



RESEARCH REPORT

Assessing the National Landscape of Capital Expenditures for Public School Districts

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Executive Summary

Nationally, students from low-income backgrounds are less likely than other students to attend school in a building that is in “excellent” or “good” condition. Students from households with earnings below the federal poverty level are also less likely, in several states, to live in districts that receive equal or more capital outlay spending (for projects such as school renovations or new buildings) than districts that serve more affluent peers. In this report, we assess state-level changes in the equity of capital expenditures for students from low-income backgrounds. We also document each state’s policies toward providing support for school capital expenditures. We find that some states with policies that aim to equalize capital expenditures for low-income students can do so.

Although each state has a unique policy approach, our study yields some broad recommendations for state policymakers:

- **Ensure that all school facilities are assessed for building condition.** States should aim to have a standardized way to track and monitor the educational suitability, occupant health and safety, and environmental sustainability of public school buildings and grounds.
- **Consider increasing (or initiating) state funding support for capital expenditures.** Some states provide no or little state funding support for capital expenditures, pushing districts to rely primarily on local property wealth. Additional state funding can mean additional opportunities to deliver adequate and equitable school facilities.
- **In addition to property tax wealth, account for student economic needs in state allocations.** Some states use district measures beyond property wealth, such as information on resident income or on student economic need, to ensure state funding for capital outlay is distributed equitably.

Before the pandemic, federal funding constituted less than 1 percent of total spending on capital outlay for schools. Federal policymakers can support equitable capital expenditure allocations by producing national data on building quality, by providing targeted federal grants to improve student health and outcomes, and by encouraging states to further remedy disparities in capital outlay across districts.

Capital Expenditures for Public School Districts

In the wake of the pandemic's early disruptions, federal policymakers have grown increasingly mindful of how the physical school environment can affect learning. The Elementary and Secondary School Emergency Relief (ESSER) Fund, created in response to the COVID-19 pandemic, gives school districts the opportunity to improve facilities. Schools nationwide are leveraging ESSER funds to improve indoor air quality and continue efforts to reduce the risk of COVID-19 and other respiratory infections among students, teachers, and staff members. These efforts include upgrading filtration, improving ventilation, and updating HVAC (heating, ventilation, and air conditioning) systems to distribute fresh air inside the building (US Department of Education 2021). This increased investment in school construction highlights the importance of updated school facilities in creating a safe and positive learning environment.

In addition, the pandemic has accelerated enrollment declines and shifts in student populations. Schools and districts with enrollment declines may need to consider consolidations,¹ while other districts may need renovations or improvements to take on new students. Change such as consolidation can often disproportionately affect students of color and students from low-income families.² And, as with any physical infrastructure, districts always face upkeep and eventual renovation or replacement costs. Deferred maintenance can lead to lost educational time, closures, and the need for new facilities altogether (Government Accountability Office 2020; Lawrence 2003).

Updated facilities and school construction are linked to better learning environments, reduced absenteeism, and improvements in student test scores. But capital outlay revenue comes largely from local governments; indeed, some states do not offer any substantial support for new and renovated buildings. In this report, we assess the levels of school capital expenditure spending, with particular attention toward students from households with incomes below the federal poverty level. We provide updated information on how states currently support capital expenditures and provide recommendations for policymakers who want to improve the equity of spending on school infrastructure, particularly for students from low-income families.

How Do School Building Environments Affect Student Well-Being and Academic Success?

School buildings can affect student success by mitigating indoor air pollutants and mold (Howard et al. 2021), protecting from lead exposure (Almansour et al. 2019; Pakenham and Olson 2021), and creating an environment where students and staff members want to spend time (Simons et al. 2010; Whipple et al. 2010). Classroom acoustics and noise levels, ambient temperature, and building aesthetics can also affect student learning and academic outcomes (Blackmore et al. 2011; Schneider 2002).

With the continued prevalence of COVID-19, air quality and ventilation in school buildings is a particular concern. The US Environmental Protection Agency (EPA) ranks indoor air pollution in the top five environmental risks to public health.³ Poor air quality in school buildings can have significant consequences for student health and learning. Exposure to air pollutants negatively affects children's brain functioning, cognitive performance, school readiness, and human capital formation (Brockmeyer and D'Angiulli 2016; Calderón-Garcidueñas et al. 2016; Ebenstein, Lavy, and Roth 2016; Gilraine and Zheng 2022; Marcotte 2016).

Improvements to school buildings, particularly indoor air quality renovations, have been shown to mitigate harm from poor air quality and could therefore improve student health and academic outcomes. Researchers have found that targeted ventilation improvements are linked to increased performance on standardized tests (Stafford 2015). And after new air filters were installed in Los Angeles Unified School District classrooms, math and reading scores improved by 0.2 standard deviations (Gilraine 2020).

How Does Investment in Capital Spending Affect Student Outcomes?

School building improvements are typically funded with dedicated capital funding. Capital outlay can be put toward school construction and renovation, as well as the payment of debt for land and construction. Public school capital outlay expenditures account for roughly 10 percent of current per pupil expenditures, on average. In 2017–18, US public schools spent an average of \$1,376 per pupil in capital outlay and \$397 per pupil in interest on school debt, compared with \$13,118 per pupil in current expenditures (National Center for Education Statistics 2021).⁴

School construction projects are often used to address poor facility conditions, changes in enrollment, or other concerns. But renovation and construction can also help districts increase student achievement. Studies using causal methods, such as those that rely on close elections for bond measures, have found some evidence for this effect. For example, approved capital bonds and capital expenditures appeared to increase student proficiency rates in Michigan (Hong and Zimmer 2016). School facility investments in Los Angeles improved test scores and student attendance (Lafortune and Schönholzer 2022). Although capital expenditures can be linked to improved student academic outcomes, the effects of construction are delayed (or may even drop) and emerge only five or six years after project completion (Conlin and Thompson 2017; Neilson and Zimmerman 2014). And sometimes, the effects do not emerge at all. One study of capital campaigns financed by local school districts found little effect on student achievement, even after multiple years (Martorell, Stange, and McFarlin 2016). And a recent study of district spending in Wisconsin showed that increased spending on operations increased test scores and postsecondary enrollment, while increased spending on capital investments did not (Baron 2022).

School facility investments can also affect local neighborhood housing markets, increasing property values in school districts (Conlin and Thompson 2017; Lafortune and Schönholzer 2022). Researchers find that a passage of a bond measure causes home prices in a district to rise by about 6 percent, an effect that appears gradually over two or three years of school facility investments and persists for at least a decade (Cellini, Ferreira, and Rothstein 2010).

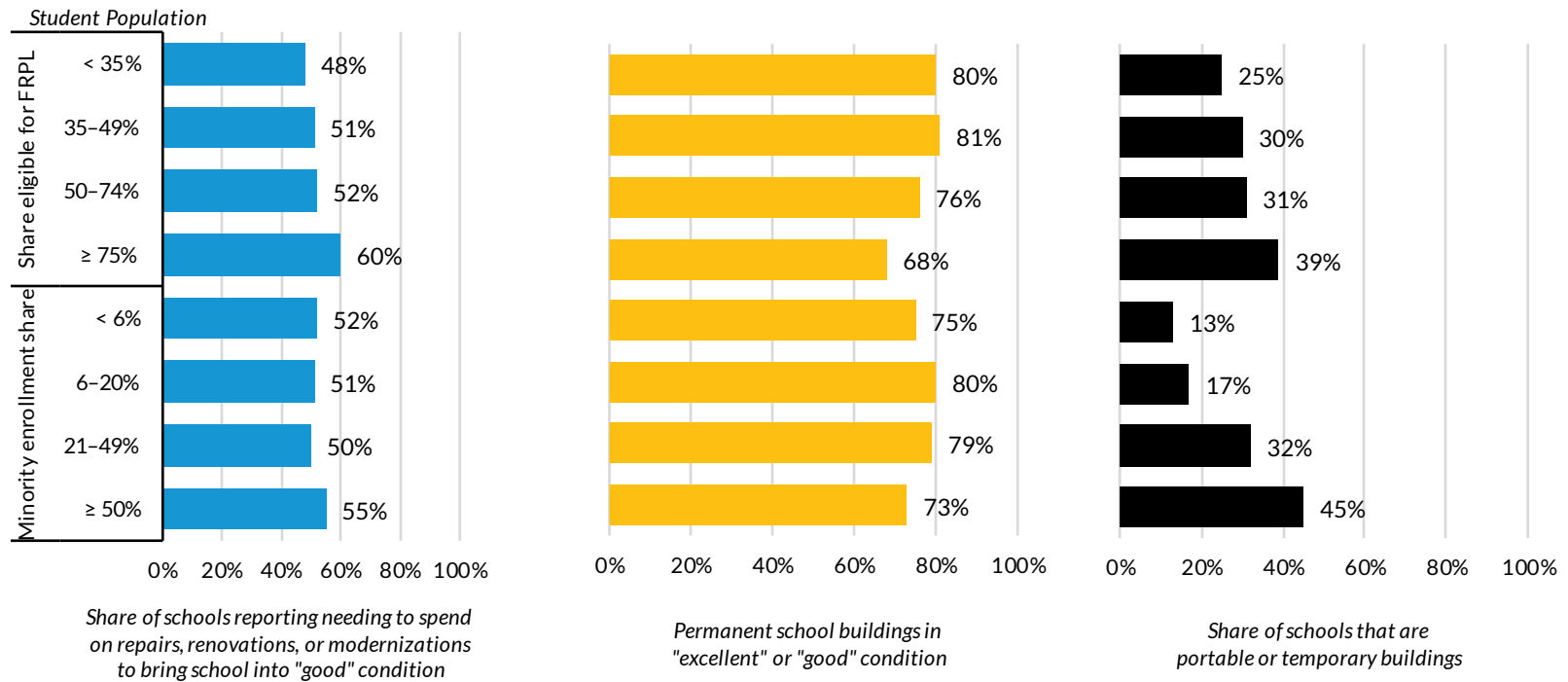
Which Students Are Exposed to Poor-Quality School Facilities?

Nationally, schools with large shares of students who are eligible for free and reduced-price lunch and schools with high shares of minority students⁵ were more likely to include portable or temporary buildings and were more likely to be rated in “fair” or “poor” condition in 2012–13 (figure 1). Schools serving these students were more likely to report needing to spend money on repairs or renovations; 60 percent of schools reported needing to spend money, among schools where at least 75 percent of students were eligible for free and reduced-price lunch, compared with 48 percent among schools where less than 35 percent of students were eligible for free and reduced-price lunch. Although slightly more than half of school facility funding comes from local dollars, high-poverty school districts are less likely to access these funds and are more likely to rely on state funding (Government Accountability Office 2020).

FIGURE 1

Public School Condition, by Student Demographics

Schools with higher shares of students eligible for FRPL and schools with higher shares of students from racial minority backgrounds are more likely to need repairs



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Source: Urban Institute analysis of Debbie Alexander, Laurie Lewis, and John Ralph, *Condition of America's Public School Facilities: 2012-13, First Look* (Washington, DC: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2014).

Notes: FRPL = free and reduced-price lunch. Minority enrollment includes Hispanic, Asian, Native Hawaiian or Pacific Islander, and American Indian or Alaska Native students and students of two or more races. Excellent condition means the facility meets all the reasonable needs for normal school performance and goes beyond adequate. Relatively minor enhancements may be necessary. Good condition means the facility meets all the reasonable needs for normal school performance, is most often in good condition, and generally meets some, but not all, of the characteristics of an excellent facility.

Students of color and students from low-income households are also more likely to be exposed to an unhealthy environment within their schools. Black, Hispanic, and low-income students are more likely to be exposed to poor indoor air quality and air pollution (Chakraborty and Zandbergen 2007; Grineski and Collins 2018). And schools serving these students are more likely to be located near sources of pollution such as major highways and industrial facilities, which can lead to respiratory health issues and reductions in student academic outcomes (Kweon et al. 2016; Persico and Venator 2021). In addition, students of color may be more likely to be exposed to lead in schools and be more likely to see benefits when school lead exposure is remediated (Latham and Jennings 2022; Spiegel, Penner, and Penner 2022).

Examining Capital Expenditures across Time

Our work assesses the typical level of capital expenditures for students from households below the federal poverty level compared with households above the federal poverty level. For this analysis, we use the US Department of Education’s Common Core of Data, looking at fiscal data on school districts (known as the F-33 School Finance Survey). We focus on the expenditure amount that districts report as total capital outlay. This amount is the sum of spending for construction, land and existing structures, instructional equipment, and other and nonspecified equipment. This amount does not include allocations reported as current expenditures, such as spending for operation and maintenance and student transportation.⁶

Capital expenditure data should be analyzed with caution. Capital expenditures tend to be “lumpy” over time; the construction or renovation of a school building may entail substantial expenditures over a couple of years and produce lower expenditures in subsequent years. To account for this, we average district expenditures over five years in state-level analyses. In addition, comparing total nationally reported data from fiscal year 1995 to fiscal year 2013 with state-reported data indicates the possibility of misreporting in Arkansas, Iowa, Massachusetts, New Jersey, New Mexico, New York, and Rhode Island (Biasi, Lafortune, and Schönholzer 2021; Filardo 2016). These states are annotated on state figures to indicate uncertainty in measurement. In addition, Hawaii and the District of Columbia are excluded from our cross-district analysis because each has a single geographic school district.

