

Policy Briefing
Public School Facility Policy in California

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PA 715: Politics of Policy Making and Implementation
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Memo

To: Sheldon Gen, San Francisco State University Professor
From: Keith DeMartini, San Francisco State University Graduate Student
Date: July 11, 2007
Re: Policy Briefing on Public School Facility Policy in California

Introduction: Public school facility policy is important for the following reasons: concern for the safety of students as they attend school, funding issues of facility construction, decreasing school district revenue sources that require district administrators to cut costs, and the sharing of knowledge of districts that have endured facility construction projects.

Policy Cycle: Public school facility policy began with the creation of the State Allocation Board and the Office of Public School Construction in 1947, which formulates and implements policy. Then, in 1978, Proposition 13 passed which significantly reduced the amount of revenue to school districts from property taxes. In response, a variety of legislation passed to make up for the lost revenue. More recently, legislation has been passed, some of which is currently in the formulation phase of the policy process, to address energy efficiency and safety concerns.

Stakeholder Analysis: Many formal stakeholders are involved in this policy issue, the most powerful of which are the State Allocation Board and the Office of Public School Construction. Other governmental organizations that provide expertise and oversight are the Little Hoover Commission and the Departments of Finance and Education. Many interest groups and school districts provide insight in this issue as well.

Process Models: Two process models can be used to describe this policy. First, Hecló's subgovernment model suggests many players are involved, are dependent on each other, and all have a mutual commitment to the success of public school facility policy. Second, incrementalism suggests this policy changes with relatively small adjustments.

Prognosis: The future of public school facility policy will be concerned with the utilization of public school facilities that close due to declining enrollment, energy efficiency, safety considerations, and cost containment of the rising costs of public education in California.

Introduction

California's public education system is one of the most complex governmental organizations in the United States. More than 1,000 school districts, 9,000 schools, 300,000 teachers, and 6 million students make up K-12 public education in California. Many public policies have had an impact on the public education system, a significant one being school facility policy of maintenance and construction.

Public school facility policy is important for a variety of reasons. First, the safety of students as they attend school is of utmost importance to parents, teachers, and school administrators. Second, facility construction requires a great deal of funding through bonds that must be approved by citizens living within the school districts. Third, school district revenue sources vary among districts and have decreased throughout the years requiring school districts to cut operational expenses, such as electricity, and other utility costs of operating schools. And fourth, school districts have the ability of learning from other districts' failures and successes in facility construction.

The purpose of this policy briefing is to analyze the policy cycle of public school facility policy over the past sixty years, analyze the major stakeholders and their powers in the policy process, apply theoretical process models that fit and don't fit well with this policy issue, and propose a prognosis of the future of this policy in California.

Policy Cycle

Public School facility policy has had an extensive history in California over the past sixty years. First, the major policies will be described followed by a discussion on the policy cycle of public school facility maintenance and construction.

This policy began to take shape with the creation of the State Allocation Board in 1947. This board has the authority of allocating funds for building or repairing school buildings. (Cohen, 1999) “The SAB is also charged with the administration of the Emergency Repair, Career Technical Education Facilities, Charter School Facilities, Overcrowding Relief Grant, High Performance Incentive Grant, Joint-Use, Small High School, Deferred Maintenance, and State Relocatable Classroom Programs.” (Morgan, 2007) The State Allocation Board’s role of policy formulation has evolved as new policy is implemented, mainly from the financial resources standpoint of loan programs and grants.

The Office of Public School Construction works along-side the State Allocation Board in administering and implementing public school facility policy. Like the SAB, the OPSC’s role in policy implementation has evolved throughout the life of the policy. The bureaucracy of the OPSC is responsible for preparing regulations, policies, and procedures that carry out the policies prescribed by the SAB. The Executive Director of the SAB & OPSC reports directly to the Director of General Services. This hierarchical structure allows the Director of General Services to rely on the Executive Director to carry out the mission of the SAB & OPSC and specialize on policy specific to these organizations. This specialization of expertise increases the power and accountability of these two organizations. (Riley & Brophy-Baermann, 2006)

Since January of 1999, nearly \$26 billion has been apportioned to eligible school districts under the School Facility Program. These apportionments provided new classrooms for over 1 million children in 3,663 new construction projects. (Morgan, 2007) The success of this policy throughout the years has been impacted by the following policies.

