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# **Locally Funded Requirements Imposed on California's School Facility Program After 1998**

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## **Overview**

Blue Sky Consulting Group engaged to evaluate changes in school facilities costs due to requirements imposed since implementation of School Facility Program



## Major Newly Imposed or Changed Requirements

- Hazardous Substance Contamination
- Storm Water Requirements
- Labor Compliance Program
- Fire Suppression/Alarm Systems
- Energy Efficiency Grant Program
- Building Code Changes
- Access Compliance
- Geotechnical Studies
- Air Quality Requirements
- Locally Required Offsite Improvements



## Analysis

### Key steps:

- Interviewed school officials, architects, and others knowledgeable about requirements
- Collected data from OPSC on all new construction projects completed under the SFP
- Surveyed school district officials
- Analyzed changes in costs indicated by OPSC and survey data
- Compared changes in project costs to changes in per pupil grant (i.e. adequacy of state grant generally)



## Data

Cost data was provided by OPSC for new construction projects completed since the SFP was implemented

- 1168 new construction projects were funded and had reached 95% or greater completion as of August 2005
- 320 separate school districts from throughout the state completed new construction projects
- Many districts had multiple projects



## Who was surveyed?

- Survey requests were sent via email to all districts with new construction projects identified in OPSC data
- School districts were surveyed during September and October 2005
- Survey request was sent via email. Certain districts with multiple projects were contacted via phone to increase response rate



## Survey content

Districts asked to:

- confirm cost data provided by OPSC
- identify key project characteristics



## Purpose of Survey

- Provide validation for “unaudited” OPSC Data
- Allow for determination of total project costs (districts may not report all costs to OPSC)
- Identify key project characteristics that may influence cost



## Survey Responses

- 82 districts responded to the survey
- Project specific information was provided for 178 individual new construction projects



## Findings

- Costs to build schools have risen significantly from 1999 to 2005.
- Newly imposed requirements lengthened the time required to complete new schools, thereby increasing costs beyond the direct cost of the requirements themselves.
- While many of the newly imposed requirements have been accompanied by additional state reimbursements, others have not, causing districts to have to bear the full cost.



## Costs Have Risen Rapidly

- Between 1999 and 2004, cost per acre to acquire school sites has increased from \$2.3 million to \$4.2 million, or an average of 15 percent per year.
- BSCG estimates that costs to build schools in California have increased by about 6.5 percent on average each year during the period 1999 to 2005.
- Over the period costs to build new schools have increased by about 48 percent. During the equivalent period, the per pupil grants increased by about 29 percent.



## Some State Funding Provided

Intent is the State pays 50 percent of the costs and the district pays the remaining costs.

Issue	Range of Costs
Hazardous Substances Contamination	Tens to hundreds of thousands of dollars for initial assessment and sampling to millions to remove hazardous wastes
Storm Water Requirements	\$25,000 to \$35,000 to develop pollution prevention plans. Additional variable costs for mitigation measures
Labor Compliance Program	Tens of thousands of dollars to establish program
Fire Suppression/Alarm Systems	\$30 to \$40 per pupil for fire detection and alarms to \$97 to \$131 per pupil for sprinkler systems
Energy Code Requirements	Initial costs vary, but the intent is to recoup up front costs in five to seven years from lower energy costs



## No Additional State Funding Provided

Issue	Range of Costs
Building Code Changes	Costs vary depending on the code change.
Access Compliance	Districts report as much as 70 percent of their modernization budget is spent on ADA compliance
Geotechnical Studies	State agency reviews can result in unanticipated delays
Air Quality Requirements	Up to hundreds of thousands of dollars to perform air dispersion modeling in urban districts
Other Cost Impact Issues: A. California Environmental Quality Act  B. Locally Imposed Offsite Requirements	Tens to hundreds of thousands of dollars to prepare an EIR. Potential, major additional costs related to required mitigation, delays, and litigation Costs vary depending on the requirements imposed by local agencies. Projects can be significantly delayed adding unanticipated costs to the project

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