changes, which appear eminent in the future.
- The plan needs to incorporate future expansion of 100 beds for Civil and 100 beds for Forensic.
- Expansion of the Forensic should include projected population after 5 years.

The overall strategy involves the following 5 elements:

- DWL as the architect for Infrastructure, and Demolition.
- The Civil Hospital will be proposed to have Design / Build as the project delivery system.

- DWL will be hired as the consultant for development of the Design / Build request for proposals.
- There will also be a consultant used as an advisor after a design / build contract is signed.
- The majority of work will be done under the Invitation For Bid process.

The List of major stakeholders includes the Governor, The Governor's Office of Strategic Planning and Budget, The Auditor General, The Arizona Department of Health Services, Legislators, Arizona State Hospital, and The Arizona Department of Administration. See Exhibit "2" for detail break down of other groups.

Lines of authority and written communication will follow the format of Exhibit "3". There will be weekly meetings between ASH and ADOA Representatives monitoring the progress of activities. Meetings involving the major stakeholders will be held as required to keep scheduled progress and event driven should any need arise.

For Budget information See Exhibit "4".

For Schedule information See Exhibit "5". Amended 4/13/00 Revision #1

For Potential Problems See Exhibit "6".

For Additionally requested items not in the budget See Exhibit "7".

We will track all the construction and security costs for this project. The total costs may not exceed the \$80,000,000.00 appropriated by Legislation.

All scope changes affecting scope must be approved by the ADOA General Manager and ADHS in writing and may affect the final cost and completion date. ADOA will have authority over contingency.

If you should have any questions please contact me at 542-6051.

Signature sheet attached of all parties in agreement with this Project Charter. Copies of the full document to all parties signing.

Cc: John Sempert, Project Manager
Bob Teel, Assistant Director
File No.: 8300 A 2.8

Enclosures: Signature Sheet
Scope of Work (1) Exhibit "1"
Stakeholders (1) Exhibit "2"
Communication (1) Exhibit "3"
Budget (1) Exhibit "4"
Construction Schedule (1) Exhibit "5"
Potential Problems (1) Exhibit "6"
Additionally Requested Items (1) – Exhibit "7"



ARIZONA DEPARTMENT OF ADMINISTRATION
GENERAL SERVICES DIVISION • 15 SOUTH 15TH AVENUE, SUITE 101
PHOENIX, ARIZONA 85007
(602) 542-1920

ARIZONA STATE HOSPITAL
PROJECT CHARTER
PARTICIPANTS
March 17, 2000

[illegible]

Exhibit 1

Arizona State Hospital Scope of Work

Items in Scope

1. Build a Civil Hospital 200 bed Capacity expandable by 100 beds with pool and outdoor treatment areas
2. Replace aging Tunnel system with a four-pipe direct bury system including communications and data lines to the Civil, Forensic, and SVP sites.
3. Continue the Sexually Violent Persons Program with a total build out of 300 beds. Total of 5 Dorms and support buildings to include Cholla Hall, Birch Hall, Training & Ed Building
4. Build an Adolescent facility with 16 beds and support building (School) (Exploration of off campus alternatives for the Adolescent Population) Directed by OSPB to evaluate Glendale Charter Hospital 3/9/00
5. Administration Addition for Hospital support
6. Renovate Juniper and Wick for the Forensic Population
7. New construction of or relocation of the existing chapel

Items Not in Scope

1. Removal of Arizona Department of Corrections from the site and work on any ADOC buildings
2. Tunnel work to the buildings occupied by ADOC
3. Relocation cost of Birch Hall occupants
4. Any work on the Old Administration Building
5. Issues concerning the State Historic Preservation Office for buildings
6. Archeological Discoveries
7. Work on the following buildings except for utility infrastructure connections:
 - Dietary
 - Motor Pool
 - Warehouse
 - Garage & Paint Shop
 - Maintenance
 - Laundry
 - General Services
 - Visitor Ramada
 - Commissary
 - Modular BLDG #1 & #2
 - Granada Hall

Arizona State Hospital Scope of Work

Exhibit 3

Arizona State Hospital (ASH)

12

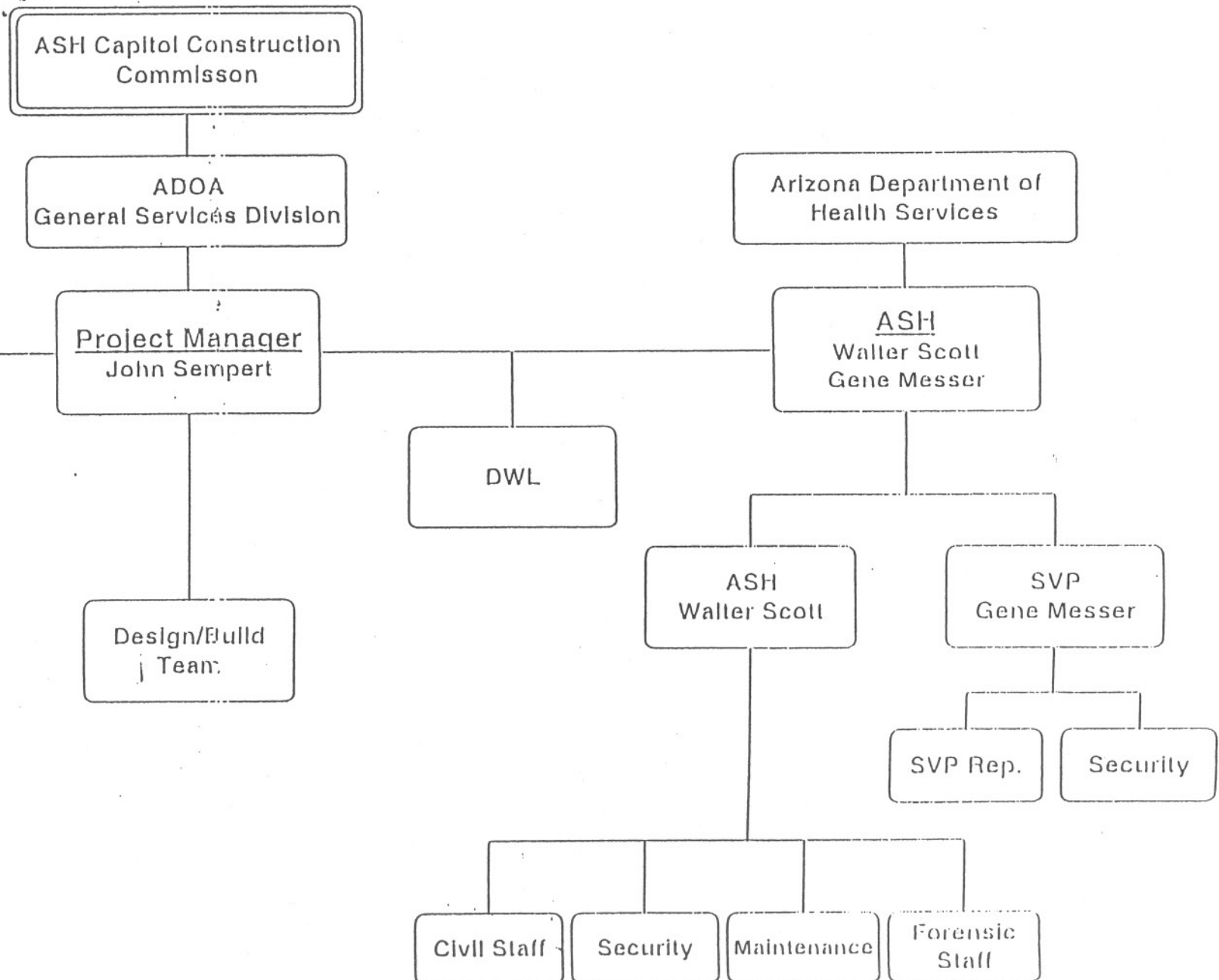


EXHIBIT 2

	ACTION BY	WHO	WHEN	DUE
Design Input Groups:	ASH			
<ul style="list-style-type: none"> • Staff • Patients • Family members • ASH Advisory & Governing Boards 				
	ACTION BY	WHO	WHEN	DUE
Focus Groups:	ASH			
<ul style="list-style-type: none"> • Advocacy groups • RBHA's/Providers • Courts • County Jails • Court Monitors • Jim Bush • Members of the Legislature 				
	ACTION BY	WHO	WHEN	DUE
Public Relations Group:	ASH			
<ul style="list-style-type: none"> • Neighbors 				

