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Overview of Proposition 1D: K-12 School Facilities

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Major K-12 Provisions of Proposition 1D

| Figure 1 | |
|--|---------------------------------|
| Proposition 1D Allocates \$7.3 Billion For Seven Project Types | |
| | Amount (In Millions) |
| K-12 | |
| Modernization projects | \$3,300 ^a |
| New construction projects | 1,900 ^{a,b} |
| Severely overcrowded schools | 1,000 |
| Charter schools facilities | 500 |
| Career technical facilities | 500 |
| Environment-friendly projects | 100 |
| Joint-use projects | 29 |
| Total | \$7,329 |
| ^a A total of up to \$200 million is available from these two amounts combined as incentive funding to promote the creation of small high schools. | |
| ^b Up to \$200 million is available for earthquake-related retrofitting. | |

Proposition 1D funds four pre-existing types of projects.

- Modernization
- New construction
- Charter school facilities
- Joint-use facilities

Proposition 1D funds three new types of projects.

- Severely Overcrowded Relief Grants
- Career technical education facilities
- Environment-friendly facilities



Modernization Projects (\$3.3 Billion)

- Modernization monies help school districts renovate existing school facilities.
- Modernization costs are shared between school districts and the state, with districts paying 40 percent of total project costs and the state paying 60 percent. Districts facing unusual circumstances, however, can apply for “hardship” funding. In such instances, the state covers a greater share of project costs (up to 100 percent).
- To be eligible for modernization monies, districts must have a permanent building that is at least 25 years old or a portable classroom that is at least 20 years old.
- Grants are provided on a first-come, first-serve basis.

Figure 2
Per Pupil Funding Rates for
Modernization^a

January 2007

| Classification | Per Pupil Rate |
|---|----------------|
| Elementary pupil | \$3,262 |
| Middle school pupil | 3,450 |
| High school pupil | 4,516 |
| Special day class—Non-severe ^b | 6,953 |
| Special day class—Severe ^b | 10,391 |
| State Special School | 17,325 |

^a Reflects rates for facilities at least 25 years old but less than 50 years old. Rates are higher for buildings 50 years or older.

^b Non-severe and severe are disability classifications for special education students.



New Construction Projects (\$1.9 Billion)

- New construction monies help school districts build new facilities.
- New construction costs are shared evenly by school districts and the state (though, as with modernization, districts can apply for hardship funding).
- To be eligible for new construction monies, districts must demonstrate they have “unhoused pupils.”
- Grants are provided on a first-come, first-serve basis.

Figure 3

Per Pupil Funding Rates for New Construction

January 2007

| Classification | Per Pupil Rate |
|---|----------------|
| Elementary pupil | \$8,081 |
| Middle school pupil | 8,546 |
| High school pupil | 10,873 |
| Special day class—Non-severe ^a | 16,095 |
| Special day class—Severe ^a | 24,066 |

^a Non-severe and severe are disability classifications for special education students.



Charter School Facilities (\$500 Million)

- These monies help charter schools fund new construction and modernization projects.
- Project costs are shared evenly between charter schools and the state, though charter schools may receive a state loan to cover their share.
- For new construction projects, charter schools receive funding for all students it expects to serve in the new facility.
- For modernization projects, charter schools receive funding for all students housed in district facilities that are at least 15 years old.
- Funding priority is given to charter schools in overcrowded districts, in low-income areas, and/or operated by not-for-profit organizations.
- To receive any funding, charter schools must be deemed "financially sound."
- Re-Examine Program Structure: Considerable prior-year bond monies designated for charter school facilities have yet to be spent.*



Joint-Use Facilities (\$29 Million)

- These monies help districts undertake joint-use projects with community partners. They can be used for building new joint-use facilities or renovating existing joint-use facilities.
- Project costs are shared evenly between local agencies and the state.
- Joint-use projects include multipurpose rooms, gymnasiums, libraries, child care facilities, and teacher education facilities that are located at a school but used for joint school/community or K-12/higher education purposes.
- Grants are provided on a first-come, first-serve basis.
- Grants are calculated on a square foot basis.



