

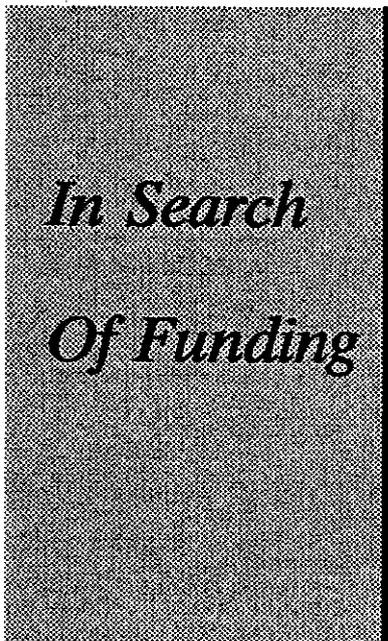
# Executive Summary

**C**alifornia is facing dramatic growth in K-12 student population through the end of this decade, with today's 5.1 million students expected to balloon to 7 million by the year 2000. The need to provide school facilities for these children will exceed anything the State has experienced since the post-World War II Baby Boom when the school population doubled in 10 years.

Estimates of the construction tab to provide school facilities for the so-called "Baby Echo" range from \$30 billion to \$35 billion, if no cost-saving alternatives are used (such as year-round use of facilities, more intensive use of prefabricated buildings and reopening of unused facilities).

Unfortunately, this strain on school facilities comes at a time when the State can ill afford to underwrite the need. Facing approximately \$55 billion in capital outlay projects in the next 10 years, the State must decide where to spend its limited resources among many competing infrastructure demands. In contrast, school districts have ample, untapped bonding capacity. But they face many barriers to winning local support for projects.

Funding is not the only problem that faces school districts that are trying to meet the need for facilities. Districts endure a complex project approval system that forces them to deal with multiple state agencies. They also are hindered by some state policies from pursuing proactive asset management opportunities.



**T**he State cannot afford to be a bottomless pocket for school facilities spending; its primary interest in school facilities is to ensure equity for students.

Under stress from a poor economy and burgeoning population growth, California is faced with competing demands for its limited resources. Even for issues in which the State acknowledges both authority and responsibility -- such as health care, transportation and corrections -- the State has been unable to fund programs and infrastructure that it recognizes are needed.

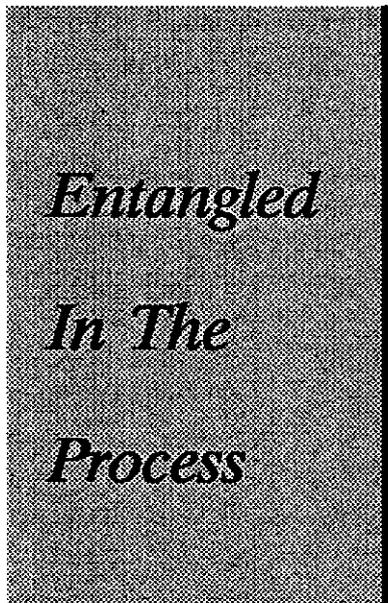
In the case of school facilities, with authority firmly vested at the local school district level, it is difficult for the State to act as construction bankroller and hand out blank checks to pay for decisions it has little control over. However, courts within the State and across the nation have made it clear that, regardless of local control over education, states must act to protect the right of students to equal access to education. California, therefore, needs to ensure that facilities are equitable.

In the late 1970s and early 1980s, Proposition 13 and other factors combined to derail the traditional approach to school construction financing. But a new assessment of the respective capabilities of the State and school districts to meet funding needs, and a realistic approach to the division of responsibilities between the State and school districts, should lead to a new funding dynamic. The system that emerges should meet the goal of providing equitable, educationally adequate facilities in an economic and efficient manner with as little bureaucratic processing as possible.

#### **Recommendations:**

- 1. The Governor and the Legislature should modify the Leroy F. Greene State School Building Lease Purchase program to return the responsibility of funding new school facilities to the local school districts, thereby limiting the State's financial role to ensuring equity and providing a safety net.**

2. **The State Department of Education should convene a task force to determine advisory (rather than prescriptive) standards for adequate, modern school facilities that can be adopted by the State in place of the current minimum standards.**
3. **The Governor and the Legislature should place a constitutional amendment before voters to modify the approval threshold of general obligation bonds in a manner consistent with the most cost-effective use of the bonds issued.**



**T**he State has created a cumbersome program that micro-manages school construction projects, thus delaying the completion of and driving up the cost of school facilities.

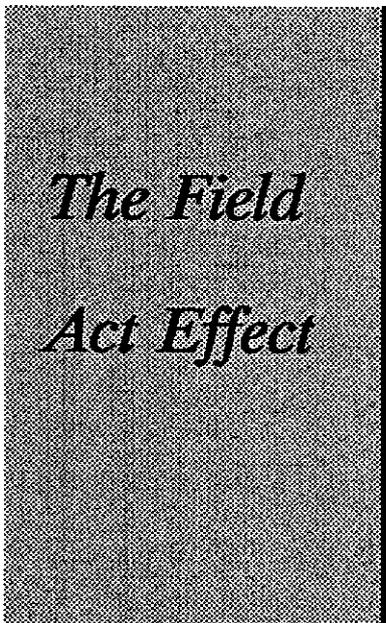
The birth of a new school facility comes about only after an elephantine gestation that involves the participation of the local school district, the Department of Education, the Office of Local Assistance (an office within the Department of General Services), the State Allocation Board, and the Office of the State Architect.

