UNITED STATES DEPARTMENT OF EDUCATION

THE SECRETARY

FAX TRANSMITTAL

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PAGE (S) TO FOLLOW: 5

MESSAGE: Articles re: Florida/Florida School construction for upcoming POTUS event.

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textbook money would provide an additional $4 per elementary school student, $8 per middle school student and $13 per high school student this year. Administrators and board members acknowledge that the amounts are nowhere near enough to fill huge gaps.

But the school board also encouraged Zacarias to lobby the governor and state legislators to increase the state book allocations.

Board member Valerie Fields said the district must "decry discrepancies between the book allotment we receive and the cost of textbooks," which average $40 apiece.

The Times' report found many causes of the book shortage, beginning with inadequate state funding and expensive books and ending with questionable local decisions.

At the high school level, where The Times found the greatest shortages and the most crucial need for textbooks, on average just $22 a student was spent last year on books out of a total .$72 available.

In response, Zacarias vowed to put a textbook in the hands of every student. He proposed the increased textbook funding as a starting point in mid-September, when 800 principals gathered for the annual back-to-school speech.

He made it clear then and reiterated Monday that he also expected schools to give books priority in spending the instructional materials funds and other discretionary money that in the past has been stretched among books, computers and lab supplies.

Every principal has been asked to inventory books and sign a contract promising to address shortages by buying books first and tightening procedures to prevent loss and theft. The $1-million replacement fund was made a loan rather than a grant, he said, so that schools recognize that they cannot simply ignore the loss issue.

The intervention team included in the $43-million spending plan Monday will target some of the schools where student test scores are chronically low.

Board member Jeff Horton said that $1.6-million expenditure should buy the district some respect.

"It will allow us to address a relatively small number of schools that are in great difficulty," he said. "We've got to show we can do this; it's an essential piece of [winning] back public confidence."

As a result of an unprecedented agreement between the teachers' and administrators' unions last spring, the team is to be composed of top educators who are to be given special training.

Based on a schedule created as part of that pact, the first campus visits will not begin until next spring. ■

45. The Miami Herald

October 21, 1997

School construction tax battle brews

By STEVE BOUSQUET
Herald Capital Bureau

TALLAHASSEE — The most far-reaching review of Florida schools in a generation concluded Monday with a call for new taxes to pay for a $3.3 billion construction program — but with House Republicans still insisting on no new taxes.

In its final report on school construction needs, the Governor's Commission on Education included the option of letting local districts raise the sales tax without voter approval. But in a sign of what may lie ahead, GOP legislators on the commission abstained as a bloc from voting on the report.

"It's dead on arrival," Rep. John Thrasher, R-Orange Park, said of the sales tax idea. "It's removal of a safeguard to allow people to vote on whether they ought to be taxed or not, and we're not going to do that in the House."

So, two weeks before a special legislative session on classroom crowding, the review of how Florida pays for school construction ended in disagreement over how to balance the state and local responsibility for a need pegged at $3.3 billion over five years.

The biggest stumbling block remains the question of whether to allow a sales tax without voter approval.

Voters in six counties have passed a half-cent sales tax referendum for school construction since the Legislature authorized it in 1995. Five others, including Broward, have defeated it. Most of the yes votes have been in small, rural counties.

Gov. Lawton Chiles, a Democrat, favors allowing a sales tax increase without voter approval, and Senate President Toni Jennings, R-Orlando, has given the proposal lukewarm support. But House Speaker Dan Webster, R-Ocoee, and his aides remain strongly opposed to giving school boards any new taxing power.

Webster, who also says voters must have a say in any sales tax increase, said he will soon unveil his own proposal that will include safeguards he says will make it easier for school boards to convince voters to raise taxes. Webster reiterated Monday that "no new taxes" is one of four points guiding his approach to the school construction problem.

Webster joined about a dozen other legislators on the commission, most of them Republicans, in abstaining from voting on the final report on the need for new schools and how to pay for them. Republicans have also criticized the commission's estimates of future enrollments as too large.

The only legislator on the commission who voted for the report was Rep. Debbie Wasserman Schultz, D-Davie, whose southwest Broward district is dotted with portable classrooms. She blasted Webster for his refusal to budge on the referendum question, saying he had promised to put all tax ideas "on the table."

Wasserman Schultz criticized her colleagues for not voting on the report, saying: "To me, it was an abdication of their responsibility."

The final report of the commission — a set of recommendations to the Legislature — includes a half-cent sales tax without voter approval as one of the options to pay for $3.3 billion in classrooms and school repairs over the next five years.

The report by the panel of political, education and business leaders acknowledges the need for more efficient school construction by requiring all new schools be built at no more than 90 percent of the 1996 statewide average construction cost.

With some commission members absent and most legislators not voting, the vote on the report was 24-11. Nine of the 11 dissidents said they voted no not because they opposed the report's overall conclusions, but because they wanted to vote on each individual tax proposal.

Despite the lingering lack of a clear consensus, Chiles said the panel's effort was successful, because its highly publicized work has alerted Florida residents to the size and scope of school crowding and has helped generate business-community support for a new source of revenue.

The notion of a statewide tax to pay for new schools clashes with the fact that most of the need for new schools is in the three largest counties: Dade, Broward and Palm Beach.

"This need is not as widespread as I assumed it was," said Jim Apthorp, a Tampa real-estate developer who headed the commission's funding committee. "I wonder about a solution that puts all the money in a pot and then gives it back to a few jurisdictions." ■

46. The Miami Herald

October 21, 1997

Downsize districts, educators urge

By STEVE BOUSQUET
Herald Capital Bureau

Breaking up a school district is hard to do. In fact, it's impossible in Florida, where the Constitution mandates that each county, big or small, have a school system.

But a statewide panel of education experts in Tallahassee agreed Monday that the time is right to end this anachronism in Florida: that the Dade and Broward school districts in particular are too big, and that voters should decide how big they should be.

A report approved by the Governor's Education Commission concluded that big countywide districts lead to inefficiency and a "perceived remoteness" of elected and appointed leaders. The panel recommended voters in each county be given an option whether to subdivide school districts.