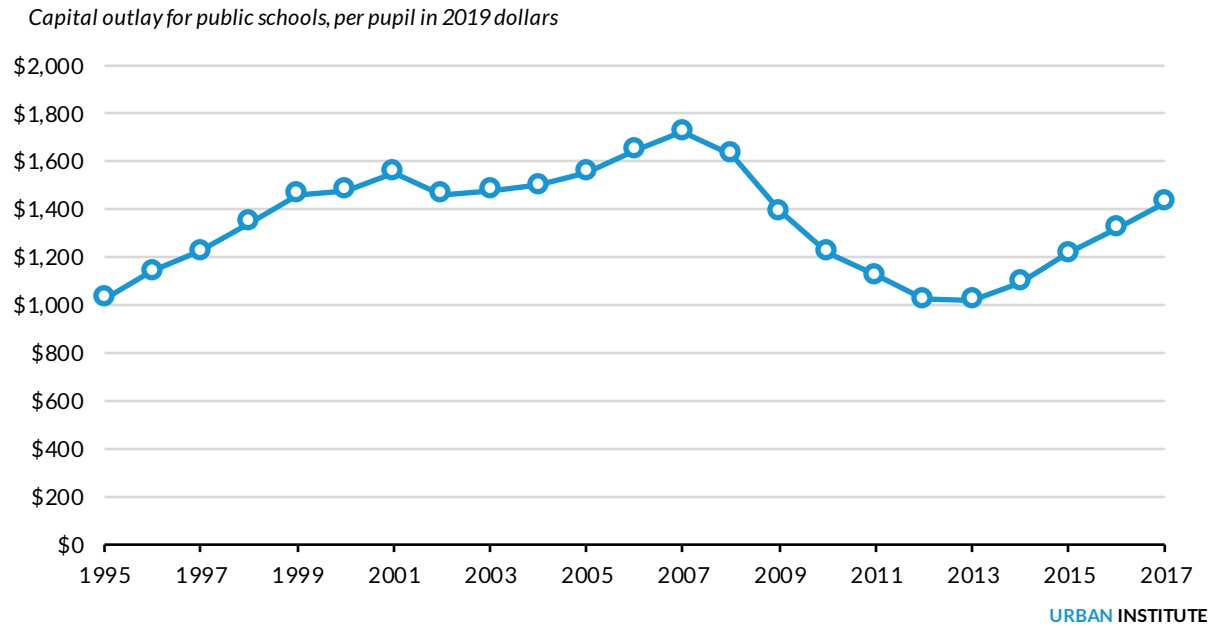
Nationally, capital outlay expenditures peaked, in 2019 inflation-adjusted dollars, at around \$1,700 per pupil in the 2007–08 school year (figure 2). Since 2013–14, capital investments per pupil have begun to increase nationally, recovering to around \$1,400 in inflation-adjusted dollars in 2017–18. The

decline in capital expenditures after 2008 has been attributed to the Great Recession (Jackson, Wigger, and Xiong 2021; Leachman, Masterson, and Figueroa 2017).

FIGURE 2

National Levels of Capital Outlay for Public Schools

Inflation-adjusted per pupil spending on capital outlay peaked just before the 2008 recession



Source: Urban Institute analysis of data from the Common Core of Data.

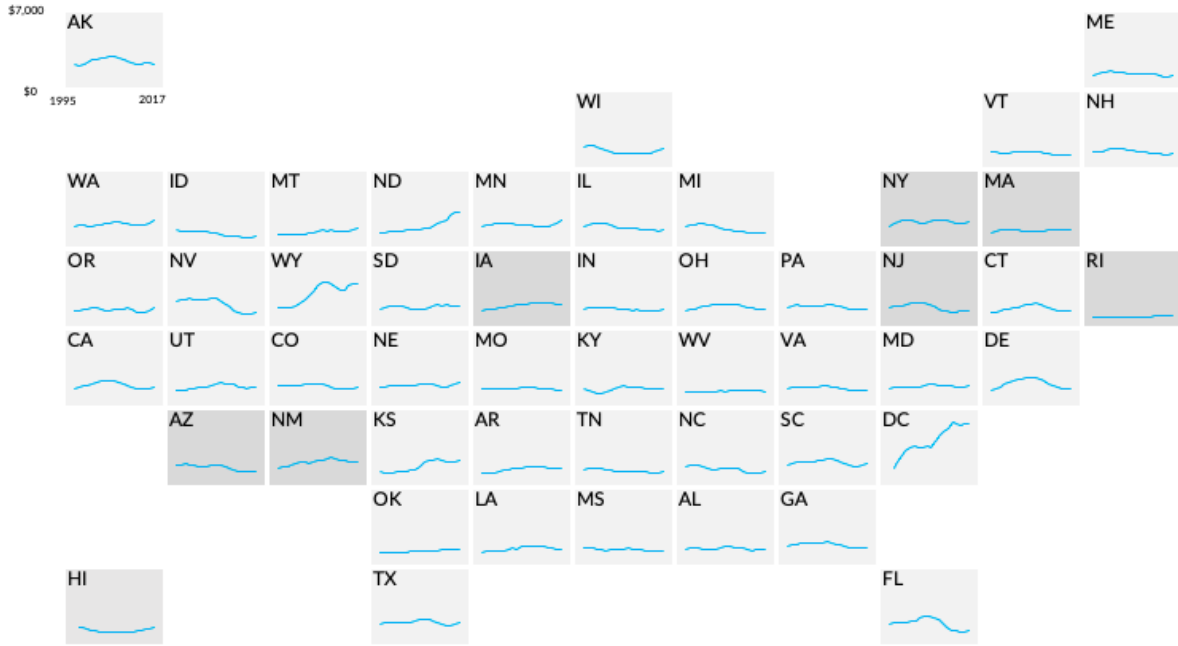
Notes: Years on the horizontal axis represent fall semesters (e.g., 1995 refers to the 1995–96 school year). Expenditures are inflation adjusted to 2019 dollars using the Consumer Price Index. National data from Arizona, Iowa, Massachusetts, New Jersey, New Mexico, New York, and Rhode Island are substantially different than state-reported data and are excluded from this analysis. Inclusion of data from these states does not substantially change the national trend.

Within each state, per pupil expenditures on capital outlay vary (figure 3). In recent years, Washington, DC, has spent the most (in inflation-adjusted dollars) in capital outlay per pupil, while Wyoming, North Dakota, and Kansas have also seen substantial increases. Most states have seen more modest changes or steady levels of investment, hovering around the national average of \$1,200 to \$1,400 per pupil, in inflation-adjusted dollars, over time. Investments in capital outlay decreased more steeply in some states in the wake of the Great Recession, from around 2007 (mean of five-year spending from 2005 to 2009) to 2015 (2013 to 2017). This trend was most notable for capital outlay spending in California (from \$1,802 per pupil in 2007 to \$1,238 per pupil in 2015), Connecticut (\$1,753 to \$979), Delaware (\$2,347 to \$1,067), Florida (\$2,271 to \$758), and Nevada (\$2,078 to \$844). These amounts do not include other expenditures related to school infrastructure, such as maintenance and operation expenses, or payments on debt specifically for construction or renovation.

FIGURE 3

Inflation-Adjusted Per Pupil Capital Outlay, by State

Although capital outlay has been relatively flat, in inflation-adjusted dollars, some states have seen substantial increases or decreases in overall per pupil capital outlays



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Source: Urban Institute analysis of data from the Common Core of Data.

Notes: Expenditures are inflation adjusted to 2019 dollars using the Consumer Price Index. National data from Arizona, Iowa, Massachusetts, New Jersey, New Mexico, New York, and Rhode Island are substantially different than state-reported data and are excluded from this analysis. Inclusion of data from these states does not substantially change the national trend. A version of this figure using geographically linked schools (i.e., inclusive of charter and other special school districts) is available as appendix figure A.1.

Connecting Capital Expenditures to Student Economic Need

Studies of overall capital expenditure spending at the district level have found that within-state capital spending by districts with more students from low-income backgrounds had been historically low, but in recent years, spending has begun to approach parity relative to more affluent districts (Biasi, Lafortune, and Schönholzer 2021). This trend toward within-state parity is largely driven by declines in spending among more affluent districts, though parity is also more likely in states where the share of state spending is high (Biasi, Lafortune, and Schönholzer 2021).

To understand how capital outlay is distributed within a state, we link capital expenditure data to information on the share of school-age children (ages 5 to 17) from households at or below the federal poverty level, as reported by the US Census Bureau in the Small Area Income and Poverty Estimates (SAIPE) data. The SAIPE data measure student need consistently across geography and time. These data are developed annually for school districts or local education agencies (LEAs) with a geographic district footprint, which often excludes data on spending for charter school districts. As a check on our results, we geographically linked all schools (and their corresponding LEAs) to a geographic school district and allocated capital expenditures for nongeographic school districts according to student enrollment. The results change somewhat in this version of the analysis but are not substantially different (appendix figure A.3).

In our analysis, we build a ratio, within state, of the average total capital expenditure that a student from a household at or below the federal poverty level experiences within their school district relative to the average capital expenditure for a student from a household above the federal poverty level (box 1). A value of 1 indicates no difference between reported capital expenditures for low-income students relative to their peers. A value of more than 1 indicates a higher level of spending for low-income students relative to their higher-income peers, and a value of less than 1 indicates the opposite. Because of variation in school district size and the distribution of low-income students across states, differences in magnitude are challenging to compare across states (Blagg 2019). States that are highly stratified by economic status because of small district size, such as some New England states, have more leeway for allocating funds “progressively” or “regressively” for students from low-income households. States with more economically homogenous populations because they have large districts, such as Florida or Nevada, have less leeway.

BOX 1

Calculating Equity Measures

This simplified example best explains our equity measure calculation for capital outlay funding. In this example, the state has only two districts, A and B, each with 100 students. Capital outlay funding is averaged over five years.

District A \$1,000 per student 10 low-income students, 90 higher-income students	District B \$1,200 per student 30 low-income students, 70 higher-income students
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We compute a weighted average funding level for low-income and higher-income students.

$$\text{Low-income: } \frac{(10 \text{ students from A} \times \$1,000) + (30 \text{ students from B} \times \$1,200)}{10 \text{ students from A} + 30 \text{ students from B}} = \$1,150 \text{ per student}$$

$$\text{Higher-income: } \frac{(90 \text{ students from A} \times \$1,000) + (70 \text{ students from B} \times \$1,200)}{90 \text{ students from A} + 70 \text{ students from B}} = \$1,087.50 \text{ per student}$$

The ratio between these two average per student amounts constitutes our measure of equity.

$$\frac{\$1,150 \text{ per low-income student}}{\$1,087.50 \text{ per higher-income student}} = 1.057$$

A ratio at or above 1 indicates that students from households below the federal poverty level live in a district that receives at least as much as or more capital outlay as students from households above the federal poverty level. Thus, in our simplified example, we estimate that the typical low-income student in this state lives in a district that receives more in terms of capital outlay than the typical higher-income student.

Because we are comparing expenditures within state, school districts will likely face similar requirements for substantial capital investments (e.g., any provisions for architectural or environmental studies, materials sourcing, or other state requirements). But labor costs for renovations and new construction could vary within a state, particularly for geographically larger states. To address this, we

run an alternate analysis where we adjust expenditures for local labor costs for occupations related to construction and renovation.⁷ We find that trends overall are similar, though in some states, there is a slight increase or decrease in the ratio of capital expenditure allocation for low-income versus higher-income students (appendix figure A.2).