Exhibit "4"
Arizona State Hospital Budget

ASH Plan to Task Force		House Bill 2019
SVP Program 4 Dorms & Security	\$ 12,169,149.00	\$ 8,369,149.00
Civil Hospital 176 Beds	\$ 30,599,746.00	\$ 32,599,746.00
General Sitework	\$ 5,836,189.00	\$ 5,836,189.00
Adolescent Facility 16 Beds	\$ 3,907,088.00	\$ 3,907,088.00
Tunnels	\$ 5,500,685.00	\$ 5,500,685.00
Telephone/Data	\$ 1,028,000.00	\$ 1,028,000.00
Forensic Hospital 140 Beds	\$ 11,803,731.00	\$ 11,803,731.00
Contingency	\$ 4,955,412.00	\$ 7,155,412.00
Total	<u>\$ 75,800,000.00</u>	<u>\$ 76,200,000.00</u>

NOTE: Includes 3.8 million that must be reimbursed to the General Fund,
SVP Building need to lower the \$12.1 million to \$8.3 million

Preliminary

14

ARIZONA STATE HOSPITAL - MASTERPLAN

ESTIMATE OF PROBABLE COST

PRELIMINARY - FEBRUARY 2, 1999

Security Violent Persons (SVP)

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	SUBTOTAL
Dormitories (2) Phase 1		\$3,248,009						
Furniture, Fixtures, & Equip. (5%)		\$162,400						
Fencing		\$405,000						
SVP Sitework		\$936,000						
Design (A/E) & Admin. (ADDA)	\$437,120	\$247,064						
Dormitories (2) Phase 2			\$3,252,132					
Furniture, Fixtures, & Equip. (5%)				\$173,969				
SVP Sitework			\$202,650					
Design (A/E) & Admin. (ADDA)		\$428,418	\$144,796					
Chole Renovation		\$840,000						
Design (A/E) & Admin. (ADDA)	\$70,896	\$18,800						
Demolition	\$0							
Furniture Fixtures, & Equip. (5%)			\$42,000					
LRA (Birch Hall)			\$1,080,000					
Design (A/E) & Admin. (ADDA)		\$82,500	\$21,600					
Demolition			\$0					
Furniture, Fixtures, & Equip. (5%)			\$54,000					
Training & Education Building				\$264,800				
Design (A/E) & Admin. (ADDA)			\$40,853	\$5,292				
Demolition								
Furniture, Fixtures, & Equip. (5%)				\$13,230				\$12,188,148
Civil Hospital (Behavioral Health) (176 Beds)								
Asbestos Abatement - Ph 1		\$814,714						
Asbestos Abatement - Ph 2			\$117,486					
Demolition - Phase 1		\$500,843						
Demolition - Phase 2				\$180,172				
Building Construction			\$17,529,561	\$7,338,565				
Furniture, Fixtures, & Equip. (5%)				\$1,243,407				
Design (A/E) & Admin. (ADDA)	\$1,819,772	\$748,733	\$478,473					\$36,598,746
General Sitework								
Construction		\$1,854,818	\$1,712,736	\$885,327				
Demolition			\$885,441					
Design (A/E) & Admin. (ADDA)		\$297,598	\$215,727	\$174,541				\$5,836,188
Adolescent Facility								
Building Construction				\$2,396,800	\$1,060,800			
Furniture, Fixtures, & Equip.					\$172,880			
Design (A/E) & Admin. (ADDA)			\$138,304	\$103,728	\$34,576			\$3,907,088
Tunnels		\$872,522	\$1,804,056	\$1,863,067	\$961,039			\$5,500,685
Telephone / Data			\$400,000	\$414,000	\$214,000			\$1,028,000
Forensic Hospital (140 Beds)								
Asbestos Abatement				\$375,146				
Demolition				\$234,000				
Renovation					\$4,668,300	\$2,000,700		
Addition					\$2,212,000	\$948,000		
Furniture, Fixtures, & Equip. (5%)							\$491,450	
Design (A/E) & Admin. (ADDA)			\$418,361	\$437,626	\$18,149			\$11,803,731
TOTALS	\$508,016	\$12,176,458	\$28,816,237	\$16,561,983	\$9,341,744	\$2,948,700	\$491,450	\$70,844,587
CONTINGENCY	\$0	\$851,715	\$2,015,628	\$1,158,472	\$653,433	\$208,255	\$34,376	\$4,955,413
GRAND TOTAL	\$508,016	\$13,028,173	\$30,831,865	\$17,720,455	\$9,995,177	\$3,154,955	\$525,826	\$75,800,000

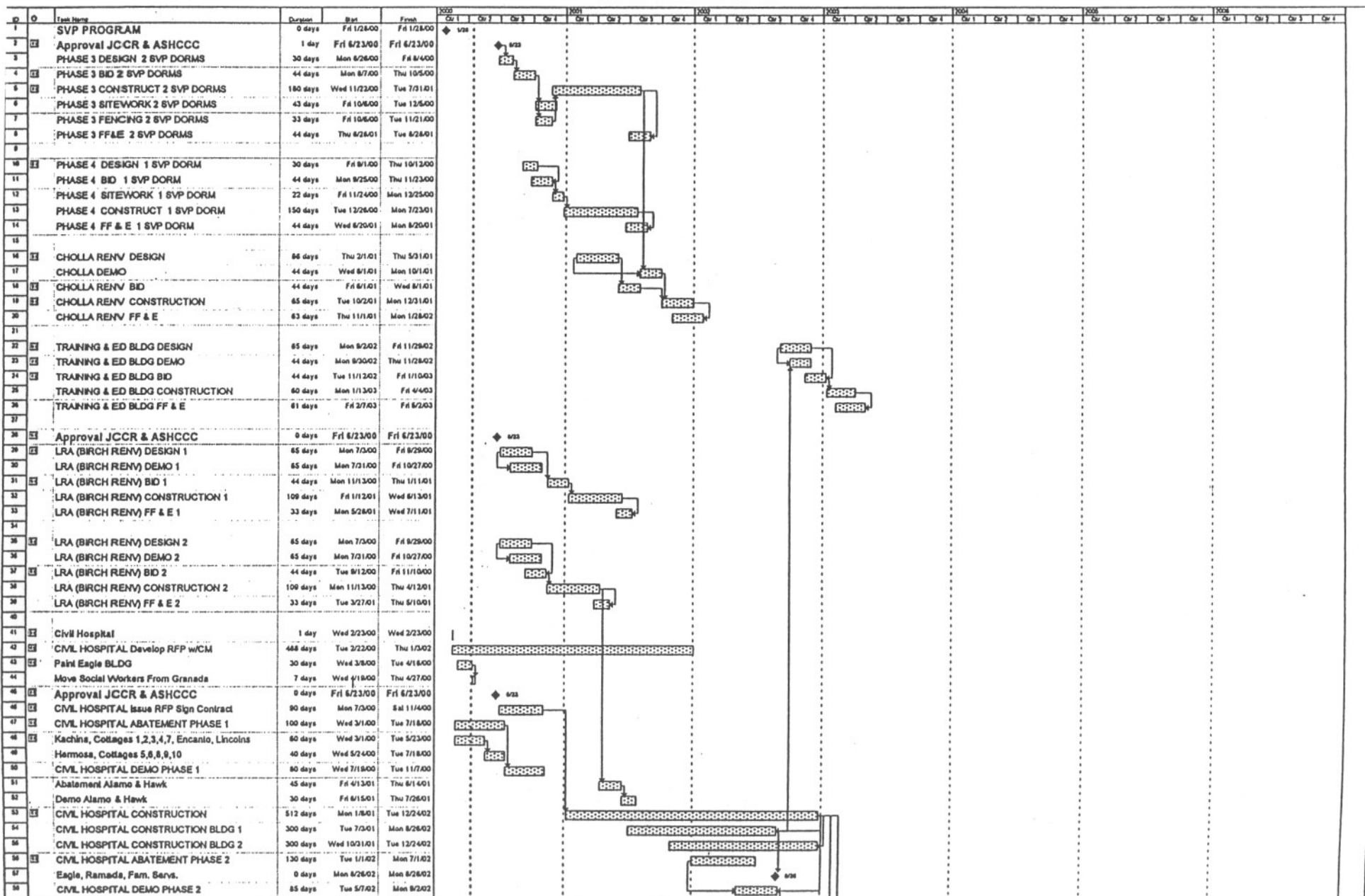
Exhibit "5"

**Arizona State Hospital
Preliminary Schedule Summary**

Program	Finish
SVP	5/2/03
Civil Hospital	11/25/02
Adolescent	3/7/03
Forensic Hospital	1/27/05

