Building Better Schools

*K-12 Infrastructure Investment in California*

SPUR Oakland

April 18, 2017

Jeff Vincent, PhD

http://citiesandschools.berkeley.edu
Applied, Engaged Policy Research

- School facilities
- Regional sustainable communities planning
- Housing
- Transportation
- Engaging young people and schools in city and regional planning
WHAT’S AT STAKE?

Improved student achievement
Reduced truancy, suspensions
Better health
Improved staff satisfaction, retention
Higher property values
1. Educational infrastructure
   • Support edu program; enhance school quality + health

2. Social infrastructure
   • Serve as neighborhood assets

3. Physical infrastructure
   • Land, travel, play, green infrastructure....
Californian’s Invest in K-12 Infrastructure

State General Obligation Bonds for Infrastructure, 1972–2006
$178 billion (2007 $)

K-12 Schools 34%

Source: PPIC 2008
CA School Bond Measures Nov 2016:

• State Prop 51: $9 billion
• Local school bonds: $25 billion

A $35 billion opportunity?
• CA’s K-12 infrastructure framework
• Troubling structural underinvestment
• Local & state opportunities
Prop 1A, 1998 = $6.7 bil
Prop 47, 2002 = $11.4 bil
Prop 55, 2004 = $10 bil
Prop 1D, 2006 = $7.33 bil
Funding SOURCES for California K-12 Facilities, 1998 - 2011
Estimated Total = $118 billion

Deferred Maint. = $6.2 billion
Developer fees = $10 billion (estimated)
Local bonds = $66.2 billion
State bonds = $35.4 billion
New $16.01 billion 45%
Mod $10.95 billion 31%
Other $8.45 billion 24%
Going it Alone

Can California’s K-12 School Districts Adequately and Equitably Fund School Facilities?

Jeff Vincent, PhD
Liz Jain
February 2016

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MODERN STANDARDS FOR K-12 FACILITIES

State of School Facilities. 2016. 21st Century School Fund, National Council on School Facilities, and Center for Green Schools at USGBC
Data and Method: 
Actual spending vs. benchmark

<table>
<thead>
<tr>
<th>Benchmark</th>
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<tbody>
<tr>
<td>M&amp;O</td>
<td>3% of CRV</td>
</tr>
<tr>
<td>Capital renewal</td>
<td>2% of CRV</td>
</tr>
</tbody>
</table>

Avg annual per student spending, 2008-2012
California: Findings on Adequacy + Equity

- Only 38% of districts met the M&O benchmark
- Only 43% of districts met cap renewal benchmark
- Nearly 40% of districts fall short on both benchmarks; these districts have lower AV
- Districts with high AV spend more
- Districts with low-income students spend more per student on M&O from operating budget
Districts with High AV Spent More

Figure 1: Average Annual School District Expenditures on Capital Outlay and M&O by Assessed Value Quintiles, 2008-2012 (2014$)

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Average Annual</th>
<th>Average Annual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maintenance &amp;</td>
<td>Local Capital</td>
</tr>
<tr>
<td>Lowest AV (less than $435,000)</td>
<td>$955</td>
<td>$556</td>
</tr>
<tr>
<td>Second Lowest ($435,000 to $699,000)</td>
<td>$946</td>
<td>$706</td>
</tr>
<tr>
<td>In the Middle ($699,000 to $1,084,000)</td>
<td>$916</td>
<td>$718</td>
</tr>
<tr>
<td>Second Highest ($1,084,000 to $1,857,000)</td>
<td>$1,112</td>
<td>$952</td>
</tr>
<tr>
<td>Highest AV (More than $1,857,000)</td>
<td>$1,598</td>
<td>$2,067</td>
</tr>
</tbody>
</table>
Facility Needs Place Higher Burdens on Districts Serving More Low Income Students

Figure 2: Average Annual School District Expenditures on M&O and Capital Outlay by Family Income Quintiles, 2008-2012 (2014$)
We find an ongoing, structural pattern of underinvestment that harms student health and achievement that is inconsistent with LCFF priorities.
Bay Area PDAs have more students who live in poverty & are English learners (2010)

<table>
<thead>
<tr>
<th>Average School-Level Percent of Bay Area Public School Students Who:</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In PDA</td>
</tr>
<tr>
<td>Qualify for free/reduced priced lunch</td>
<td>67%</td>
</tr>
<tr>
<td>English Language Learners</td>
<td>37%</td>
</tr>
</tbody>
</table>

Districts, Schools, & Enrollment by County, 2016

There are 170 school districts in the Bay Area, 16.9% of all California school districts and 16.4% of all public school students are in the Bay Area.

Bay Area Subregions
- East Bay
- North Bay
- South Bay
- West Bay
Median per Student AV by Subregion

North Bay
Median Per Student AV: $1,974,820

East Bay
Median Per Student AV: $1,069,082

West Bay
Median Per Student AV: $2,651,393

South Bay
Median Per Student AV: $1,936,483

State Median: $871,083
% of Districts Below Annual Capital Spending Benchmark (2008-2012)

- North Bay: 51% below annual capital benchmark
- East Bay: 42% below annual capital benchmark
- West Bay: 35% below annual capital benchmark
- South Bay: 30% below annual capital benchmark

State Average: 57%
% of Districts Received SFP Modernization Funds (1998-2012)

- North Bay: 73% of Districts That Received SFP Modernization Funds
- East Bay: 89% of Districts That Received SFP Modernization Funds
- West Bay: 89% of Districts That Received SFP Modernization Funds
- South Bay: 88% of Districts That Received SFP Modernization Funds

State Average: 76%
% of Districts that Passed Local School Bond Measures (2014-2016)
Gov. Jerry Brown opposes $9-billion school bond measure

"I am against the developers' $9-billion bond," Brown said in a statement to The Times. "It's a blunderbuss effort that promotes sprawl and squanders money that would be far better spent in low-income communities."
Equitable Infrastructure MUST be Planned For

FACT: Schools in the poorest communities are in the worst condition. Construction spending between 1995 and 2004 in high wealth communities was three times higher than in the lowest wealth communities.