Overcrowding Relief Grants (\$1 Billion)

- Overcrowding Relief Grants help overcrowded schools build new permanent facilities.
- As with other new construction projects, districts are required to pay 50 percent of project costs.
- To be eligible for a relief grant, districts must have at least one severely overcrowded school (at least 175 percent of the state-recommended pupil density).
- Approximately 1,400 schools (or 17 percent of all schools) are eligible for relief grants.
- The size of the relief grant is based on the number of pupils in portable classrooms at eligible schools.
- As a condition of receiving a relief grant, school districts are required to replace portable classrooms with new permanent classrooms, remove portable classrooms from overcrowded schools, and reduce the total number of portable classrooms in the district.
- Closely Monitor New Program: Considerable prior-year bond monies designated for overcrowded schools have yet to be spent. New program rules intended to expedite projects.*



Career Technical Education Facilities (\$500 Million)

- These monies are designed to enhance career technical education (CTE) for high school students.
- Project costs are shared evenly between local agencies and the state, though local agencies may receive a state loan to cover their share.
- Roughly 400 school districts and 25 Regional Occupational Programs (ROPs) are eligible for funding.
- Monies can be used either to build new CTE facilities or to renovate existing facilities. High schools are eligible for both types of grants whereas ROPs are eligible only for modernization grants.
- Priority for funding is based on the quality of an applicant's CTE plan. The highest quality plan within each of the 11 service regions and 3 locales (urban, suburban, and rural) is given first priority.
- Grants are calculated on a square foot basis, with a maximum of \$3 million for each new facility and \$1.5 million for each modernization project.



Environment-Friendly Facilities (\$100 Million)

- These monies provide a special incentive to create environment-friendly facilities. They can be used for either new construction or modernization.
- Projects can be deemed environment-friendly if they are based on designs and materials that (1) promote the efficient use of energy and water, (2) the maximum use of natural lighting and indoor air quality, (3) the use of recycled materials and materials that emit a minimum of toxic substances.
- Projects can also qualify for funding if they have characteristics of "high performance schools," such as using "acoustics conducive to teaching and learning."
- Grants are provided on a first-come, first-serve basis and augment base project grants.
- Funding priority is given to the highest quality grant applications, as determined by the Division of State Architect. The higher quality the application, the greater the funding supplement.



Governor's Proposition 1D K-12 Expenditure Proposal

- The Governor's budget proposes to spend a total of \$3.1 billion in Proposition 1D monies in 2006-07 and 2007-08.

| Figure 4 | | | |
|---|----------------|----------------|----------------|
| Proposed Proposition 1D Expenditures for K-12 Facilities | | | |
| <i>(In Millions)</i> | | | |
| Project Type | 2006-07 | 2007-08 | Totals |
| New construction | — | — | — |
| Modernization | \$985 | \$1,067 | \$2,052 |
| Overcrowded relief grants | — | 500 | 500 |
| Charter schools | — | 250 | 250 |
| Career technical facilities | — | 250 | 250 |
| Environment-friendly facilities | — | 50 | 50 |
| Joint-use projects | — | 25 | 25 |
| Totals | \$985 | \$2,142 | \$3,127 |

- The bulk of the funds (\$2.1 billion) are designated for modernization projects.
- None of the funds would be designated for new construction. (Approximately \$2.6 billion in prior-year bond monies remain available for these types of projects.)
- For most of the other types of projects, the budget plan assumes half of available monies will be spent in 2007-08, with the remainder spent in 2008-09.



Governor's 2008 and 2010 K-12 Bond Proposals

- The administration proposes subsequent bond measures in 2008 and 2010 that would provide an additional \$11.6 billion for K-12 school facilities.
- The proposal contains funding for new construction, modernization, charter school facilities, and career technical education facilities. It does not contain funding for overcrowded schools, joint-use projects, or environment-friendly projects.

| Figure 5 | | | |
|---|----------------|----------------|-----------------|
| Governor's Plan Would Provide Almost \$12 Billion More for K-12 Facilities | | | |
| <i>(In Millions)</i> | | | |
| | 2008 | 2010 | Totals |
| New construction | \$2,931 | \$2,130 | \$5,061 |
| Modernization | 1,539 | 1,000 | 2,539 |
| Charter schools | 1,000 | 1,000 | 2,000 |
| Career technical facilities | 1,000 | 1,000 | 2,000 |
| Totals | \$6,470 | \$5,130 | \$11,600 |

- The proposal also contains two cost containment measures.
 - It would reduce the current state share of new construction and modernization project cost (50 percent and 60 percent, respectively) to 40 percent.
 - In most instances, it also would reduce the state share of site acquisition costs.
- Reassess Out-year Facility Needs: Despite proposing \$11.6 billion in new bond monies, the administration's proposal contains no assessment of out-year facility needs.*