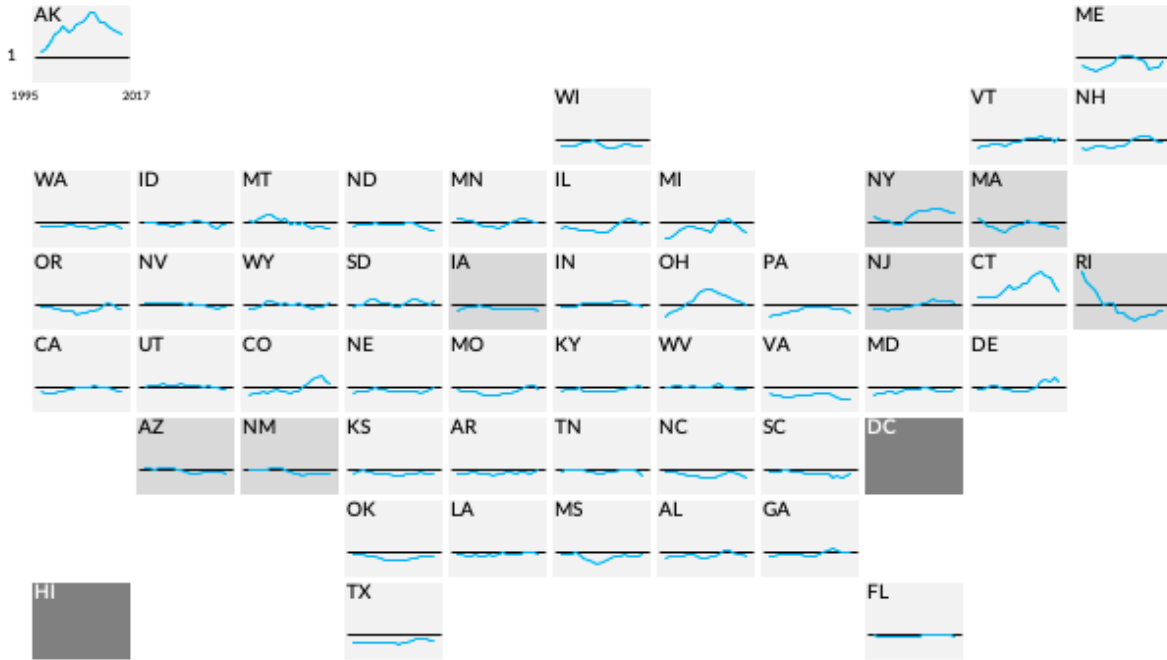
To better understand allocations for capital expenditures, we look at district-level capital spending for low-income and higher-income students within each state (figure 4). Our results indicate that some states saw similar increases in capital spending for low-income students, relative to their peers, in the late 2000s and early 2010s. But other states have seen consistently more spending on construction and renovation in districts with relatively more affluent students, compared with average spending in the same years for students from low-income households. Underinvestment in facilities for students from low-income households seems particularly prevalent in Pennsylvania, Oklahoma, North Carolina, South Carolina, Texas, and Wisconsin, as estimates of spending do not reach parity in any year, even in our estimates that attempt to incorporate capital expenditures for charter schools (appendix figure A.3) or to adjust for the local wage market (appendix figure A.2).

These results are tempered somewhat by our inability to assess schools' underlying conditions. For example, if students from low-income families are more likely to be enrolled in newer schools (i.e., constructed in the 1980s, before the 40-year period when school buildings tend to need replacement), they may be less likely to need a new or renovated building. In addition, if students from low-income households are less likely, overall, to be enrolled in schools that are at capacity or that exceed capacity, they may be less likely to be exposed to substantial capital outlay spending. Of course, the opposite could also be the case. In addition, expenditures for maintenance and operation of plant and for debt service are not included here. These expenditures might affect the overall level of investment that a state or district places into its facilities and thus change our estimates.

FIGURE 4

Per Pupil Capital Outlay for Students from Households Living in Poverty, by State

In several states, students from households living in poverty receive less in per pupil capital outlay than students from households not living in poverty



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Source: Urban Institute analysis of data from the Common Core of Data, the Small Area Income and Poverty Estimates program, and the Occupational Employment and Wage Statistics program.

Notes: Data above the black line indicate a “progressive” allocation of more than 1, where students from households below the federal poverty level receive more district-level per pupil capital outlay than students from households above the federal poverty level. National data from Arizona, Iowa, Massachusetts, New Jersey, New Mexico, New York, and Rhode Island are substantially different than state-reported data and should be treated with caution. Five-year rolling averages are presented for the middle year (e.g., 2015 data are an average of data from 2013 to 2017).

How Do States Equalize Differences in Capital Spending across Districts?

In terms of current (or operating) funding for education nationally, revenue from local and state sources are roughly equal (45.8 percent and 46.8 percent, respectively, in 2018–19), with federal revenue supplementing (7.8 percent).⁸ Revenue for capital expenditures is more reliant on local wealth. Between 1994 and 2013, about 82 percent of revenue for capital expenditures came from local school districts,

with state funding at 18 percent of overall expenditures and federal funding at 0.2 percent (Filardo 2016).

Each state has its own approach to funding school construction and renovation. Some states provide no earmarked financial support for school districts (though districts may draw on state funding through revenue allocated for current expenditures). Other states provide supports such as up-front equalizing or matching grant aid, debt reimbursements or forgiveness, and subsidized loans. Often, this state aid is aimed at districts that would otherwise struggle to fund capital outlay (i.e., because of low property wealth), districts with rising enrollment, or districts serving certain student populations (i.e., a high share of students eligible for free and reduced-price meals or rural or remote districts).

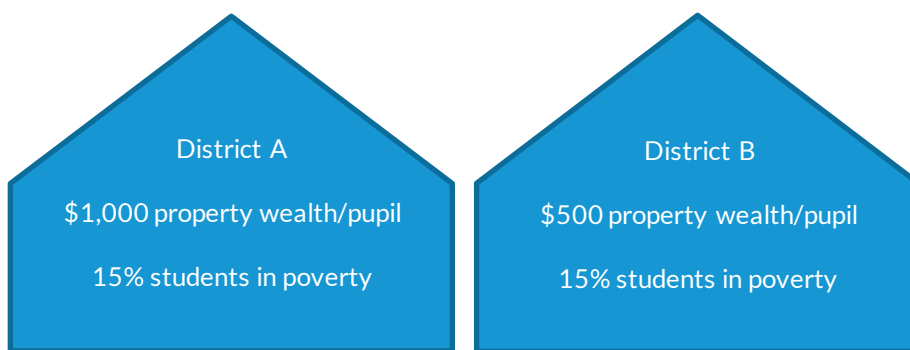
Using funds to equalize property wealth tends to be a common approach, though each state varies in how much leveling comes from state dollars. Box 2 illustrates how a state equalization scheme might work for two similar districts with different levels of property wealth. In practice, these equalization schemes take many forms. Some states equalize only for districts below a typical per pupil property rate level in the state.

BOX 2

Property Wealth and Student Economic Status

In our analysis of capital expenditure levels, we focused on average outlay for children who are from households at or below the federal poverty level. Because capital expenditures are often funded from local property tax revenue, some states provide larger subsidies for districts with lower property wealth. Property wealth and household income are often only loosely correlated at the school district level.^a Property wealth can include taxes on commercial buildings, industrial areas, and farmland. In this way, a district that serves a high share of students from low-income families may, at times, have an equal or higher level of property valuation than a district that serves a smaller share of low-income students.

An example of how property equalization might work in a state is below.



This state aims for a minimum of \$1,250 in property wealth per pupil in a given school district. The state could equalize by providing 20 percent of funding for District A (an additional \$250 per pupil) and 60 percent of funding for District B (an additional \$750 per pupil). In this example, student socioeconomic need (in the form of share of students living in poverty) is similar between the two districts.

^a Caroline M. Hoxby, “How Much Does School Spending Depend on Family Income? The Historical Origins of the Current School Finance Dilemma,” *American Economic Review* 88, no. 2 (May 1998): 309; and Zahava Stadler, Yi Li, Kailey Spencer, and Sara Hodges, *Building Equity: Fairness in Property Tax Effort for Education* (Jersey City, NJ: EdBuild, 2017).

Beyond funding, there are other ways state policies can encourage investment in school buildings. Most states require a local election for the approval of expenditures on new construction or renovation. The thresholds for these local elections can vary from a simple majority of 50 percent to a supermajority of 60 or 66 percent. Higher passing thresholds, such as those in California, can make it more difficult for a project to gain local approval. In another example, states may require districts to conduct regular assessments of school facilities or may conduct the assessments on their own. Keeping

updated information on school building quality and infrastructure needs can help spur both local and state investment.

We gathered data on how each state supports investments in school construction and infrastructure and report our results in appendix table A.1. Our data were sourced from previous academic work on capital investment systems in each state and from state websites.⁹ We developed summaries of six key facets of capital outlay for school districts and then contacted states to confirm our characterization of their systems:

- **Voter approval needed.** Many states require a vote from school district residents for large capital expenditures. This field indicates whether voter approval is required for capital construction projects, and if so, what share of the vote is required for it to pass. Data for this were initially sourced from Biasi, Lafortune, and Schönholzer (2021) and validated with data from states websites and our state contacts.
- **State funding share or type.** This field refers to the amount of funds and support, if any, that the state will provide school districts. States can fund school capital projects in various ways, such as through direct grant aid, subsidized loans, or debt reimbursement.
- **State prioritization or approval.** States often receive more capital project requests than they can contribute funding toward. This field captures the criteria for approving or funding capital projects. State priorities can range from building health and safety concerns to providing specific programming, to prioritizing low-wealth districts that struggle to raise local tax revenues to support the project on their own.
- **Facility assessment or survey requirements.** A facility assessment or condition assessment is a tool for both the state and school district to identify maintenance or construction needs throughout each building and facility. This field identifies whether such an assessment or survey is required and whether the state or district conducts the assessment. Data for this field are sourced from a Government Accountability Office (2020) report and validated with data from states' websites and our state contacts.
- **Equity/equality measure.** Some states have enacted measures to improve the equity of capital spending for school districts with low property wealth or high shares of students from low-income backgrounds. States may prioritize capital improvement projects for districts that serve high shares of students from low-income families or may provide a greater share of funding to districts with lower wealth as measured by the total taxable property wealth in the district.

- **Types of projects considered.** States have different definitions of what constitutes a capital investment, relative to expenses for school building maintenance and operation. Higher limits (or definitions that encompass only major renovations or new construction) could give districts more flexibility to address small issues quickly, but lower limits may enable districts to access state support for smaller projects.

Summarizing a Patchwork of State Policies

Although most states provide some support for capital spending, approaches across states vary, particularly when looking at attempts to increase equity for students from low-income families. This is particularly true when looking at policies that move beyond equalizing property wealth levels.

A few states aim to explicitly direct more funding to school districts with high shares of economically disadvantaged households or students. States like Colorado, Connecticut, Idaho, Ohio, South Carolina, and Virginia incorporate local area income, not just property tax wealth, into their equalization formulas. Georgia, Iowa, and Virginia use sales tax revenue and property tax revenue. Because sales tax revenue is based on local consumption, this approach may indirectly help districts with larger shares of low-income households. Maryland, Massachusetts, and New Hampshire incorporate shares of students eligible for school meal programs in their allocation, and Oregon uses a district-level measure of the share of students living at or below the federal poverty level.

States may also outline different priorities for funding construction and renovation projects. Some states put safety as a top priority, while other states move schools in need of additional student capacity to the top of the list. A few states, like Ohio, which has an “equity list” of high-priority projects, use a set of criteria to determine need. These criteria are sometimes sourced from statewide school facility assessments.

Examining our data on current and past capital outlay for students from low-income households, some patterns emerge relative to state policy. Many states that allocate no (or very little) capital funding also have less capital outlay for low-income students. Louisiana, Michigan, Mississippi, Montana, Nebraska, Nevada, Virginia, and Wisconsin fit this profile. But there are exceptions to this trend. Indiana, Missouri, and South Dakota do not provide substantial state support for capital outlay but tend to have somewhat equal levels of spending for students from low-income families relative to their higher-income peers. This could be attributable to multiple factors, including differences in property assessments, differences in property wealth relative to the incomes of households with

students, differences in preexisting school infrastructure, or differences in the way funding is allocated in a state’s current expenditure formula.

States that have policies that aim to equalize capital spending—particularly those equalizing around area income or student need, rather than only property wealth—are more likely to provide more or equal capital outlay for students from low-income backgrounds. Connecticut, Colorado, Ohio, and New Hampshire appear to fall in this group.¹⁰

Linking Policy to Parity or Progressivity for Students from Low-Income Households

Drawing straight lines between different state-level policy choices and resulting equity of capital expenditures is difficult. Outside factors such as the underlying distribution of property wealth and the equity of each state’s current expenditure formula may also contribute to what we observe in our high-level analysis. To provide a broad overview of current policy choices and parity in school capital expenditures, we code each state along seven binary policy dimensions:

1. whether the state provides any support for capital expenditures
2. whether state support includes substantial funding, such as grants or subsidies, that do not need to be repaid
3. whether state support is aimed at property wealth equalization
4. whether state support adjusts for local district income data or sales tax revenue
5. whether state support includes direct support or consideration for students from low-income families
6. whether state funding is provided for other types of need (including rural or small schools or indirect measures of student socioeconomic status)
7. whether the state requires any form of facilities assessment

Figure 5 illustrates the number of states that have adopted each policy and the share of states that have allocated equal or more funding for low-income students over the most recent five years of data. Although most states provide some support for capital expenditures, the states that do not provide monetary support are more likely to have progressive funding (57 percent of local-only states versus 33 percent of state-funding states). Although this seems counterintuitive, as states are often the agents

that equalize education funding for students from low-income backgrounds, there are multiple explanations for this trend. There could be less of a correlation between property wealth and student economic need, meaning some districts with high shares of low-income students still have sufficient property wealth to fund construction. Alternatively, more of the funding for capital expenditures in these states might come from current-spending funding formulas, which typically allocate more funding for districts serving high shares of low-income students. And finally, the existence of parity for low-income students in these states may mean that state policymakers see less need for state involvement.

