

INTERIM ANALYSIS OF SCHOOL FACILITY FUNDING IN THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

Including expenditures through January 5, 2010

Completed by the 21st Century School Fund
in partnership with the Building Educational Success Together collaborative
with support from the Ford Foundation

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Abstract

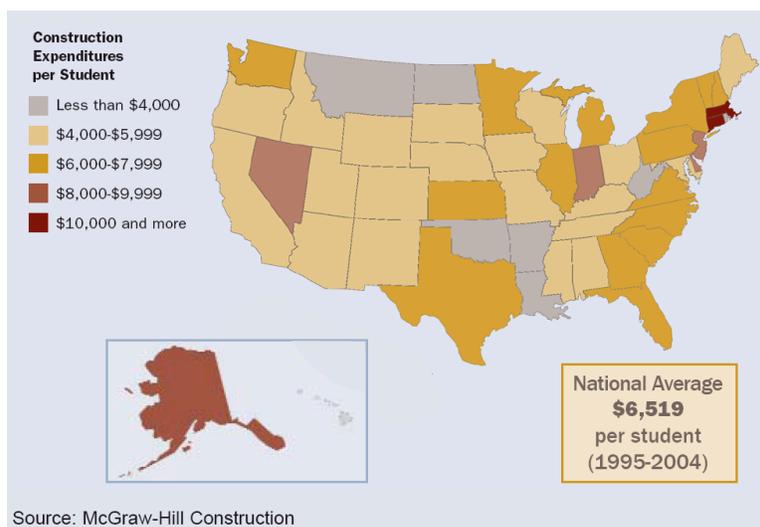
The 21st Century School Fund, through its Building Educational Success Together (BEST) collaborative, is tracking the effect of federal stimulus funding on the condition of PK-12 public school facilities and whether or not the distribution of ARRA funding related to public school facilities is helping reduce the disparity of capital expenditures among and between school districts. This brief report highlights initial findings related to the following questions:

- How much disparity exists in school facility spending by state and locality?
- How were school facilities addressed in the American Recovery & Reinvestment Act?
- What has happened to our nation's school facilities as a result of ARRA provisions?
- Which schools and which students benefited from ARRA expenditures?

How much disparity exists in school facility spending by state and locality?

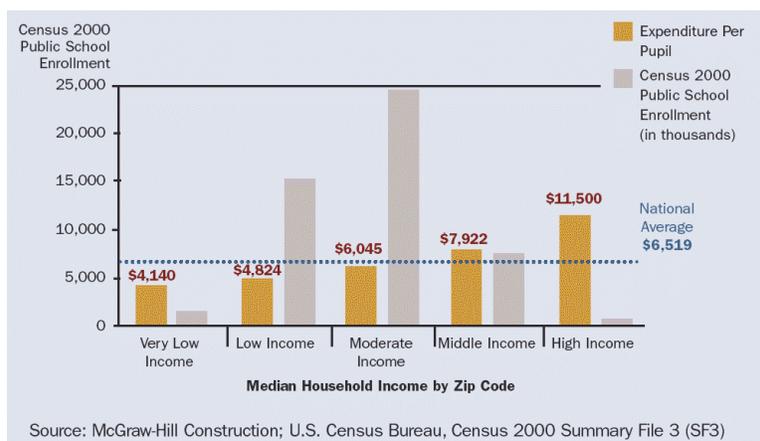
There is great disparity in PK-12 public school facility conditions that leave the poorest children and communities behind, seen at both the state and zip code level (as shown in *Growth and Disparity: A Decade of Public School Construction: 1995-2004* - published by the 21st Century School Fund in 2006 and available online at www.21csf.org).

National & State Expenditures Per Student



Note on calculations: Total value of hard construction bids at the start of construction for public school projects contracted between 1995-2004 (in 2005 dollars) divided by the average enrollment nationally and by state for the same time period.

Zip Code Level Expenditures per Student



Note on calculations: Total value of hard construction bids at the start of construction for public school projects contracted between 1995-2004 (in 2005 dollars) by Median Household Income quintile divided by the U.S. Census 2000 reported public school enrollment within the same quintiles.

What has happened to our nation's school infrastructure as a result of ARRA provisions?

- A desperately needed \$16 billion for public school repair, renovation and construction grants was eliminated from the American Recovery and Reinvestment Act in order to secure votes for passage.
- Instead school repair and renovation was among the “permissible uses” for the \$8.8 billion Government Service Fund contained within the \$53.6 billion of State Stabilization Fund.
- ARRA provides \$11 billion in tax credits to states and the 100 largest low-income school districts in 2009 and again in 2010 to reduce the cost of borrowing for school repair, renovation and construction spending with the Qualified School Construction and Qualified Zone Academy Bonds.

What has happened in our nation's public school facilities as a result of ARRA provisions?