16

PRELIMINARY REVISION # 1



PRELIMINARY REVISION # 1

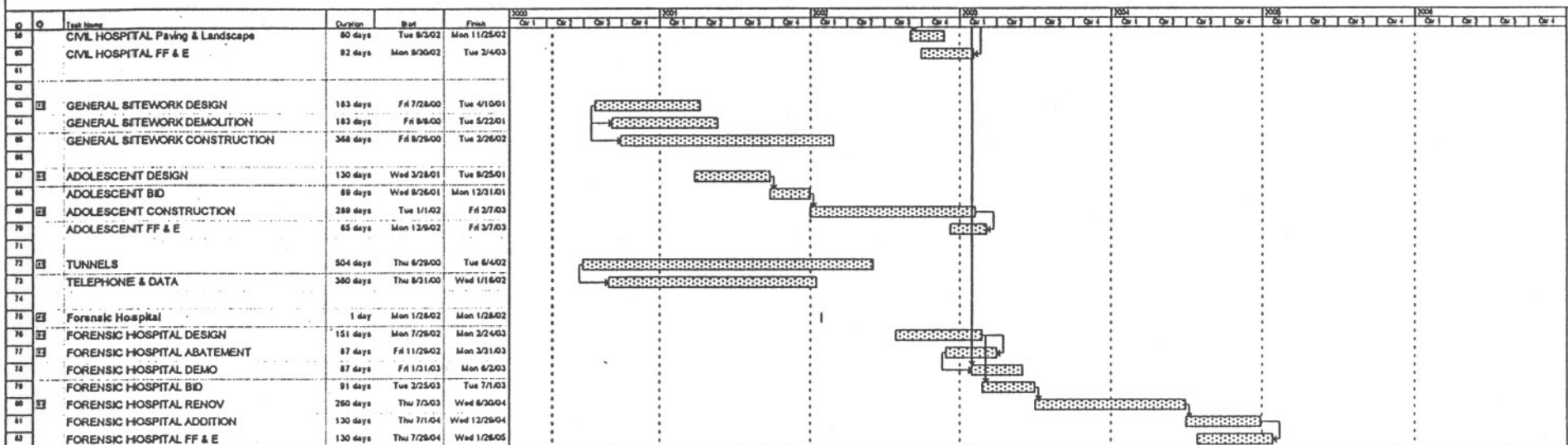


Exhibit "6"

Identifying Potential Problems

1. The current schedule assumes the Arizona State Hospital Capitol Construction Committee will be formed and have their first meeting by June 1, 2000.
2. The ASHCCC must be quickly brought up to speed with the current plan and then approve it for presentation to JCCR.
3. ASHCCC must be handled with a team approach. The team members are OSPB, ADHS, ASH and ADOA.
4. ASHCCC may take a different direction than the Master Plan presented by ASH to the Mental Health Task Force.
5. The timing of meetings with ASHCCC and JCCR will have an affect on the Schedule.
6. Many of the major work items are linked due to logistics and patient relocation, if one linked item slips in schedule following items also slip.
7. Unknown underground can cause schedule delays and cost money.
8. Working the Administration Building addition into the Project Schedule and Budget.
9. The timing of when funds are available. The current law allocates \$20 million per year for 4 years. (cash flow)
10. Maintaining a positive image with each and every stakeholder group listed for 5 years.
11. Finalize the direction of the Adolescent population
12. Census (population growth Projections)
13. Movement of the Department of Corrections
14. Relocation of current Tenants in buildings.

Exhibit "7"

Additionally Requested Items Not in the Budget Set in the Order of Priority

- 1. Support of existing infrastructure issues until new civil and forensic facilities are complete. These items impact patient life/safety and effect certification and accreditation**
- 2. Relocation of occupied buildings during the project**
- 3. Stabilize the Old Admin Building**
- 4. Renovate the Old Admin Building**
- 5. Renovation of the Granada Building**

Minutes of Public Meeting of the
Arizona State Hospital Capital Construction Commission
Held on July 20, 2000

A public meeting of the Arizona State Hospital Capital Construction Commission was convened on July 20, 2000, at 10:00 a.m. at the Arizona State Hospital Training & Education Building, Rooms 3, 4, and 5, 2500 East Van Buren, Phoenix, Arizona.

COMMISSION MEMBERS PRESENT: Jim Bush, Supervisor Chip Davis, Jack Harvey, Mark Hillard, Raymond Jacobs, Jack MacIntyre, Alan Maguire, Danny Valenzuela and Jim Warne.

COMMISSION MEMBERS ABSENT: Representative Sue Gerard, Senator Sue Grace, Gary Gum, Charles Harrison, Dr. Lauro Patino, Senator Richardson and Representative Rios.

STAFF PRESENT: Kevin Ray, Jack Silver, Anne Hartley, Walter Scott, Gene Messer, Bruce Ringwald and John Sempert.

A. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 10:10 a.m. by Mr. Jim Bush. Mr. Bush took roll call. A quorum was present. Mr. Silver said Mr. Charles Harrison called and asked to be excused from this meeting.

B. INTRODUCTION OF MEMBERS, STAFF AND GUESTS

This item was skipped.

C. APPROVAL OF MINUTES OF JUNE 22, 2000

A motion was made by Mr. Bush, seconded and carried for approval of the June 22, 2000 minutes with the following changes. Mr. Maguire noted the first word on page two should be perimeters not parameters and on page six, Item 5, the word differed should be deferred. Mr. Ringwald noted that on page four, fourth paragraph, the word Commission should be Committee, as described in paragraph seven. Additionally, wherever it says successful or unsuccessful bidders, the word should be proposers or offerors.

D. EXECUTIVE SESSION

A motion was made by Mr. Bush, seconded and carried for the Commission to go into executive session.

A motion was made by Mr. Bush, seconded and carried for the Commission to adjourn the executive session.

E. REPORTS

A motion was made by Mr. Bush, seconded and carried for favorable review of the three selected proposers.

1. Rapid Transit

Mr. Sempert discussed rapid transit on the proposed Van Buren route. Two Friday's ago, he met with the City of Phoenix Construction Engineer, and those on the planning committee in their bi-weekly construction committee meeting with OSPB and ADHS/ASH personnel. In those discussions, he was told there are a number of options. Van Buren is not the only option for the transit. Sky Harbor, Washington and Van Buren are also options. In those meetings, they had some preliminary cross sectional diagrams that showed what may happen to Van Buren. Van Buren may be cut down to two lanes of traffic. The entrance to the Arizona State Hospital (ASH) may be limited to a westbound right hand turn lane. Along with the size of street, it would make it difficult for service vehicles to gain entrance. Mr. Sempert has draft letters to the City of Phoenix Council members discussing the results of rapid transit and what it would do to ASH along with the construction at ASH. At this point, they're not 100% certain the rapid transit will be down Van Buren. Mr. Sempert gave his input at the meeting and said the City is continuing to solicit information from other groups around those routes. A decision should be made by October.

Another issue is a section of property on the south side of ASH that would be condemned and taken by the City of Phoenix for the widening of the street to accommodate a rapid transit rail running down the middle of it. Mr. Sempert said he informed them that the state hospital was a land grant and that it could be a very difficult process in order for that to actually happen.

Mr. Ringwald said the City of Phoenix does not have the authority to condemn state property and that they may not be able to condemn it at all. He is drafting a response to this. The area in question is a strip of eight to ten feet long of south property. Mr. Scott said it's an encroachment on the park area on the southernmost property where the fishpond and the Chapel are located.

Mr. Bush said in his opinion, there has already been a violation of the covenant that covers this property by DOC and SVP.

Mr. Bush asked what percentage of cars that visit ASH are in connection with DOC or civil commitment functions. Mr. Silver said DOC has their own parking lot. Mr. Bush said they use our entrance and in cutting down our entrance, there will be an effect. Mr. Bush guesses that there is more traffic using that gate for DOC functions then for mentally ill patients.

Mr. Ringwald said additionally, the entrance that we're proposing that would separate the civil hospital off of 24th Street would be impacted because that would probably become

the main entrance. Mr. Ringwald said he believes there will be some town hall meetings on this and that a schedule of them should be distributed to the Commission members. Mr. Maguire believes they were scheduled last week. Mr. Ringwald said more should be scheduled and will forward this information when he receives it.

Mr. Warne asked if this Commission makes recommendations relative to the design and if so, we should establish our position in a formal manner.

Mr. Maguire said the light rail might provide good access to ASH. If moved to a different location, we might lose desirable access. Mr. Ringwald thought Washington Street as an alternative is ideal.

Christine Sato, OSPB, said she was at the meeting where the City of Phoenix representatives explained the light rail. She wanted to clarify that at these meetings, the representatives said there would be no council members present, and that it would be more effective for us to communicate through a letter to the council members rather than attending meetings.

Mr. Bush said he understands this commission has concerns regarding the light rail along Van Buren that would present difficulties with the entrance to ASH. Mr. Warne said it's not just an issue of the light rail, but an issue of encroachment of property. The light rail is one example.

Mr. Bush said the Commission should express its opposition to any proposal of transportation. Mr. Warne thinks we shouldn't limit it to just transportation. The Commission should express its opposition to anything that would negatively impact anything we're trying to do here.

Mr. Maguire said we want to ensure that the property is used for the original purposes intended and that it isn't diminished by other uses. One example of this might be this case with the City of Phoenix.

Mr. MacIntyre said the Commission could advise the City of Phoenix that we would look with great disfavor on any encroachment, easement or combination of the property that would have a deleterious effect on purpose for which the land was granted and its continued operation.