"All of our South Florida members perceive this as a hot issue in their communities," said a report by the commission's governance committee chaired by former Dade County Manager Ray Goode. The unwieldy size of the districts is "a potential distraction or barrier to the main task of teaching students and raising achievement," the report said.

The recommendation was a suggestion to the state Constitution Revision Commission, a 37-member panel with power to put proposals on the 1998 election ballot. Even if such a constitutional amendment passed statewide, it would be up to each county's voters, subject to rules established by the Legislature, whether to break up a district.

It's a popular idea in South Florida, where Dade and Broward are the third- and fifth-largest districts in the nation. Many residents here have moved south from states like New York or New Jersey, where each town has its own school district.

Breaking up Florida's countywide districts is not a new idea: Some lawmakers, led by Rep. Tom Warner, R-Stuart, have been filing bills in the Legislature for years to break up Florida's largest school systems, but board members and teacher unions have skillfully rallied opposition.

"Smaller would be better, particularly if we let the people vote whether they want to bring their school board closer into their communities," said Rep. Debbie Wasserman Schultz, D-Davie, a supporter of the change.

Latha Krishnaiyer of Coral Springs, a PTA activist on the commission, voted against the recommendation. She said battles over school attendance-boundary disputes show that breaking up school districts would be emotional and divisive, and would raise questions about desegregation and treating different areas equally.

An influential legislator who once embraced the breakup of school districts has changed his mind and renounced the idea Monday.

"This would tend to divide us up — rich versus poor and black versus white," said Senate Ways and Means Chairman Don Sullivan, R-Seminole. "It would lead to a great deal of disruption and consternation." The governance committee decided that greater accountability is needed in Florida's public education system. The panel's other recommendations include creating a state Board of Education, appointed by the governor; replacing the elected commissioner of education with an appointed state superintendent of education; and encouraging local school districts to switch from elected to appointed school superintendents.

Florida is one of only three states along with Alabama and Mississippi where districts elect superintendents. Of Florida's 67 counties, 44 have elected superintendents, but most are small rural counties. More than 80 percent of Florida's students are served by districts with appointed superintendents, as is the case in Dade and Broward. ■

47. The Miami Herald
October 21, 1997

$3.3 billion needed for schools, panel says

By STEVE BOUSQUET
Herald Capital Bureau

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48. Hartford Courant
October 21, 1997

Sophomores Showing Gains On State Test

By RICK GREEN

More Connecticut 10th-graders are doing better on a tough test of mastery of basic subjects, but the results show how hard it is to raise standards in state high schools.

The Connecticut Academic Performance Test is so challenging that only slightly more than one in eight students achieved the state goal on all four portions of the exam.

Statewide scores in the closely watched test were released Monday and show a small, if incremental. improvement over previous years. The

3-year-old test is given in the spring to high school sophomores and measures the ability to apply knowledge in four areas - math, science, language arts and persuasive writing on a range of topics.

"We've got a three-year look. We see ourselves getting a little bit better," said Theodore S. Sergi, commissioner of education. "This is not a pass-fail test. This was designed as a very challenging assessment to push us to a higher level of students' application of skills."

About 61 percent of students achieved the state goal in at least one section of the test. But just 13 percent reached state goals on all four portions. All of these areas reflect slight improvements. More than 30,000 students took the test.

Considered one of the toughest of its kind in the nation, the test emphasizes problems that test analysis and application of math and science concepts. Students are asked to write, for instance, a persuasive letter to a newspaper, interpret literature and answer questions about a science lab exercise.

Raising scores "doesn't happen by chance," said East Hartford High School Principal Steven W. Edwards. While still below state averages in three out of four categories, his school's scores have increased substantially since 1995, even as the school district has grown substantially.

In many communities, such as East Hartford, Bolton and Derby, the test has become a driving force for improvement. In towns such as Darien and some Farmington Valley communities, it is an emblem of the relationship between wealth and higher test scores. And in others, like Hartford, the test is a harsh reminder of persistent failure.

Edwards said his school has taken significant steps to respond to the low scores of two years ago, including additional training for teachers and redesigning how some subjects are taught.

"It's something that we have made a priority and particularly at the high school," Edwards said. "We team all ninth- and 10th-graders. They have the same four teachers for two years. Those teachers have the flexibility of doing creative things. We are constantly looking at different ways to improve scores."

East Hartford teacher Lou Deloreto said the test "is a huge deal for us." For example, teachers must submit lesson plans that include the type of work that is tested. This year, students are keeping separate folders of their work that relates to the test.

Still, East Hartford exempts more than 14 percent of its students from the test, more even than Hartford, which exempts about 13 percent. These are students, for example, who may be in special education programs.

Some urban districts showed improvement - such as Waterbury, where scores were once as low as Hartford's but now show a trend up. For Hartford, the latest scores spotlighted the district's continuing problems. Already the lowest in the state, the percentage of students reaching the state goal went down in three of four categories in Hartford.

For example, just 6 percent of students in Hartford reached the state goal for math, compared with the statewide average of 42 percent.

"It underscores just how far we have to go," said Robert Furek, chairman of the board of trustees appointed to run Hartford schools after a state takeover last spring. "We are in trouble."

"There are a myriad of problems that need to be addressed," said Furek, referring to poverty, teacher training, curriculum reform and morale in Hartford. "I think we are going to see improvement. But improvements will come over time," he said.

Superintendent of Schools Patricia Daniel will be evaluated based on whether student test scores improve, he said.

Sergi said it was "inappropriate to use scores to rate schools or school districts. There are far too many variables that make meaningful comparisons difficult." For example, a small high school could have a wide fluctuation in its scores from year to year and poverty plays a significant role in the cities. Nevertheless, movement up or down is closely watched both in the state education department and at the local level.

Derby, with 600 students in its high school, saw huge gains in all four categories, compared with its scores in 1996. Bolton, another small high school, also made large gains. West Hartford, where test scores are constantly examined under a magnifying glass, also had steady gains.

"It's a very conscious effort to try to align our curriculum and teaching strategies to the CAP test, which we believe is a very fine test. It is a test [of] how students think," said West Hartford Superintendent of Schools David P. Sklarz. "It is the driving force."

