

PUBLIC SCHOOL FACILITIES: PROVIDING ENVIRONMENTS THAT SUSTAIN LEARNING

A growing body of research in recent years has tested the widely held belief that there is a relationship between the conditions of school buildings and student achievement. In a 2000 report on school facilities, the U.S. Department of Education summarized that research by concluding that environmental conditions in schools, including poor lighting, inadequate ventilation, and inoperative heating, can affect the learning, health and morale of students and staff. Other studies and litigation from states around the country - focusing on class size, air quality, or school safety - have also highlighted the importance of facilities as an essential component of student learning.

Obstacles to Adequate School Facilities

Despite evidence demonstrating the importance of quality facilities, a number of obstacles impair efforts to build and maintain schools that are conducive to learning, including: state funding systems that limit financial support and provide incentives to build schools cheaply and defer maintenance; a growing number of facilities requirements; and significant enrollment growth. Urban and rural districts face additional challenges due to dense and sparse populations, respectively, and state policies that limit funding specifically for their school facilities. As a result of these barriers, countless students across the country, and particularly those in urban and rural areas, attend school in substandard facilities that negatively impact their education.

Limited State Funding

Although each state constitution requires the legislature of that state to establish public schools, the cost of financing school facilities has

remained primarily a local responsibility. According to the U.S. General Accounting Office (GAO), until the 1940s, only 12 states provided any funding for school facilities, and even as of 1995, less than a quarter of all funds used for public school construction were coming from states. As a result, the funding and quality of school facilities varies dramatically, and often inequitably, based on differences in local fiscal capacity. Districts with dwindling property wealth, often in urban and rural areas, tend to be constrained the most.

According to the Association of School Business Officials, as of December 2000, 12 states offered no direct funding to school capital construction costs, and among states that did provide capital funding, support varied dramatically, from \$37 per pupil in Connecticut to \$934 per pupil in Nevada. In addition, most states make no adjustments for differences in local input costs or student needs and provide no assistance for preventative or routine maintenance. As a result, many communities across the nation struggle to construct and renovate schools.

Building Cheaply and Deferring Maintenance

Many communities around the country employ cost-saving measures in school construction and maintenance, particularly in tough economic times. Unfortunately, many of these measures can impact negatively on learning, such as installing inexpensive walls that allow noise to permeate between adjacent classrooms. Since most states do not provide funding for maintenance, schools sometimes defer prudent repairs to save money, but spend more in the long-run. For example, hundreds of dollars saved

by not routinely replacing gaskets has resulted in unexpected flooding that causes hundreds of thousands of dollars in damages. These local decisions are often driven by state policies that create perverse incentives by funding new construction rather than appropriate maintenance.

Rising Facilities Costs

In recent years, the costs of providing and maintaining adequate school facilities has increased dramatically due to increasing enrollments, aging buildings, reforms such as class size reduction that require more classrooms, and the price tag of wiring schools to provide even basic computer and communication technology. According to the National Center for Education Statistics, annual spending on facilities nationwide increased from \$17 billion to more than \$36 billion over the course of the 1990s, but there is still a wide consensus about "the sheer enormity of unmet funding needs for school infrastructure." In 1995, the U.S. GAO reported that it would cost \$112 billion to bring all schools up to good overall condition; more recent estimates by the National Education Association and the Journal of Education Finance have pegged the cost closer to \$266 billion.

Challenges to Urban and Rural Districts

As documented in numerous school funding lawsuits, there is a dismaying alignment of disadvantaged students and schools with decaying educational facilities. The substandard facilities that plague high-poverty districts are the result of numerous constraints. Unlike independent school districts, which can levy their own funds, most urban school districts rely on their local government to provide alloca-

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Maine: Implementing Learning Standards

In an historic move to implement Maine's student learning standards, the Legislature passed into law the Essential Programs and Services (EPS) framework for school funding last spring. The new law is based on a costing-out study, which called for a 10% increase in education funding. According to the EPS framework, additional state funds will be added each year for five years, beginning in 2005, until the target of 50% state share of school funding is reached - up from only 42% state share now.

Subsequent to the passage of the legislation, a local advocacy group was successful in getting an initiative on the November 2003 ballot directing the state to provide 55% of total education funding starting in 2004 without any phase-in period. The initiative, Question 1A, also required the state to fund 100% of the cost of special education. Competing referenda were added to the ballot by the governor and the legislature, which called for lower levels of state support. However, since none received majority support, the top choice, Question 1A, will be considered by Maine residents in the next statewide election in June 2004 where it will need to garner a majority of the vote to become law.

Kentucky: Prichard Committee Supports Adequacy Lawsuit

In Kentucky, the Prichard Committee for Academic Excellence recently announced that it will support the lawsuit filed by the Council for Better Education "to ensure adequate funding for the education of every child in Kentucky's public schools." The Council, the organization that brought the landmark *Rose v. Council for Better Education* case in 1985, filed a complaint in September 2003 against the state's legislative leaders alleging that the state funding system is inadequate.