Mr. Ringwald said we might want to add the possible redesign of Van Buren and how that would effect the entrance to the hospital.

Mr. Bush said he needs to put together a proposal that can be circulated and voted on at the next meeting.

Mr. Haake said his firm works with the City and knows that Councilman Cody Williams is behind the Van Buren route. He's trying to revitalize Van Buren and thinks the light rail would contribute to that. He asked the Commission to keep this in mind.

Mr. Davis said he would be hesitant to jump on a motion until he had a little more analysis and information. Mr. Bush will prepare a formal resolution and will take Mr. Davis' comment into consideration. Mr. Bush will forward this to the Commission members.

2. Arizona State Hospital Project Charter - Recommended Action

Mr. Sempert had nothing more to add to this item. He requested the Commission give favorable review to the project charter.

Mr. Bush discussed the long-term objectives that contain six elements. This facility is not adequate and its long range plan is not adequate unless there is a residential community treatment program as envisioned by the statute. We need to think how big this hospital will be if there is not a residential community treatment program and what impact that will have on transportation. Also, the design needs to be adaptable for changes in use by civil patients. The SVP facility needs to be adaptable for use by civil patients.

Mr. Silver said his concern was that when this hospital was built, it didn't consider changes in patients needs. One of Mr. Silver's interests in designing the new facility was for the architects to build in some allowances for this. The language intended to address this, not SVPs or prisoners. Mr. Bush said we need to keep the long range plan in mind.

Mr. Hillard asked if the project charter was on page 10 and if the following pages were the scope of work. If so, is the Commission being asked to approve just page 10 or the attachments? A discussion ensued. Mr. Sempert said the project charter is pages 10-23.

Mr. Maguire asked if the Commission has the power to change the document. Mr. Ringwald said it's our agreement between ADOA and ADHS/ASH.

Mr. Bush asked if the Commission needed to make any action and if anyone had a dispute with pages 10-23.

Mr. Warne said pages 11-12 are part of the elements that pull together the concept of the master plan and staff has asked that we give favorable review.

Mr. Harvey discussed the projected population. Mr. Warne said plans by nature have to change, and this is the existing plan as we know it and need to move forward as best as possible.

Mr. Bush said at this stage we need to give our approval to the project charter as submitted. Mr. Davis said pages 11-23 are a result of meetings held prior to this meeting. The last line of the project charter states the project charter was developed to maintain the group focus in moving forward with the Arizona State Hospital project. The document is a working document subject to change as conditions warrant and the agreement of all parties involved.

A motion was made by Mr. Davis, seconded, and carried for approval to move forward as recommended by staff.

Mr. Maguire asked that this Commission be added to the list of stakeholders.

F. PUBLIC COMMENT

No public comment was given.

G. CALL FOR AGENDA ITEMS FOR NEXT BOARD MEETING TENTATIVELY SCHEDULED ON AUGUST 24, 2000

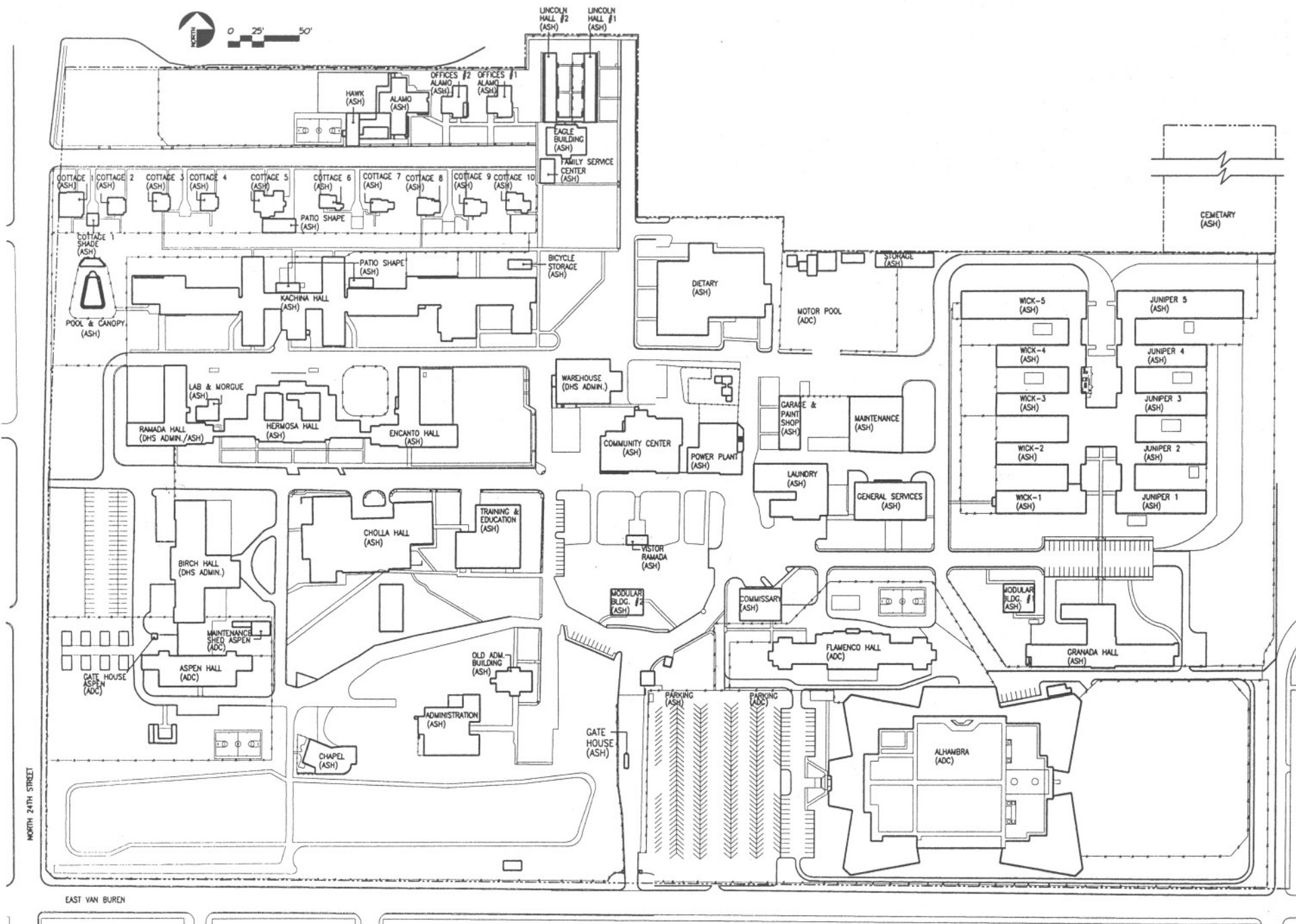
Mr. Ringwald said favorable review of second phase of RFP should be on agenda.

Mr. MacIntyre said segments of the RFP were incomplete and asked if the Commission members will get a new binder. Mr. Ringwald said yes. A discussion ensued regarding redlining the current RFP. It was suggested to shred previous copies so all Commission members are working from the current version. Mr. Haake said they are trying to reduce its size and the next version will be printed on two sided paper. It was suggested that colored paper be used to identify new sections. Mr. Ringwald will issue current version a week from tomorrow if members would like to wait to read it.

Mr. Ray said Mr. MacIntyre makes a good point. Members don't want to carry binders. He recommended the Commission maintain one volume as a public record as we go in stages. The members should not have to keep those. Danny Valenzuela's office will keep this.