But in some communities in the Farmington Valley and Fairfield County, where test scores traditionally rank high and are a common conversation topic for both parents and real estate agents, there are some disturbing downward trends.

Simsbury, a town with a tradition of top test scores, has seen its language arts scores decline substantially in the last two years. Scores in Granby and Canton also have been dropping over the three years in which the test has been given. Meanwhile in Fairfield County, performance in such districts as Weston and Ridgefield declined, though scores are still among the highest in the state.

"We are in the process of doing the analysis of the [students] who did not make the [state goal]," said David Mattson, assistant superintendent in Simsbury, when asked about the language arts scores. "You certainly look at it. What you don't want is a trend of a downward spiral."■

objections to the limits, and Dr. Crew said he had dropped the proposal.

The state open meetings law prohibits public bodies, like the Board of Education, from discussing policy privately and from scheduling any meeting without separately notifying the news media and the public in advance. Karen Crowe, a spokeswoman for the board, acknowledged yesterday that no notice was sent to the news media, but said the responsibility lay with the board's office of public affairs.

"We routinely do send out notices," Ms. Crowe said. "In the instance of the Aug. 19 meeting it was not done. I can only say that was an oversight from this office. We did get notification from the board as we routinely do. We had it in sufficient time and we just failed to do it."

After hearing Ms. Crowe's explanation, Robert J. Freeman, executive director of the New York State Committee on Open Government, said. "So there was an admitted failure to comply with the law."

If the board had taken any action that should have been taken in public, the action could be invalidated by a lawsuit against the board. Ms. Crowe said that the Chancellor considered the failure to send out notice a matter of "human error" and that no one would be disciplined.

Mr. Freeman said that small schools and the Chancellor's goals and objectives sounded like the subjects of policy discussions, which would be forbidden under the law. He said the location of the meeting — about 25 miles from board headquarters, which are in downtown Brooklyn — violated the spirit of the law, by making it hard for New York City residents to get there.

Ron LeDonni, secretary of the board, declined to answer questions in an interview yesterday, saying the board's lawyer had advised him not to. But in a written statement yesterday afternoon, before Ms. Crowe made her statement, Mr. LeDonni said that the Aug. 19 meeting "was conducted in full compliance with the open meetings law," and that the notice of the meeting "had been posted in a public place." Last Friday, Mr. LeDonni said the notice had been posted in the lobby of board headquarters at 110 Livingston Street.

On the other issues, he said, "The policy issue of goals and objectives was discussed only as it pertained to the Chancellor's evaluation. Also, the issue of small schools was permissible and appropriate under the topic of proposed litigation/collective bargaining."

Mr. Freeman said that litigation and collective bargaining were valid exceptions only if a public body was afraid that it would reveal its strategy to an adversary by going public.

"My sense, I will tell you, is that they've been sort of slipping on this open meetings law," said Raymond Domanico, the association's executive director, which in an out-of-court settlement was given some monitoring powers over the board's compliance with the open meetings law. ■

70. The Ft. Lauderdale Sun Sentinel

October 21, 1997

Chiles should be schools chief

By LINDA KLEINDIENST
Tallahassee Bureau Chief

TALLAHASSEE — Florida's Constitution needs to be rewritten to dump the state's elected Education Commissioner in favor of making the governor the top school official. That recommendation, part of a proposed revamp of how Florida governs its schools, was approved on Monday by the Governor's Commission on Education. It was forwarded to the Constitution Revision Commission, which is conducting hearings in Tallahassee this week. Gov. Lawton Chiles said he had "mixed feelings" about the idea but conceded he was the one usually brought to task by the public for what goes on in the state's schools. "Every day when I go out, people talk to me about education," Chiles said. "They hold me accountable for education. The governor ought to have the responsibility if he is to be held accountable." The commission also recommended that the constitution be revised to: • Establish a seven- to 15-member state Board of Education, which would take over the education policymaking duties now assigned to Chiles and the six-member elected Cabinet. That board, appointed by the governor, would appoint a state superintendent of education. • Require local school districts to have appointed superintendents. • Allow counties, by referendum, to split themselves into smaller school districts. "We have four of the 10 largest school districts in the nation," said Ray Goode of Miami, chairman of the Education Commission's Governance Committee. "The people have lost access. They have no voice." Florida's Constitution now mandates that school districts be organized by county, giving the state 67 districts. Dade and Broward are the third- and fifth-largest school districts in the nation. By contrast, California has more than 1,000 school districts. "This is the best way to bring government closer to the people," said Rep. Debbie Wasserman Schultz, D-Davie, a member of the Education Commission. "Smaller is better." Sen. Don Sullivan, R-St. Petersburg, said he could envision major problems. "This would divide us up, rich vs. poor and black vs. white," he said. The Constitution Revision Commission next spring will recommend changes to the state constitution that will appear on the November 1998 ballot. ■

when the new board was created.

Employees hired since then, he said, will be required to move into the city and there "will be no exceptions, no waivers" under the new policy.

The new policy will also apply to principals who had been exempted from the residency requirement, Vallas said.■

12. Orlando Sentinel

August 15, 1997

Webster to hear schools are packed

By Linda K. Wertheimer
and Michael Griffin of The Sentinel Staff

Central Florida school officials today plan to pelt House Speaker Daniel Webster with evidence that their schools are overflowing with students.

During a meeting at the Omni Rosen Hotel in Orlando at 9:30 a.m., they will present their case at Webster's invitation.

Webster, an Orlando Republican, has provoked school officials for refusing to believe the crowding problem is as extensive as school officials say. He also objects to raising taxes to deal with crowding.

"If the Legislature doesn't want to fund schools for whatever reason, then just don't fund them," Orange County schools Superintendent Dennis Smith said. "But don't misrepresent to this public and the community that we don't have a problem."

Smith, who cannot attend the meeting today, said he will send representatives to make that point to Webster.

Orange County, Central Florida's largest district, has been getting close to 7,000 new students a year. It has portable classrooms on campuses throughout the county.

Lake County schools Superintendent Jerry Smith plans to bring a large contingent to the meeting.

