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Overview of School Facilities Program

LEGISLATIVE ANALYST'S OFFICE

Presented to:
Assembly Committee on Education
Hon. Patrick O'Donnell, Chair





Background



School Facilities Program (SFP)

- Established by Chapter 407 of 1998 (SB 50, Greene).
- Based on a cost-sharing arrangement between the state, school districts, and, in some cases, developers.
- Primarily funds new construction and modernization (renovation) projects.
- Administered through multiple state agencies, including the Office of Public School Construction (OPSC), the California Department of Education (CDE), and the Division of the State Architect (DSA).



Past State Funding for SFP

- Funded from a series of four voter-approved state general obligation bonds between 1998 and 2006 that together provided \$35.4 billion.
- By 2012, the state effectively had exhausted bond funding for the SFP.

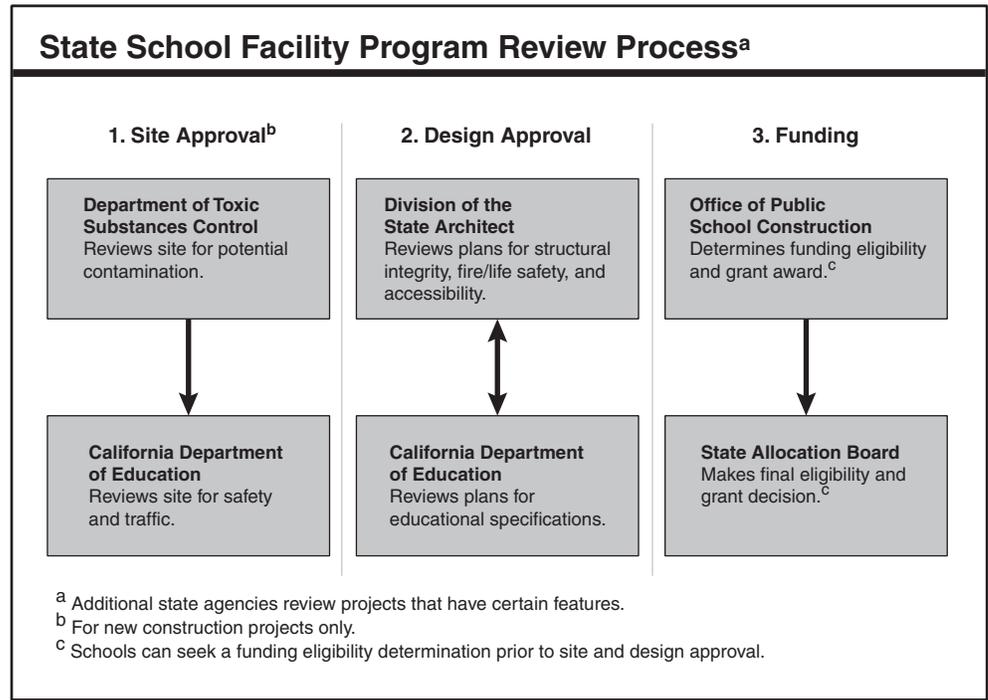


Proposition 51 School Bond

- Passed by voters in November 2016.
- Authorizes the state to issue \$7 billion in general obligation bonds for K-12 school facility projects. (Also authorizes \$2 billion for community colleges.)
- Requires funds to be spent “in accordance” with the SFP as it existed on January 1, 2015.
- Governor proposes \$594 million in Proposition 51 bond spending in 2017-18.



Project Approval Process



Median Days to Review an Application

	New Construction	Modernization
Division of the State Architect ^a	111	111
Office of Public School Construction	105	147
California Department of Education	50	14

^a LAO estimate of median across all projects (new construction and modernization combined).



Processing Times Vary by Size and Type of Project

- Larger projects tend to take longer to review across all agencies because they are more complex. For example, the median DSA review time for projects under \$1 million is 94 days, but for projects over \$5 million is 190 days.
- Variation exists by project type too. For example, CDE tends to take longer to review new construction projects, whereas OPSC tends to take longer to review modernization projects.
- Review time also differs by agency. DSA's review tends to take the longest, followed by OPSC. The review time at CDE tends to be the shortest.



Processing Times Depend on School Districts Too

- All state agencies involved in the review process cite delays in waiting for districts to respond to issues that must be addressed. For example, DSA reports districts take a median of 83 days to respond to issues for projects valued over \$5 million. (OPSC and CDE do not track data on district response time.)



Shortcomings With Approval Process



Fragmented Review

- Having so many agencies involved makes the application process challenging for districts because they must submit separate application materials to each agency.



Lengthy Processing Time

- State law does not mandate the time frame for review completion.
- Reviews might take a long time because of insufficient staff, inexperienced staff, or other staffing inefficiencies at either the state or district level.
- Project review tends to take longer when the district changes the scope in the midst of the application process.
- Districts sometimes have to wait for their architectural consultants to finish projects for other clients before responding to issues raised by DSA.



Consequences of Delays

- Schools must continue to use outdated buildings or portable classrooms.
- Construction costs increase. For instance, construction costs increased in California by 4.4 percent from January through December 2016.

Issues for Consideration



Streamlining Review Process

- Could one agency be designated as a “lead” agency or point of contact? Would this help districts navigate the process? Could all districts submit applications to one lead agency? How can agencies conducting concurrent reviews better share information about project changes?



Reducing Length of Review Process

- Are agencies operating as efficiently as possible? Do agencies need more staff? Can any part of an agency’s review process be reorganized?
- Should the state reconsider any statutorily required parts of the review process? Should agencies reconsider their regulations? What are the trade-offs involved in reducing review requirements?
- Could districts submit more complete applications upfront to reduce the number of issues they have to address as part of the state review process? How can the state better assist them with this upfront work?
- What data can agencies report to the Legislature to better monitor the program’s administration? Should agencies be required to identify their review times as well as districts’ response times? Should the Legislature set expectations for how long reviews should take?