



**GETTING DOWN
— TO FACTS II —**

Financing School Facilities in California: A Ten Year Perspective

Eric J. Brunner

University of Connecticut

Jeffrey M. Vincent

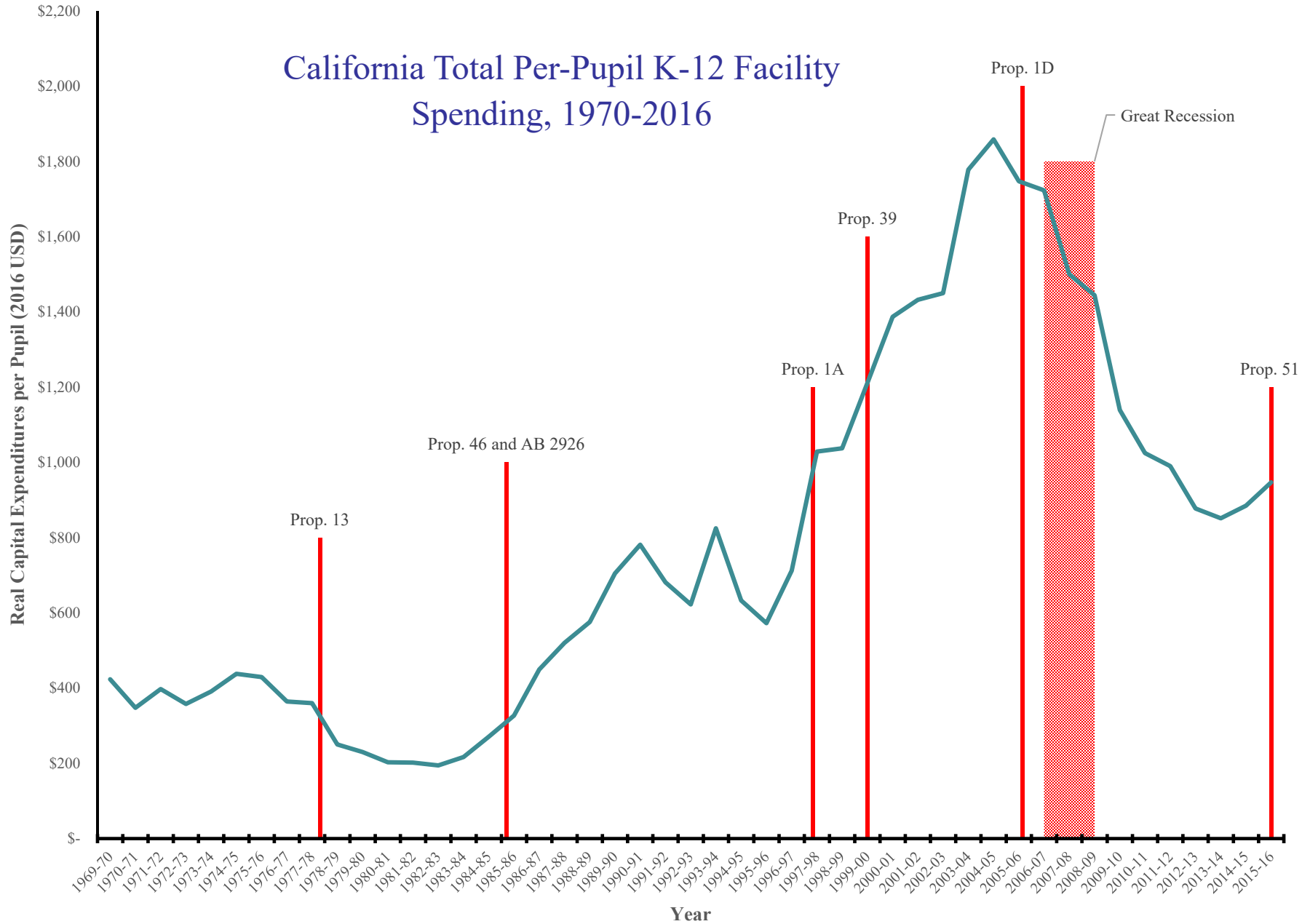
University of California, Berkeley

Primary Research Questions

1. How has the level of school facility funding in California changed over time and how does it compare to the level of funding in other states?
2. How is funding for new school construction and modernization distributed across school districts?
3. Are disparities in school facility funding systematically related to school district property wealth, income, the share of disadvantage students and the racial/ethnic composition of school districts?
4. How has school facility funding for charter schools changed over the last decade and how does facility funding for charter schools in California compare to other states?

How Has the Level of School Facility
Funding in California Changed Over Time
And How Does it Compare to the Level of
Funding in Other States?

California Total Per-Pupil K-12 Facility Spending, 1970-2016



State Comparisons of Real Capital Expenditures Per Pupil, 1990-2014

Period	U.S. Except CA	CA	FL	NY	OR	TX	WA
1990-94	\$871	\$693	\$1,720	\$1,032	\$667	\$1,260	\$1,584
1995-99	\$1,124	\$839	\$1,643	\$1,105	\$911	\$1,509	\$1,443
2000-04	\$1,464	\$1,437	\$2,014	\$1,282	\$1,280	\$2,101	\$1,574