Although Kentucky's students have made considerable progress and its funding system has been more equitable than most since the 1989 *Rose* decision, in recent years, due in part to revenue shortfalls, the adequacy of Kentucky's education funding is once again being questioned. Two recent costing-out studies have indicated that an additional \$750 million to \$892 million is needed to allow students to meet the state's learning standards.

50th Anniversary Events Commemorate Brown v. Board of Education

On May 17, 1954, the U.S. Supreme Court issued its unanimous, landmark decision in *Brown v. Board of Education*, declaring "separate but equal" schools "inherently unequal." In honor of this monumental decision, universities, advocacy organizations, governmental agencies, schools, and local communities will host a wide variety of events throughout 2004 to reflect on the legacy of *Brown*.

The NAACP Legal Defense and Educational Fund has launched "Red, White, Blue, and Brown: Why *Brown v. Board of Education* Matters to all Americans," a campaign to educate the public about the significance of *Brown* and the further effort needed to fulfill its promise. The National Park Service will also dedicate as a national historic site the once-segregated school where Linda Brown attended classes.

The need for a recommitment to the values championed by *Brown* and it's inspired goal of access to equal educational opportunity, will surely emerge in commemorations throughout this 50th anniversary year, especially in light of rapid resegregation in recent years and the ongoing dedication of many advocates in the education adequacy movement who consider their efforts to be the "progeny" of *Brown*.

For information about events commemorating the 50th anniversary of *Brown*, please visit

www.schoolfunding.info/research/Brownat501-14-03.htm

Number of Costing-Out Studies Will Grow in 2004

School funding costing-out studies were conducted at an unprecedented rate during 2003. Reports were released in Arkansas, Missouri, Washington, Kentucky, Massachusetts, and North Dakota, and 2004 is expected to yield studies undertaken in Arizona, Hawaii, Minnesota, New York, Texas, and Vermont. Since 1991, 35 studies have been completed or are in process, some court-mandated, others initiated by state governments or education advocacy organizations.

The increased financial burden that the "No Child Left Behind" Act placed on school districts has caused many recent studies to consider the costs of implementing this federal mandate. Further research is underway to determine what additional funding level would satisfy the many provisions of NCLB.

Busy Year for School Funding Cases in 2004

Early January saw a new case filed in Missouri, resumption of the trial in South Carolina, a compliance motion filed in Arkansas, and the final rebuttal testimony in Massachusetts -- just the beginning to a month crowded with activity, including a hearing on the state's Motion to Dismiss in Nebraska and the opening of an education finance trial in Montana.

This fast start is apropos of a year promising a busy calendar of court appearances in several states, and more states may join the action as potential plaintiffs in Georgia, Michigan, and Oklahoma consider new cases.

Trial began in Montana in January (*Columbia Falls v. State*) and is set to begin in Texas in July (*West Orange-Cove Consolidated ISD v. Nelson*). In California, plaintiffs and the State are negotiating a possible settlement of the *Williams v. State* case; that trial has been postponed.

In Arizona, the trial court granted the state's Motion to Dismiss in the *Crane Elementary School District* case last November. Plaintiffs have appealed. In the *Flores ELL* case, plaintiffs have filed a Motion for Contempt due to the alleged failure of the state to comply -- over a number of years -- with a court approved Stipulation in the case.

July 1 in *Montoy v. Kansas* and July 30 in *CFE v. State of New York* are court-ordered deadlines for state remedies in these litigations. In New York, a series of reports from plaintiffs and one from the Governor's Commission on Education Reform are expected this winter and may help to generate a remedy.

Kansas: Funding System Unconstitutional

A Kansas trial court declared the state education finance system unconstitutional due to "its failure to provide equity in funding for all Kansas children." The court held that, of course, money matters and relied, in part, on a recent costing-out study tied to the state's learning standards. The court also found that current achievement gaps "if not corrected, will soon violate...NCLB." The court set a deadline of July 1, 2004, for the state to change the funding scheme and issued remedial guidelines requiring more resources for school districts educating the state's most vulnerable students.

Louisiana: Suit Filed, Constitutional Change Urged

Advocates in Louisiana have filed suit alleging that omission of capital funding from the state's education funding formula violates the state constitution's education article. At the same time, the state's school boards asked the legislature to amend the constitution by raising the ceiling on the local "constitutional tax" to help increase local revenues and enable school boards to raise

personnel salaries and benefits.

The plaintiffs in *Jones v. State Board of Elementary and Secondary Education (BESE)* named BESE as a defendant because the state constitution requires BESE to develop and adopt annually a formula to determine the cost of a "minimum foundation program" of education in all public elementary and secondary schools and to allocate "MFP Formula" funds equitably. Plaintiffs claim that school facilities are a component of a minimum foundation program and, therefore, omission of these costs violates the BESE's mandate.