"Some of our concern is the fact that we've been led to believe he (Webster) doesn't think some of our districts here in Central Florida are as crowded as they are," Lake's Smith said. "We're going to let him know there are very serious problems here in his part of the district."

Repeated attempts to reach Webster on Thursday were not successful.

Webster invited school officials to the meeting to discuss school-building issues and a new, much-debated state law on classroom space.

The law counts portable classrooms, music rooms, art rooms and computer labs as regular classrooms. Calculating space that way means there would be room for more than 2.3 million children in Florida classrooms where 2.2 million are enrolled, according to a state Department of Education breakdown. Those figures are based on last year's enrollment.

Local school officials say they plan to let Webster know that the new law distorts the real situation and that districts need the state's help to pay for new schools.

They will face one of their toughest foes on the issue.

Gov. Lawton Chiles has been traveling throughout Florida to emphasize the need for more state money for school construction and has scheduled a special session in November on the topic. Senate President Toni Jennings, an Orlando Republican, also has supported more aid for schools.

But Webster has continually said taxes shouldn't be raised and that schools can improve how they spend the money they get.

In those statements and others, Webster seems to be heeding a Republican analysis of a recent party poll showing crowded schools to be a major concern to Florida voters.

"As a party, if we oppose increasing education spending, we would be characterized by the Democrats as being against education," pollster Neil Newhouse wrote in a memo to state Republican Party Chairman Tom Slade.

Newhouse advised Slade that Republicans should support more education spending but do so by "re-ordering the state's priorities."

"Our best positioning on this issue is to make this a debate about taxes and education reform — not spending," Newhouse wrote.

The poll of 600 registered voters was conducted in June by Public Opinion Strategies Inc. of Washington for the Republican Party of Florida. A summary of the results was distributed to Republican legislators last month, but did not include a margin of error.

The summary said 83 percent of the voters are very concerned about the quality of education; and 75 percent are very concerned about school crowding. But 55 percent think the problem can be solved without raising taxes.

Senate Education Committee Chairman John Grant, R-Tampa, said the poll reflects political reality, but not the reality of the crowding situation.

"Anyone who believes there is no crowding problem has his head in the sand," Grant said. "Anyone who believes that the problem can be solved without new revenues does not understand the Florida budget."

Webster can expect to hear similar views today.

"I think Speaker Webster is trying to fix the facility problems without revenue," said Ken Bovio, Seminole County schools' executive director for employee and governmental relations.

Bovio said figures based on the new law don't consider several factors, including state and federal rules requiring smaller class sizes in special education programs.■

Robert M. Shireman
04/11/97 09:37:22 AM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:
Subject: 10:00 meeting agenda (room 231) - School Construction

Agenda
April 11, 1997

1. Constituency activities

--Building Trades unions 4/7
--Rebuild America briefing 4/8
--Coalition for Adequate School Housing (Tanya/Bob)
--education groups -- Hill meeting today
--Homebuilders (Fritz/Mozelle)
--Investment Bankers (Tanya/Don)
--Council of Infrastructure Financing Authorities (Jim)
--Include line in any principal talking about infrastructure (cab. aff.)
--other groups

2. Legislative status

--Cosponsors
--New state-by-states
--Rural school fact sheet (ED)
--Caucus presentation(s)
Senate Dems (CMB and Reed)
Hispanic (Riley)
CBC

3. Press

--Plan for new state-by-states
--Calls to local press that didn't cover rollout
--Scrapbook of local stories on school construction/renovation needs
--Rep. Sawyer op-ed (Kay) - link to school finance court decision
--Any GAO follow-up?

--Tie-ins to technology/FCC

4. Events

--Sen. Reed/other model events for Members of Congress?
--CWA wiring in schools
--FL/VP/MG school/trailer visits?

Message Sent To:

Jake Siewert/OPD/EOP
Jonathan A. Kaplan/OPD/EOP
COHEN_M @ A1 @ CD @ LNGTWY
William H. White Jr./WHO/EOP
Kris M Balderston/WHO/EOP
William R. Kincaid/OPD/EOP
Kathryn B. Stack/OMB/EOP
Kenneth S. Apfel/OMB/EOP

H.R. 1104 - The Partnership for Rebuilding America's Schools Act

Lowey and the following 70 co-sponsors:

Kennedy (MA)
Clay
Maloney
Schumer
DeLauro
Miller (CA)
Andrews (NJ)
Kildee
Sawyer
Green (TX)
Waters
Norton
Kucinich
Dixon
Hastings
Martinez
Pelosi
Hinojosa
Lewis (GA)
Sanchez
Green (V.I.)
McCarthy (NY)
McGovern
Neal
McCarthy (MO)
Matsui
Stokes
Conyers
Frost
McDermott
Bentsen
Ford
Etheridge
Underwood
Baldacci
Fattah
McKinney
Gonzalez
Markey
Mink
Gutierrez
Owens
Foglietta
Lofgren
Wynn
Yates
Serrano
Roybal-Allard
Bonior
Manton
Filner
Gejdenson
Delahunt
Deutsch
DeGette
Faleomavaega
Kilpatrick
Weygand
Cummings
Blagojevich
Boucher
Payne (NJ)
McIntyre
Hilliard
Poshard
Brown (CA)
Kennedy (RI)
Slaughter
LaFalce
Olver
Stark

(4/10/97)

THE PARTNERSHIP TO REBUILD AMERICA'S SCHOOLS ACT OF 1997

PRESIDENT CLINTON'S SCHOOL CONSTRUCTION INITIATIVE

March 14, 1997

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SUMMARY OF PRESIDENT CLINTON'S SCHOOL CONSTRUCTION LEGISLATION

The Partnership to Rebuild America's Schools Act of 1997

March 14, 1997

"We cannot expect our children to raise themselves up in schools that are literally falling down."
President Clinton
1997 State of the Union Address

TODAY, THE PRESIDENT WILL SEND TO CONGRESS LEGISLATION TO HELP LOCAL COMMUNITIES AND STATES REBUILD THE NATION'S SCHOOLS. As America moves into the 21st century, our schools should too. The President's new legislation -- the Partnership to Rebuild America's Schools Act -- meets his commitment to provide *$5 billion over four years, leveraging $20 billion,* to help local communities and states rebuild America's schools -- through both upgrading and new construction to respond to population increases and shifts. The need for this is clear:

- **Record Numbers of School Buildings in Disrepair.** One-third of all schools—serving 14 million students—need extensive repair or replacement. About 60 percent of schools have at least one major building feature, such as leaky roofs and crumbling walls, in disrepair. [Source: General Accounting Office Report: "School Facilities: America's Schools Report Differing Conditions," June 14, 1996]

- **Student Population at an All-Time High.** Many school districts also face the need to build new schools to accommodate enrollment growth. Public school enrollment in grades K-12 is expected to rise 20 percent between 1990 and 2004. [Source: U.S. Department of Commerce, *Statistical Abstract of the United States, 1995*, p. 151]

- **A State and Local Responsibility, and a National Concern.** The federal government can, and should, play a crucial role in addressing this increasing problem of school disrepair by providing limited resources in a manner that spurs states, communities, and even the private sector to provide adequate school facilities for all children.

KEY ELEMENTS OF THE PARTNERSHIP TO REBUILD AMERICA'S SCHOOLS ACT

- **Allocates $2.45 billion to help states increase school construction and renovation.** Using a new formula based on the Title I basic grants formula (and after providing $100 million to Native Americans and the territories), the legislation allocates one half of the $5 billion to states. In order to receive these funds, a state will have to provide assurances that it will increase, over a four-year period, the amount of school construction paid for with state, local and private funds.

- **Targets another $2.45 billion to the needs of the 100 school districts that enroll the greatest numbers of children living in poverty.** Under the legislation, those districts that have the greatest school construction needs, according to GAO data, will be eligible for a direct allocation. Of the amount available for direct grants, 70 percent will be allocated by formula, and the remaining 30 percent will be distributed competitively to those districts that have the greatest needs and the best construction plans and are willing to provide the most support from non-federal sources.

- **Provides flexibility to states by reducing interest or other financing costs of new school construction and renovation.** This legislation provides funds to states and school districts to use as interest subsidies for school construction bonds; to reduce the servicing costs of other financing vehicles; to capitalize state revolving funds for school construction; or for other similar purposes. This flexibility meshes with a variety of state and local school financing mechanisms.

- **Leverages additional spending on school construction and renovation.** This legislation focuses on *incremental spending*. That is, recipients must demonstrate how the federal funds will be leveraged, so that the total amount spent on school construction in communities will increase.

- **Applies to a wide range of improvement projects**, including construction of elementary and secondary school facilities, renovations to ensure health and safety of students, improvements of the basic infrastructure (e.g., electrical, plumbing and heating systems), increases in energy efficiency, improvements required by the Americans with Disabilities Act, construction that prepares facilities for installation of modern educational technology, or construction necessary for the establishment of charter and community schools.

- **Provides flexibility for state and local governments in using federal subsidies.** State and local recipients would have the flexibility to determine which construction activity is deemed the highest priority and funded by the federal subsidies. Such determinations would be based on a survey of state or local construction needs.

FACT SHEET ON THE SCHOOL CONSTRUCTION LEGISLATION

The Partnership to Rebuild America's Schools Act of 1997

March 14, 1997

TODAY, PRESIDENT CLINTON WILL SEND TO CONGRESS THE PARTNERSHIP TO REBUILD AMERICA'S SCHOOLS ACT OF 1997 -- A NEW INITIATIVE. Since the President announced his school construction initiative last year, his Administration has listened to hundreds of people responsible for school financing in the process of developing the Partnership to Rebuild America's Schools Act. The new $5 billion legislation:

- ***Gives states and local communities more flexibility*** in using the financing of school construction.
- ***Targets half the funding to school districts most in need.***
- ***Includes a competitive component*** to ensure that federal funds are carefully and efficiently spent on incremental construction.

THE ACT GIVES GREATER FLEXIBILITY TO STATES THROUGH INTEREST SUBSIDIES *OR* ALTERNATIVE FINANCING FOR NEW CONSTRUCTION AND RENOVATION: The Partnership to Rebuild America's Schools Act would provide up to a 50% subsidy of interest or the present value equivalent of other financing costs to school districts. This funding would underwrite repairs to existing K-12 schools, or construction of new schools to replace old ones or to accommodate increased enrollments.

- **Allowable financing costs** would include the costs of bonds, certificates of participation, purchase or lease arrangements, capitalizing state revolving funds, or other state and local expenditures incurred by States or local governments in financing eligible projects.

- **Subsidies would be awarded to communities according to several criteria**, including (i) greatest need, (ii) fewest resources to meet that need, and (iii) commitment to leverage federal funds by increasing the community's own school construction effort.

USING A NEW FORMULA, THE ACT ALLOCATES ONE-HALF OF THE FUNDS TO STATES FOR STATE BONDS OR FOR DISTRIBUTION TO LOCAL DISTRICTS. Of the $5 billion total for this initiative, $2.45 billion would be allocated to states using a formula based on the existing "Title I" (education for the disadvantaged) basic grants formula.

- **Leveraging requirement.** To receive funds, States will have to assure that the they will increase, over a four-year period, the amount of school construction paid for by State, local and private funds.

- **States would determine their highest priorities for construction assistance** based on a survey of school construction needs, awarding the subsidies to those communities with the greatest construction needs and least ability to meet those needs with their own resources.

THE ACT TARGETS FUNDS TO THE 100 SCHOOL DISTRICTS WITH THE HIGHEST NUMBERS OF CHILDREN LIVING IN POVERTY. According to General Accounting Office data, those school districts -- primarily urban -- that have the greatest numbers of children living in poverty have far and away the greatest school construction needs. This legislation addresses this by providing direct allocations, and a competitive bonus pool, to those districts facing dire construction needs.

- **Leveraging requirement.** To receive funds, eligible school districts would have to demonstrate in their applications how they will increase, over a four-year period, the amount of school construction paid for with State, local, and private funds.

- **Districts would determine highest priority needs** based on a survey of local construction needs.