- With the elimination of a targeted grant program for school repair, renovation or construction, as of Nov 2, 2009 only \$37.1 million (.004%) of the State Stabilization Funds were spent on “infrastructure expenditures.” Most states (35) spent **NO** grant funds on school facilities. Of the 15 states that did, only 6 states spent over \$1 million.
- As of January 5, 2010, only \$2.77 billion out of \$11 billion (21%) of tax credits have been financed with bond issuances of Qualified School Construction and Qualified Zone Academy Bonds.
 - School districts in 23 states have not had any bonds financed using ARRA tax credit school bonds.
 - Only 32 of the 100 largest school districts have used their tax credit allocations.
 - Eight states used state authorities to finance all or part of the federal tax credit allocation on behalf of local school districts: Alabama, Colorado, Hawaii, Maryland, New York, Tennessee, Virginia, and West Virginia.
 - Only Wisconsin and Missouri had more than 25 school districts use ARRA tax credits bonds.

Did the worst school buildings and the neediest students benefit?

- ARRA Qualified School Construction tax credit bonds have no district wealth, student need or other equity requirements. States were not required to include these criteria in their allocation process.
- Most states did not use building condition or student need in their criteria for obtaining an allocation for tax credit bonds—some exceptions were Pennsylvania and Illinois.
- The 32 districts of the 100 largest school districts that used their direct allocations from the U.S. Treasury financed \$378 per student as of January 5, 2010 compared to \$1769 per student financed directly by 134 smaller districts that independently accessed their state allocations. An additional \$690 million was financed by eight states and distributed locally, however data is not available to determine per student allocation of these funds.
- The large LEAs which had direct allocation from the federal government serve a student population where approximately 50% of the students are eligible for free lunch compared to the 134 smaller districts accessing their allocations independently from the state which serve a student population where 32% of students are eligible for free lunch.

To download a copy of this report, please visit www.21csf.org. Please email info@21csf.org with additional questions or for more detailed information than available in this brief report.

About the 21st Century School Fund - Founded in 1994, 21CSF has worked for the last 15 years in Washington, DC and around the country to improve the quality and equity of our public school infrastructure. It is a leading voice for increased investment in our public school infrastructure; a pioneer in innovative approaches to community engagement in school capital planning, creative financing and public-private partnership strategies; and a respected source for technical assistance and research on school facility planning, management, oversight, financing, and impacts. (www.21csf.org)

About the Building Educational Success Together collaborative - BEST is a national collaborative, founded in 2001, that brings together 14 local and national partners supporting each other in our work towards a country where all children learn in school buildings that are safe and educationally adequate and that serve as community anchors in vibrant, healthy neighborhoods. (www.bestschoolfacilities.org)

Table 1: Financing for ARRA Qualified School Construction Bonds PK-12 Facilities

In addition to state allocations, the 100 largest low-income LEAs received direct allocations, noted below the appropriate state.

State/Large LEA/Territory	State or Local Action	ARRA Year 1 Tax Credit Allocation	Amount Financed as of 1/5/10	% Financed as of 1/5/10
Alabama¹	State Financed	\$118,776,000	\$118,776,000	100%
Birmingham City School District	State Financed	\$15,683,000	\$15,683,000	100%
Mobile County School District	LEA Financed	\$23,135,000	\$23,135,000	100%
Montgomery County School District	State Financed	\$11,421,000	\$11,421,000	100%
Alaska		\$29,784,000	\$0	0%
Arizona		\$186,292,000	\$0	0%
Mesa Unified District		\$16,111,000	\$0	0%
Tucson Unified District		\$21,375,000	\$0	0%
Arkansas	Financing by 5 LEAs	\$113,443,000	\$12,600,000	11%
California		\$773,525,000	\$0	0%
Bakersfield City Elementary		\$15,720,000	\$0	0%
Compton Unified		\$18,559,000	\$0	0%
Fresno Unified		\$41,398,000	\$0	0%
Long Beach Unified		\$37,905,000	\$0	0%
Los Angeles Unified	LEA Financed	\$318,816,000	\$318,816,000	100%
Oakland Unified	LEA Financed	\$26,326,000	\$26,326,000	100%
Sacramento City Unified		\$21,251,000	\$0	0%
San Bernardino City Unified		\$27,790,000	\$0	0%
San Diego City Unified	LEA Financed	\$38,877,000	\$38,877,000	100%
Santa Ana Unified	LEA Financed	\$19,269,000	\$19,269,000	100%
Stockton City Unified	LEA Financed	\$16,055,000	\$16,055,000	100%
Colorado	State Financed	\$87,147,000	\$87,100,000	100%
Denver County 1		\$24,022,000	\$24,022,000	100%
Connecticut		\$105,092,000	\$0	0%
Delaware		\$29,784,000	\$0	0%
District of Columbia		\$33,936,000	\$0	0%
Florida		\$106,806,000	\$0	0%
Broward County School District	LEA Financed	\$49,913,000	\$49,913,000	100%
Dade County School District	LEA Financed	\$104,855,000	\$104,855,000	100%
Duval County School District		\$27,220,000	\$0	0%
Hillsborough County School District		\$40,633,000	\$0	0%
Lee County School District		\$12,701,000	\$0	0%
Orange County School District		\$35,824,000	\$0	0%
Palm Beach County School District		\$33,643,000	\$0	0%
Pasco County School District	LEA Financed	\$11,028,000	\$11,028,000	100%
Pinellas County School District		\$24,352,000	\$0	0%
Polk County School District		\$20,543,000	\$0	0%
Volusia County School District		\$11,941,000	\$0	0%
Georgia		\$201,062,000	\$0	0%
Atlanta City School District		\$37,934,000	\$0	0%
Clayton County School District		\$13,793,000	\$0	0%
Cobb County School District		\$12,732,000	\$0	0%
De Kalb County School District		\$27,832,000	\$0	0%
Fulton County School District		\$17,720,000	\$0	0%
Gwinnett County School District	LEA Financed	\$18,985,000	\$18,985,000	100%
Richmond County School District		\$16,163,000	\$0	0%