Missouri: Districts File Equity and Adequacy Lawsuit

The Committee for Educational Equality (CEE), comprised of over 240 of Missouri's school districts, filed suit against the State, claiming that the education finance system violates the education article of the state constitution and the equal protection and due process provisions of the state and federal constitutions. In their petition, plaintiffs seek a court order directing the defendants to design and fund a "comprehensive system of public education which ...affords to each child...an equal and adequate educational opportunity." The petition summarizes shortcomings in teachers and staff, courses and programs, facilities and equipment, and other educational resources, allegedly caused by inadequacies and inequities in state school finance.

Pennsylvania: District Sues Over NCLB

Reading, Pennsylvania, a city in dire financial straits, has one of the weakest tax bases in Pennsylvania and is currently operating in a deficit. However, the population of Reading has surged, including new students who are of limited English proficiency. Thirteen of Reading's 19 schools have been designated as not meeting the No Child Left Behind Act "adequate yearly progress" goals or placed on a warning list for sanctions under NCLB.

The Reading School District is suing the Pennsylvania Department of Education on the grounds that it: (1) did not justify the size of the disaggregated groups required to make adequate yearly progress under NCLB; (2) failed to provide tests in Spanish needed for proper evaluation of "adequate yearly progress" of its students who are of limited English proficiency; and (3) imposed an "unfunded mandate" by failing to provide technical assistance, including direct financial assistance, needed by the District to fulfill its mandates under NCLB.

This case underlines some of the difficulties in implementing NCLB, in particular, obtaining meaningful assessments of student subgroups and shouldering the additional costs of an unfunded federal law.

New! Of Course Money Matters Publication

A new publication, *Of Course Money Matters: Why the Arguments to the Contrary Never Added Up*, comprehensively analyzes the origins and current status of the debate about whether — and why and how — money matters in education and its impact on school finance reform efforts nationwide. To view this publication, authored by Michael A. Rebell, Executive Director of the Campaign for Fiscal Equity, and Joseph Wardenski, former research analyst at CFE, please visit: www.schoolfunding.info

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tions enabling them to operate. Competing with other needs, such as transportation and police and fire departments in overburdened municipalities, urban school districts can suffer. As a result, urban facilities programs are often underfunded, especially during economic downturns. Furthermore, city governments may be hampered by constitutional debt limits that restrict the amount of money cities are allowed to borrow, limiting their ability to fund school construction.

Urban school districts also face the enormous challenge of finding space for schools in crowded city landscapes. With limited space, most urban schools are built vertically and sometimes on awkward sites, adding additional costs beyond the labor and material costs that are already more expensive in urban areas. Despite these added costs, urban districts often receive no additional state reimbursement for school construction because of state-imposed spending caps.

Rural districts are often constrained by state school facilities policies that prefer larger schools and economies of scale. For example, some states require a minimum number of students per school or per class as a prerequisite for facilities funding. These policies can force the consolidation of small rural schools. Rural districts with sparse populations are also particularly vulnerable to population shifts. Population loss erodes the tax base, creating taxpayer reluctance to pass bonds to build schools. Major population growth, on the other hand, increases property tax income but also requires communities to incur more debt to accommodate new students.

Areas of Improvement

Though often overlooked, court rulings have, in recent years, been a major factor in increasing state funding for school facilities. Courts in Alaska, Arizona, New Jersey, Ohio, Wyoming, and elsewhere have expressly determined that adequate facilities are an important compo-

nent of the state's constitutional responsibility. Subsequent to litigation, some of these states were able to establish comprehensive facilities standards, conduct statewide assessments to determine if their schools met the defined level of adequate facilities, and put into place mechanisms for increasing capital funding where facilities were found to be inadequate. In Ohio, litigation helped get construction spending underway, focused especially on low-wealth and high-need rural and urban districts, even though state funding has been limited. In New Jersey, court rulings have helped localities obtain state funding for new construction and renovation.

Today, more than 40 states provide some ongoing facilities funding, with most states prioritizing funding toward districts with less ability to pay. Although federal funding is extremely limited, recent federal initiatives are: helping school districts pay interest on local bonds; providing tax incentives for developers to build schools; offering funding to schools for telecommunication services and technologies; and creating public-private partnerships that leverage additional money for school construction.

Looking Ahead

As more research is undertaken in this area, communities and policymakers will be asked to revisit existing school facilities programs. Many states are exploring high performance facilities standards, which despite greater upfront costs can result in long-term cost savings and increased student performance. Although costs should not be the sole determinant of building programs, fiscal constraints will continue to shape the support that is available for the construction and maintenance of schools. Developing innovative methods of ensuring high-quality schools for all students is an important challenge facing many communities right now.



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