- **Districts would compete to receive bonus funds.** Seventy percent of the funds available directly to local districts would be awarded by a formula, based on their Title I shares. The remaining 30 percent would be awarded on a competitive basis to those districts with particularly high needs that are willing to provide the most support, through non-federal resources, for infrastructure improvement.

PURPOSES OF SUBSIDIZED PROJECTS. Funds for subsidies would be provided to states and local districts to lower the costs of additional construction or renovation of projects with one of the following purposes:

- **Fixing or upgrading classrooms or structures related to academic learning**.
- **Addressing basic health and safety problems** with air quality, plumbing, heating, and lighting.
- **Enhancing access for students, teachers, and other people with disabilities.**
- **Improving energy efficiency**.
- **Providing infrastructure that facilitates use of educational technology**, such as communications closets, electrical systems, and power outlets.
- **Constructing new schools to meet needs imposed by increased or shifting enrollments**.
- **Creating after-school learning centers, community schools, and charter schools**.

ONE-TIME FEDERAL STIMULUS OF SCHOOL CONSTRUCTION ACTIVITY. The funds available thorough this legislation would be distributed as single awards to States and districts.

STATE AND LOCAL GOVERNMENTS MAINTAIN RESPONSIBILITY FOR SCHOOL CONSTRUCTION. States and localities would continue to maintain full responsibility for determining school construction needs and administering facilities programs.

Allocation of Funds Methodology

The Partnership to Rebuild America's Schools Act of 1997

The Partnership to Rebuild America's Schools provides $5 billion to jump-start State and local school construction and renovation. After two percent of the funds are set aside for the Bureau of Indian Affairs and the U.S. territories, the remainder is made available as follows:

LOCAL DISTRICT ALLOCATION

One-half of the remaining available funds, $2.45 billion, is made available to fund applications submitted to the Secretary of Education by the 100 local school districts with the greatest number of children living in poverty.

Of that $2.45 billion, 70 percent, or $1.715 billion, will be made available to local districts on the same basis that they receive funds under the Federal government's major program for helping schools serving children from low-income families (basic grants under Title I of the Elementary and Secondary Education Act). The data used for the tables that follow are based on the 1990 Census count of low-income children. That data is being updated and may be incorporated into the Title I allocations for FY 1998, causing some adjustments to the estimates provided here.

The remaining 30 percent of the local allocation, or $735 million, will be awarded on a competitive basis to those districts with particularly significant infrastructure needs that will use these funds most effectively in leveraging non-Federal resources.

STATE ALLOCATION

The other half of the funds, $2.45 billion will be made available to the States based on the same Title I formula, except that the qualifying children that live in local school districts that are eligible to apply directly for funds are subtracted from the States' total number. (For example, the children living in poverty in Philadelphia were not included in the calculation for the State of Pennsylvania, since Philadelphia would be eligible to apply for funds directly to the Education Department). Again, the estimates may be adjusted in the next few months based on an update of Census data.

In order to receive funds, States must survey their infrastructure needs (if they have not already done so) and provide the Secretary of Education with an application describing how the funds will be distributed to localities with the greatest need and with the greatest leveraging impact.

REBUILDING SCHOOLS INITIATIVE: ALLOCATION TO 100 HIGH-POVERTY DISTRICTS

Rank	District	State	Estimated Allocation ($)
1	NEW YORK CITY	NEW.YORK	287,346,360
2	CITY OF CHICAGO SCHOOL DIST 29	ILLINOIS	117,077,534
3	LOS ANGELES UNIFIED	CALIFORNIA	115,698,982
4	DETROIT CITY SCHOOL DISTRICT	MICHIGAN	72,671,983
5	PHILADELPHIA CITY S D	PENNSYLVANIA	63,207,471
6	DADE COUNTY SCH DIST	FLORIDA	50,033,069
7	HOUSTON ISD	TEXAS	37,707,854
8	MILWAUKEE SCH DIST	WISCONSIN	34,146,293
9	BALTIMORE CITY P S SYSTEM	MARYLAND	31,397,759
10	CLEVELAND CITY SD	OHIO	26,590,896
11	DALLAS ISD	TEXAS	25,004,088
12	ORLEANS PAR SCH BRD	LOUISIANA	24,545,909
13	MEMPHIS CITY SCH DIST	TENNESSEE	20,770,652
14	BOSTON SCH DIST	MASSACHUSETTS	16,918,733
15	NEWARK CITY	NEW.JERSEY	16,802,477
16	SAN ANTONIO ISD	TEXAS	16,629,401
17	BROWARD COUNTY SCH DIST	FLORIDA	16,366,840
18	BUFFALO CITY SCHOOLS	NEW.YORK	16,211,083
19	SAN DIEGO CITY UNIFIED	CALIFORNIA	16,115,831
20	HILLSBOROUGH COUNTY SCH DIST	FLORIDA	15,767,393
21	FRESNO UNIFIED	CALIFORNIA	15,556,478
22	DISTRICT OF COLUMBIA	DISTRICT.OF.COLUMBIA	15,462,996
23	ST LOUIS CITY SCHOOL DIST	MISSOURI	15,457,889
24	ATLANTA CITY SCH DIST	GEORGIA	15,442,315
25	COLUMBUS CITY SD	OHIO	15,125,294
26	CINCINNATI CITY SD	OHIO	14,986,490
27	EL PASO ISD	TEXAS	13,882,927
28	JEFFERSON CO	KENTUCKY	13,688,711
29	DUVAL COUNTY SCH DIST	FLORIDA	13,594,312
30	INDIANAPOLIS PUBLIC SCHOOLS	INDIANA	12,899,527
31	MOBILE COUNTY	ALABAMA	12,800,603
32	PITTSBURGH S D	PENNSYLVANIA	12,575,110
33	LONG BEACH UNIFIED	CALIFORNIA	11,472,225
34	BROWNSVILLE ISD	TEXAS	11,328,176
35	ROCHESTER CITY SCHOOLS	NEW.YORK	11,317,346
36	ORANGE COUNTY SCH DIST	FLORIDA	10,889,197
37	OAKLAND UNIFIED	CALIFORNIA	10,864,126
38	DENVER COUNTY 1	COLORADO	10,638,917
39	FORT WORTH ISD	TEXAS	10,635,971
40	PALM BEACH COUNTY SCH DIST	FLORIDA	10,380,294