Proposition 13, which was adopted in 1978, had a significant impact on base revenue for local governments and public school districts. (U.C., 2007) Essentially, this policy limits

property taxes to 1% of assessed valuation and limits assessment increases to 2% per year. This significant limitation, which was approved under the initiative process during California's tax revolt of the late 1970's, cut local property taxes by 57%. (U.C., 2007) This significant decrease in revenue source forced school districts to cut educational services and expenditures, including facility maintenance and construction. Proposition 13 has been revised five times between 1978 and 1993, mainly muffling the negative effects of the policy on specific groups of citizens and buildings.

The Mello-Roos Community Facilities District Act of 1982 was adopted to allow school districts, along with other local public agencies, to establish Mello-Roos Community Facilities Districts (CFD) to allow financing for public improvements, such as building construction projects. This financing is generated through the imposition of special taxes on property owners in the CFD. (Tax Data, 2007) This act was adopted as a response to the revenue shortfall caused by the passage of Proposition 13. It allowed school districts with older buildings to finance new school construction projects.

In 1998, the Leroy F. Greene School Facilities Act was passed to make changes to the school bond and construction program established when the State Allocation Board and Office of Public School Construction were first created. The total bond increased from \$9.0 billion to \$9.2 billion for modernization funds, among other changes. (Geiogue, 1998) Also, the Class Size Reduction Kindergarten-University Public Education Facilities Bond Act was also passed in 1998 along with the Greene Act to allow for \$2.9 billion in new construction related growth, \$1.9 billion for rehabilitation of older schools, \$2.5 billion for higher education facilities, and \$700 million for class size reduction related projects. (Geiogue, 1998) This Act has been revised three times during the following eight years to increase the bond amount to \$13.1 billion in 2002,

decrease to \$12.3 billion in 2004, and decrease to \$10.4 billion in 2006. (Hertzberg, 2002) (SAB Meeting, 2007)

The California Energy Security & Reliability Act of 2000 was signed by Governor Gray Davis to implement energy efficiency standards for residential and nonresidential buildings during the California energy crisis. The goal of this legislation was to incorporate cost effective building energy efficiency measures to provide more efficient use of electricity. Since the passage of this act and the rising energy costs that followed, the State Allocation Board requested that the Office of Public School Construction determine what school districts can do to become more energy efficient. According to their report issued in February of 2007, the following methods can be implemented by school districts to reduce energy costs: turning off all unnecessary lights, minimize energy during peak hours, use laptops computers, inkjet printers, and email. (SAB, 2007)

Effective January of 2005, the governor signed into law Assembly Bill 2485 (Chan) which allows the governing board of a school district to make a written request for information that can be useful in determining the safety of a proposed school facility location. These requests can be made to any person, corporation, public utility, or governmental agency, and a response is to be received within thirty days. The goal of this bill is to allow the school board to determine if a potential school facility location is safe to build. (SFPD, 2007)

