

Restoration

The FY25 budget included a 3.45% reduction to the lump sum appropriation for each university. The Executive proposes a restoration of the \$4M cut to NAU's general fund baseline appropriation.

SPEED Bonding Authority

The Executive proposes a one-time \$325M increase to the university SPEED bonding authority. The debt service for these bonds is paid with 80% lottery revenues and 20% university revenues. In 2008, previous SPEED bonding authority was divided equally among the universities, allowing NAU to make necessary capital improvements to address workforce needs through quality educational services, as well as stimulating job creation in the construction industry.

NAU requests 1/3 of the new bonding authority, maintaining the current distribution to the state's public universities.

Bonding Authority Funding and Funding Distribution Rationale

NAU faces unique infrastructure challenges due to the following factors:

1) Higher construction costs – *the Flagstaff market is elevated by as much as 15%-20% above markets like Las Vegas and Phoenix*

- Non-metro area with fewer local contractors to facilitate a competitive bidding environment
- Increased material and labor costs due to transportation distances

2) Greater deferred maintenance / building renewal levels due to climate

- The harsh freeze/thaw cycle shortens material and equipment lifespan
- Costly impacts to heating/cooling, roofing, and concrete and asphalt on roadways and sidewalks
- Flooding to infrastructure caused by run-off

SPEED Bonding Authority Project Priorities

Nursing Building replacement

As a continuation of NAU's response to state health workforce needs, we will expand on past success with the evolution of our new College of Nursing. The current Nursing Building is in poor condition and is not functionally adequate for the existing program, let alone the planned expansion to address state workforce needs. This new 34,500 GSF replacement building will become the new home of the College of Nursing and adjacent to the Health Professions Building to create a comprehensive NAU Health Complex that encourages interdisciplinary learning and research through shared spaces and amenities.

Total estimated project cost: \$43.6M

Student Impact: As the new center of education for the NAU Nursing Program, this facility will serve 1,000 students annually, expanding to 1,200 students annually in 10 years. It will also serve as the home for NAU's community-serving clinics for dental hygiene, physical therapy, and speech-language-hearing, which help strengthen regional health outcomes in northern Arizona.

Current building:

Deferred Maintenance: \$2.4M

Facility Condition Index: 10-40%, Poor

Physical Sciences major renovation

The Physical Sciences building was originally constructed in 1960 and has received several minor renovations and retrofits positively affecting its condition. However, more than 60-years into its lifecycle, extensive renovations are needed to provide thriving educational programs for NAU students. This project would fund deferred maintenance and modernization items, including replacing the existing HVAC and plumbing systems, windows, and flooring.

Total estimated project cost: \$66M

Project for HVAC, plumbing and windows portion: \$20M

Student Impact: Physical Sciences is home to three different science departments (Physics, Astronomy, and Planetary Sciences) and serves over 4,000 students weekly in 13 different teaching labs and classrooms.

Current building:

Deferred Maintenance: \$1.4M

Facility Condition Index: <5%, Good

Cline Library major renovation (Phase 1)	A recent facility condition assessment identified Cline Library's HVAC/mechanical system at the end of its useful life for many components. Further, the condenser water system serves both the HVAC and fire suppression systems causing issues of reliability and redundancy, false alarms, code compliance, and maintenance issues. This project scope is to separate the mechanical system from the fire suppression system for deferred maintenance needs, as well as safety and reliability. Phase 1 is an interior renovation that prioritizes functional upgrades and student space to create a new and expanded heart to the library. Cline Library is planned to transform to provide more group study, collaboration, and engagement spaces to create an active and vibrant forum for student learning and success. Total estimated project cost: \$47M Project for critical HVAC/FLS upgrades cost: \$15M Student Impact: This project will provide more group study, collaboration, and engagement spaces to serve the more than 20,000 students that call the Flagstaff campus home. Current building: Deferred Maintenance: \$15M Facility Condition Index: 10-40%, Poor
Adel Mathematics renovation	Adel requires a major renovation to best serve students and faculty. The current condition of the building is poor and requires major system updates from a deferred maintenance standpoint. As with other renovations to academic buildings, the deferred maintenance and energy retrofits should be paired with modernization and optimization of space within the building. Total estimated cost: \$45M Student Impact: Mathematics is a department that touches every NAU student at some point in their college journey. Adel Mathematics serves over 7,000 students weekly, with 3,600 of them attending classes in Adel. Current building: Deferred Maintenance: \$4.2M Facility Condition Index: 10-40%, Poor
Health Professions renovation	As a parallel effort to the programming of the new Nursing Building, the Health Professions renovation is a key second phase investment that will modernize and optimize instructional, work, clinical, lab, research, and student space for the College of Health and Human Services, which houses NAU's allied and health professions education programs. The building is in poor condition and has a deferred maintenance backlog of over \$5M. As with other renovations to academic buildings, energy retrofits should be paired with modernization and optimization of space within the building. The Health Professions building will be physically connected through a pedestrian bridge to the new Nursing Building that creates a seamless complex for NAU Health-related infrastructure for students, faculty, and patients. Total estimated project cost: \$60M Student Impact: This college serves over 4,500 students each semester in high-demand healthcare professions that are critical for the people and communities of Arizona. Current building: Deferred Maintenance: \$5M Facility Condition Index: 10-40%, Poor
Biological Sciences renovation	The Biological Sciences Building is planned to become the anchor for Biological Sciences, along with the programs remaining in Wettaw and Science Lab buildings. A renovation to this space provides opportunities to consolidate academic programs, as well as offer functional updates to best support high-level science education and complete key energy retrofits and building system updates. Total estimated project cost: \$71M Student Impact: Biological Sciences is a key building that supports teaching labs, large lecture halls, research, and multiple rare biological collections. This building supports a high proportion of NAU's total student population, with over 100 different sections of teaching labs and classes serving over 3,000 students weekly. Current building: Deferred Maintenance: \$4.2M Facility Condition Index: 5-10%, Fair