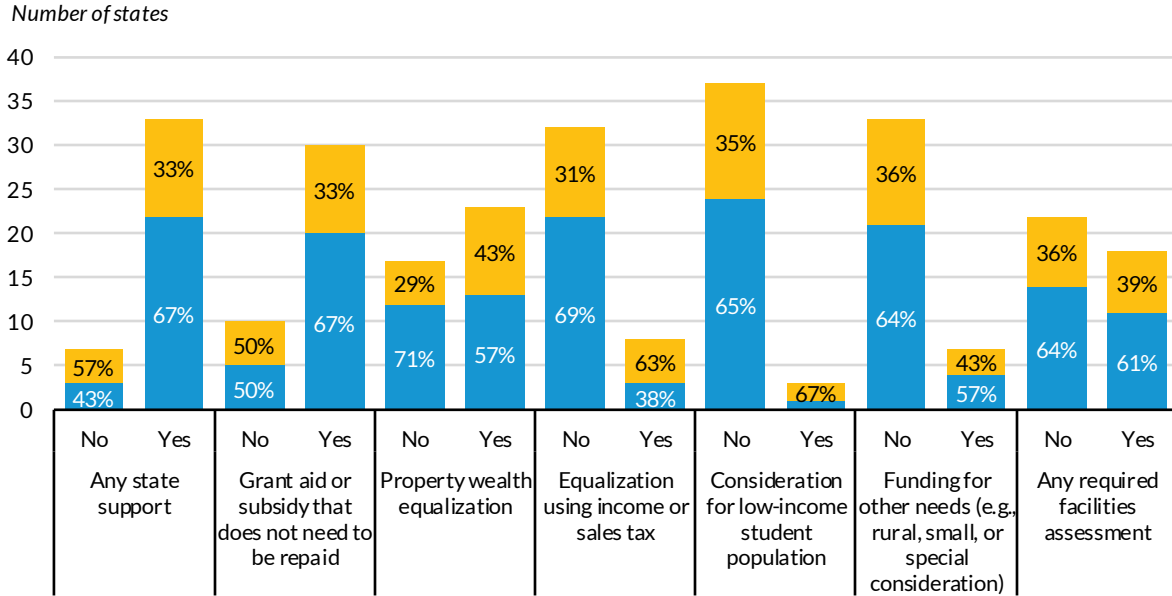
Four of our policy classifications assess what criteria states use to allocate more capital funding for some districts than for others. States most commonly allocate these dollars according to property wealth. Forty-three percent of these states have parity or progressive funding for students living in poverty, compared with 29 percent of other states. Sixty-three percent of states that use measures of income wealth (e.g., sales tax or other income measures) allocate equal or more overall capital spending for low-income students, and 67 percent of states that have a direct consideration for students from low-income households have capital spending that is progressive or at parity.

FIGURE 5

State Policy Choices and Typical Capital Spending for Low-Income Students

In states that have explicit funding considerations for property wealth, local community income, or student populations, students from low-income households are more likely to have equal or higher per pupil capital outlay funding

- Less funding for low-income students
- Equal or more funding for low-income students



URBAN INSTITUTE

Source: Urban Institute analysis of Common Core of Data, Small Area Income and Poverty Estimates, and state-level data, including data sourced from Government Accountability Office, *School Districts Frequently Identified Multiple Building Systems Needing Updates or Replacement* (Washington, DC: Government Accountability Office, 2020).

Notes: States are categorized as providing equal or more funding for low-income students if the most-recent five-year average ratio (2012–17) is positive for at least two of the three estimates we conduct (geographic school districts only, inclusive of local education agencies in nongeographic school districts, and using an estimate of local construction labor costs). National data from Arizona, Iowa, Massachusetts, New Jersey, New Mexico, New York, and Rhode Island are substantially different than state-reported data and are excluded from this figure but are reported in appendix figure A.4. Hawaii and the District of Columbia are not included because they consist of a single geographic school district.

Although these results are not causal, they illustrate that state policies aimed at equalizing or mitigating disparities in resources for capital spending are more likely to actually allocate capital expenditures at a level that provides equal or more funding for students from households below the federal poverty level. Other factors, such as the underlying distribution of capital outlay need within the state, could contribute to decisions about which districts invest in new or renovated buildings and when that investment occurs. And of course, these data encompass only district-level spending. It is possible

that, within each state, school-level assessments of capital expenditures could vary substantially, especially for states with large districts.

Policy Recommendations

Our results indicate that students from low-income households are more likely to be enrolled in districts that underinvest in school infrastructure relative to districts that tend to enroll more of their higher-income peers. Our analysis of state policies around capital expenditures indicates that state practices likely affect equity. These results point to the following recommendations for state policymakers:

- **Ensure that all school facilities are assessed for building condition.** Not all states have annual or even regular statewide assessment on school building condition. States should aim to have a standardized way to track and monitor school buildings' safety, environmental, and capacity needs. Having uniform and frequent updates to building condition quality can help policymakers anticipate capital needs and better plan for the future. Standardized facility assessments can also help with the comparison of needs across a given state.
- **Consider increasing (or initiating) state funding support for capital expenditures.** Some states provide no or little state funding support for capital expenditures. When school districts have different levels of property wealth and resident income to draw on for capital revenue, differences in school building quality are inevitable. And these differences may be self-reinforcing, as families with financial means may seek districts with high-quality facilities, further increasing local property values and wealth. States can act as a counterbalance, ensuring more equal footing for districts without high levels of property wealth. For states with an equalizing program, further attention should be paid to reimbursement rates. For example, does equalizing happen only for districts with very low wealth, or are state funds used to give all districts a relatively equal property tax base for school building construction and renovation?
- **In addition to property tax wealth, account for student economic need in state allocations.** Levels of property wealth and levels of student economic need are not synonymous. Our data show that even in some states with property wealth equalization, districts serving high shares of low-income students may experience less infrastructure investment than districts serving lower shares of low-income students. Some states are working to prioritize school construction for districts that serve a higher share of students eligible for school meals or who are from households below the federal poverty level. These approaches aim to ensure that students with

the most need are prioritized for the benefits of new and renovated buildings, such as clean air, safe buildings, and adequate space.

Our results also point to the need for support from federal agencies and policymakers, beyond the support provided for capital expenditures related to the pandemic (e.g., HVAC systems) that were allocated as part of ESSER funding. Before the pandemic, federal funding constituted less than 1 percent of total spending on capital outlay for schools. Federal policymakers can contribute by considering the following actions:

- **Continue to produce data on building quality and student demographics.** The most recent national surveys of school facilities were conducted in 2013 and in 1999 (Alexander, Lewis, and Ralph 2014). The US Department of Education should monitor facility quality more frequently, particularly for historically underserved groups. Ideally, such a survey would generate data on a representative sample of schools within each state and across the nation. More frequent and granular federal school facility surveys will help define facility need by state, point toward states that have robust and equitable infrastructure, and provide motivation for continued attention to the experiences of the nation's children in school.
- **Consider targeted federal grants to improve student health and outcomes.** ESSER funding provides a template for how federal dollars can support learning conditions in school buildings. Policymakers can provide targeted federal grants for facility improvements that have been shown to improve student health and achievement outcomes. These grants could promote lead removal (already proposed by the Biden administration),¹¹ improve air quality and noise mitigation, and improve school safety (e.g., fire prevention and traffic-calmed pathways around the school). Grants could also be developed to meet infrastructure needs based on school location, such as helping rural or remote districts, districts without high-speed internet access, or schools that are likely to be subjected to high temperatures or flooding attributable to climate change.
- **Encourage states to remedy disparities in property tax revenue across districts (e.g., through matching grants or equalization funding).** Underlying disparities in property wealth and resident income likely explain some of the substantial differences we observe in capital expenditures. Several states have enacted measures to improve the equity of capital spending for school districts with lower property wealth. By publishing data on school building conditions and further reporting about capital expenditures, the federal government can motivate states to adopt programs that level access to capital outlay resources through state equalization

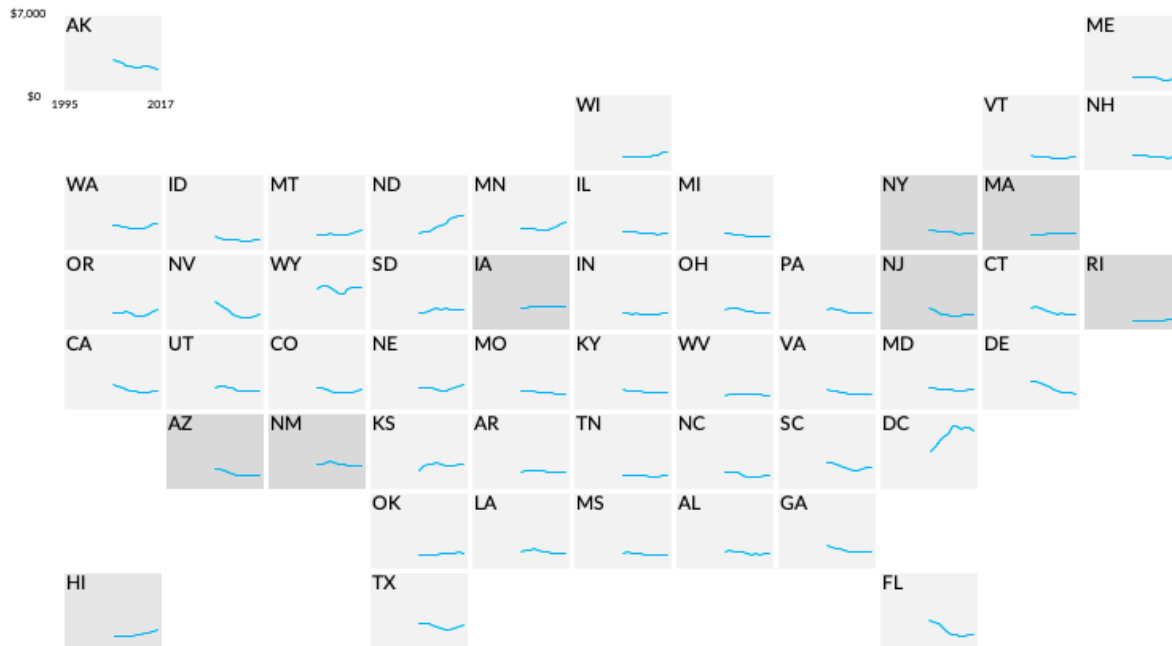
funding. Policymakers might also consider incentives to help states contribute to school capital expenses or to increase their share.

Access to a healthy, safe, adequate, and inspiring school building can improve student health and academic outcomes. But this access is unequal across the nation and within states, especially for students from low-income households. A few states—such as Ohio, Colorado, New Hampshire, and Connecticut—have provisions that aim to counter disparities in capital expenditures for low-income students and appear, in our analysis, to have driven more spending toward those students over the past 10 years. More states should take up such practices as facility assessment, property tax equalization, and explicit consideration of student economic need to ensure high-quality facilities for all students. Although the federal government historically has not financially supported capital expenditures, we identify ways that facility quality can be more frequently tracked and that the federal government can target support to certain needs.

Appendix

FIGURE A.1

Inflation-Adjusted Per Pupil Capital Outlay Incorporating Spending in Nongeographic School Districts



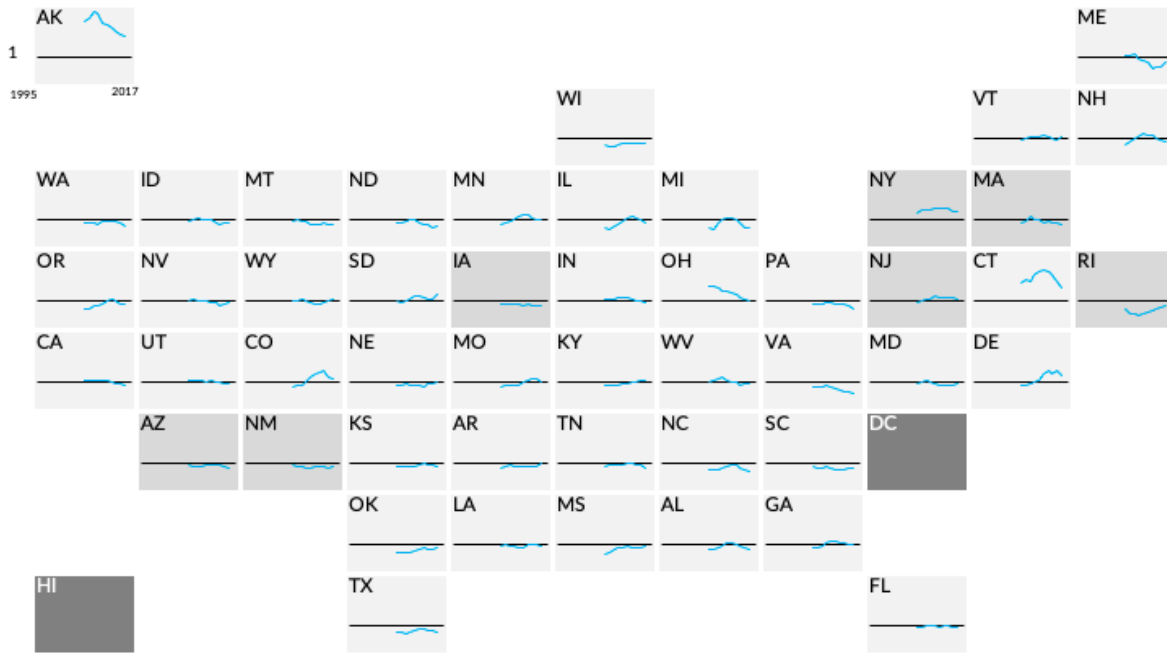
URBAN INSTITUTE

Source: Urban Institute analysis of data from the Common Core of Data.