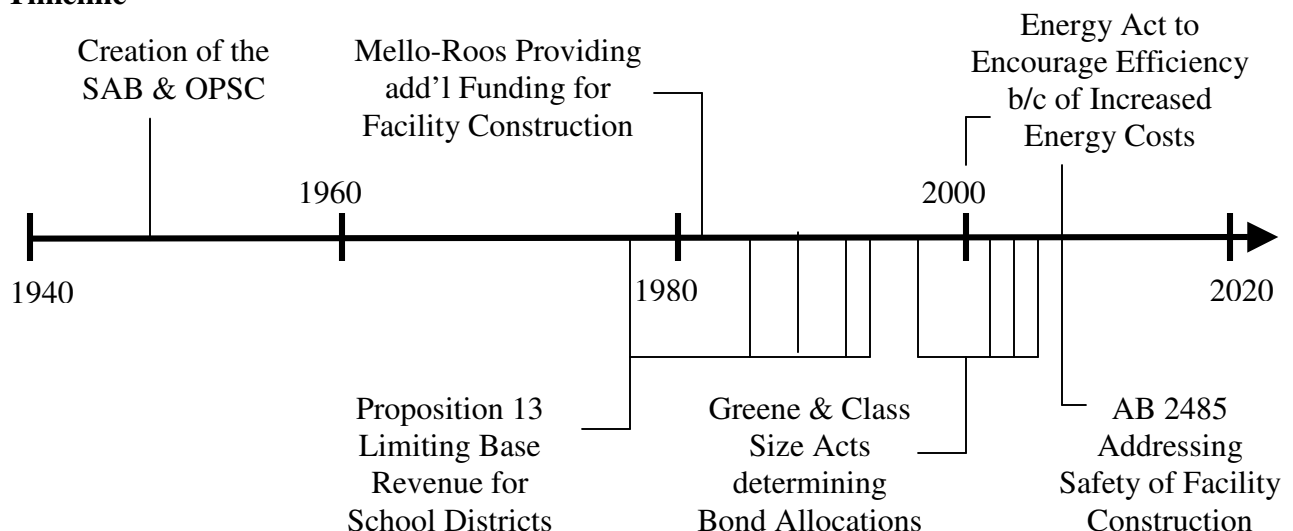
The public school facility policy cycle has evolved due to the many specific policies mentioned above. The creation of the State Allocation Board and the Office of Public School Construction are considered the formal beginning of this policy. Their policy decisions went nearly undisturbed for over thirty years until the passage of Proposition 13. It significantly limited school district revenue sources; therefore, the school facility policies had to be modified

through Mello-Roos and the Greene Acts to identify additional funding sources to meet the needs of school facility maintenance and construction. Proposition 13 was amended 5 times; however, many of these modifications didn't specifically address public school districts. Also, the Greene Acts went through a series of four modifications; however, the major changes to the original policy simply addressed the funding amounts of the bonds each year.

Energy conservation and safety concerns are starting to influence this policy issue. Because of the increase in energy costs in California over the past decade and the decrease in revenue because of Proposition 13, school districts are being forced to find ways of reducing energy expenses. The energy portion of the facility policy cycle is currently in the formulation phase as the State Allocation Board, along with the Office of Public School Construction, and still formulating appropriate policy to address energy efficiency in school districts.

The current stage of public school facility policy is one of agenda setting and evaluation. After multiple modifications to the policy, legislators are continuing to evaluate the effectiveness of current policies in terms of funding allocations, communication to school districts, energy efficiency, and safety of construction, as public school facility policy continues to evolve along with the California economy.

Timeline



Stakeholder Analysis

Public School Facility Policy in California has been shaped and implemented by a wide range of individuals and organizations. The following identifies many of the stakeholders involved in this public policy issue, their role in the policy process, their preferences on the issue, and their powers in influencing policy.

1. **State Allocation Board:** This board was originally created in 1947 to address funding allocation for school facilities, among other projects. This board is made up of the following individuals: two Senate members, two Assembly members, the Director of the Department of General Services, the Director of the Department of Finance, and the Superintendent of Public Instruction. The SAB's role in the policy process centers on the formulation and adoption phases in the policy cycle and formulating funding policy to finance public school facility projects. Their main preferences are to ensure public school facilities receive the appropriate funding for construction and maintenance. The main power exerted by the SAB is political. Not only are the seven members who make up the SAB politicians, but they also decide which public school projects receive funding. Also, the members become educated in this policy issue through their contact with interest groups, making them informed amateurs in the policy process. (Riley & Brophy-Baermann, 2006)
2. **Senator Leroy Greene:** He served on the State Allocation Board for over twenty years and had been a member of California's legislature, both the State Assembly and Senate, from 1962 to 1998. Senator Greene's formal role in the policy process was setting the agenda with his legislative counterparts, formulating school facility policy within the SAB, and adopting policy through voting. His tenure as a member of the SAB and extensive experience in public school facility policy is his greatest strength. In fact, a specific policy was named

after him: The Leroy F. Greene School Facilities Act of 1998. Also, Greene's membership in other committees, such as the Budget and Fiscal Review Committee and the Education Committee, gave him expertise in fields that have great influence over school facility policy.