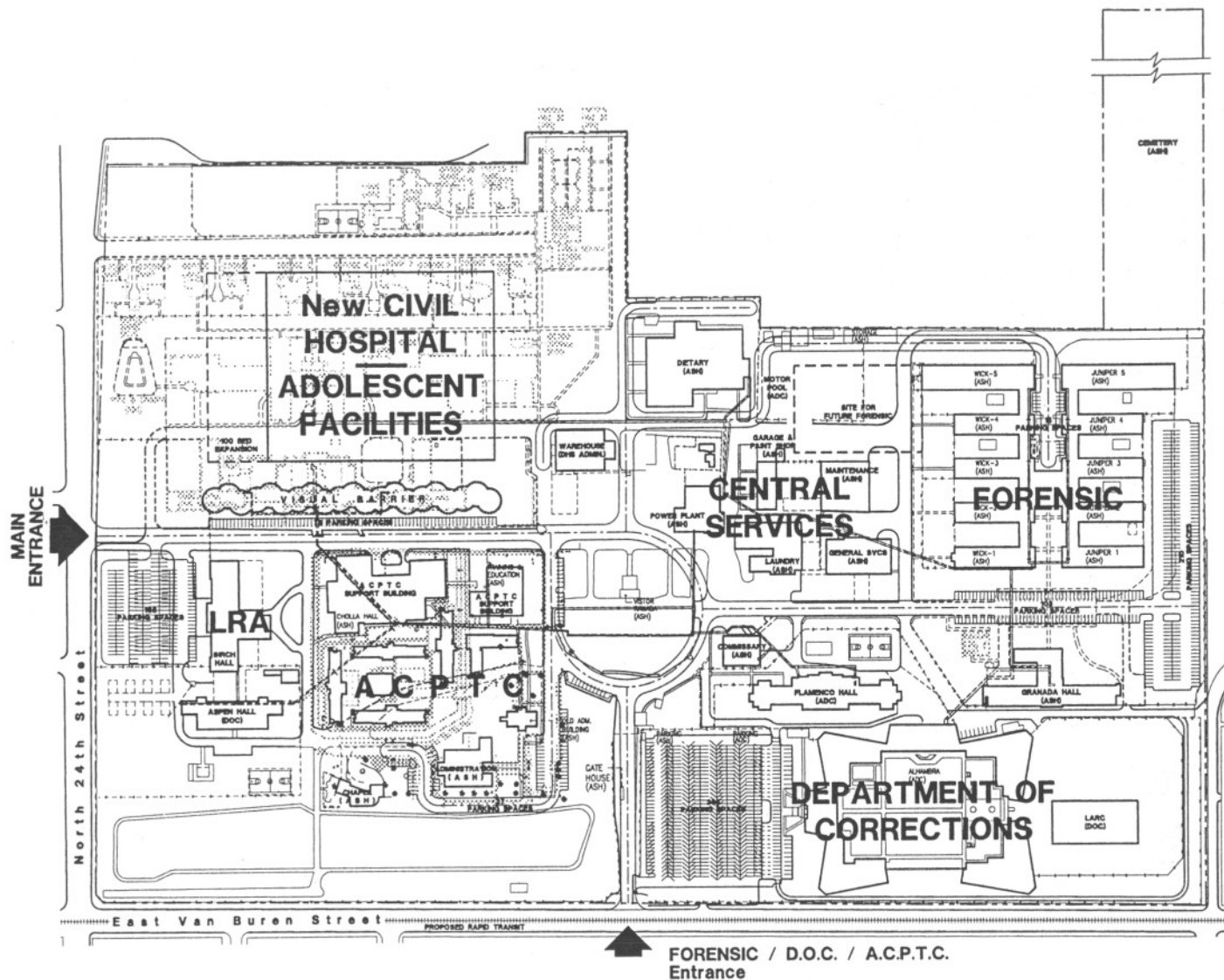
H. ADJOURNMENT

The meeting adjourned at 11:30 a.m.



ARIZONA STATE HOSPITAL - BASE PLAN

DWL Architects + Planners, Inc.
10/23/95



PROPOSED MASTER SITE PLAN **Arizona State Hospital**

June 21, 2000

0 50 100 150 200 300 FT



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RANDALL GNANT
CHAIRMAN 1999
GUS ARZBERGER
RUSSELL W. "RUSTY" BOWERS
JACK A. BROWN
TOM SMITH
RUTH SOLOMON
JOHN WETTAW

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

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FAX (602) 542-1616

<http://www.azleg.state.az.us/jlbc.htm>

HOUSE OF
REPRESENTATIVES

BOB BURNS
CHAIRMAN 2000
DEAN COOLEY
LORI S. DANIELS
KAREN S. JOHNSON
BOB MCLENDON
ANDY NICHOLS
CHRISTINE WEASON

DATE: November 21, 2000

TO: Representative Bob Burns, Chairman
Members, Joint Committee on Capital Review

THRU: Richard Stavneak, Director

FROM: Chris Earnest, Senior Fiscal Analyst

SUBJECT: ARIZONA STATE PARKS - REPORT ON KARTCHNER CAVERNS STATE PARK

Request

Pursuant to Laws 1998, Chapter 297 the Arizona State Parks Board is providing the quarterly project status and financial report on Kartchner Caverns State Park for the quarter ending September 30, 2000.

Recommendation

This report is for information only and no Committee action is required. Cave construction continues to be on target for the planned November 2003 opening of the lower caverns. In response to recent outside concerns about the environmental conditions in the cave, Parks Staff is in the process of hiring a cave specialist to monitor and advise on environmental issues.

Attendance continues to be strong at the Park. Since the park opened in November 1999, over 172,000 people have visited. Reservations are full through the end of December. In the 12-month period that the cave has been open, \$2.7 million in revenue has been generated.

Analysis

The Arizona State Parks Board is required to report at the end of each calendar quarter to the Committee on the status of the development of Kartchner Caverns State Park. The report must include details of the actual and projected costs, quarterly expenditures and source of monies, and a project development timetable.

Financial Summary

As of the quarter ending September 30, 2000, a total of \$31,465,800 has been allocated to the park's development from 5 fund sources. Of this amount, all but \$3,974,300, or 12.6% of the total, has been expended or encumbered. The following table summarizes these amounts by fund source and percentage allocations:

(Continued)

**Kartchner Caverns Construction Development Funding
(As of September 30, 2000)**

<u>Fund Source</u>	<u>Approved Amount</u>	<u>Percent</u>	<u>Unobligated Balance</u>
General Fund	\$ 3,500,000	11.1%	\$ 0
Enhancement Fund	20,144,900	64.0%	3,359,900
Heritage Fund	5,174,500	16.4%	614,400
State Highway Fund	2,445,700	7.8%	0
National Recreational Trails Fund	200,700	0.6%	0
TOTAL	\$31,465,800	100%	\$3,974,300

Development Status Summary

Trail construction began again in Mid-September, after roosting bats left the cave. Crews are currently involved in breaking up rock, grading trail, and putting down concrete.

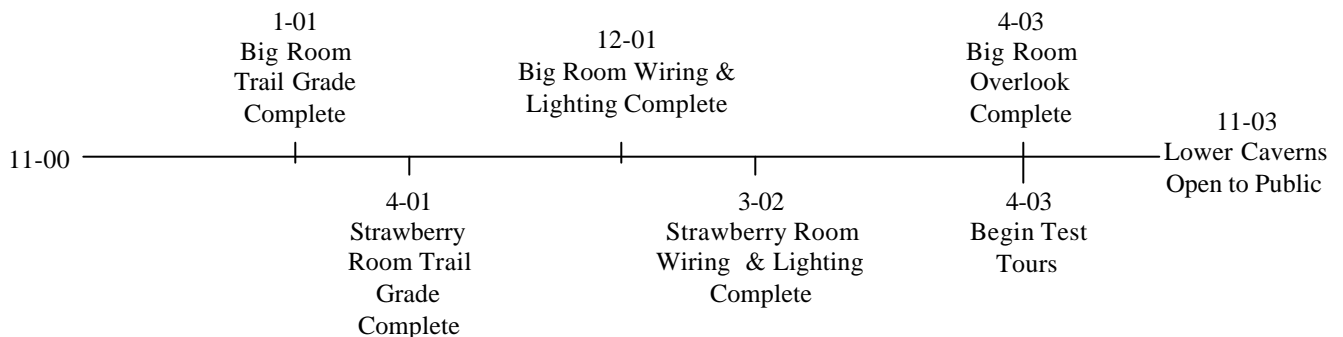
The park's campground is now fully open. The facility has 60 units and charges a camping fee of \$20 per night. Other park additions include 2 new picnic shelters that were added to the picnic area to accommodate bus tours and other large groups.

Environmental Conditions

At the last JCCR meeting, the Committee requested that future quarterly reports include an update of environmental conditions in the cave. Parks Staff is in the process of hiring a cave specialist to monitor and advise on environmental cave issues. In the mean time, they have been consulting with a number of cave experts. The consultants indicated that due to drought conditions, higher temperatures and lower humidity levels have been common to several southwestern caves in recent months.

Project Timetable

A project timeline is required as part of the quarterly updates on Kartchner development. As reviewed by the Committee in May, Parks Staff has established November 2003 as a completion date for the lower caverns. The target date assumes that during the summer months, no construction will occur due to roosting bats in the cave. It also assumes that construction will be at a reduced level in May and September when the bats are arriving and departing. This year the bats left in September, thus keeping the project on schedule. In future years, however, if construction cannot proceed during May and September, development staff anticipate an October 2004 completion date. The following timeline delineates target completion dates for projects leading to a November 2003 opening:





"Managing and conserving natural, cultural, and recreational resources"

November 14, 2000

Representative Robert Burns
Joint Committee on Capital Review
1700 West Washington
Phoenix, AZ 85007

NOV 15 2000

RE: **KARTCHNER CAVERNS PROJECT STATUS**

Jane Dee Hull
Governor

State Parks
Board Members

Chair
Vernon Roudebush
Safford

Walter D. Armer, Jr.
Benson

Suzanne Pfister
Phoenix

Joseph H. Holmwood
Mesa

John U. Hays
Yarnell

Sheri J. Graham
Sedona

Michael E. Anable
State Land
Commissioner

Kenneth E. Travous
Executive Director

Arizona State Parks
1300 W. Washington
Phoenix, AZ 85007

Tel & TTY: 602.542.4174
www.pr.state.az.us

800.285.3703
from (520) area code

General Fax:
602.542.4180

Director's Office Fax:
602.542.4188

Dear Representative Burns:

Pursuant to staff's request, Arizona State Parks (ASP) is forwarding the project status and financial information for Kartchner Caverns State Park.