Notes: Expenditures are inflation adjusted to 2019 dollars using the Consumer Price Index. National data from Arizona, Iowa, Massachusetts, New Jersey, New Mexico, New York, and Rhode Island are substantially different than state-reported data and are excluded from this analysis. Inclusion of data from these states does not substantially change the national trend.

FIGURE A.2

Per Pupil Capital Outlay for Low-Income and Higher-Income Students, Adjusted for Occupational Wages



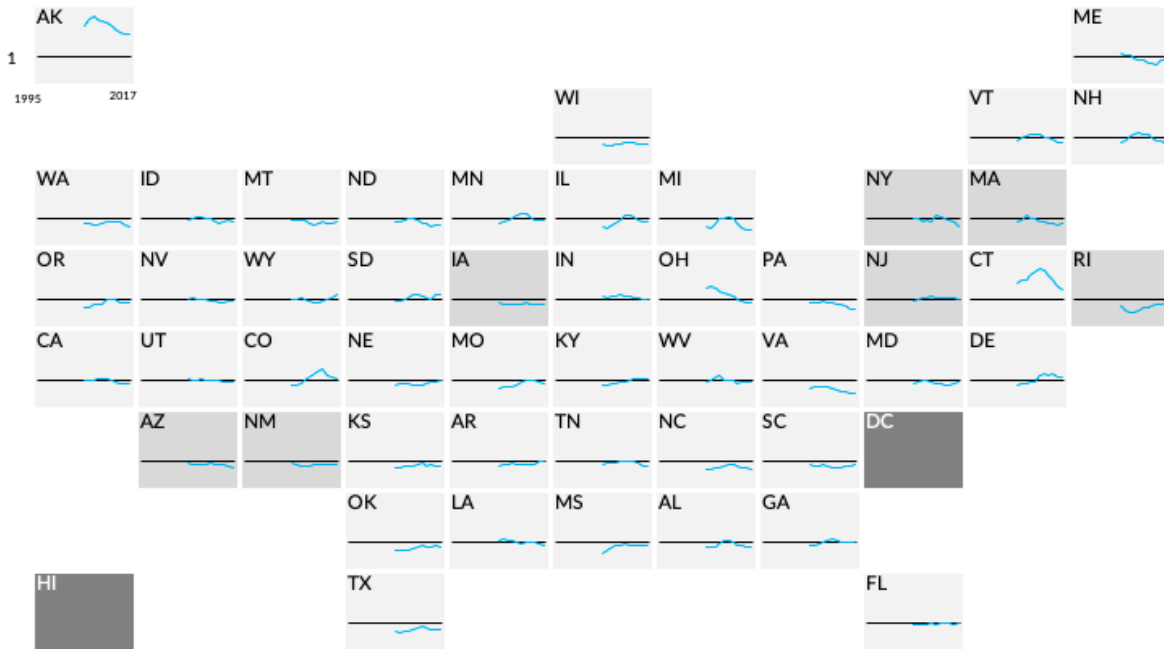
URBAN INSTITUTE

Source: Urban Institute analysis of data from the Common Core of Data, the Small Area Income and Poverty Estimates program, and the Occupational Employment and Wage Statistics program.

Notes: Data above the black line indicate a “progressive” allocation of more than 1, where students from households below the federal poverty level are exposed to more district-level per pupil capital outlay than students from households above the federal poverty level. National data from Arizona, Iowa, Massachusetts, New Jersey, New Mexico, New York, and Rhode Island are substantially different than state-reported data and should be treated with caution. Five-year rolling averages are presented for the middle year (e.g., 2015 data are an average of data from 2013 to 2017).

FIGURE A.3

Per Pupil Capital Outlay for Low-Income and Higher-Income Students, Incorporating Spending in Nongeographic School Districts



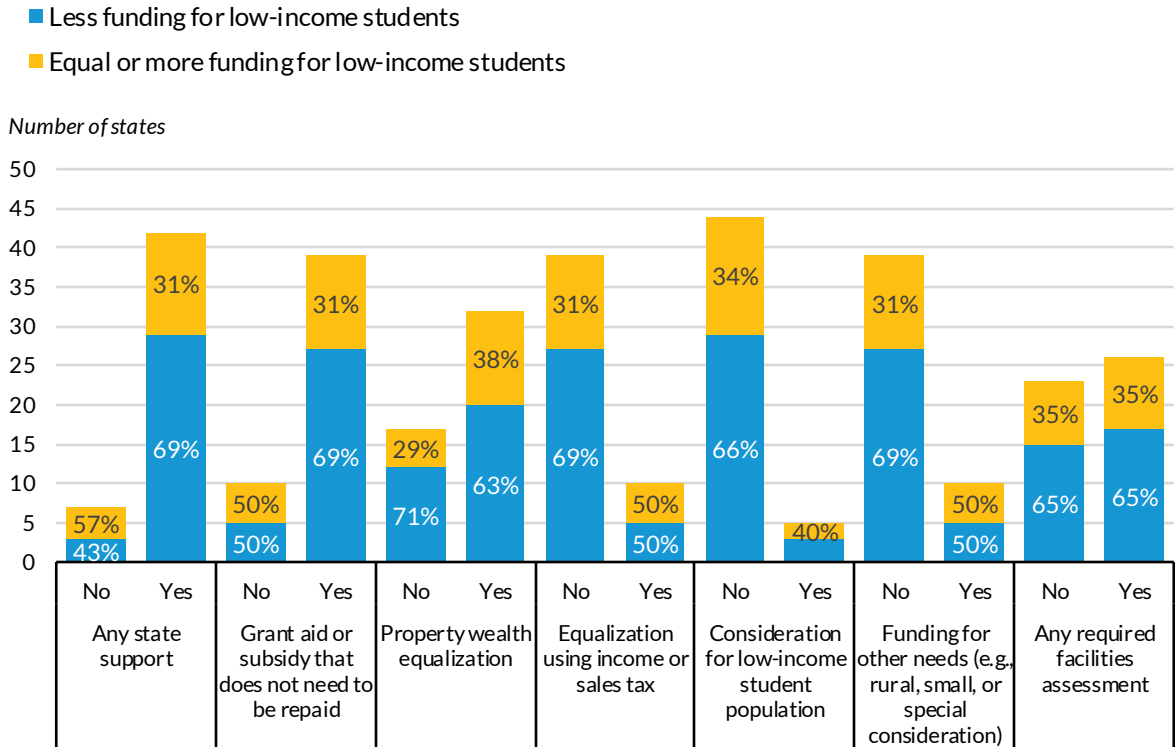
URBAN INSTITUTE

Source: Urban Institute analysis of data from the Common Core of Data, the Small Area Income and Poverty Estimates program, and the Occupational Employment and Wage Statistics program.

Notes: Data above the black line indicate a “progressive” allocation of more than 1, where students from households below the federal poverty level are exposed to more district-level per pupil capital outlay than students from households above the federal poverty level. National data from Arizona, Iowa, Massachusetts, New Jersey, New Mexico, New York, and Rhode Island are substantially different than state-reported data and should be treated with caution. Five-year rolling averages are presented for the middle year (e.g., 2015 data are an average of data from 2013 to 2017).

FIGURE A.4

State Policy Choices and Typical Capital Spending for Low-Income Students



URBAN INSTITUTE

Source: Urban Institute analysis of Common Core of Data, Small Area Income and Poverty Estimates, and state-level data, including data sourced from Government Accountability Office, *School Districts Frequently Identified Multiple Building Systems Needing Updates or Replacement* (Washington, DC: Government Accountability Office, 2020).

Notes: States are categorized as providing equal or more funding for low-income students if the most-recent five-year average ratio (2012–17) is positive for at least two of the three estimates we conduct (geographic school districts only, inclusive of local education agencies in nongeographic school districts, and using an estimate of local construction labor costs). Except for Hawaii and the District of Columbia, all states are included in this figure.

State Policies

Alabama

- **Voter approval needed?**¹² Yes, 50 percent.
- **State funding availability.**¹³ The state provides grants for capital construction using bond issues (Public School and College Authority bonds).
- **State prioritization.** None, each district develops a five-year capital plan.

- **Facility assessment or survey requirements.**¹⁴ Districts are required to conduct facilities assessments.
- **Equity/equality measures.** None.
- **Types of projects considered.** Projects under \$750,000 do not need approval by the state's Division of Construction Management.

Alaska

- **Voter approval needed?** Yes, 50 percent for the state's debt reimbursement funding.
- **State funding availability.** The state has a grant program for school districts, with local contributions ranging from 2 to 35 percent, and debt reimbursement, with local shares ranging from 30 to 40 percent.
- **State prioritization.** The Department of Education and Early Development prioritizes applications on two lists: construction and maintenance. Projects are prioritized based on 18 evaluative criteria, including life and safety considerations, planning and design status, number of students in excess of capacity, and age of buildings. Priority is strongly influenced by facility condition or age.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Grant participating share amount is tied to the per student assessed valuation of the property in the municipality and unincorporated areas.
- **Types of projects considered.** Projects (including nonconstruction elements) must cost more than \$50,000 and be for construction or for major, not routine, maintenance.

Arizona

- **Voter approval needed?** Yes, for local bond funding, 50 percent.
- **State funding availability.** Local school bonds and state grant funding are available.
- **State prioritization.** Eligibility for new school funding is based on annual evaluation and approval of district enrollment projections and the additional square footage that will be needed to maintain adequacy standards.
- **Facility assessment or survey requirements.** The state conducts assessments and requires districts to assess.

- **Equity/equality measures.** Funding is determined by grade level and by needed student capacity.
- **Types of projects considered.** The state considers both construction and renovation projects.

Arkansas

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides grant support through the Academic Facilities Partnership Program and shares costs with districts.
- **State prioritization.** The state prioritizes (1) new facilities, add-ons, and conversions for needed space; (2) “Warm, Safe, and Dry” space; (3) “Warm, Safe, and Dry” systems; and (4) consolidations and annexations.
- **Facility assessment or survey requirements.** Districts are required to conduct assessments.
- **Equity/equality measures.** Cost sharing is determined by local district wealth; ranking also incorporates building age and student population growth rate.
- **Types of projects considered.** New construction and major renovation.

California

- **Voter approval needed?** Yes, 55 percent.
- **State funding availability.** The state provides matching grants for land purchases, building, and modernization. The state funds 50 percent of new construction and 60 percent of modernization efforts.
- **State prioritization.** The state has a first-come, first-served policy. Eligibility is determined by enrollment projections or building age.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** The state offers hardship funding for districts with demonstrated financial or facility hardship and supplemental grants for small schools or schools in remote or difficult-to-construct areas.
- **Types of projects considered.** The state considers land acquisition and new construction. Modernization grant amounts are scaled to the number of pupils in the building.

Colorado

- **Voter approval needed?** Yes, for local bond funding, 50 percent.
- **State funding availability.** A state grant match is based on such factors as district wealth, median household income, share of students receiving free and reduced-price lunch, bond capacity, and bond election history. The state matches at a 50 percent rate statewide.
- **State prioritization.** The Building Expertise to Support Teachers grant priorities are (1) safety or health concerns, including school facility security and incorporation of technology; (2) relief of overcrowding; (3) provision of career and technical education facilities; (4) removal of prohibited American Indian mascots; and (5) all other projects.
- **Facility assessment or survey requirements.** The state conducts assessments.
- **Equity/equality measures.** Districts with more students from low-income households or with lower property valuation get a higher state match rate.
- **Types of projects considered.** The state considers new buildings and renovation, as well as roof repair, HVAC, and safety and security. Building Expertise to Support Teachers grants prioritize health, safety, and security needs.

Connecticut

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides matching grants to local school districts (between 10 and 70 percent for new construction and between 20 and 80 percent for renovations). Additional bonus reimbursement rates are provided for K–12 regional school districts, interdistrict cooperatives, school readiness, lighthouse schools, increasing seats for the interdistrict Open Choice program, reduction of K–3 class sizes, and full-day kindergarten in high-priority school districts and schools.
- **State prioritization.** Catastrophic damage, safety or health code violations, and indoor air quality emergencies do not require submission to the governor and general assembly. For all other projects, three categories are available (no order among list): (1) construct new facilities or alter existing facilities to provide mandatory instructional programs, (2) enhance mandatory programs or provide comparable facilities among schools at the same grade level within the district, and (3) provide supportive services, excluding athletic or recreational facilities.

- **Facility assessment or survey requirements.** The state conducts assessments and requires districts to assess.
- **Equity/equality measures.** Reimbursement depends on relative property and income wealth. Projects related to items such as participation in district choice, full-day kindergarten, or class size reductions may be eligible for additional reimbursement.
- **Types of projects considered.** The state considers new buildings and renovation.

Delaware

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides grant aid for construction, ranging from 60 to 80 percent of the cost, and the state provides 100 percent of the funding for special education schools.
- **State prioritization.** The state prioritizes (1) need for additional space or capacity, (2) safety issues, and (3) space for athletics and programs.
- **Facility assessment or survey requirements.** Not required. (Legislation was recently passed to establish a facility assessment tool and inspection cycle by January 1, 2024.)
- **Equity/equality measures.** The state covers more of the costs for districts with lower-than-average property wealth per pupil.
- **Types of projects considered.** The state considers minor capital improvement for projects under \$1 million and major capital projects for those over \$1 million.