2005-09	\$1,426	\$1,571	\$2,530	\$1,001	\$959	\$2,192	\$1,767
2010-14	\$1,047	\$964	\$894	\$814	\$756	\$1,596	\$1,468
1998-14	\$1,313	\$1,308	\$1,797	\$1,022	\$994	\$1,956	\$1,600
Enrl Growth 2005-2015	3.89%	-2.01%	4.46%	-3.35%	8.83%	18.81%	5.26%
Enrl Growth 1998-2015	8.68%	8.76%	20.18%	-4.22%	11.08%	34.48%	8.31%

Sources of Revenue for School Construction and Modernization, 1998 – 2015

Source	1998-2006		2007-2015	
	Total Revenue (\$ Billion)	Percentage	Total Revenue (\$ Billion)	Percentage
Local G.O. Bonds	\$46.47	50	\$44.28	65
State Aid (State Bond Apportionments)	29.94	32	13.04	19
Developer Fees	10.12	11	3.6	5
Other	7.06	7	7.28	11
Total	\$93.72	100	\$68.22	100

Notes: Data on school facility revenue comes from the J200 and SACS accounting records maintained by the California Department of Education. Revenue figures represent sum of revenue over relevant time period. Revenues are adjusted for inflation and reported in real 2016 dollars.

No statewide bonds issued between 2007 and 2015

Decline in developer fees due to Great Recession and collapse in housing market

Total revenue for school facility investment approximately 27 percent lower during the 2007-2015 period compared to the 1998-2006 period

Heavier reliance on local school bonds

How is Funding for New School Construction and Modernization Distributed Across School Districts?