REBUILDING SCHOOLS INITIATIVE: ALLOCATION TO 100 HIGH-POVERTY DISTRICTS

Rank	District	State	Estimated Allocation ($)
41	TOLEDO CITY SD	OHIO	10,093,308
42	EAST BATON ROUGE PAR SCH BRD	LOUISIANA	9,857,116
43	FLINT CITY SCHOOL DISTRICT	MICHIGAN	9,828,903
44	JEFFERSON PAR SCH BRD	LOUISIANA	9,624,041
45	CLARK COUNTY SCH DIST	NEVADA	9,527,073
46	JERSEY CITY	NEW.JERSEY	9,481,668
47	PINELLAS COUNTY SCH DIST	FLORIDA	9,396,195
48	MINNEAPOLIS SPECIAL SCH DIST	MINNESOTA	9,359,646
49	CADDO PAR SCH BRD	LOUISIANA	9,314,584
50	ALBUQUERQUE PUBLIC SCHOOLS	NEW.MEXICO	9,301,105
51	BIRMINGHAM CITY	ALABAMA	9,137,672
52	SACRAMENTO CITY UNIFIED	CALIFORNIA	8,917,967
53	HARTFORD SCH DIST	CONNECTICUT	8,880,166
54	SAN FRANCISCO UNIFIED	CALIFORNIA	8,821,695
55	YSLETA ISD	TEXAS	8,755,783
56	DAYTON CITY SD	OHIO	8,569,330
57	CAMDEN CITY	NEW.JERSEY	8,426,090
58	NASHVILLE-DAVIDSON CO SCH DI	TENNESSEE	8,050,362
59	SAN BERNARDINO CITY UNIFIED	CALIFORNIA	8,048,471
60	KANSAS CITY SCH DIST 33	MISSOURI	8,045,710
61	POLK COUNTY SCH DIST	FLORIDA	7,997,704
62	AUSTIN ISD	TEXAS	7,955,365
63	PORTLAND SCH DIST IJ	OREGON	7,695,550
64	SPRINGFIELD SCH DIST	MASSACHUSETTS	7,665,366
65	AKRON CITY SD	OHIO	7,599,852
66	TUCSON UNIFIED DISTRICT #1	ARIZONA	7,432,572
67	ESCAMBIA COUNTY SCH DIST	FLORIDA	7,352,653
68	LAREDO ISD	TEXAS	7,343,143
69	OKLAHOMA CITY SCH DIST	OKLAHOMA	7,307,891
70	STOCKTON CITY UNIFIED	CALIFORNIA	7,236,861
71	GARY COMMUNITY SCHOOL CORP	INDIANA	7,214,653
72	SAINT PAUL SCH DIST	MINNESOTA	7,194,830
73	CHARLESTON COUNTY SCH DIST	SOUTH.CAROLINA	7,168,099
74	COMPTON UNIFIED	CALIFORNIA	7,163,743
75	PROVIDENCE SCH DIST	RHODE.ISLAND	7,135,471
76	CORPUS CHRISTI ISD	TEXAS	6,950,873
77	JACKSON PUBLIC SCHOOL DISTRICT	MISSISSIPPI	6,523,860
78	TULSA CITY SCH DIST	OKLAHOMA	6,512,065
79	NORFOLK CTY P S	VIRGINIA	6,401,660
80	EAST ST LOUIS SCHOOL DIST 189	ILLINOIS	6,227,513

REBUILDING SCHOOLS INITIATIVE: ALLOCATION TO 100 HIGH-POVERTY DISTRICTS

Rank	District	State	Estimated Allocation ($)
81	OMAHA PUBLIC SCHOOLS	NEBRASKA	6,114,049
82	SANTA ANA UNIFIED	CALIFORNIA	6,090,735
83	WICHITA	KANSAS	6,001,314
84	RICHMOND CTY P S	VIRGINIA	5,894,898
85	MECKLENBURG COUNTY	NORTH.CAROLINA	5,890,553
86	SEATTLE	WASHINGTON	5,812,727
87	ALDINE ISD	TEXAS	5,743,483
88	CHATHAM COUNTY SCH DIST	GEORGIA	5,738,990
89	MONTGOMERY COUNTY	ALABAMA	5,571,902
90	CUMBERLAND COUNTY	NORTH.CAROLINA	5,552,845
91	BAKERSFIELD CITY ELEMENTARY	CALIFORNIA	5,534,428
92	DEKALB COUNTY SCH DIST	GEORGIA	5,336,559
93	RICHMOND COUNTY SCH DIST	GEORGIA	5,269,987
94	PHARR-SAN JUAN-ALAMO ISD	TEXAS	5,235,944
95	MONTEBELLO UNIFIED	CALIFORNIA	5,217,583
96	MCALLEN ISD	TEXAS	5,116,558
97	KNOX CO SCH DIST	TENNESSEE	5,064,191
98	MUSCOGEE COUNTY SCH DIST	GEORGIA	4,902,341
99	GRANITE SCH DIST	UTAH	4,853,019
100	LAFAYETTE PAR SCH BRD	LOUISIANA	4,531,768
	Sub-total		**1,715,000,000**
	Bonus pool		**735,000,000**
	TOTAL		**2,450,000,000**

REBUILDING SCHOOLS INITIATIVE: ALLOCATION TO STATES

State	Estimated Allocation ($)
ALABAMA	50,457,466
ALASKA	6,391,279
ARIZONA	48,116,287
ARKANSAS	41,749,468
CALIFORNIA	221,677,938
COLORADO	27,814,470
CONNECTICUT	17,129,320
DELAWARE	6,996,929
FLORIDA	59,469,094
GEORGIA	69,865,434
HAWAII	10,303,893
IDAHO	12,548,910
ILLINOIS	78,449,106
INDIANA	49,277,276
IOWA	28,471,560
KANSAS	24,541,578
KENTUCKY	60,756,506
LOUISIANA	61,071,048
MAINE	13,948,960
MARYLAND	26,523,779
MASSACHUSETTS	48,732,109
MICHIGAN	106,653,509
MINNESOTA	33,320,366
MISSISSIPPI	64,895,914
MISSOURI	47,664,968
MONTANA	13,717,093
NEBRASKA	12,692,722
NEVADA	3,188,550
NEW.HAMPSHIRE	6,125,000
NEW.JERSEY	54,532,222
NEW.MEXICO	25,889,954
NEW.YORK	92,110,853
NORTH.CAROLINA	65,691,763
NORTH.DAKOTA	7,785,146
OHIO	102,405,354
OKLAHOMA	37,124,250
OREGON	30,575,916
PENNSYLVANIA	113,867,150

