

OFFICE OF SUPERINTENDENT OF PUBLIC INSTRUCTION K-12 SCHOOL CONSTRUCTION FUNDING FORMULA & ENROLLMENT STUDY

Key Findings from Comparative Survey of Other States

STATES SURVEYED

In an effort to gain an understanding of school construction funding approaches and funding formulas in other parts of the country, interviews were conducted with representatives from nine states:

State	Total Population (2006)	K-12 Enrollment (Fall 2005)	Enrollment as a Percentage of the Entire Population	Number of School Districts
California	36,457,549	6,255,811	17.16%	1,128
New York	19,306,183	2,787,366	14.44%	730
Ohio	11,478,006	1,769,274	15.41%	614
North Carolina	8,856,505	1,388,216	15.67%	115
New Jersey	8,724,560	1,380,119	15.82%	616
Washington	6,395,798	1,031,688	16.13%	295
Arizona	6,166,318	1,004,441	16.29%	218
Massachusetts	6,437,193	949,951	14.76%	389
Kentucky	4,206,074	679,621	16.16%	174
New Mexico	1,954,599	326,761	16.72%	89

Source: American Community Survey – US Census Bureau; US Department of Education, National Center for Education Statistics; Berk & Associates, 2008

PRELIMINARY FINDINGS

There are many different models and no one model that is completely applicable. School construction funding programs have evolved differently in the states surveyed depending on the context of each state’s legislative and litigation environment, the age and condition of existing facilities, projected enrollment growth, and available funding sources.

Relatively high state share of funding generally means relatively strong state oversight. While most states discussed the importance of balancing local and state decision-making and control, with the exception of North Carolina, the states surveyed exercise a greater degree of state control.

- States exercise control in a variety of ways – direct oversight, review, audits, minimum or up to adequacy standards, and project management

Court decisions have influenced programs in some states. All of the states surveyed have faced a legal challenge to their education funding system at some point. Whether the result of legal action, legislative action, or an outdated agency structure, most states have implemented changes in their approach to school facilities planning and funding over the past 20 years.

Legislative Task Force Meeting – September 17, 2008
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- Legal challenges in Arizona, Kentucky, and New Jersey resulted in specific court ordered remedies to address school construction funding issues.
- In Massachusetts and North Carolina, changes were made, but not specifically at the direction of the courts.

State match is primarily based on equalization. With the exception of Arizona, California, and North Carolina, the states surveyed use a community wealth factor (typically assessed value) to determine the state match.

- In Kentucky, Ohio, and New York the wealthiest districts may receive no state funding, while poorer districts may receive 98-100% funding
- Thirty-one economically disadvantaged districts (SDA districts, formerly Abbott) in New Jersey receive 100% funding

Eligibility is primarily based on one of three things:

- Unhoused students – Arizona (new construction), California
- District wealth – Ohio, New Jersey
- Condition of Facilities – Arizona (modernization), Massachusetts, New Mexico, Kentucky, New York

Inventories can be used to identify state-wide need and prioritize projects. Inventories can establish a baseline for facilities condition that facilitates comparison of applications.

- When substandard facilities are identified and inventoried, it can produce a case for a one time or multi-year funding commitment to bring the worst facilities up to a minimum standard. Kentucky and New Mexico have used this approach.

With the exception of Arizona, local validation is required to some extent by all of the states surveyed.

- Some states have financial hardship programs to provide state funding for districts that fail to pass a bond
- California has the most established hardship program in that it has clear guidelines for eligibility and is used by districts

Communication is also an area where other states offer best practices.

- There are excellent examples of websites, program handbooks, and annual reports that illustrate the extent of state funding and prominently feature photos of new and modernized schools
- Online templates and calculators are another best practice
- Press coverage and involvement of local elected officials at school openings