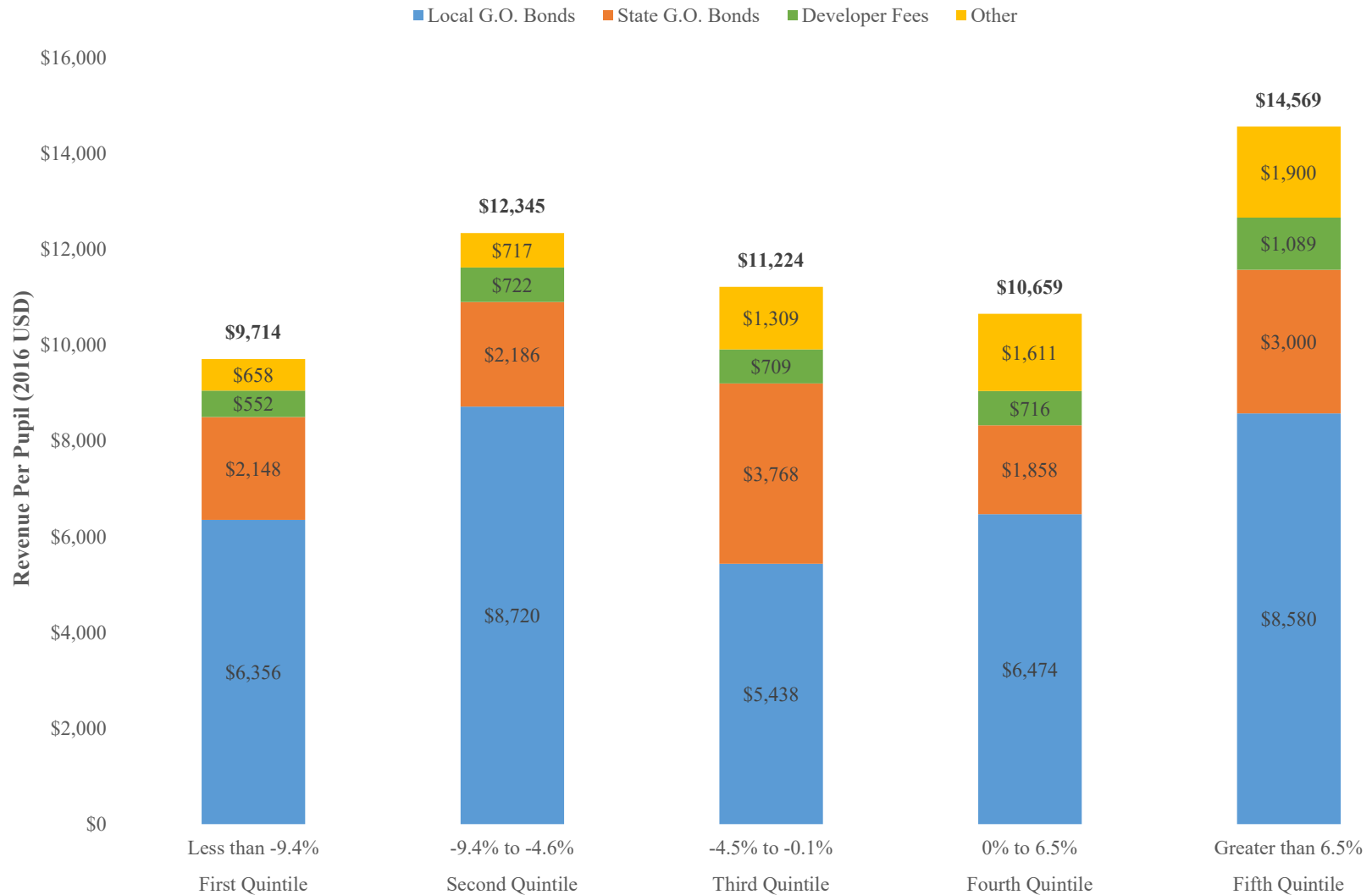
Distribution of Capital Revenue per Pupil, 2006-2015

Revenue Source	Percentiles*				
	10	25	50	75	90
Unified Districts					
Local G.O. Bonds	\$563	\$3,387	\$7,627	\$12,712	\$14,649
Local G.O. Bonds + State Aid	\$1,624	\$5,445	\$9,624	\$17,556	\$18,335
Total	\$3,915	\$6,529	\$11,038	\$20,218	\$20,365
Elementary Districts					
Local G.O. Bonds	\$0	\$0	\$3,105	\$6,998	\$13,030
Local G.O. Bonds + State Aid	\$0	\$1,217	\$5,450	\$10,564	\$14,715
Total	\$568	\$3,592	\$6,796	\$13,451	\$17,855
High School Districts					
Local G.O. Bonds	\$0	\$2,739	\$9,925	\$14,211	\$26,041
Local G.O. Bonds + State Aid	\$2,191	\$5,547	\$11,632	\$18,623	\$29,994
Total	\$3,673	\$8,860	\$13,277	\$23,108	\$30,414