Because the State's process may take 18 months or longer, school districts cannot move expeditiously to meet facility needs. During times of inflation, delays add to the cost of projects both in rising land values and in higher prices for construction costs. In addition, costly temporary measures to house students -- such as busing them long distances -- may occur because of process delays.

State bureaucracies are often created for purposes of control: seeing that the State receives value for money spent or ensuring that standards are adhered to. But bureaucracies should also be designed for public service, meeting the needs of their "customers." To provide service rather than just control, the State needs to streamline its school facilities approval process.

**Recommendations:**

4. **The Governor and the Legislature should create a one-stop shopping system so that school districts have a single point of contact for school facility projects.**
5. **The Governor and the Legislature should set workload parameters within which the State Architect could exercise independent authority to use school fees to hire retired employees or contract out for plan checking services.**
6. **The Governor and the Legislature should require the Office of the State Architect to convene a panel to receive input and review interpretive guidelines and operating procedures.**
7. **The State Architect should proceed with administrative changes to address the delays and inconsistencies he has identified in the school facilities plan check process.**



**T**he Field Act limits school district flexibility in meeting classroom needs and increases school construction costs, but provides an added assurance of safety.

The Field Act, California's landmark school structural safety law, is sometimes cited as a reason school districts are unable to quickly and economically meet student space needs. Schools, for the most part, cannot place students in structures that were not built under the Field Act and, therefore, may not be able to consider existing, vacant buildings as alternatives when seeking classroom space.

The Field Act and its associated regulations clearly provide more *assurance* of structural safety than does the Uniform Building Code (UBC), although the actual structural safety advantage is only slight if UBC requirements for high-quality buildings are properly and

rigorously enforced. (Both types of buildings have withstood recent earthquakes well.) The price for the added assurance is almost 4 percent of construction costs. While this sounds like a small factor, it adds up quickly when the cost of construction is expected to be billions of dollars. By at least one estimate, the cost of school construction during the next five years will be about \$340 million higher because of the Field Act requirements and process.

Nonetheless, those connected with school facility policies appear to be in agreement that the added cost is a good trade-off for increased assurances of safety and durability. Still, tens of thousands of students -- and perhaps as many as 2 million -- attend classes each day in non-Field Act space because of waivers, exemptions and lack of enforcement. It is, therefore, not out of line with current State policies and practices to recognize that there are valid reasons to have both temporary and permanent exceptions to the Field Act.

**Recommendations:**

- 8. The Governor and the Legislature should establish an inspection process that would allow a 10-year waiver for school districts to use UBC Type I and Type II buildings as classroom space when enrollment projections exceed available or expected resources to meet those projections.**
- 9. The Governor and the Legislature should establish an inspection process that provides school districts with a permanent Field Act equivalency certificate for UBC Type I and Type II buildings that offer joint education opportunities.**
- 10. The Governor and the Legislature should augment the inspection budget of the Office of the State Architect and give the office increased enforcement powers to deal with school structures and portables that are not in compliance with the Field Act.**
- 11. The Governor and the Legislature should extend the existing three-year waiver to a more reasonable time frame that would allow school districts to pursue realistic plans to eliminate the need for a waiver.**

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**M**any state policies and requirements have either blocked or not promoted long-range planning and creative asset management practices for school districts.

The State requires school districts to have five-year facility master plans and provides, through the Department of Education, numerous planning guides and ample information to assist schools with long-term planning. But at the same time, many state laws and policies work against school districts engaging in proactive asset management and, as a result, deprive districts of opportunities to maximize revenues.

What appears to set these forward-thinking school districts (and others like them that the Commission may not be aware of) apart is an attitude that the problem of school facilities is the responsibility of the school district -- not some other level of government. These districts use the wide range of alternatives available to them, forge community support by clearly expressing the problems and potential solutions, and move ahead in conjunction with other levels of local government to meet needs.

School districts can be told to fill out forms and meet state requirements, but it does not appear that it has been possible to mandate that they "do a good job" of planning and property management. In fact, some state policies and requirements appear to be counterproductive in terms of maximizing local responsibility and stewardship.

**Recommendations:**

- 12. The Governor and the Legislature should modify the Naylor Act to require full market value pricing for sale of land for the purpose of developing school facilities or, at the very least, give school districts an equal opportunity to purchase surplus land from other governmental entities at discounted prices.**

13. **The Governor and the Legislature should abolish unused-site penalties and requirements that discourage school districts from maximizing revenues from assets.**
14. **The Governor and the Legislature should direct an appropriate state body to determine the added cost to school construction of public policies that dictate the use of prevailing wage and that set goals for minority/women enterprise participation.**
15. **The Governor and the Legislature should enact legislation to allow students to attend school in any district when their neighborhood school is too crowded to allow them to attend.**
16. **The Governor and the Legislature should create a task force to examine the deferred maintenance practices and make recommendations that will place future building upkeep efforts on a sound foundation.**

**W**hile the State needs to continue to ensure safety, set standards and provide equitable school facilities for children, it is time to return the responsibility and authority for schools to local districts. To be successful, districts will need to form partnerships with local governments and planners. More importantly, the districts will have to establish credibility with local voters so that when the need for facilities occurs, residents will be willing to support bonds to meet those needs. Only when districts take the steps that allow them to meet their obligations will California's children be assured of attending school in a good environment for learning.