Project Status -- Kartchner Caverns State Park has been open 11 months. Over 172,000 visitors have taken cave tours and revenues are averaging \$52,000 per week. Reservations at the time of this report are booked solid through December 2000. Total park revenues to date (11/3/00) are \$2,690,490.00.

Construction in Progress -- Construction in the lower cave continues while the park is open. Crews have begun work inside the cave after nearly 5 months outside due to bat habitation.

Cavern Trail Construction -- The "Big Room" trail construction plan is divided in 2 units. These units or headings have crews working at each end of the trail, planning to meet in the middle.

Cul-de-Sac Heading -- Crews are completing grade adjustments by building up rock retaining walls along the Strawberry room and Cul-de Sac trail. This entails breaking rock in the upper Strawberry and using a concrete slurry mixture to fill voids on the upper switch back.

Tarantula Heading -- Rock breaking continues along this trail heading at the "Santa Claus" and "Lower Keyhole". When necessary, the hydraulic saw and drill are used to minimize vibration. Trail grades have been adjusted between pull boxes 7-9. There are currently 5 separate drill teams being used for rock breaking. The rock between boxes 8 and 9 is extremely resistant to drilling and progress in this area is measured in inches. At the "Keyhole Overlook" the first 4 vertical feet has been filled requiring 8 cubic yards of concrete. This portion of the trail is over 700 feet from the entrance and requires additional concrete hose for each pour. Excavation, steel reinforcing mats and concrete pouring are complete for the pressure tank sumps for the cave wash down system.

Timeline -- Preliminary timelines have been developed for the lower cave trail construction. A worst case scenario was realized this summer when bats returned early, forcing crews out of the cave in late April and workers being unable to return until September 15, 2000. Drought conditions could be a factor in the early return of the bats. Overtime shifts on Fridays are being implemented to reduce the amount of time lost.

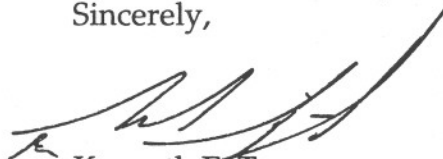
Environment -- Questions about the environment inside Kartchner Caverns have been a topic of some speculation since a New York Times article was published in August. Arizona State Parks is in the process of hiring a cave specialist to look into these issues. Until that time the parks board has enlisted a number of expert consultants to provide us with answers. The most recent revelation was that higher temperatures and lower humidity is not unique to Kartchner, rather it is a trend being recorded throughout the southwest due to the drought. The cave expert for the U.S. Forest Services reports similar conditions for all the caves in southern Arizona.

Park Facilities -- This summer 2 new 20'X40" picnic shelters were added to the picnic area to accommodate the daily bus tours and other large groups visiting the park. The 60-unit campground is in full operation. Tour ticket demand is still high and the park is unable to fill all the demands for tickets for every camper. A lottery based on first come first served is in place for the 100 walk-up tickets available each day. The camping fee is \$20 per night.

Financial Status -- The budget for the development and construction is \$31,465,750 (this figure does not include start-up funds of approximately \$1.2 million). Attached you will find summary information and detailed allocations, expenditures and obligations by activity and fund for the quarter ending September 30, 2000. As of September 30, 2000, 86.9 % of the budget was expended.

Your continued support of this project and our staff is greatly appreciated. Please give me a call should you have any questions or if I may be of assistance to you or your staff.

Sincerely,



Kenneth E. Travous
Executive Director

Copy: Senator Randall Gnant, Vice Chair
Representative Gail Griffin, District 8
Senator Gus Arzberger, District 8
Richard Stavneak, Director, JLBC
Thomas Betlach, Director, OSPB
Maria Baier, Office of the Governor
Chris Earnest, JLBC
Marcel Benberou, OSPB
Lorenzo Martinez, JLBC

**KARTCHNER CAVERNS STATE PARK
BUDGET AND EXPENDITURE STATUS
AS OF 9/30/00**

- 1) Summary of Development Funds
- 2) By Fund Source
- 3) By Activity/Project

**Arizona State Parks
Kartchner Caverns State Park
Development Funds Available
As of September 30, 2000**

<u>Fund</u>	<u>\$ Amount</u>	<u>Percentage</u>
Arizona Heritage Fund	\$ 5,174,514	16.44%
Enhancement Fund	20,144,918	64.02%
General Fund	3,500,000	11.12%
ADOT	2,445,654	7.77%
Federal - NRTFA/RTP	200,664	0.64%
Total	\$ 31,465,750	100.00%

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 09/30/00 1ST QTR FY01
BY FUND SOURCE**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
SITE IMPROVEMENTS - Bridge Design		ADOT	245,654.07	245,654.07	0.00	0.00
SITE IMPROVEMENTS - Cave Bridge		ADOT	1,000,000.00	1,000,000.00	0.00	0.00
SITE IMPROVEMENTS - Turn Lanes on SR90		ADOT	1,200,000.00	1,200,000.00	0.00	0.00
SUBTOTAL ADOT			2,445,654.07	2,445,654.07	0.00	0.00
CAVE LIGHTING	94	AHF/A&D	172,000.00	162,584.12	1,197.00	8,218.88
PROPOSED CONSTRUCTION (Undesignated funds)	94	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	94	AHF/A&D	10,000.00	10,000.00	0.00	0.00
TUNNEL LINER / SPALLING	94	AHF/A&D	113,059.60	101,849.07	0.00	11,210.53
VISITOR CENTER - BUILDINGS	94	AHF/A&D	4,898.40	4,189.68	0.00	708.72
VISITOR CENTER - EXHIBITS	94	AHF/A&D	7,642.00	7,562.34	0.00	79.66
WATER / WASTEWATER - CONSTRUCTION	94	AHF/A&D	592,400.00	582,400.00	0.00	10,000.00
SUBTOTAL AY94 AHF/A&D			900,000.00	868,585.21	1,197.00	30,217.79
MISC. - VISITOR CENTER MURAL	95	AHF/A&D	10,000.00	10,000.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	95	AHF/A&D	0.00	0.00	0.00	0.00
TUNNEL LINER / SPALLING	95	AHF/A&D	5,000.00	5,000.00	0.00	0.00
TUNNELS 96 - MCO MINING	95	AHF/A&D	1,140,000.00	1,140,000.00	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	95	AHF/A&D	50,000.00	50,000.00	0.00	0.00
SUBTOTAL AY95 AHF/A&D			1,205,000.00	1,205,000.00	0.00	0.00
DESIGN & ENGINEERING - VSA	96	AHF/A&D	93,486.00	93,486.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	96	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	96	AHF/A&D	10,000.00	10,000.00	0.00	0.00
TUNNEL LINER / SPALLING	96	AHF/A&D	794.40	794.40	0.00	0.00
UTILITIES - EXTENSION TO CAVE (incl. backfill)	96	AHF/A&D	487,367.00	487,367.00	0.00	0.00
VISITOR CENTER - BUILDINGS	96	AHF/A&D	50,000.00	50,000.00	0.00	0.00
VISITOR CENTER - EXHIBITS	96	AHF/A&D	854,867.00	854,867.00	0.00	0.00
SUBTOTAL AY96 AHF/A&D			1,496,514.40	1,496,514.40	0.00	0.00
CAVE ENTRY PORTALS	97	AHF/A&D	63,173.00	14,287.48	0.00	48,885.52
CAVE LIGHTING	97	AHF/A&D	110,600.00	12,566.17	0.00	98,033.83
CONCRETE TUNNEL FLOORS	97	AHF/A&D	140,000.00	14,207.15	0.00	125,792.85
FINAL SITE IMPROVEMENTS / HAND RAILS	97	AHF/A&D	14,123.00	13,755.14	0.00	367.86
PERMANENT AIRLOCKS	97	AHF/A&D	51,300.00	32,136.09	0.00	19,163.91
PROPOSED CONSTRUCTION (Undesignated funds)	97	AHF/A&D	0.00	0.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	97	AHF/A&D	10,000.00	7,502.00	0.00	2,498.00
TUNNEL LIGHTS / MISTERS / BLOWERS	97	AHF/A&D	85,000.00	2,667.92	0.00	82,332.08
TUNNEL LINER / SPALLING	97	AHF/A&D	114,300.00	0.00	0.00	114,300.00
VISITOR CENTER - EXHIBITS	97	AHF/A&D	803,504.00	698,178.96	65,188.00	40,137.04
SUBTOTAL AY97 AHF/A&D			1,392,000.00	795,300.91	65,188.00	531,511.09
BUILDINGS / TUNNELS 95 - KE&G	93	AHF/LRSP	71,000.00	71,000.00	0.00	0.00
SUBTOTAL AY93 AHF/LRSP			71,000.00	71,000.00	0.00	0.00
TRAIL SYSTEM DESIGN - BAT MONITORING	96	AHF/NAO&M	60,000.00	57,358.30	0.00	2,641.70
SUBTOTAL AY96 AHF/NAO&M			60,000.00	57,358.30	0.00	2,641.70
CAVE TRAIL CONSTRUCTION (current PAF)	95	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	96	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	AHF/TRAILS	0.00	0.00	0.00	0.00
SUBTOTAL MULTI AHF/TRAILS			50,000.00	0.00	0.00	50,000.00