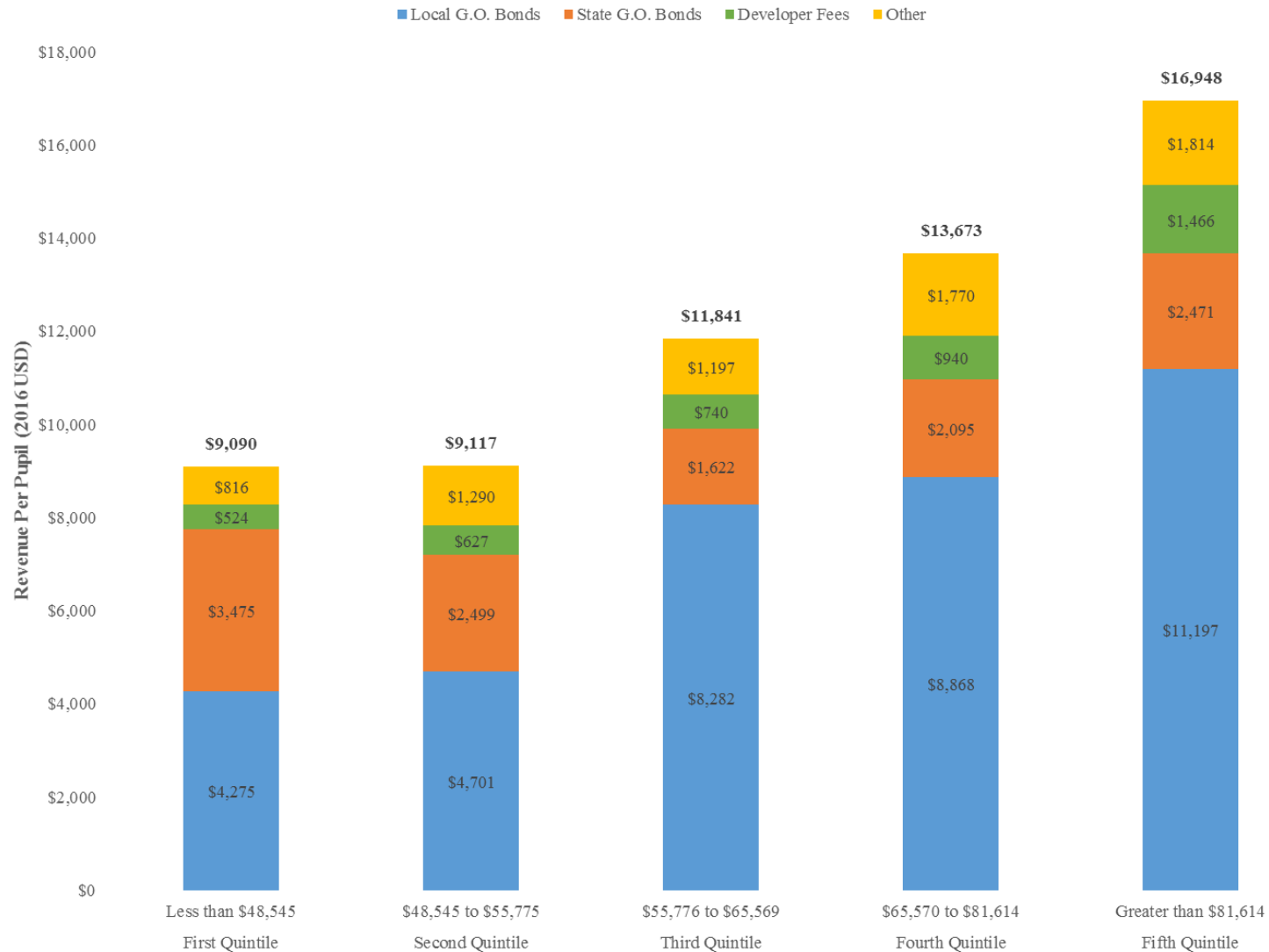
Notes: Per-pupil revenue figures represent sum of revenues from 2006-2015 divided by average enrollment over time period. Percentiles are weighted by average district enrollment between 2006 and 2015. Revenues are adjusted for inflation and reported in real 2016 dollars.

