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# **Arizona Department of Administration School Facilities Division**

**Appropriations Committee Hearings**

**January 24 & 25, 2023**



# School Facilities Division

## - JLBC Baseline – Executive Comparison of Major Funding Changes

	GF \$ in M Above Prior Year	
	<u>JLBC</u>	<u>Exec</u>
1) Remove '23 One-Time Building Renewal	(183.3)	(183.3)
2) '24 One-Time Building Renewal (+\$17m in base)	0.0	332.2
3) '24 New School Construction	92.8	140.9
4) One-Time Building Inspection Funding	0.0	1.0
5) Remove One-Time Construction & Other Costs	<u>(81.4)</u>	<u>(81.4)</u>
<b>Total</b>	<b>(171.9)</b>	<b>209.4</b>

# Building Renewal Grant Program

'24 Exec Budget: \$349 M - \$17 M Ongoing & \$332 M One-Time

- Grant program created in '09, previous building renewal formula officially repealed in '13
- SFD required to designate requests as critical/non-critical and prioritize fire/life-safety projects

Building Renewal Grants 5-Year History  
(\$ in M)

<u>Fiscal Year</u>	<u>Ongoing</u>	<u>One-Time</u>	<u>Total</u>
2019	16.7	59.4	<b>76.1</b>
2020	16.7	90.8	<b>107.5</b>
2021	16.7	129.6	<b>146.3</b>
2022	16.7	183.9	<b>200.6</b>
2023	16.7	183.3	<b>200.0</b>

# '24 New School Starts

- By Statute, State Funds Districts Over Capacity in Either '24 or '25

- 8 new schools:
  - Agua Fria (9-12)
  - Glendale (K-8)
  - Liberty (K-8)
  - Queen Creek (3 projects)
  - Saddle Mountain (9-12)
  - Snowflake (9-12)
- Construction cost split equally in '24 and '25
- 100% of land cost in '24

(\$ in M)

	<u>JLBC</u>	<u>Exec</u>
1) 8 New Schools - Construction Costs	78.7	78.7
2) Santa Cruz ('20 Approval) Above Formula Construction Cost	0.0	2.0
3) Land & Site Conditions	<u>14.2</u>	<u>60.2</u>
<b>Total</b>	<b>\$92.9</b>	<b>\$140.9</b>

# Baseline Has \$185 M in '25 & \$208 M in '26 for New Schools

- Based on SFD's Current Enrollment Projections

- Exec:
  - Provides \$78 M in '25 to complete '24 project starts
  - Did not include additional new projects in '25 & '26 but will provide update.
- JLBC:
  - '25 \$ finish '24 projects and starts 5 new schools
  - '26 \$ finish '25 projects and starts 6 new schools
  - JLBC estimates based on SFD agency action at December 2022 board meeting

## SFD FY 25 and FY 26 Current Projections

<u>FY 2025</u>	<u>FY 2026</u>
Laveen (K-8)	Buckeye (K-8)
Maricopa (6-8)	Buckeye (9-12)
Queen Creek (K-6)	Higley (9-12)
Queen Creek (9-12)	Nadaburg (9-12)
Tolleson (9-12)	Palo Verde (K-8)
	Queen Creek (K-6)

# K-12 Capital Finance Litigation

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- Due to litigation in the 1990s, the state agreed to finance the cost of new school construction if capacity exceeded certain thresholds
- State also agreed to fund school building repairs (AKA building renewal)
- Glendale Elementary School District brought litigation in 2017 over the state's funding levels.
- Hobbs administration is seeking to resolve the litigation rather than go to trial.