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 09/30/00 1ST QTR FY01
BY FUND SOURCE**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
BUILDINGS / TUNNELS 95 - KE&G	*	EF	3,300,144.88	3,300,144.88	0.00	0.00
BUILDINGS / TUNNELS 95 - OTHER	*	EF	205,793.09	205,793.09	0.00	0.00
CAMPGROUND UTILITIES REPAIR	*	EF	15,000.00	8,560.39	0.00	6,439.61
CAVE LIGHTING	*	EF	44,800.00	40,295.58	1,103.31	3,401.11
CAVE STUDIES	*	EF	608,020.87	608,020.87	0.00	0.00
CAVE TRAIL CONSTRUCTION (Texas Parks/Operating)	*	EF	124,764.03	124,764.03	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	*	EF	7,373,361.64	4,546,578.45	10,243.72	2,816,539.47
CONTRACT CAVE DESIGN & ENGINEERING	*	EF	80,000.00	41,385.82	11,840.00	26,774.18
DESIGN & ENGINEERING - OTHER	*	EF	21,749.33	21,749.33	0.00	0.00
DESIGN & ENGINEERING - VSA	*	EF	2,385,582.63	2,350,909.72	28,965.74	5,707.17
DIRECTORS CONTINGENCY	*	EF	19,153.98	0.00	0.00	19,153.98
GROUP RAMADA	*	EF	45,000.00	30,420.77	6,857.50	7,721.73
LAND ACQUISITION	*	EF	1,854,800.00	1,854,781.65	0.00	18.35
MAINTENANCE ENTRANCE GATE	*	EF	10,000.00	7,684.87	0.00	2,315.13
MISC. - ADS/SURVEYS/FEES/TRAVEL /OPER/EQUIP	*	EF	57,191.59	57,191.59	0.00	(0.00)
MISC. - CAVE SOUND SYSTEM	*	EF	35,000.00	25,670.46	2,187.69	7,141.85
MISC. - CORNERSTONE PLAQUE	*	EF	10,000.00	5,314.00	0.00	4,686.00
NEW WELL AND LINE	*	EF	29,000.00	4,345.36	0.00	24,654.64
PROPOSED CONSTRUCTION (Undesignated funds)	*	EF	413,900.00	0.00	0.00	413,900.00
SEWAGE LIFT STATION REPAIR	*	EF	10,000.00	8,364.21	0.00	1,635.79
SITE IMPROVEMENTS - Bridge Design	*	EF	103.50	103.50	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	*	EF	15,000.00	0.00	0.00	15,000.00
SITE IMPROVEMENTS - FENCING	*	EF	32,905.65	32,905.65	0.00	0.00
SITE IMPROVEMENTS - OTHER	*	EF	8,175.75	8,175.75	0.00	0.00
SITE IMPROVEMENTS - ROADS	*	EF	444,885.69	444,885.69	0.00	0.00
FINAL SITE IMPROVEMENTS / HAND RAILS	*	EF	66,279.00	66,279.00	0.00	0.00
TRAIL SYSTEM DESIGN - CAVE FAUNAL RECOVERY	*	EF	2,767.80	2,767.80	0.00	0.00
TRAIL SYSTEM DESIGN - CAVE PALEONTOLOGY	*	EF	4,000.00	3,199.00	0.00	801.00
TRAIL SYSTEM DESIGN - CONSULTANTS	*	EF	285,970.93	266,154.17	19,255.17	561.59
TRAM STORAGE / MAINT. / UTILITIES	*	EF	230,640.00	227,500.97	0.00	3,139.03
TUNNELS 96 - BAT MONITORING	*	EF	18,568.06	18,568.06	0.00	0.00
TUNNELS 96 - CAVE MONITORING SYSTEM	*	EF	9,970.00	9,970.00	0.00	0.00
TUNNELS 96 - JORGENSEN - GURNEE ENTRY	*	EF	262,755.00	262,755.00	0.00	0.00
TUNNELS 96 - MCO MINING	*	EF	569,399.95	569,399.95	0.00	0.00
TUNNELS 96 - OTHER	*	EF	49,240.55	49,240.55	0.00	0.00
UTILITIES - MISCELLANEOUS	*	EF	374.00	374.00	0.00	0.00
UTILITIES - ON & OFF SITE	*	EF	1,038,835.90	1,038,835.90	0.00	0.00
UTILITIES - TELEPHONES	*	EF	399,435.00	399,160.06	0.00	274.94
UTILITIES - EXTENSION TO CAVE (incl. backfill)	*	EF	5,073.05	5,073.05	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	*	EF	471.34	471.34	0.00	0.00
WATER / WASTEWATER - OTHER	*	EF	56,804.82	56,804.82	0.00	0.00
SUBTOTAL ENHANCEMENT FUND			20,144,918.03	16,704,599.33	80,453.13	3,359,865.57
VISITOR CENTER - BUILDINGS	96	GF	3,500,000.00	3,500,000.00	0.00	0.00
SUBTOTAL AY96 GENERAL FUND			3,500,000.00	3,500,000.00	0.00	0.00
CAVE TRAIL CONSTRUCTION	96	NRTFA	71,342.00	71,342.00	0.00	0.00
CAVE TRAIL CONSTRUCTION	97	NRTFA	70,496.00	70,496.00	0.00	0.00
CAVE TRAIL CONSTRUCTION	98	NRTFA	58,826.00	58,826.00	0.00	0.00
SUBTOTAL MULTI-YEAR NRTFA			200,664.00	200,664.00	0.00	0.00
TOTAL KARTCHNER ACQUIS. & DEVELOP.			31,465,750.50	27,344,676.22	146,838.13	3,974,236.15