3. **Office of Public School Construction:** OPSC, one of the many offices within the Department of General Services, is responsible for implementing the various policies formulated by the State Allocation Board. Its preference in the policy process center on ensuring school districts receive the appropriate communication and resource materials when considering public school construction projects. For example, OPSC publishes The School Facility Handbook, which is a guide to assist school districts with applying for and obtaining grant funding for school facility projects. (OPSC Handbook, 2007) OPSC has a major power in implementing public policies surrounding this policy issue. It interprets the policies from SAB, creates resource materials, and disperses them to school districts. Also, the OPSC has the power of making recommendations to the SAB "regarding various appeals made by school districts that may have been denied funding, or that may have required special funding consideration." (Cohen, 1999)
4. **California Legislature:** These politicians are involved in the agenda setting, formulation, and adoption phases of public school facility policy. "As members of the legislative branch, members can define problems, set the agenda, formulate policy solutions, and assist in the adoption of a specific course of action. (Theodoulou & Kofinis, 2004) The legislature's major political power is influence over budget allocations and oversight of executive branch agencies, such as the Department of Education, Finance, and General Services, that are intimately involved in public school facility policy.

5. **California Governor:** The top political executive in California has a formal role in the policy process through approving school facility policy proposed by the legislature in the adoption phase. The governor is concerned with the overall education system in California, one portion of which is school facility policy. His power in the policy process is evident in his command of the bureaucracy, mainly the Departments of Education, Finance, and General Services. Also, like the president, the governor “can use favor with the public to persuade members of Congress to rally in support of a legislative agenda.” (Theodoulou & Kofinis, 2004) This significant influence can put specific policy items on the agenda in which the governor feels strongly.
6. **Little Hoover Commission:** This commission on California State Government Organization and Economy is an independent oversight agency that investigates state government operations and provides recommendations to promote efficiency, economy, and improved services. (LHC, 2007) Its preference on school facility policy is ensuring governmental agencies are held accountable for their actions in policy implementation. The commission has commanding influence in California’s government through their oversight of the bureaucracy, expertise in governmental affairs, and political influence of the governor. For example, a report issued in 1999 by the Commission uncovered the mishandling of school facility projects in Los Angeles Unified School District and provided recommendations to the governor on how the policy implementation disaster can be remedied. (LHC, 1999)
7. **Suppliers of Materials & Construction Companies:** These private companies are the main suppliers of facility materials, such as concrete and steel, and labor for public school facility projects. These companies have an informal role in the policy process through educating the

SAB and OPSC on materials used in building construction. Their influence of building maintenance and construction expertise is very important in the policy formulation phase.

8. **School Administrators & Superintendents:** These public education professionals are on the receiving end of public school facility policy adopted by the State Allocation Board and the Office of Public School Construction. Their school districts must adhere to the guidelines distributed by these powerful organizations when considering any school facility maintenance or construction project. They are involved in the formulation phase of the policy process by influencing decision makers on changes to potential policies, and they are also involved in the implementation phase as they work hand-in-hand with the OPSC on receiving guidance on projects. Influence and decision-making capabilities are their main powers. They can influence the formulation phase by working closely with SAB on policy changes, and they are the ones who ultimately decide which facility projects in which their districts will invest.
9. **California Citizens:** Citizens have an informal role in the policy process by providing the financial resources, through tax and bond revenue, that allow the State Allocation Board and the Office of Public School Construction to formulate and implement facility policy. Citizens also have a more formal role in influencing policy by voting on initiatives and propositions, such as Proposition 13 and the Kindergarten-University Public Education Facilities Bond Act, that affect public school facility policy. Since many California citizens have either attended a public school in California or have a family member who has done so, their preferences center on ensuring public school facilities are adequate in providing education to California citizens. Their main power in the policy process comes from voting on various propositions and as the source of tax and bond revenue.