¹ Alabama managed financing for both the state allocation and Birmingham & Montgomery school district allocations.

State/Large LEA/Territory	State or Local Action	ARRA Year 1 Tax Credit Allocation	Amount Financed as of 1/5/10	% Financed as of 1/5/10
Hawaii	Financing by 1 LEA (entire state is a single LEA)	\$32,058,000	\$32,058,000	100%
Idaho	Financing by 2 LEAs	\$37,665,000	\$10,000,000	27%
Illinois		\$244,435,000	\$0	0%
City of Chicago School District 299	LEA Financed	\$254,250,000	\$254,250,000	100%
Indiana	Financing by 4 LEAs	\$177,861,000	\$11,900,000	7%
Indianapolis Public Schools		\$31,181,000	\$26,000,000	83%
Iowa	Financing by 6 LEAs	\$64,252,000	\$25,000,000	39%
Kansas	Financing by 3 LEAs	\$79,589,000	\$53,900,000	68%
Kentucky		\$135,132,000	\$0	0%
Jefferson County School District		\$27,483,000	\$0	0%
Louisiana	Financing by 8 LEAs	\$131,622,000	\$46,100,000	35%
Caddo Parish School Board		\$17,359,000	\$0	0%
East Baton Rouge Parish School Board		\$21,433,000	\$0	0%
Jefferson Parish School Board		\$21,646,000	\$0	0%
Orleans Parish School Board		\$39,607,000	\$0	0%
Maine		\$42,074,000	\$0	0%
Maryland	State Financed	\$50,354,000	\$50,300,000	100%
Baltimore City Public School System	LEA Financed	\$58,096,000	\$50,800,000	87%
Baltimore County Public Schools		\$19,424,000	\$0	0%
Prince George's County Public Schools	LEA Financed	\$25,102,000	\$25,102,000	100%
Massachusetts		\$144,783,000	\$0	0%
Boston	LEA Financed	\$37,567,000	\$20,000,000	53%
Springfield		\$17,864,000	\$0	0%
Michigan	Financing by 1 LEA	\$296,860,000	\$1,600,000	1%
Detroit City School District	LEA Financed	\$123,272,000	\$90,000,000	73%
Minnesota	Financing by 9 LEAs	\$75,850,000	\$56,700,000	75%
Minneapolis		\$21,739,000	\$0	0%
St. Paul	LEA Financed	\$16,119,000	\$16,119,000	100%
Mississippi		\$132,443,000	\$0	0%
Jackson Public School District		\$15,255,000	\$0	0%
Missouri	Financing by 31 LEAs	\$141,441,000	\$141,000,000	100%
Kansas City School District	LEA Financed	\$17,880,000	\$17,880,000	100%
St Louis City		\$28,163,000	\$0	0%
Montana	Financing by 4 LEAs	\$31,623,000	\$21,300,000	67%
Nebraska		\$32,343,000	\$0	0%
Omaha Public Schools	LEA Financed	\$17,378,000	\$17,378,000	100%
Nevada		\$6,767,000	\$0	0%
Clark County School District		\$51,414,000	\$0	0%
New Hampshire		\$29,784,000	\$0	0%
New Jersey		\$223,279,000	\$0	0%
Newark City		\$27,258,000	\$0	0%
New Mexico		\$64,602,000	\$0	0%
Albuquerque Public Schools	LEA Financed	\$21,968,000	\$14,300,000	65%
New York	Financing by the State Dormitory Authority	\$192,049,000	\$58,600,000	31%
Buffalo City School District		\$34,374,000	\$0	0%
New York City		\$699,872,000	\$0	0%
Rochester City School District		\$29,535,000	\$0	0%
North Carolina	Financing by 1 LEA	\$187,167,000	\$1,900,000	1%
Charlotte-Mecklenburg Schools		\$25,962,000	\$0	0%
Cumberland County Schools	LEA Financed	\$15,948,000	\$15,948,000	100%
Forsyth County Schools		\$12,244,000	\$0	0%
Guilford County Schools		\$17,147,000	\$0	0%
Wake County Schools		\$17,304,000	\$0	0%
North Dakota	Financing by 1 LEA	\$25,740,000	\$2,500,000	10%
Ohio	Financing by 10 LEAs	\$267,112,000	\$57,900,000	22%
Akron City School District		\$15,062,000	\$0	0%

