



Capital Funding a 50 State Overview

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Overview

1. Capital funding issues
 1. Needs assessment
 2. State funding levels
 3. State distribution systems
2. Overview of state funding systems
 1. Promising capital funding practices
 2. Other funding issues

The First Steps in Capital Funding

- **Needs Assessment**

- Most states do this through a survey of schools
- Both Arizona & Massachusetts have undertaken complete assessment of their school facilities

- **Determine priorities**

- Are there any priority areas - such as space for early learning programs or science/computer labs?

- **Identify those things that the state will not fund**

- Will the state fund auditoriums, gyms, athletic fields or swimming pools?

State Funding Decisions

- **How much funding will be available?**
 - The state needs to determine an affordable level of funding
- **How long will it last for?**
 - A single year, multiple years, indefinitely?
- **Will the state earmark funding or fund year-to-year?**

State & Local Capital Funding FY 2010-11

	Total Spending	Spending Per Pupil
United States	\$52.3 billion	\$1,058
Rhode Island	\$44 million	\$304
Connecticut	\$516 million	\$921
Maine	\$165 million	\$872
Massachusetts	\$990 million	\$855
New Hampshire	\$195 million	\$1,059
Vermont	\$64 million	\$657

Source: U.S. Census

State Spending on Capital FY 2005-08

	Spending Per Pupil	State Share
United States	\$1,086	
Rhode Island	\$1,116	34%
Connecticut	\$1,132	18%
Maine	\$392	84%
Massachusetts	\$762	100%
New Hampshire	\$797	31%
Vermont	\$522	31%

Source: 21st Century School Fund

State Capital Funding

- 11 states provide no capital funding to districts
- State grants (25 states)
 - Pros:
 - Easy to administer
 - Can be equalized based on a districts wealth
 - Funds can be targeted
 - Cons:
 - Funding is not always predictable
 - While it can be equalized it often is not

State Capital Funding

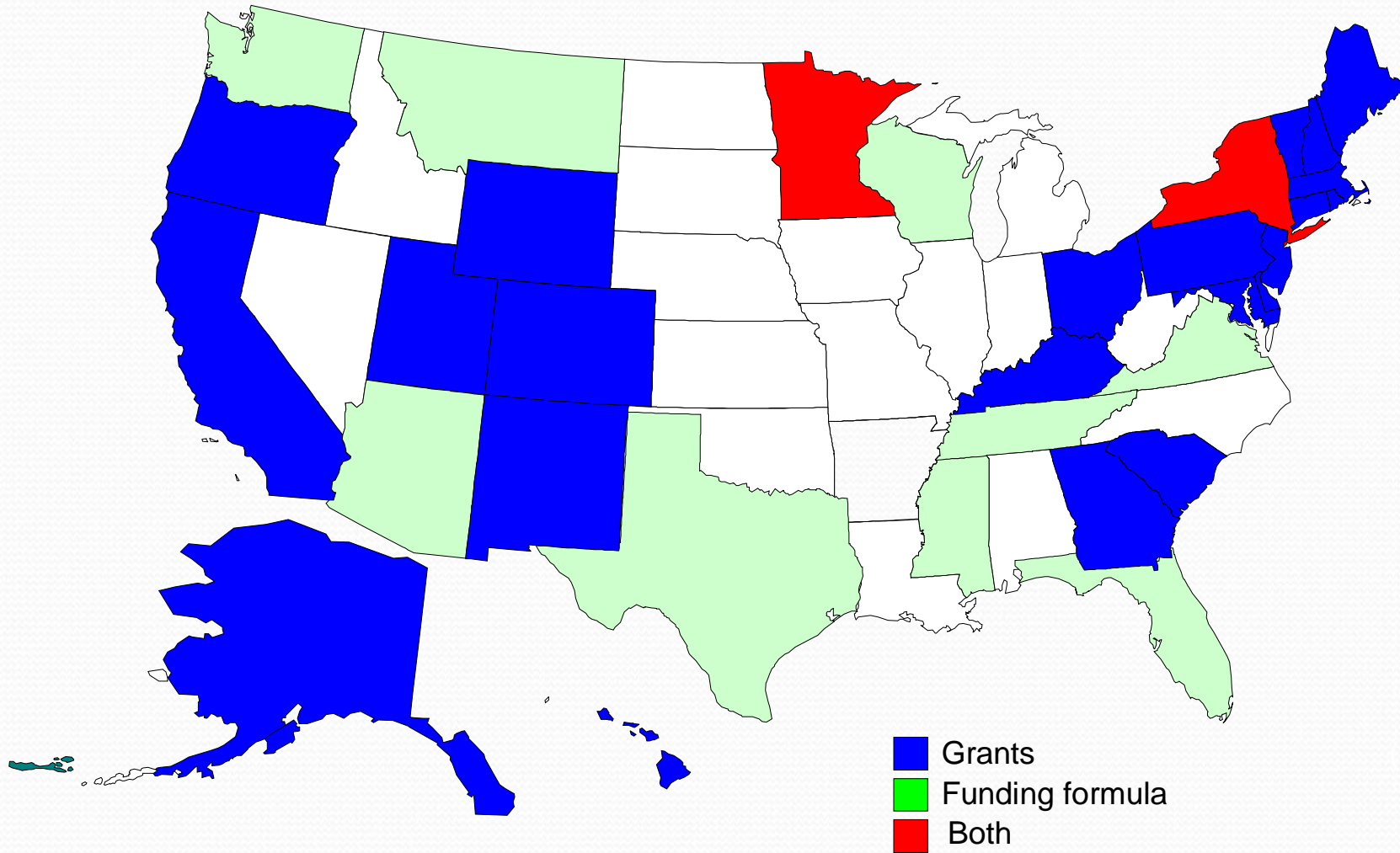
- A per- pupil amount in the funding formula (10 states)
 - Pros
 - Funding is equalized
 - Provides districts with flexibility
 - Cons
 - Funding is not targeted – either to districts or to programs
 - Assumes that all districts have the same capital needs