Are Disparities in School Facility Funding Systematically Related To School District Property Wealth, Income, and the Racial/Ethnic Composition of School Districts?

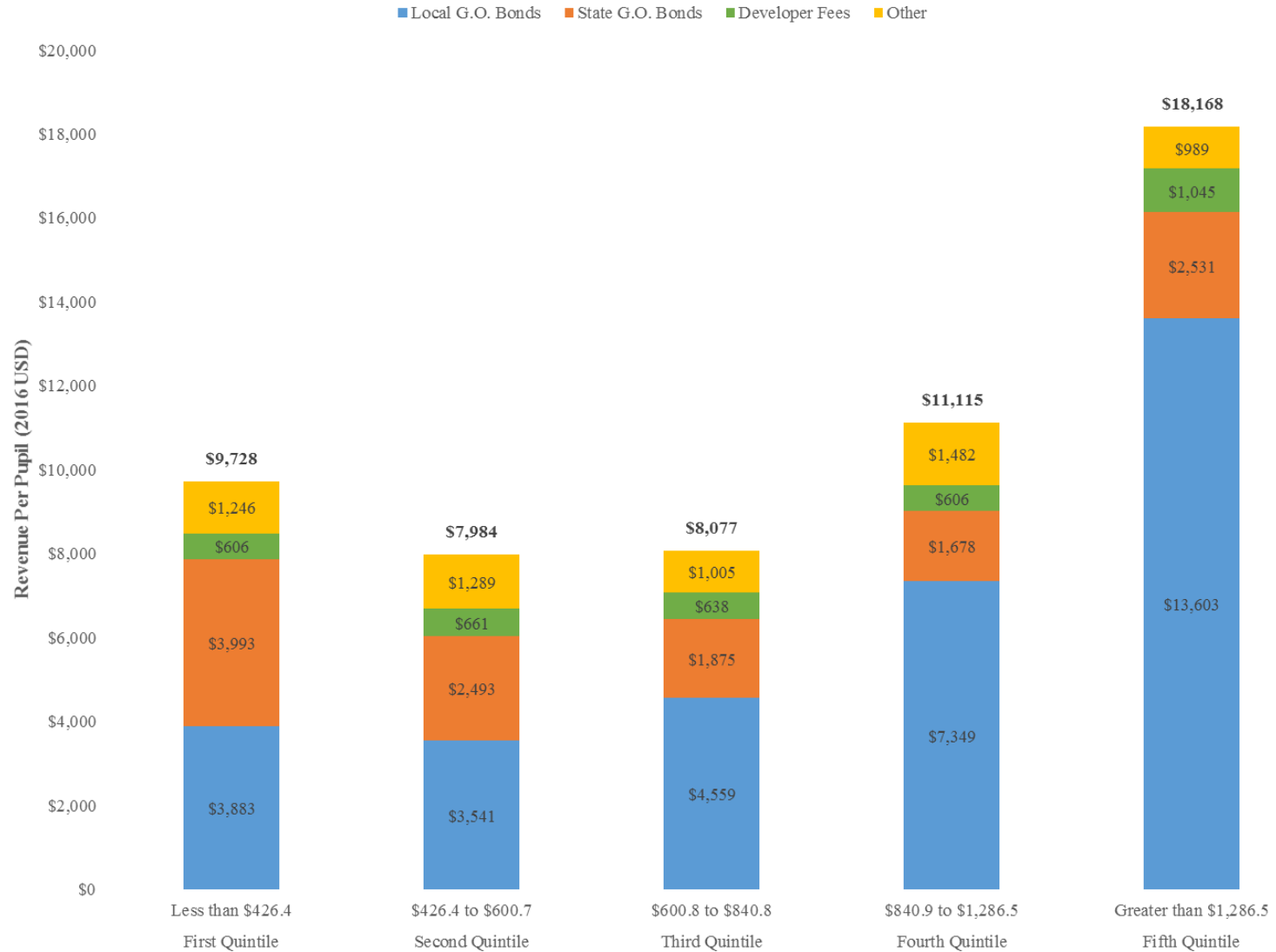
Distribution of Revenue per Pupil by Quintiles of Enrollment Growth