State/Large LEA/Territory	State Action	ARRA Year 1 Tax Credit Allocation	Amount Financed as of 1/5/10	% Financed as of 1/5/10
Cincinnati City School District		\$25,632,000	\$0	0%
Cleveland Municipal School District		\$53,145,000	\$0	0%
Columbus City School District		\$36,372,000	\$0	0%
Toledo City School District		\$21,460,000	\$0	0%
Oklahoma		\$87,018,000		0%
Oklahoma City		\$17,844,000	\$0	0%
Tulsa		\$14,327,000	\$0	0%
Oregon	Financing by 2 LEAs	\$112,886,000	\$63,600,000	56%
Pennsylvania		\$315,737,000	\$0	0%
Philadelphia City School District		\$146,897,000	\$0	0%
Rhode Island		\$22,062,000	\$0	0%
Providence School District		\$22,338,000	\$0	0%
South Carolina	Financing by 2 LEAs	\$131,364,000	\$20,000,000	15%
Charleston County School District	LEA Financed	\$13,517,000	\$13,517,000	100%
Greenville County School District	LEA Financed	\$15,060,000	\$15,060,000	100%
South Dakota	Financing by 5 LEAs	\$29,784,000	\$9,300,000	31%
Tennessee²	Financing for 13 LEAs	\$121,738,000	\$121,738,000	100%
Memphis City School District	State Financed	\$41,736,000	\$41,736,000	100%
Nashville-Davidson County School District	State Financed	\$21,132,000	\$21,132,000	100%
Texas	Financing by 3 LEAs	\$538,585,000	\$32,400,000	6%
Aldine Independent School District		\$18,810,000	\$0	0%
Alief Independent School District	LEA Financed	\$16,297,000	\$16,297,000	100%
Arlington Independent School District		\$12,805,000	\$0	0%
Austin Independent School District		\$24,440,000	\$0	0%
Brownsville Independent School District	LEA Financed	\$25,612,000	\$15,400,000	60%
Dallas Independent School District		\$73,741,000	\$0	0%
Edinburg Consolidated Independent School District		\$13,810,000	\$0	0%
El Paso Independent School District		\$29,067,000	\$0	0%
Fort Worth Independent School District		\$31,602,000	\$0	0%
Garland Independent School District	LEA Financed	\$10,186,000	\$10,186,000	100%
Houston Independent School District		\$94,303,000	\$0	0%
La Joya Independent School District		\$13,392,000	\$0	0%
Laredo Independent School District		\$13,639,000	\$0	0%
Northside Independent School District ³	LEA Financed	\$13,299,000	\$28,000,000	211%
Pasadena Independent School District		\$14,445,000	\$0	0%
Pharr-San Juan-Alamo Independent School District		\$13,302,000	\$0	0%
San Antonio Independent School District		\$30,385,000	\$0	0%
Ysleta Independent School District	LEA Financed	\$16,807,000	\$16,807,000	100%
Utah	Financing by 2 LEAs	\$50,962,000	\$15,000,000	29%
Vermont		\$24,845,000	\$0	0%
Virginia	State Financing for multi-LEAs	\$191,077,000	\$61,100,000	32%
Washington	Financing by 7 LEAs	\$164,111,000	\$96,900,000	59%
West Virginia	State Financing for multi-LEAs	\$78,219,000	\$78,200,000	100%
Wisconsin	Financing by 28 LEAs	\$98,589,000	\$67,300,000	68%
Milwaukee		\$72,118,000	\$12,000,000	17%
Wyoming		\$24,080,000	\$0	0%
American Samoa		\$10,748,000	\$0	0%
Guam		\$10,980,000	\$0	0%
Northern Marianas		\$10,703,000	\$0	0%
Puerto Rico		\$376,055,000	\$0	0%
Virgin Islands		\$9,974,000	\$0	0%
Totals		\$11,000,000,000	\$2,771,069,000	25%

² Tennessee State School Bond Authority managed financing for both the state allocation and large LEA allocations.

³ Northside iSD received their direct allocation, plus \$14.701 million of the state allocation.