



HB 2679 SFB; department of administration (Udall)

This bill eliminates the School Facilities Board (SFB) and transfers its authority and responsibilities to the Arizona Department of Administration (ADOA) and the School Facilities Oversight Board established within ADOA.

Oversight Board

- Eliminates SFB and establishes the School Facilities Oversight Board (Board) within ADOA
- Grants the Board the same authority, powers, duties, and responsibilities of SFB
- Specifies that administrative rules and orders adopted by SFB will remain in effect until superseded by administrative actions by the Board
- Outlines membership of the Board as follows:
 - One member who represents a statewide organization of taxpayers
 - Two members from private industry with knowledge and experience in school construction
 - One member who is a registered professional architect with current knowledge and experience in school architecture
 - One member with knowledge and experience in school facilities management in a public school system
 - One member who is a registered professional engineer
 - One member who is an owner or officer of a private construction company whose business does not include school construction
 - The Superintendent of Public Instruction (SPI) or their designee
 - The director of ADOA or their designee
 - SPI and the director of ADOA or their designees serve as advisory nonvoting members
- Designates the director of ADOA as chairperson of the Board
- Allows a member of SFB to continue to serve as a member of the Board until their current term of office expires

Capital Additional Assistance Fund

- Establishes the Capital Additional Assistance Fund (Fund) consisting of legislative appropriations to be administered by the State Treasurer
- Directs the State Treasurer to invest and divest Fund monies and credit money earned from investment to the Fund



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- Requires the State Treasurer to allocate money in the Fund to school districts on a pro rata basis using weighted student count for the school district for the prior fiscal year
- Specifies the weighted student count for a school district that is the district of attendance for nonresident students must be increased to include open enrolled students
- Requires each school district to establish a local-level Capital Additional Assistance Fund to receive allocations from the Fund
- Requires a school district to submit a request to the State Treasurer to receive Funds and requires the State Treasurer to automatically transfer the requested amount to the school district
- Allows a school district to use money from the Fund for:
 - Major renovations or repairs to a building used for student instruction or other academic purposes
 - Upgrading systems and areas that will maintain or extend the useful life of a building
 - Infrastructure costs
 - Project or construction assessments
- Prohibits a school district to use money from the Fund for:
 - New construction
 - Remodeling interior space for aesthetic reasons
 - Exterior beautification
 - Demolition
 - Routine preventative maintenance
 - Any project in a building or part of a building that is being leased to another entity
- Directs the Auditor General, the State Treasurer, and the Joint Legislative Budget Committee to assist districts in compliance, record keeping, and accounting issues
- Specifies that accommodation schools are not eligible for money from the Fund

Other Funds and Projects

- Requires ADOA to administer the Building Renewal Grant Fund (BRG Fund)
- Instructs ADOA to distribute money from the BRG Fund based on grant requests from school districts to fund primary building renewal projects
- Prohibits ADOA from distributing money from the BRG Fund unless the projected cost of the project exceeds 50% of the school district's allocation from the Capital Additional Assistance Fund
- Directs ADOA to:



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- Implement policies and procedures to require a school district to report the preventative maintenance activities completed during the previous 12 months for the facility where BRG money is being requested
 - Submit a monthly report to the Oversight Board detailing how BRG Funds have been distributed
- Requires the Oversight Board to establish a project eligibility assessment for all projects submitted for BRG Funds and to adopt rules regarding the approval of building renewal grants
- Directs the Oversight Board to administer the Emergency Deficiencies Correction Fund and New School Facilities Fund
- Requires ADOA to:
 - Validate proposed adjacent ways projects submitted by school districts pursuant to rules adopted by the Oversight Board
 - Submit a monthly report to the Oversight Board that details each adjacent ways project that was validated

Appropriations

- Appropriates \$40M from the general fund in FY21 to the Capital Additional Assistance Fund
- Appropriates \$60M from the general fund in FY21 to the Building Renewal Grant Fund