Distribution of Revenue per Pupil by Quintiles of Median H.H. Income

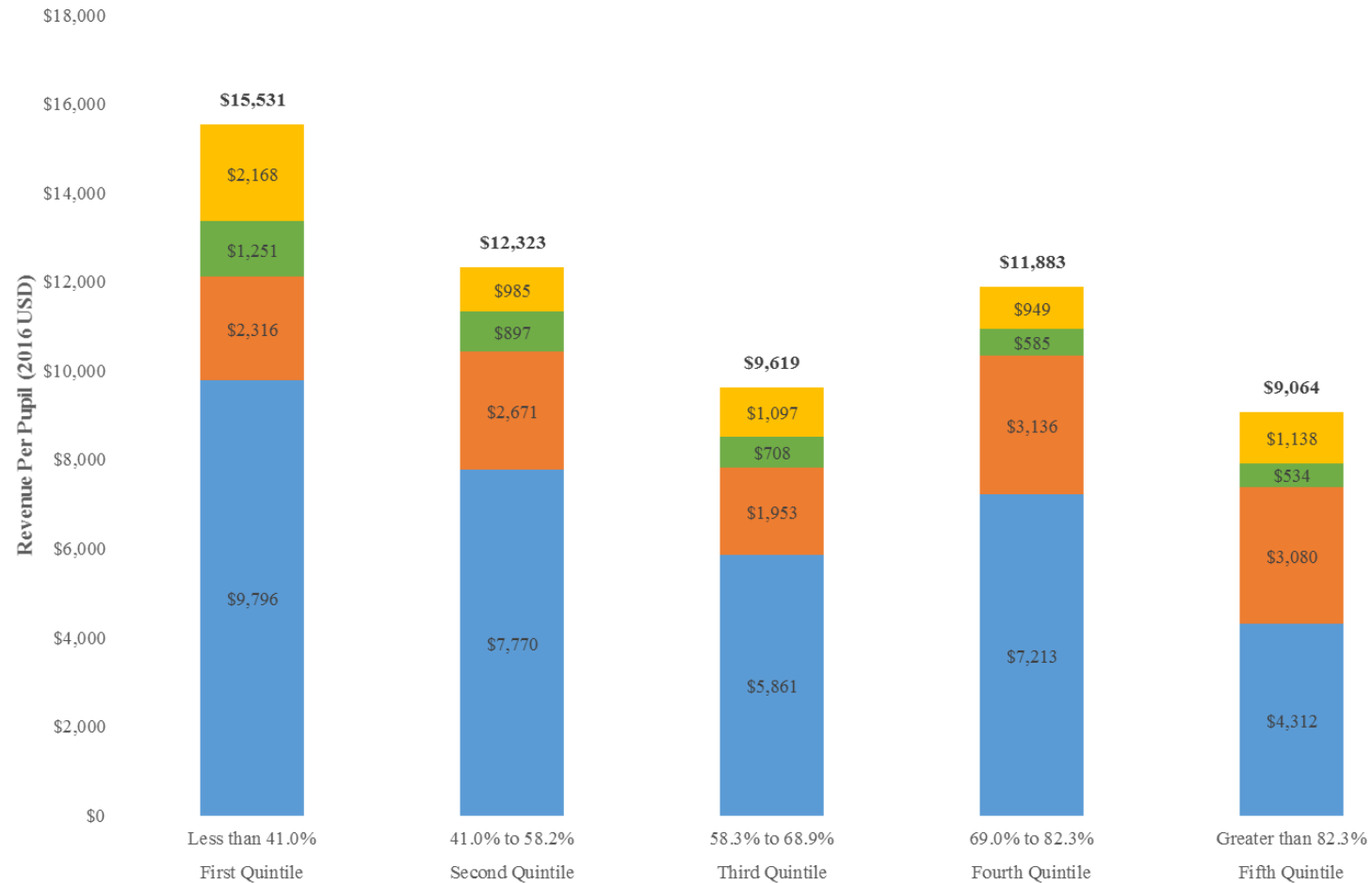


Distribution of Revenue per Pupil by Quintiles of Assessed Value Per-Pupil



Distribution of Revenue per Pupil by Quintiles of Share Disadvantaged Students

Local G.O. Bonds State G.O. Bonds Developer Fees Other



Distribution of Revenue per Pupil by Quintiles of Share Nonwhite Students



Implications for California

California's System of School Facility Finance is Relatively Regressive

Our analysis reveals large facility spending differences across districts related to income and property wealth and a state program that does little to dampen inequality except at the very bottom of the wealth distribution.

Characteristics of Districts by Quintiles of Assessed Value Per Pupil

Characteristic	First Quintile Less than \$472	Second Quintile \$472 to \$674	Third Quintile \$675 to \$1,024	Fourth Quintile \$1,025 to \$1,446	Fifth Quintile Greater than \$1,446
Median Income	\$45,301	\$53,799	\$59,595	\$64,535	\$73,628
Percent Poor	75.51%	67.29%	59.52%	57.12%	45.41%
Percent Non-Hispanic White	24.20%	28.46%	39.51%	37.94%	51.67%
Percent Hispanic	63.21%	54.30%	45.11%	43.50%	31.19%
Percent Black	3.84%	4.46%	2.58%	2.88%	1.79%
Enrollment Growth	4.20%	1.89%	0.00%	-1.88%	-5.22%