Construction Spending by Community Wealth, 1995-2004
(median household income by zip code)

Source: McGraw-Hill Construction analyzed by BEST, Growth and Disparity report
IMPLICATIONS

POLICIES
Federal, state, local

FISCAL ENVIRONMENT
Revenue options
Expenditure priorities
Finance alternatives

PRACTICE
Data management
Public engagement
Educational facilities planning
Design, construction & management
Facilities maintenance & operations
• CCR Title 5 review & update
• Guidance from OPR & CDE
• Federal infrastructure package
• Long-term funding partnership?
Thank You

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BUILDING BETTER SCHOOLS: A LOCAL GOVERNMENT PERSPECTIVE

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Sustainability Coordinator, Contra Costa County and
Director, Board of Education, Oakland Unified School District
April 18, 2017
Today’s Talk

• Land Use Considerations
• School District processes for school construction
• Opportunities created by State funding
Countywide Emissions

2013 GHG Emissions by Sector
Source: Michael Baker International 2015

- Residential energy: 19%
- Nonresidential energy: 9%
- Solid waste: 2%
- Landfill: 14%
- On-road transportation: 47%
- Off-road equipment: 5%
- BART: <1%
- Water and wastewater: 1%
- Agriculture: 4%
Emissions from County Operations
(2008 Report)

The County completed its GHG emissions inventory in August of 2007 and revised this inventory in June of 2008. The results of the municipal inventory are illustrated below.

Figure 2.1 Municipal GHG emissions by source in 2006
Where Schools Are Sited Affects Land Use

- Eastern Contra Costa County has some of the longest commutes in the Bay Area.
  - Very little busing
  - Kids are walking and biking to schools on unimproved roads

- Currently no prohibition on purchasing property for new schools outside urban limit line
  - CA Dept. of Education is revising Title 5 siting guidelines
Better School Siting

• Develop financial incentives and disincentives for school siting.
  • One significant reason schools are developed on remote or agricultural land is the lower cost.

• Develop compulsory requirements to enforce existing statute and guidance for site selection, safety considerations, access, consultation with local land use agencies.

• Enforce urban limit lines/urban grown boundaries.

• Expand authority of Local Agency Formation Commissions.

• Ensure complete streets consistency.
School Construction Process

Facilities Master Plan
- Condition of Schools
- Anticipated future needs
- Opportunity to link education program to built environment

Oakland Measure J (2012)
- Identified need: $1.5 billion
- Measure J bond: $475 million
School Construction Process

Voter Approved Bond
• Based on Facilities Master Plan
• Identifies projects
• Requires 55% to pass
• District must establish a Citizen Bond Oversight Committee per State law

Projects!
• Consider:
  • Community engagement
  • Building standards
  • Labor, local business policies
In 2008, OUSD Board of Education passed its first Local/Small Local Business Policy establishing that all District contracts had 20% local business utilization (LBU) requirements.

In 2014, Board amended policy to increase LBU on Capital Program to 50% requirement of all contracts.

*Upon completion of the projects in construction for the year of 2016, the local business participation will be 58%.
State Bond Opportunities: Livermore Valley Unified

• $245 million bond in June of 2016

• Will be seeking state funding:
  • Modernizing and constructing some replacement facilities
  • Program will need to work with various issues that accompany large influx of capital such as:
    • Division of State Architect backlog
    • workforce shortage
    • consultant workloads
    • materials availability
State Bond Opportunities: Oakland Unified

• District has received over $286 million in State bond funds since 1993 for:
  • Modernization
  • New Construction
  • Overcrowding Relief
  • Seismic Mitigation
  • Career Technical Education

• State bond funds have reduced the burden on the District’s local bond program, allowing the District to leverage its local bond funds and to pursue additional facilities projects
State Bond Opportunities: Oakland Unified

Modernization

• Funding may be used for the renovation and/or replacement of existing buildings

• Eligibility is determined on a site-by-site basis, and does not expire

• Local match requirement 60% State/40% Local

• Current estimated entitlement
  • $24.5 million in estimated State funding at 48 of the District’s 64 elementary school sites
  • $8.9 million in estimated State funding at 9 of the District’s 14 middle school sites
  • $17.2 million in estimated State funding at 9 of the District’s 12 high school/alternative sites

New Construction

• Funding may be used to purchase and/or build new schools or classrooms in specific grade groupings

• Eligibility is determined on a District-wide or High School Attendance Area (HSAA) basis, expires, and must be recalculated on an annual basis

• Local match requirement 50% State/50% Local

• 2015-16 estimated entitlement (updated calculations under way)
  • Up to $99 million in Castlemont HSAA
  • Up to $90 million in Fremont HSAA
  • Up to $3 million in McClymonds HSAA
  • Up to $60 million in Oakland/Oakland Technical HSAA
  • Up to $46 million in Skyline HSAA

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State Bond Opportunities: Other Districts

- Some districts have already "used up" much of their state Modernization funding.
  - No New Construction eligibility.
  - Lots of interest in funding under the Career Tech Education funds available under Prop. 51.

- Initiating eligibility updates immediately to determine where remaining Modernization funds are available.

- Not all districts have adopted green building standards.
  - Some have adopted standards but do not certify due to additional cost.