State Indirect Capital Funding

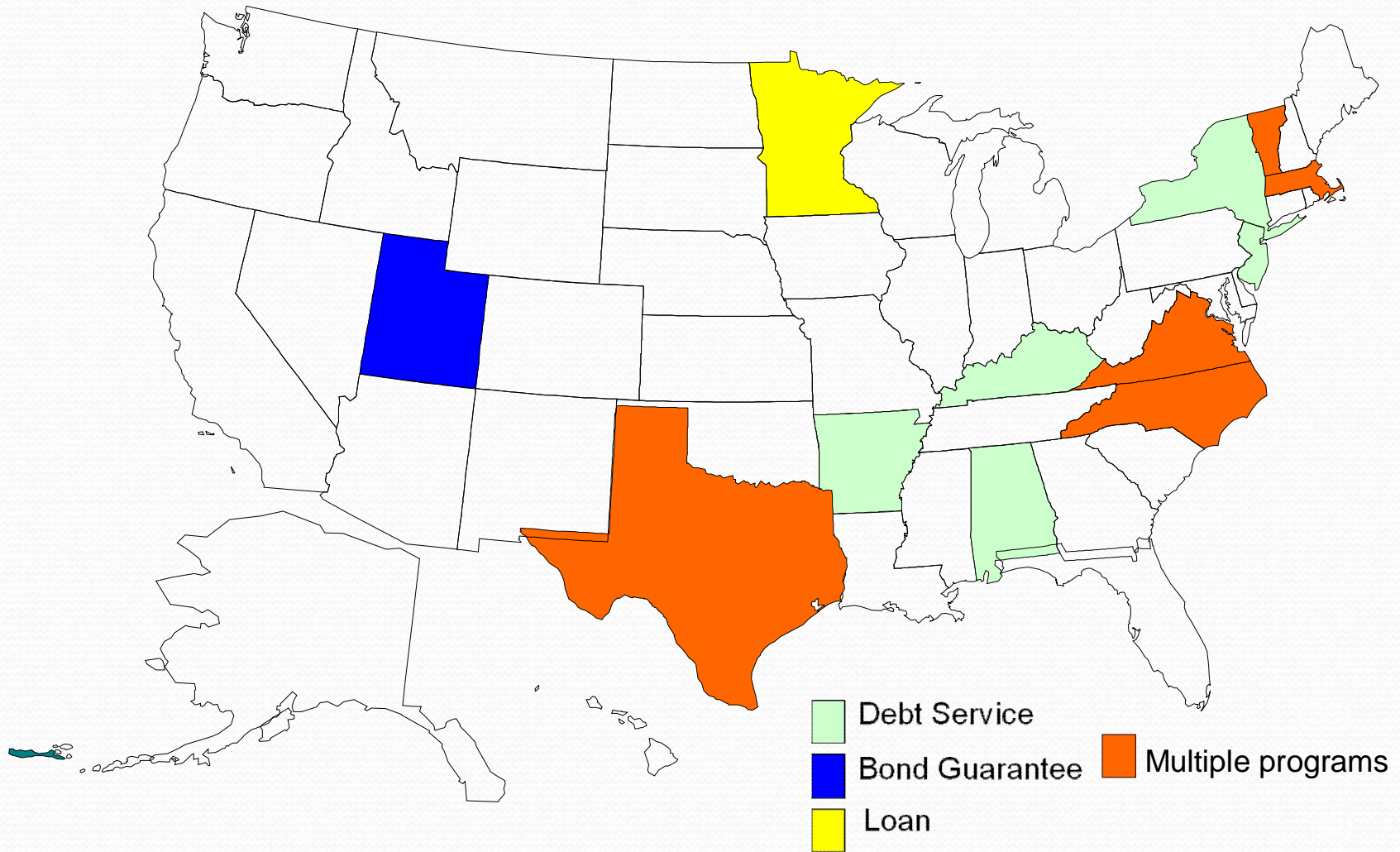
Subsidizing school district borrowing:

- Debt service grants (8 states)
- Bond guarantees (5 states)
- Loans (4 states)

Direct Capital Funding



Indirect Capital Funding





Funding Distribution

- A formula should take the following into account:
 - Health and safety concerns
 - A district's facility needs
 - A district's ability to pay
 - State educational priorities
 - A sense of fairness in the way the funds are distributed



Connecticut School Construction Grants

- The state surveys districts every two years on their school facility needs
- Districts annually request funding for school facility projects
- The state ranks projects based on health/safety needs, school environment and capacity issues



Connecticut School Construction Grants

- The legislature provides funding for grants from the states general fund
- Funding for the FY 2013-15 biennium is \$960 million
- This equates to approximately \$865 per student each year



Massachusetts

Massachusetts School Building Authority

- **Needs assessment (2010)**

- On-site assessment of 1,757 school buildings every 5 yrs
- Charter school buildings (64) were not part of the study
- 84% received a highest rating of 1 or 2
- 2% (23 schools) received lowest ratings

- **Funding priorities**

- Schools with lowest rating
- Science labs
- Vocational/technical program space



Massachusetts

- **Commitment to funding**
 - Between 2004-2014 Massachusetts expended \$10.2 billion on school facilities
 - This equates to \$10,710 per student (\$974 annually)
 - State funding comes from a 20% earmark of the states 5% sales tax
- For Rhode Island to duplicate this program it would cost \$1.47 billion (\$133 million a year over 11 years)



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