10. **California Department of Education & Finance:** These two powerful agencies have a formal role in public school facility policy through their direct involvement in the State Allocation Board. As mentioned, the Directors of each agency sit on the SAB; therefore, their respective agencies are involved in the inner-workings of the board. An inherent characteristic of political executives, such as these Directors, is relying on their bureaucratic organizations to educate them on school facility issues and carry out the objectives of their policies. (Riley & Brophy-Baermann, 2006) These organizations' preferences are to educate their Directors in formulating and adopting applicable school facility policy. Their power is evident in their expertise in both education and finance policy of the State of California, and they have direct access to interest groups, such as school administrators, educators, and finance professionals, to educate them on policy issues.
11. **Media:** The media communicates information regarding public school construction projects to the general public. Since media companies are profit-driven organizations and desire to maximize their readership and viewership, they report on negative press coverage, such as the misuse of public funding for school district construction in Los Angeles Unified School District, which will, in turn, move the policy issue up the bureaucratic and decision-making ladder. (Linsky, 1986) Their greatest power is influence of the general public and their ability to shape political issues.
12. **Outside Interests:** Many outside interests have influence in public school facility policy, such as environmentalists, private financing consultants, school board members, teachers, parents, developers, California Building Industry Association, teachers' unions, public education employee unions, and architects. All of these individuals or groups have an informal role in public school facility policy. Their main preferences are educating and

informing the State Allocation Board and the Office of Public School Construction on their concerns and issues surrounding this policy issue. For example, environmentalists have a specific interest in public school facility projects being energy efficient. And architects educate the OPSC on building requirements and costs. The main power of these interests groups in this policy issue is their expertise in their given field and their ability to mobilize, organize, utilize resources, and focus attention on a specific policy issue. (Theodoulou & Kofinis, 2004)

Process Model

Two process models can be applied to public school facility policy. One that works well in describing the policy through its evolution during the past sixty years is Hecló's subgovernments model. In *Issue Networks and the Executive Establishment*, Hecló explains that governmental issue networks are created when addressing policy issues that have the following characteristics: a large number of participants with quite variable degrees of mutual commitment or of dependence on others in their environment, participants move in and out of networks constantly, issue networks operate at many levels, from minority groups to experts, issue networks have commonalities of knowledge, attention to the public, actions, and beliefs, and issue networks specialize in specific policy areas. (Theodoulou & Cahn, 1995)

Many issue networks, as characterized by Hecló, have influenced Public School Facility Policy. First, a wide range of participants, from governmental agencies to the legislature to school district Superintendents to interest groups, have a mutual commitment to the construction of school facilities in California. They are all dependent on each other as each has a specific power and role in the policy process. Thousands of people are involved in this policy process; therefore, the network of stakeholders is constantly changing. Few individuals stay involved for

a greater amount of time, such as Senator Greene. The issue networks involved in this process share a common knowledge of public school construction and have similar beliefs in ensuring California citizens are able to advance within the education system in safe school buildings. And finally, the central government is able to take on more policy initiatives as they rely on the subgovernmental units, such as the SAB and the OPSC, to administer public school facility policy.

Another process model that can be applied to public school facility policy is the theory of incrementalism. According to Simon, incrementalism is a model of the decision-making process in which decisions are usually made on the basis of relatively small adjustments to the existing situation. (Simon, 1947) Also, as described by Lindblom in *The Science of Muddling Through*, limits on human intellectual capacities and on available information set definite limits on man's capacity to be comprehensive. (Theodoulou & Cahn, 1995) He goes on to argue that policy-making is a process of successive approximation in which what is desired itself continues to change. Aside from the drastic change in property tax revenue from Proposition 13, public school facility policy has incrementally changed over the past sixty years. Most modifications center on the bond funding amounts each year, none of which have been significantly different from prior years. Also, specialized groups, such as the State Allocation Board, were formed to address this policy issue. And because the goal of facility policy is now moving towards energy efficiency and safety considerations, policy modifications are made piece by piece as the focus continues to evolve in that direction.