Florida

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state uses capital bond issues to finance capital projects. School districts receive state allocations for maintenance and repair based on student membership.
- **State prioritization.** Funds for remodeling, renovation, maintenance, repairs, and site improvement for existing satisfactory facilities are given priority. Special facility construction projects must be a deemed critical need and be recommended for funding.
- **Facility assessment or survey requirements.** Schools districts are required to complete a Five-Year District Facilities Work Plan.

- **Equity/equality measures.** The Special Facility Construction Account, a part of the Public Education Capital Outlay and Debt Service Trust Fund, may fund school districts lacking sufficient resources to meet urgent construction needs.
- **Types of projects considered.** The state considers acquisition, construction, capital assets, and special construction projects.

Georgia

- **Voter approval needed?** Yes, for local bond elections, 50 percent.
- **State funding availability.** The state provides reimbursement for eligible construction projects through its Capital Outlay Program.
- **State prioritization.** The state prioritizes construction of elementary schools.
- **Facility assessment or survey requirements.** Districts are required to complete an assessment.
- **Equity/equality measures.** Districts in the lowest 25 percent in earnings for sales tax revenue per full-time equivalent student, in property wealth per full-time equivalent student, and in earnings for special-purpose local option sales tax revenue may apply for additional “low wealth” funding.
- **Types of projects considered.** The state considers construction, renovation, and modernization projects.

Hawaii

- **Voter approval needed?** No voter approval.
- **State funding availability.** Hawaii is a single school district and funds projects directly.
- **State prioritization.** The state considers building age and condition, student demographics, building health and safety, and maintenance needs. Proposed prioritization for the 2021–23 fiscal biennium are (1) health and safety or condition, (2) compliance, (3) building capacity, (4) instructional impact, (5) Title I, (6) comprehensive support and improvement, (7) shared use, and (8) other factors or considerations.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** The current formula accounts for capacity, equity, program support, and condition. A new proposed prioritization criteria uses a weighted scoring metric that accounts for both socioeconomic and academic needs.

- **Types of projects considered.** The state considers renovation, repairs, and major maintenance.

Idaho

- **Voter approval needed?** Yes, 66 percent.
- **State funding availability.** The state provides revenue for maintenance and operation, subsidies for bond repayment, and a fund for unsafe schools unable to approve bond levies for repair.
- **State prioritization.** Prioritization is not specified. The Public School Facilities Cooperative Funding Program assists with repairs or replacement of unsafe buildings.
- **Facility assessment or survey requirements.** There is a state requirement, but few districts submit.
- **Equity/equality measures.** The Bond Levy Equalization Support Program provides subsidies based on district property value, unemployment rate, and per capita income.
- **Types of projects considered.** The state considers new construction, repairs, and renovation. Major capital projects are estimated to exceed \$1 million (must be on board-approved plan).

Illinois

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides grants to local school districts for approved projects, and 20 percent of funding is allocated to Chicago Public Schools.
- **State prioritization.** The state prioritizes (1) repairing or replacing buildings destroyed or damaged by disasters, (2) alleviating a shortage of classrooms caused by population growth or to replace or rehabilitate aging buildings, (3) supporting interdistrict reorganization of school districts, (4) repairing or replacing buildings that are health or life safety hazards, (5) providing accessibility for qualified individuals with disabilities, and (6) other unique solutions to facility needs. Eligibility is based on enrollment and district needs.
- **Facility assessment or survey requirements.** The State Board of Education and the Capital Development Board file a comprehensive needs assessment of the capital needs of all districts to the general assembly every two years.
- **Equity/equality measures.** Not applicable.

- **Types of projects considered.** State law allows for school construction grants and school maintenance project grants. Bids are required for repair, maintenance, remodeling, renovation, or construction exceeding \$50,000.

Indiana

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state does not provide grant aid but offers capital construction loans to qualifying school districts and projects (loans must be repaid).
- **State prioritization.** The state prioritizes school corporations that sustained a loss from disaster, whose assessed valuation per average daily membership is within the lowest 40 percent compared with all school corporations, and that have outstanding loans above 7.5 percent as of July 1, 1993.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

Iowa

- **Voter approval needed?** Yes, 60, percent.
- **State funding availability.** The state provides matching grant aid to local school districts.
- **State prioritization.** The state prioritizes (1) increasing school capacity, (2) addressing safety issues, (3) school district reorganization, (4) and helping districts receiving minimal revenue through the Secure and Advanced Vision for Education program, relative to enrollment.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Share of state funding is based on the district's property tax capacity per pupil and sales tax capacity per pupil.
- **Types of projects considered.** The state considers acquisition of facilities, renovation, and construction.

Kansas

- **Voter approval needed?** Yes, 50 percent.

- **State funding availability.** The state supplements property tax revenue with capital outlay state aid. The median district is eligible for 25 percent state aid. The state also allows districts to issue bonds and provides equalization through capital improvement state aid, where the lowest-valuation district receives 75 percent state aid.
- **State prioritization.** The state prioritizes projects addressing safety and disability access, enrollment growth, improved delivery of educational services, and energy usage or other efficiencies.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Districts are ranked based on assessed valuation per pupil. Districts with lower valuation get more support.
- **Types of projects considered.** The state considers construction, renovation, and equipment.

Kentucky

- **Voter approval needed?** Not applicable.
- **State funding availability.** The state, through the School Facilities Construction Commission, provides support through capital outlay funds (based on enrollment), debt service payments on bonds, and equalization of tax revenue for the district's building fund.
- **State prioritization.** The state prioritizes (debt service payments are available for the first two) (1) new construction or major renovations that are expected to start within two years of facility plan development, (2) new construction or major renovations that are expected to start more than two years after facility plan development, (3) expansion of noneducational areas (e.g., kitchens, cafeterias, auditoriums, and gyms), (4) expansions of management support areas (e.g., central offices, bus terminals, and central stores), and (5) discretionary projects such as extracurricular facilities or any other facility with an estimated cost exceeding \$20,000.
- **Facility assessment or survey requirements.** The state requires districts to develop assessments once every four years.
- **Equity/equality measures.** Equalization of revenue is based on property assessments. Debt service payment support is determined by facility need minus available local revenues.
- **Types of projects considered.** The state considers new construction or major renovations as identified in the district facilities plan, and maintenance through capital outlay.

Louisiana

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state does not fund school capital projects.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

Maine

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides the majority of support for capital projects through subsidies for school construction and forgivable loans for school renovation.
- **State prioritization.** Construction projects are rated for priority on a 200-point scale. The categories are unsafe conditions (55 points), obsolete or unsuitable (35), overcrowding (27), enrollment shifts (18), and program and planning (65). Renovations are prioritized for health, safety, and compliance first.
- **Facility assessment or survey requirements.** Districts are required to conduct assessments.
- **Equity/equality measures.** The School Revolving Renovation Fund provides zero-interest loans for renovation projects. It provides loan forgiveness rates ranging from 30 to 70 percent based on the state share paid to the district.
- **Types of projects considered.** The state considers major school construction and renovation projects and smaller renovation projects related to health, safety, or compliance.

Maryland

- **Voter approval needed?** Yes, for local bond measures, 50 percent in Baltimore County and Baltimore City.
- **State funding availability.** The state provides grant funding for building construction, renovation, and replacement of major building systems, with the state's share determined for each county based on county wealth measures (a minimum 50 percent and a maximum of 100 percent).

- **State prioritization.** Requests are for eligibility based on such factors as educational adequacy, building condition, state mandates or initiatives on educational policies, and anticipated enrollments. In addition to the state’s primary capital improvement program, other small capital programs may have different requirements, such as a competitive grant based upon the highest relative health remediation need in the state. (The Public School Facilities Priority Fund, which is scheduled to begin operating in fiscal year 2027, will prioritize the schools with the highest need statewide in terms of physical condition and educational adequacy, as determined by a statewide facilities assessment.)
- **Facility assessment or survey requirements.** The state conducts assessments.
- **Equity/equality measures.** The state’s share for each county is based on the current amount of state aid, the district’s share of students receiving free and reduced-price meals, the district unemployment rate, median household income, enrollment, and the local school district’s current outstanding construction debt. Project-specific increases to the state cost share are provided when a school has a population with a high concentration of poverty.
- **Types of projects considered.** State funding for public school construction projects is available through several programs with varying minimum project-cost thresholds. Generally, a broad range of major renewal or replacement, addition, renovation, and smaller capital-maintenance projects are eligible.

Massachusetts

- **Voter approval needed?** Yes, voter approval is required at multiple stages of the process; the share of votes required to pass varies by district.
- **State funding availability.** Through the Massachusetts School Building Authority, the state provides matching reimbursement funds for individual projects, with reimbursement ranging from a base of 31 percent to 80 percent of costs.
- **State prioritization.** The state prioritizes (1) structurally unsound or unsafe conditions, (2) eliminating current severe overcrowding, (3) preventing loss of accreditation, (4) preventing projected overcrowding caused by increased enrollments, (5) improving the heating system for energy conservation and decreasing energy costs, (6) short-term enrollment growth, (7) providing for additional programs, and (8) transitioning from court-ordered and authority-approved racial-balance school districts to “walk-to” or other school districts.
- **Facility assessment or survey requirements.** The state conducts assessments.

- **Equity/equality measures.** Base reimbursement rates are adjusted based on three socioeconomic factors: (1) a community income factor, a district's per capita income as a share of statewide average per capita income; (2) a community property wealth factor, a district's per capita equalized property valuations as a share of statewide average per capita valuations; and (3) a community poverty factor, a district's proportion of low-income students. Additional support is provided for construction contributing to racial balance.
- **Types of projects considered.** Total budget less than \$250,000 shall not be eligible for approval.

Michigan

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** Capital projects must be approved by vote at the district level, and projects are funded entirely through local tax revenues. The state provides loans when districts cannot pay for the capital project, but the loans must be repaid.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

Minnesota

- **Voter approval needed?** Yes, 50 percent, but voter approval is not required to receive grant aid through the Long-Term Facilities Maintenance Revenue Program (LTFMR).
- **State funding availability.** Districts may issue bonds for projects or use funds from the state general funding formula. Districts with small property tax bases per pupil can obtain support for repaying the bond (Debt Service Equalization Program) or obtain state grant or loan aid (Maximum Effort School Aid Law). LTFMR state grants support maintenance of facilities.
- **State prioritization.** No prioritization.
- **Facility assessment or survey requirements.** Districts must submit a 10-year facilities plan for LTFMR qualification.

- **Equity/equality measures.** Debt Service Equalization for School Facilities. Districts must have low tax-base wealth per student or high debt for capital projects to be eligible for additional subsidies.
- **Types of projects considered.** Schools are required to report and get approval for building projects over \$2 million per school site, if no capital loans are outstanding, or \$500,000 per school site if the district has capital loans outstanding.

Mississippi

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides a small amount of funds from the Education Enhancement Fund Buildings and Buses Program based on average daily attendance, which can be used for capital expenses or debt service.
- **State prioritization.** No prioritization.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

Missouri

- **Voter approval needed?** Yes, 55 percent. For bond issues, a 4/7 (57.14 percent) supermajority is required.
- **State funding availability.** Missouri provides no funding for capital projects.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

Montana

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides two streams of state funding for capital projects: School Major Maintenance Aid Account funding and Debt Service Guaranteed Tax Base Aid.

- **State prioritization.** School districts are required to maintain a Building Reserve Fund to accumulate funds for capital projects. There are four subfunds for the following areas: school safety and security, building reserve levies the public has voted on to use for future construction or land purchase, school maintenance and repair, and a subfund for any voted transition levies.
- **Facility assessment or survey requirements.** Districts are required to conduct assessments.
- **Equity/equality measures.** State support is based on student count and is higher for districts with lower taxable valuation.
- **Types of projects considered.** The state considers major maintenance (sum of \$15,000 and the product of \$110 multiplied by the district's budgeted average number belonging for the prior fiscal year).

Nebraska

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides no financial support for capital expenses.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

Nevada

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides no funding support for capital expenses.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

New Hampshire

- **Voter approval needed?** Yes, 60 percent.

- **State funding availability.** The state guarantees bonds and provides grant aid to districts, ranging from 30 to 60 percent of project costs (the average is 38 percent).
- **State prioritization.** Proposals are scored on a set of 11 criteria, including safety, compliance, overcrowding, enrollment projections, and maintenance history.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Grants are scaled to median family income and property tax valuation per pupil. One of the criteria for scoring proposals is fiscal capacity (e.g., share of students eligible for free and reduced-price meals).
- **Types of projects considered.** Districts receiving aid must use a project manager for projects costing \$1 million or more.