California's System of School Facility Finance is Relatively Regressive

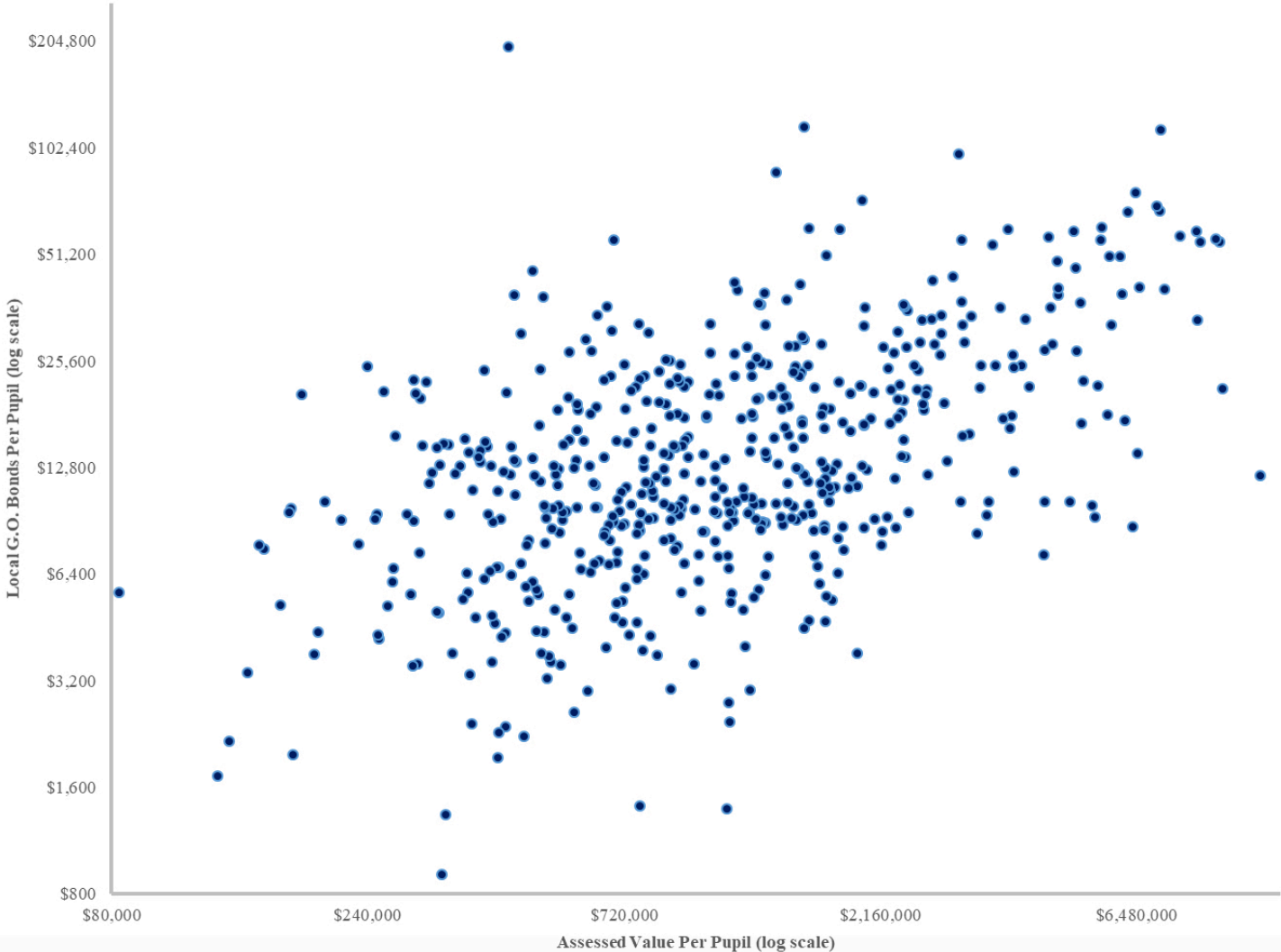
The distribution of SFP funding for modernization is consistent with concerns that higher wealth districts and larger districts disproportionately benefit from the first-come, first-serve nature of the SFP program.

Characteristics of Districts Receiving SFP Modernization Funding by Quintiles of Funding, 1998-2017

	No Aid	First Quintile Less than \$1,177	Second Quintile \$1,178 - \$1,964	Third Quintile \$1,965 - \$2,921	Fourth Quintile \$2,922-\$4,020	Fifth Quintile Greater than \$4,020
<i>Characteristics</i>						
Assessed Value	\$1,683,610	\$912,388	\$1,010,704	\$1,307,682	\$1,956,601	\$2,354,960
Median Income	\$56,842	\$58,766	\$58,883	\$61,642	\$67,308	\$67,636
Percent Nonwhite	54.64%	65.51%	69.12%	62.79%	58.95%	55.45%
Percent Poor	61.29%	62.02%	64.21%	58.95%	54.18%	50.36%
Enrollment	1,249	7,279	7,911	7,095	6,713	5,801
Enrollment Growth	0.16%	21.73%	15.87%	6.61%	0.71%	-4.88%
Total Revenue	\$13,794	\$20,734	\$22,926	\$22,160	\$24,182	\$28,774
Modernization Aid		\$661	\$1,572	\$2,422	\$3,463	\$5,361
Observations	125	146	123	143	150	174

Local Property wealth systematically related to bond revenue

Assessed Value Per-Pupil and Local G.O. Bond Revenue Per-Pupil



Implications for California

- Despite Past Investments, K-12 Facility Needs Remain High
- Instability in State Funding Presents Local Challenges
- Local Ability to Raise Facility Funds Varies Widely
- Changing Enrollment Trends Mean Changing Facility Funding Priorities
- Knowing Statewide School Facility Needs Remains Elusive
- Ensuring Efficient State Oversight
- Local Effort and Accountability for School Facilities in the Era of LCFF