One process model that does not fit well with public school facility policy is elite theory. According to elite theory, "the preeminence of class, wealth, and education are the basis by which a select number of individuals possess a disproportionate political influence over the

governing institutions and policy process.” (Theodoulou & Kofinis, 2004) As you can see, a wide range of stakeholders influence school facility policy, not just one select group of individuals. Many interest groups and legislative bodies influence this policy. Even though the State Allocation Board and the Office of Public School Construction have a great deal of power in the policy process, the more than 1,000 California school districts themselves have the final say on school facility investment in their respective districts.

Prognosis

The policies adopted and implemented by the State Allocation Board and the Office of Public School Construction have addressed many issues concerning public school facilities in California. Policies have aided school districts in funding facility projects where the revenue shortfalls from Proposition 13 have made this more difficult. And other policies have helped school districts address energy and safety concerns in existing and potential facilities. The future of this policy issue will continue to evolve in all of these areas.

Because of the higher cost of living in California, many families have moved to neighboring states where owning a house is more affordable. This population trend during the past few years has caused declining student enrollment in many of the larger cities of California, one of which being San Francisco. In 2006 alone, the San Francisco Board of Education decided to close three schools because of declining enrollment. (Office of Public Engagement & Information, 2006) These school closures pose an issue not formally addressed by a particular public policy on the utilization of existing school facilities that have closed. School districts, like in San Francisco, have re-allocated school facilities to schools that have higher enrollment, making those schools operate more efficiently and cost effectively. The issue still remains on the utilization of school buildings that remain vacant. A potential policy on school facility

utilization after a school closure may need to be proposed if the declining population trend in California's cities continues in the near future. Also, the media may increase their reporting of school district facility closures if this trend continues, especially if school districts are unable to relocate existing schools to those locations or sell the property to an outside buyer.

Potentially, the most influential policy change yet to have a significant impact of public school facility policy is energy efficiency. The current legislation that addresses energy usage in public buildings only provides standards of energy consumption. The Office of Public School Construction has taken this current legislation to another level by reporting on various methods of energy conservation that can be implemented specifically by school districts facilities. With the continuing rise in energy costs in California, school districts will need to implement tangible measures of energy reduction. Interest groups concerned with environmental issues, such as energy efficiency, are becoming influential players in many public policy decisions. The influence these groups can have on public school facility policy will continue to increase, especially as the State Allocation Board and the Office of Public School Construction look to these groups for expertise in energy conservation.

The safety of students in public school facilities has always been a central issue in school construction projects. Through interviewing Miles Phippin, the Vice President of Vanir Construction Management, who is involved in consulting school districts on facility construction projects, he expressed that safety standards and regulations are strictly adhered to when constructing new facilities. He also expressed that detailed documentation on safety considerations is required by the SAB and OPSC when considering potential public school construction projects. As materials used in building construction continue to improve as technology advances in hopes of increasing safety and reducing costs, the Office of Public

School Construction will continue to update their guidelines of facility construction to school districts. Their involvement in safety will surely increase in the future.

The cost of public education in California continues to rise year after year. Below is a table showing the statewide average expense of education per student (average daily attendance):

School Year	03-04	04-05	05-06
Cost/ADA	\$6,919	\$7,127	\$7,521
% Increase Yr on Yr		3.0%	5.5%

Source: www.ed-data.k12.ca.us

The increase in public education costs in California over the past three school years is a trend that will most likely continue in the near future. These costs come in the form of teachers' salaries, administrators' salaries, school supplies and materials, and building maintenance and construction. As these costs continue to increase, the guidance provided to school districts from the State Allocation Board and the Office of Public School Construction must address school operational expenses along with funding issues. As mentioned, Proposition 13 has significantly reduced the revenue of school districts, and legislation has been passed to combat the negative effects. Education costs have been steadily rising year after year. Future policy will need to address the major expenditures of school districts and implement strategies of cost cutting and containment, such as energy efficiency of school facilities.

Public school facility policy has been successful in California during the past sixty years. It has endured a significant reduction in property tax revenue and has still managed to support school districts requiring facility construction. Many challenges lie ahead as this policy issue will be faced with the constantly evolving economy of California and the rising costs of public education.

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