New Jersey

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state fully funds Abbott districts and funds non-Abbott districts at either 40 percent of the project cost, or their state aid share, whichever is greater.
- **State prioritization.** Abbott district projects are prioritized, followed by health and safety, required early childhood programs, projects that address overcrowding, educational adequacy (specialized nongeneral classroom space), technology or school consolidation projects, and all other projects.
- **Facility assessment or survey requirements.** Districts are required to conduct assessments.
- **Equity/equality measures.** Districts with a state aid percentage of at least 55 percent and Abbott districts (which tend to have high economic and academic need) have their project's approved costs fully financed by the state.
- **Types of projects considered.** All projects that would classify as school facilities projects require state review and approval regardless of funding source. Routine and required maintenance is the district's responsibility and does not require state approval.

New Mexico

- **Voter approval needed?** Yes, 50 percent.

- **State funding availability.** Through the Public School Facilities Authority, the state provides matching grants for capital projects, based on a ranking of facility need (New Mexico Condition Index). The state match ranges from 6 to 100 percent.
- **State prioritization.** Deficiencies are weighted, with the highest weight for systems needing immediate repair because of health or safety. Other priorities are (in order) adequacy around space (i.e., attributable to population growth), mitigation of additional damage, facility adequacy, equipment adequacy, state or district recommendations, and outdated or normal life cycle updates.
- **Facility assessment or survey requirements.** The state conducts assessments.
- **Equity/equality measures.** The amount of the state match is currently based on two formulas: (1) factors such as district wealth, membership, and tax mills and (2) a ratio of taxable value relative to replacement cost of maximum square footage per student, divided by expected lifetime and weighted for population density.
- **Types of projects considered.** The state considers new buildings and renovation.

New York

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides reimbursement for capital projects through Building Aid. The share of building aid from the state is determined by district property wealth per pupil. For the average district, the state share is 49 percent.
- **State prioritization.** Eligibility is based on the district's facilities needs assessment summary, enrollment projections, Instructional Space Review, five-year capital facilities plan, proposed floor plans, and specific educational programs the district offers.
- **Facility assessment or survey requirements.** Districts are required to conduct assessments.
- **Equity/equality measures.** The state share of funding depends on the district's total taxable property value. The state will contribute more toward districts with less wealth. High-need districts are eligible for the High Need Supplemental Building Aid Ratio (the state funds up to 98 percent of project costs).
- **Types of projects considered.** Projects are eligible for state aid for projects over \$10,000, excluding incidental costs. Minor repairs and maintenance work are not eligible for Building Aid.

North Carolina

- **Voter approval needed?** Yes, majority vote.
- **State funding availability.** The state provides grant to districts. The Public School Building Capital Fund funds construction projects, based largely on student membership; the Needs-Based Public School Capital Fund (NBPSCF) provides funds for counties or cities with low wealth; and the Public School Building Repair and Renovation Fund funds repair and renovation projects.
- **State prioritization.** The NBPSCF prioritizes (1) counties designated as economically distressed, (2) counties with greater need and less ability to generate tax revenue, (3) counties with a high debt-to-tax-revenue ratio, (4) how projects will address critical deficiencies in serving current and future students, (5) new construction or complete renovation projects, (6) projects consolidating schools, and (7) counties that have not received a grant in the previous three years.
- **Facility assessment or survey requirements.** The state facilitates assessments every five years.
- **Equity/equality measures.** The NBPSCF provides additional funding to school districts with low wealth.
- **Types of projects considered.** The state considers major repairs, construction, and land purchase.

North Dakota

- **Voter approval needed?** Yes, 60 percent.
- **State funding availability.** School districts can apply for state loan programs to help fund their projects. The state provides one-time grants for capital projects, such as a competitive grant for capital expenses for career and technical education.
- **State prioritization.** The School Construction Assistance Revolving Loan Fund prioritizes student occupancy and academic needs in the district, age of existing structures to be replaced or remodeled, building design proposals based on safety or vulnerability assessments, community support, and costs.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.

- **Types of projects considered.** The state must approve projects that cost more than \$150,000. Projects that cost more than \$350,000 have to fill out a Facility Plan.

Ohio

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides aid to districts, with the state share dependent on local district property wealth per pupil; a higher share of state funding goes to districts with lower property wealth.
- **State prioritization.** The state prioritizes (1) districts that are prioritized from the equity list; (2) districts with large enrollment increases; (3) districts that are merging or undergoing other structural changes; (4) districts with extreme environmental needs; (5) multidistrict science, technology, engineering, and mathematics schools; and (6) joint vocational school district projects.
- **Facility assessment or survey requirements.** The state conducts assessments.
- **Equity/equality measures.** Districts with lower property and income wealth per pupil get first priority for funding (equity list).
- **Types of projects considered.** The state considers new buildings and renovation, school safety, and energy efficiency.

Oklahoma

- **Voter approval needed?** Yes, 60 percent.
- **State funding availability.** Districts must raise their own funds for capital expenditures but must request approval for projects through the state. In 2022, the state created Redbud School grants to help equalize school funding.
- **State prioritization.** Districts may request use of 5 percent or \$50,000 of the district's general fund for capital expenditures.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Districts and eligible charter schools with per student revenue from property taxes and building funds below the state average or baseline are eligible for equalization.
- **Types of projects considered.** Maintenance is not considered a capital expenditure.

Oregon

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The Oregon School Capital Improvement Matching Program (OSCIM) provides matching grants for capital projects funded by local bonds. Amounts are based on a formula based on local revenue per weighted membership.
- **State prioritization.** Districts must submit a Facilities Assessment and Long-Range Facility Plan before applying for the OSCIM funds. The Priority List starts with the assessed tax values per weighted average daily membership in each district and then adjusted by a poverty factor. Districts are then sorted and ranked from lowest assessed tax value per weighted average daily membership to highest assessed value.
- **Facility assessment or survey requirements.** Yearly assessments are required at the district level.
- **Equity/equality measures.** Oregon prioritizes districts with high poverty rates and low assessed property values.
- **Types of projects considered.** The state considers new construction, renovation, and improvements to equipment.

Pennsylvania

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** School districts can seek reimbursement from the state through a process known as “PlanCon.”
- **State prioritization.** For reimbursement, districts must bring the entire building up to prevailing educational and construction standards, provide a district-wide facility study, evaluate early childhood infrastructure, consider building high-performance green buildings, and consider reuse, especially for historical buildings. Each building can get reimbursement only every 20 years unless otherwise approved, and alteration costs have to be more than 20 percent of the building’s replacement value.
- **Facility assessment or survey requirements.** Districts are required to conduct assessments.
- **Equity/equality measures.** The Department of Education has a separate maintenance program from the PlanCon process. Projects are awarded or prioritized based on a rubric considering

school property wealth, prior grant receipts, building conditions, emergencies, and safety and security.

- **Types of projects considered.** Reimbursement is only for school construction and renovation.

Rhode Island

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** Through the School Building Authority, the state authorizes and funds capital projects. Approved projects are eligible for state aid through three avenues: Housing Aid reimbursement, Statewide School Construction Bond pay-as-you-go funding, or Small Business Administration Capital Fund progress payments. Housing Aid reimburses at least 35 percent of the project, based on the district's ability to pay. The Statewide School Construction Bond is \$250 million and is offered on a pay-as-you-go basis.
- **State prioritization.** Housing Aid offers incentive bonuses for school safety and security, and regionalization and six additional temporary bonuses. The Statewide School Construction Bond offers 5 percent bonus incentives for school safety and security, health and safety deficiencies, educational enhancements, replacing facilities with a Facility Condition Index of 65 percent or higher, increased utilization, decreased overcrowding, and newer and fewer (consolidating two or more) school buildings. The Facility Equity Initiative prioritizes projects based on the community's need, the number of students affected, the length of time the project takes, and high-impact visual enhancements.
- **Facility assessment or survey requirements.** The state conducts assessments.
- **Equity/equality measures.** The state share of housing aid is determined by district wealth per student; school districts with less wealth receive more state funding. The Facility Equity Initiative provides \$10 million in funding to prioritize the five districts with base reimbursement rates over 65 percent (low-wealth districts). Funding increased to \$30 million for 2022–23. The 21st Century Technology and Equipment Fund includes an equity boost that provides 40 percent more funding to the five communities with the most need.
- **Types of projects considered.** The state funds high-priority repairs, renovation, and new construction.

South Carolina

- **Voter approval needed?** Yes, 50 percent.

- **State funding availability.** The state provides reimbursements for approved capital projects. Districts are ranked by property tax base, per capita income, and building needs.
- **State prioritization.** The state provides funding specifically for school consolidation and the development of shared school facilities and upgrades in high-poverty or low-wealth districts, with priority given to districts that serve less than 1,500 students.
- **Facility assessment or survey requirements.** The state conducts assessments.
- **Equity/equality measures.** Funding amount considers district wealth and income.
- **Types of projects considered.** The state supports construction and consolidation projects related to instructional facilities, as well as deferred maintenance as described in a district's capital improvement plan.

South Dakota

- **Voter approval needed?** Yes, 60 percent.
- **State funding availability.** School districts are expected to raise their own funds for capital outlay projects.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** "Sparse school districts" receive additional funding not to exceed \$110,000 per fiscal year.
- **Types of projects considered.** Not applicable.

Tennessee

- **Voter approval needed?** Yes, 60 percent, but clearing that threshold is rare in practice. (Voter approval is often not required for school funding bodies to issue bonds for capital projects. Tennessee has three types of school districts: county [94 districts], city [33], and special [14]. County and city districts are funded by their county commissions or city councils. They are not independent districts. Special school districts are generally considered independent but must still get approval on taxing and other financing from the state legislature. TCA 49-3-1002 gives county commissions authority to issue bonds for school purposes by majority vote; no voter referendum is required. This covers most of Tennessee's districts and includes all the large urban districts. Cities can issue bond resolutions for school projects that are then subject to a voter petition. If enough voters petition, the city must hold a referendum. This has been rare in

the past 10 years or so. Special school districts, like counties, can issue bonds without a voter referendum.)

- **State funding availability.** The state funds capital expenditures through annual capital outlay through the Basic Education Program, which also funds current expenditures. Amount is dependent on grade-level membership. Generally, Tennessee splits the costs 50-50 with local districts, though the match may be higher or lower depending on its capacity to raise local funds. (Starting in 2023-24, the state will begin funding schools through a new state funding formula, the Tennessee Investment in Student Achievement. No specific funding components for capital outlay. But there will be additional funds available [outside the formula] for stipends to districts with rapid enrollment growth.)
- **State prioritization.** The state does not prioritize certain projects over others, but the amount given for capital outlay depends on the average daily membership. The state makes special provisions for school districts with rapid enrollment growth.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Tennessee provides additional funding for districts with low property wealth. (The new Tennessee Investment in Student Achievement funding formula is built on a base funding amount for each enrolled student, with additional funds based on extra weighting for economically disadvantaged students and those who attend schools with concentrated poverty.)
- **Types of projects considered.** Not applicable.

Texas

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state guarantees bonds and provides assistance through tax rate equalization and debt service assistance. The Existing Debt Allotment program provides tax rate equalization for local debt service taxes, guaranteeing up to \$0.29 per \$100 of assessed valuation. The Instructional Facilities Allotment program helps school districts make debt service payments on bond or lease-purchase agreements. State aid provides a guaranteed yield of \$35 per penny of tax effort per student.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.

- **Equity/equality measures.** Debt service funding is scaled to per student district property value, as well as the size of debt service payments.
- **Types of projects considered.** The state considers construction, renovation, site acquisition, and other purchases related to instructional facilities or curriculum.

Utah

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides a guaranteed level of foundation funding for capital projects to districts based on its local property tax effort and property tax yield per student. Additional funding is available for small school districts. The state also provides capital outlay funding to school districts experiencing net enrollment increases.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Districts are required to conduct assessments.
- **Equity/equality measures.** Districts with lower property tax wealth receive more state funding.
- **Types of projects considered.** Not applicable.

Vermont

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The school construction aid program is currently suspended, and the state is funding only approved emergency projects and projects currently under way. (The state recently enacted a law that charges the state superintendent to assess all school facilities and hire a consultant to design a funding process for Vermont. See [H.426](#), Gen. Assemb., Reg. Sess. [Vt. 2021].)
- **State prioritization.** Districts must handle all school facilities projects with their own resources.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

Virginia

- **Voter approval needed?** Yes, 50 percent.

- **State funding availability.** Capital investments are largely funded by districts. Districts can receive bond financing assistance from the Virginia Public School Authority. A small program, the Literary Fund, provides low-interest loans for eligible districts, with subsidies based on the district's ability to pay education costs.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** The Literary Fund ability to pay is based on property value (weighted 50 percent), adjusted gross income (40 percent), and taxable retail sales (10 percent).
- **Types of projects considered.** The state must be notified about any construction project that will alter a facility or must be designed by an architect or engineer as required by building code. The minimum Literary Fund loan amount is \$50,000.

Washington

- **Voter approval needed?** Yes, 50 percent for a capital levy (operations) and 60 percent for a capital bond (buildings).
- **State funding availability.** The state has two main programs for capital project funding: (1) the School Construction Assistance Program requires a match of local funding, and percentage of state assistance is based on a school district's property value per student compared with the statewide average; and (2) the Small School District and State Tribal Education Compact Modernization grants, which allows for full state funding of capital expenditures less than \$5 million for districts with enrollment of less than 1,000 students.
- **State prioritization.** The School Construction Assistance Program prioritizes (1) common elements, (2) new construction for growth, and (3) modernization; and Small School District and State Tribal Education Compact Modernization grant prioritization is determined by state advisory with school facility experience.
- **Facility assessment or survey requirements.** The state provides a grant for districts to perform an inventory and condition assessment every six years. (Every six years, a district is entitled to apply for a Study and Survey Grant, which is state funding for a planning document. The grant pays for a district to hire a consultant to perform an inventory and condition assessment of each of the instructional buildings. The funding pays for long-term planning and educational specifications.)