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 09/30/00 1ST QTR. FY01
BY ACTIVITY / PROJECT**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
LAND ACQUISITION	*	EF	1,854,800.00	1,854,781.65	0.00	18.35
CAVE STUDIES	*	EF	608,020.87	608,020.87	0.00	0.00
DESIGN & ENGINEERING - VSA	*	EF	2,385,582.63	2,350,909.72	28,965.74	5,707.17
DESIGN & ENGINEERING - VSA	96	AHF/A&D	93,486.00	93,486.00	0.00	0.00
DESIGN & ENGINEERING - OTHER	*	EF	21,749.33	21,749.33	0.00	0.00
SUBTOTAL DESIGN & ENGINEERING			2,500,817.96	2,466,145.05	28,965.74	5,707.17
BUILDINGS / TUNNELS 95 - KE&G	*	EF	3,300,144.88	3,300,144.88	0.00	0.00
BUILDINGS / TUNNELS 95 - KE&G	93	AHF/LRSP	71,000.00	71,000.00	0.00	0.00
BUILDINGS / TUNNELS 95 - OTHER	*	EF	205,793.09	205,793.09	0.00	0.00
SUBTOTAL BUILDINGS / TUNNELS 95			3,576,937.97	3,576,937.97	0.00	0.00
TRAIL SYSTEM DESIGN - CONSULTANTS	*	EF	285,970.93	266,154.17	19,255.17	561.59
TRAIL SYSTEM DESIGN - CAVE PALEONTOLOGY	*	EF	4,000.00	3,199.00	0.00	801.00
TRAIL SYSTEM DESIGN - CAVE FAUNAL RECOVERY	*	EF	2,767.80	2,767.80	0.00	0.00
TRAIL SYSTEM DESIGN - BAT MONITORING	96	AHF/NAO&M	60,000.00	57,358.30	0.00	2,641.70
SUBTOTAL TRAIL SYSTEM DESIGN			352,738.73	329,479.27	19,255.17	4,004.29
CAVE TRAIL CONSTRUCTION (Texas Parks/Operating)	*	EF	124,764.03	124,764.03	0.00	0.00
CONTRACT CAVE DESIGN & ENGINEERING	*	EF	80,000.00	41,385.82	11,840.00	26,774.18
CAVE LIGHTING	94	AHF/A&D	172,000.00	162,584.12	1,197.00	8,218.88
CAVE LIGHTING	97	AHF/A&D	110,600.00	12,566.17	0.00	98,033.83
CAVE LIGHTING	*	EF	44,800.00	40,295.58	1,103.31	3,401.11
CAVE TRAIL CONSTRUCTION (current PAF)	*	EF	7,373,361.64	4,546,578.45	10,243.72	2,816,539.47
CAVE TRAIL CONSTRUCTION (current PAF)	96	NRTFA	71,342.00	71,342.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	NRTFA	70,496.00	70,496.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	98	NRTFA	58,826.00	58,826.00	0.00	0.00
CAVE TRAIL CONSTRUCTION (current PAF)	95	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	96	AHF/TRAILS	25,000.00	0.00	0.00	25,000.00
CAVE TRAIL CONSTRUCTION (current PAF)	97	AHF/TRAILS	0.00	0.00	0.00	0.00
SUBTOTAL CAVE TRAIL CONSTRUCTION			8,156,189.67	5,128,838.17	24,384.03	3,002,967.47
TUNNELS 96 - MCO MINING	*	EF	569,399.95	569,399.95	0.00	0.00
TUNNELS 96 - MCO MINING	95	AHF/A&D	1,140,000.00	1,140,000.00	0.00	0.00
TUNNELS 96 - JORGENSEN - GURNEE ENTRY	*	EF	262,755.00	262,755.00	0.00	0.00
TUNNELS 96 - BAT MONITORING	*	EF	18,568.06	18,568.06	0.00	0.00
TUNNELS 96 - OTHER	*	EF	49,240.55	49,240.55	0.00	0.00
TUNNELS 96 - CAVE MONITORING SYSTEM	*	EF	9,970.00	9,970.00	0.00	0.00
SUBTOTAL TUNNELS 96 REBID			2,049,933.56	2,049,933.56	0.00	0.00
SITE IMPROVEMENTS - ROADS	*	EF	444,885.69	444,885.69	0.00	0.00
SITE IMPROVEMENTS - Bridge Design	*	EF	103.50	103.50	0.00	0.00
SITE IMPROVEMENTS - Bridge Design		ADOT	245,654.07	245,654.07	0.00	0.00
SITE IMPROVEMENTS - Turn Lanes on SR90		ADOT	1,200,000.00	1,200,000.00	0.00	0.00
SITE IMPROVEMENTS - Cave Bridge		ADOT	1,000,000.00	1,000,000.00	0.00	0.00
SITE IMPROVEMENTS - Fencing	*	EF	32,905.65	32,905.65	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	94	AHF/A&D	10,000.00	10,000.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	96	AHF/A&D	10,000.00	10,000.00	0.00	0.00
SITE IMPROVEMENTS - DOC Landscaping	97	AHF/A&D	10,000.00	7,502.00	0.00	2,498.00
SITE IMPROVEMENTS - DOC Landscaping	*	EF	15,000.00	0.00	0.00	15,000.00
FINAL SITE IMPROVEMENTS / HAND RAILS	97	AHF/A&D	14,123.00	13,755.14	0.00	367.86
FINAL SITE IMPROVEMENTS / HAND RAILS	*	EF	66,279.00	66,279.00	0.00	0.00
TRAM STORAGE / MAINT. / UTILITIES	*	EF	230,640.00	227,500.97	0.00	3,139.03
NEW WELL AND LINE	*	EF	29,000.00	4,345.36	0.00	24,654.64
MAINTENANCE ENTRANCE GATE	*	EF	10,000.00	7,684.87	0.00	2,315.13
CAMPGROUND UTILITIES REPAIR	*	EF	15,000.00	8,560.39	0.00	6,439.61
GROUP RAMADA	*	EF	45,000.00	30,420.77	6,857.50	7,721.73
SEWAGE LIFT STATION REPAIR	*	EF	10,000.00	8,364.21	0.00	1,635.79
SITE IMPROVEMENTS - Other	*	EF	8,175.75	8,175.75	0.00	0.00
SUBTOTAL SITE IMPROVEMENTS			3,396,766.66	3,326,137.37	6,857.50	63,771.79

**ARIZONA STATE PARKS - KARTCHNER CAVERNS DEVELOPMENT
BUDGET AND EXPENDITURE STATUS THROUGH 09/30/00 1ST QTR. FY01
BY ACTIVITY / PROJECT**

PROJECT NAME	YR	FUND	ALLOCATED	EXPENDED	ENCUMBERED	UNOBLIGATED
UTILITIES - ON & OFF SITE	*	EF	1,038,835.90	1,038,835.90	0.00	0.00
UTILITIES - TELEPHONES	*	EF	399,435.00	399,160.06	0.00	274.94
UTILITIES - EXTENSION TO CAVE (incl. backfill)	96	AHF/A&D	487,367.00	487,367.00	0.00	0.00
UTILITIES - EXTENSION TO CAVE (incl. backfill)	*	EF	5,073.05	5,073.05	0.00	0.00
UTILITIES - MISCELLANEOUS	*	EF	374.00	374.00	0.00	0.00
SUBTOTAL UTILITIES			1,931,084.95	1,930,810.01	0.00	274.94
VISITOR CENTER - BUILDINGS	96	GF	3,500,000.00	3,500,000.00	0.00	0.00
VISITOR CENTER - BUILDINGS	94	AHF/A&D	4,898.40	4,189.68	0.00	708.72
VISITOR CENTER - BUILDINGS	96	AHF/A&D	50,000.00	50,000.00	0.00	0.00
VISITOR CENTER - EXHIBITS	94	AHF/A&D	7,642.00	7,562.34	0.00	79.66
VISITOR CENTER - EXHIBITS	96	AHF/A&D	854,867.00	854,867.00	0.00	0.00
VISITOR CENTER - EXHIBITS	97	AHF/A&D	803,504.00	698,178.96	65,188.00	40,137.04
SUBTOTAL VISITOR CENTER			5,220,911.40	5,114,797.98	65,188.00	40,925.42
WATER / WASTEWATER - CONSTRUCTION	94	AHF/A&D	592,400.00	582,400.00	0.00	10,000.00
WATER / WASTEWATER - CONSTRUCTION	95	AHF/A&D	50,000.00	50,000.00	0.00	0.00
WATER / WASTEWATER - CONSTRUCTION	*	EF	471.34	471.34	0.00	0.00
WATER / WASTEWATER - OTHER	*	EF	56,804.82	56,804.82	0.00	0.00
SUBTOTAL WATER / WASTEWATER			699,676.16	689,676.16	0.00	10,000.00
MISC. - ADS/SURVEYS/FEES/TRAVEL/OPER/EQUIP	*	EF	57,191.59	57,191.59	0.00	0.00
MISC. - VISITOR CENTER MURAL	95	AHF/A&D	10,000.00	10,000.00	0.00	0.00
MISC. - CAVE SOUND SYSTEM	*	EF	35,000.00	25,670.46	2,187.69	7,141.85
MISC. - CORNERSTONE PLAQUE	*	EF	10,000.00	5,314.00	0.00	4,686.00
SUBTOTAL MISCELLANEOUS			112,191.59	98,176.05	2,187.69	11,827.85
TUNNEL LINER / SPALLING	94	AHF/A&D	113,059.60	101,849.07	0.00	11,210.53
TUNNEL LINER / SPALLING	95	AHF/A&D	5,000.00	5,000.00	0.00	0.00
TUNNEL LINER / SPALLING	96	AHF/A&D	794.40	794.40	0.00	0.00
TUNNEL LINER / SPALLING	97	AHF/A&D	114,300.00	0.00	0.00	114,300.00
CAVE ENTRY PORTALS	97	AHF/A&D	63,173.00	14,287.48	0.00	48,885.52
PERMANENT AIRLOCKS	97	AHF/A&D	51,300.00	32,136.09	0.00	19,163.91
TUNNEL LIGHTS / MISTERS / BLOWERS	97	AHF/A&D	85,000.00	2,667.92	0.00	82,332.08
CONCRETE TUNNEL FLOORS	97	AHF/A&D	140,000.00	14,207.15	0.00	125,792.85
SUBTOTAL TUNNEL FINISHING			572,627.00	170,942.11	0.00	401,684.89
DIRECTORS CONTINGENCY	*	EF	19,153.98	0.00	0.00	19,153.98
PROPOSED CONSTRUCTION (Undesignated funds)	94	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	95	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	96	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	97	AHF/A&D	0.00	0.00	0.00	0.00
PROPOSED CONSTRUCTION (Undesignated funds)	*	EF	413,900.00	0.00	0.00	413,900.00
SUBTOTAL PROPOSED CONSTRUCTION			413,900.00	0.00	0.00	413,900.00
TOTAL KARTCHNER ACQUIS. & DEVELOP.			31,465,750.50	27,344,676.22	146,838.13	3,974,236.15
(Alloc. increased by \$2,932,900 EF FY00 rev.)						