- **Equity/equality measures.** The state’s contribution is based on ability to generate wealth from property taxes, and additional state assistance is available for mitigating racially imbalanced facilities. Additional points are given to districts that have high free and reduced-price lunch participation.
- **Types of projects considered.** The state considers new construction or modernization.

West Virginia

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** Through the School Building Authority of West Virginia, the state provides grants for capital projects. Funding is determined by current and projected enrollment multiplied by square footage allowance per student, which varies by level or school.
- **State prioritization.** The state sets no priorities, but proposals for funding or the Comprehensive Educational Facilities Plan must describe how proposed facilities will meet criteria around health and safety (including flooding), economies of scale, student travel time, regional planning, curricular improvement, educational innovation, space, local bond history, preventive maintenance, and efficient use of funding.
- **Facility assessment or survey requirements.** Districts are required to conduct assessments every 10 years.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** The state considers major renovation and construction, or improvement of at least \$50,000.

Wisconsin

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** The state provides no funding for capital projects.
- **State prioritization.** Not applicable.
- **Facility assessment or survey requirements.** Not required.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** Not applicable.

Wyoming

- **Voter approval needed?** Yes, 50 percent.
- **State funding availability.** Through the Wyoming School Facilities Commission, the state provides grants funding the full amount of major capital projects. Project funding is determined by combining scores from a facility condition assessment, educational functionality, and capacity to create a prioritized needs index that identifies the most critical projects across the state. The commission pays the full cost of all projects it funds; no local match is required.
- **State prioritization.** Prioritization is based on projected school and district capacity (55 percent of the score) and facility condition index (45 percent). Facility condition includes assessment of structure, interiors, services, equipment, special facilities (e.g., gyms, auditoriums and pools), site, and accessibility.
- **Facility assessment or survey requirements.** The state conducts assessments.
- **Equity/equality measures.** Not applicable.
- **Types of projects considered.** The state funds construction, renovation, and major maintenance of K–12 educational facilities.

TABLE A.1

Citations for the State Policies

State	Citations
AL*	<ul style="list-style-type: none"> ▪ Kim McPherson, <i>Building Education Buildings...within a Budget!</i> (Tyson’s Corner, VA: Criterion Consulting, 2019). ▪ “Public School and College Authority (PSCA) –Funded Design and Construction Projects,” Alabama Department of Finance, Real Property Management, Division of Construction Management, accessed December 7, 2022, https://dcm.alabama.gov/forms_PSCA.aspx. ▪ Alabama Association of School Business Officials, “PSCA Funding” (Huntsville: Alabama Association of School Business Officials, n.d.). ▪ Alabama State Department of Education, “Capital Planning Process” (Montgomery: Alabama State Department of Education, n.d.).
AK*	<ul style="list-style-type: none"> ▪ Bob Loeffler, <i>Alaska’s K–12 Capital Spending</i> (Anchorage, AK: Institute of Social and Economic Research, 2021). ▪ Tim Mearig, <i>Capital Project Administration Handbook</i>, 3rd ed. (Juneau: State of Alaska Department of Education and Early Development, Finance and Support Services, Facilities, 2022).

State	Citations
AZ*	<ul style="list-style-type: none"> ▪ “About,” Arizona School Facilities Oversight Board, accessed December 7, 2022, https://sfb.az.gov/about. ▪ Arizona School Facilities Board, “FY 2021 Annual Report” (Phoenix: Arizona School Facilities Board, 2021). ▪ Matthew Ladner, “New Life for Arizona’s ‘Ghost’ School Buildings,” Arizona Charter Schools Association, January 31, 2022, https://azcharters.org/2022/01/31/new-life-arizonas-ghost-school-buildings/. ▪ Carrie Jung and Evan Wyloge, “Building Relationships: An Investigation into How Arizona K–12 School Districts Address Capital Needs,” KJZZ and Arizona Center for Investigative Reporting, last updated January 3, 2018, https://kjzz.org/content/581735/building-relationships-investigation-how-arizona-k-12-school-districts-address#expanded.
AR	<ul style="list-style-type: none"> ▪ Bureau of Legislative Research, <i>Academic Facilities Funding, Expenditures and Distress</i> (Little Rock, AR: Bureau of Legislative Research, 2017).
CA*	<ul style="list-style-type: none"> ▪ Office of Public School Construction, <i>School Facility Program Handbook</i> (Sacramento, CA: Office of Public School Construction, 2019). ▪ Julien Lafortune and Niu Gao, “Equitable State Funding for School Facilities,” Public Policy Institute of California, accessed December 7, 2022, https://www.ppic.org/publication/equitable-state-funding-for-school-facilities/.
CO*	<ul style="list-style-type: none"> ▪ Division of Capital Construction, “Public School Facilities Master Plan Guidelines: BEST Division of Public School Capital Construction” (Denver: Colorado Department of Education, Division of Capital Construction, 2018). ▪ Office of Capital Construction, “School District Minimum Matching Calculation for BEST Grant Applicants” (Denver: Colorado Department of Education, Office of Capital Construction, 2021). ▪ Office of Capital Construction, “Office of Capital Construction Fact Sheet” (Denver: Colorado Department of Education, Office of Capital Construction, 2022). ▪ Scott Newell, <i>Building Excellent Schools Today (BEST) Annual Report</i> (Denver: Colorado Department of Education, Division of Capital Construction, 2021).
CT*	<ul style="list-style-type: none"> ▪ Josh Geballe, letter and appendixes to Ned Lamont, December 15, 2021, https://portal.ct.gov/-/media/DAS/Office-of-School-Construction-Grants/Task-191---School-Construction-Property-List-Projects/2021-12-15-School-Construction-Priority-List---Governor.pdf. ▪ Connecticut School Finance Project, “Comparing Connecticut’s School Construction Program” (Hamden: Connecticut School Finance Project, 2018). ▪ Conn. Gen Stat §10-285a. Percentage Determination for School Building Project Grants. ▪ Marybeth Sullivan, “School Construction Grant Process” (Hartford, CT: Office of Legislative Research, 2022).
DE*	<ul style="list-style-type: none"> ▪ Delaware Department of Education, <i>School Construction Technical Assistance Manual</i> (Dover: Delaware Department of Education, 2021). ▪ Del. Admin. Code §14.400.
FL	<ul style="list-style-type: none"> ▪ “The 2022 Florida Statutes,” Online Sunshine, accessed December 7, 2022, http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&URL=1000-1099/1013/1013.html. ▪ Florida House of Representatives, “Special Facility Construction Account” (Tallahassee: Florida House of Representatives, n.d.). ▪ Florida Department of Education, “Chapter 4: Fund Structure and Expenditure Accounts” (Tallahassee: Florida Department of Education, n.d.).
GA*	<ul style="list-style-type: none"> ▪ Georgia Department of Education, “Guideline for Low Wealth Applications” (Atlanta: Georgia Department of Education, 2019). ▪ Georgia Department of Education, “Guideline for Construction Reimbursement Rates” (Atlanta: Georgia Department of Education, 2010).

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HI*	<ul style="list-style-type: none"> Hawaii Department of Education, <i>Statewide Facility Master Plan</i> (Honolulu: Hawaii Department of Education, 2019). Christina M. Kishimoto, “Committee Action on Recommendation Concerning the Department of Education’s Capital Improvement Projects Budget for 2021-2023 Fiscal Biennium,” letter to Kenneth Uemura, December 3, 2020, https://urbanorg.app.box.com/file/988409350179. “CIP Budget,” Hawaii State Department of Education, accessed December 7, 2022, https://www.hawaiipublicschools.org/ConnectWithUs/Organization/Budget/Pages/cip-budget.aspx.
ID	<ul style="list-style-type: none"> “Construction Projects Approval Process,” Idaho State Board of Education, accessed December 8, 2022, https://boardofed.idaho.gov/resources/construction-projects-approval-process/. Office of Performance Evaluations, <i>K-12 Public School Buildings</i> (Boise: Idaho Legislature, Office of Performance Evaluation, 2022).
IL*	<ul style="list-style-type: none"> 105 Ill. Comp. Stat. 230 / 105 (1997).
IN*	<ul style="list-style-type: none"> Ind. Code §20-49 (2022). Ind. Code §20-49-4-7 (2022).
IA*	<ul style="list-style-type: none"> Iowa Code §298.3 (2021), <i>Revenue from the levies</i>. Iowa Department of Education, <i>UAP Chapter 13: Property Management</i> (Des Moines: Iowa Department of Education, 2017). Iowa Code §98.69(76,273,298,298A,423E,423F), <i>Capital projects fund</i>.
KS*	<ul style="list-style-type: none"> Kansas State Department of Education, <i>FY2021–FY2023 Budget Analysis</i> (Topeka: Kansas State Department of Education, 2022). Kansas Legislature, “K-12 School Finance; The Kansas School Equity and Enhancement Act; SB 19” (Topeka: Kansas Legislature, 2017).
KY	<ul style="list-style-type: none"> “SFCC,” Ky.gov, School Facilities Construction Commission, accessed December 8, 2022, https://sfcc.ky.gov/Funding/Pages/Unmet-Facility-Need.aspx. Lawrence O. Picus, Allan Odden, and Mark Fermanich, “Assessing the Equity of Kentucky’s SEEK Formula: A 10-Year Analysis,” <i>Journal of Education Finance</i> 29, no. 4 (spring 2004): 315–35. http://www.jstor.org/stable/40704213. Kentucky Revised Statutes 157.622, <i>Assistance to school districts – Priority order of needs – Exception – Reallocation of funds – Disposition of bond savings and refinancing savings</i>. Kentucky Board of Education, <i>The Kentucky School Facilities Planning Manual</i> (Frankfort: Kentucky Board of Education, 2008).
LA	No state funding.
ME*	<ul style="list-style-type: none"> Me. Rev. Stat. tit. 20-A, §15901 (2022), <i>School constructions, definitions</i>. State of Maine, “Rule Chapters for the Department of Education,” accessed January 3, 2023, https://www.maine.gov/sos/cec/rules/05/chaps05.htm. “School Funding—General Purpose Aid (GPA),” Maine Department of Education, accessed December 8, 2022, https://www.maine.gov/doe/funding/gpa. “School Revolving Renovation Fund,” Maine Department of Education, accessed December 8, 2022, https://www.maine.gov/doe/schools/facilities/srrf. “Summary of State-Subsidized Construction Projects Process,” Maine Department of Education, accessed December 8, 2022, https://www.maine.gov/doe/schools/facilities/mcscp/processsummaryrev. Maine Department of Education, <i>State Board of Education Rules for Major Capital School Construction Projects</i> (Augusta: Maine Department of Education, 2022).
MD*	<ul style="list-style-type: none"> Md. Code Regs. 14.39.02.05 (2021), <i>State cost share percentage</i>. “Funding Factors,” Maryland Public School Construction, accessed December 8, 2022, https://iac.mdschoolconstruction.org/?page_id=4809. “The Capital Improvement Program: Instructions and Forms,” Maryland Public School Construction, accessed December 8, 2022, https://iac.mdschoolconstruction.org/?page_id=1001.

State	Citations
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Note: Asterisks indicate confirmation from state officials.

Notes

- ¹ Matt Barnum, “Enrollment Losses in Cities Prompt Talk of School Closures,” Chalkbeat, April 26, 2022, <https://www.chalkbeat.org/2022/4/26/23041755/student-enrollment-cities-small-schools-closures>.
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- ⁵ In the referenced study, minority students were defined as Hispanic, Asian, Native Hawaiian or Pacific Islander, American Indian or Alaska Native, or two or more races.
- ⁶ F-33 data also include interest paid on long-term debt, but debt obligations for capital investments cannot be distinguished from other debts in the data.
- ⁷ We use data from the US Bureau of Labor Statistics Occupational Employment and Wage Statistics. The occupations we identify are brickmasons, structural iron and steel workers, and carpenters. We geographically link metropolitan statistical area data to geographic school districts. For districts that have missing data or cannot be linked to wage data, we adjust using state averages for nonmetropolitan areas of the state.
- ⁸ Digest of Education Statistics, table 235.10, https://nces.ed.gov/programs/digest/d20/tables/dt20_235.10.asp.
- ⁹ To confirm our analysis, we emailed our summary information to at least one contact in each state (typically, the lead of the department that handles state funding for school construction). We received confirmation or edits from 34 states.
- ¹⁰ Although the use of sales tax revenue might aim to include local resident consumption or income, the states that include sales tax revenue (Georgia, Iowa, and Virginia) do not appear to provide more funding for students from low-income families.
- ¹¹ The White House, “Fact Sheet: The Biden-Harris Lead Pipe and Paint Action Plan,” press release, December 16, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/16/fact-sheet-the-biden-harris-lead-pipe-and-paint-action-plan/>.
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