REBUILDING SCHOOLS INITIATIVE: ALLOCATION TO STATES

State	Estimated Allocation ($)
PUERTO.RICO	140,409,033
RHODE.ISLAND	6,303,808
SOUTH.CAROLINA	46,327,391
SOUTH.DAKOTA	10,361,148
TENNESSEE	42,456,675
TEXAS	211,158,056
UTAH	15,771,847
VERMONT	6,125,000
VIRGINIA	47,106,611
WASHINGTON	49,987,796
WEST.VIRGINIA	38,815,926
WISCONSIN	46,320,768
WYOMING	6,322,800
TOTAL - STATES	2,450,000,000
BIA/Territories	100,000,000

A Case Study
Broward County/Ft. Lauderdale

THE PROBLEM

Broward County is located in Southern Florida and is the fifth largest school district in the nation. Its schools suffer from severe overcrowding:

- 34,000 students without permanent desks;
- Approximately 10,000 new students added to the school system each year; and
- In the past nine years, Broward has built 36 new schools and rebuilt 23 schools, and continues to have a difficult time meeting its demand

Broward would have to build a new school every month to meet this demand adequately. Citing the approximately 2,000 portable classrooms in the county, the budget director for the county public schools described Broward as "the portable capital of the world." One high school has 46 portable classrooms in use during this school year alone.

NEEDS AND AVAILABLE RESOURCES

A recent needs analysis estimated Broward's capital construction needs at $2.4 billion, $200 million of which is needed for technology improvements alone. The last bond approved for school construction was for $317 million in 1987. Mobilizing local support for new tax or bond referenda has been difficult. In fact, in September, 1995, a tax referendum to increase the sales tax by one penny to raise $1 billion for school construction was defeated.

POTENTIAL IMPACT OF THE PARTNERSHIP TO REBUILD AMERICA'S SCHOOLS ACT

Under the President's legislative proposal, approximately $16.4 million would be allocated to the county school district. Broward could use these funds to subsidize interest costs for a local bond to cover a substantial part of the its school construction costs. This funding could support nearly $70 million in leveraged funds to assist in rebuilding a number of local schools.

These new funds would be used primarily to ease overcrowding in schools by funding new schools as well as renovations and additions to existing schools that would expand seating capacity. Broward also wants to reduce its reliance on portable classrooms due to the fact that -- with a life expectancy of approximately 20 years -- portables are not a good long-term investment compared to a traditional school structure. In addition, portables cannot be wired for technology the same way as a traditional classroom.

Los Angeles Unified School District

I. The Problem / Current Needs

The Los Angeles Unified School District is one of the largest institutions of any kind in the nation with an enrollment of 670,000 students. The prevalence of aging school facilities in Los Angeles poses a number of expensive problems for the district, which estimates its current deferred maintenance costs at more than $600 million. A majority of Los Angeles school buildings are more than 40 years old. As a result, most schools are not wired for technology, and most are not equipped with modern security systems, telecommunications systems, or air conditioning. Many facilities face similar repair needs --roof replacement is needed for 245 schools, repainting at more than 600 schools, boiler replacement at more than 50 schools, and playground re-pavement at almost 400 schools.

A rebounding economy and an influx of immigrants is driving steady growth in the Los Angeles schools. The number of students grew by 18,000 this year, and school officials predict enrollment will grow another 15,000 next year.

A State of California mandate to lower class size in the earliest grades consumed the limited number of vacant classrooms that existed. The need for more classrooms is illustrated by the fact that the district transports about 12,000 students a day to more distant schools because of overcrowding in their area school.

II. Needs versus Available Resources

The State of California school construction program uses two mechanisms to provide funds to local districts for new construction and modernization. In the more common approach, the state pays one-half of the "allowable" costs as defined by the state. Otherwise, the state pays the full bill, but in a very limited number of projects. Additionally, the state offers a small deferred maintenance program in which it provides matching funds of up to one-half of 1 percent of the district's general funds. In recent years, the Los Angeles district has been eligible for about $17 million through this program, but the state has not fully funded it in recent budgets.

District officials in Los Angeles report that a significant impediment to raising funds for construction is the requirement imposed the state Constitution, which requires a two-thirds majority vote for the passage of school bonds financed by property tax increases. The last time the Los Angeles Unified School District passed a bond measure was 1971. (This vote came shortly after the Sylmar earthquake closed many schools and raised serious safety questions about others. The measure received 66.5 percent of the vote, but under state law, this bond required only a majority vote because it pertained to buildings deemed structurally unsafe.)

III. The Impact of the President's Initiative

A $2.4 billion school bond measure on the ballot in November 1996 for school construction and modernization received 65.5 percent of the vote, just missing the two-thirds majority needed for passage. In December 1996, the Board of Education voted to put another $2.4 billion bond measure on the ballot in April 1997. The President's initiative could accelerate the development of the long overdue projects that would be financed by this bond, or, in the event that the bond fails, could allow for some work to be done that would otherwise continue to be deferred.

The State of Maine

I. The Problem / Current Needs

Maine is struggling to cope with two major factors related to school facilities -- a booming economy driving explosive growth in the southern part of the state, and the continued use of one-room schools and other antiquated buildings -- some dating 100 years -- throughout the state.

The Bowdoin Community School offers an instructive example. The dozen portable classrooms now in use exceed the number of permanent classrooms inside the main structure. A proposed expansion of the school has been shelved since 1987 because of insufficient state funding to support the project.

II. Needs versus Available Resources

Support from the state of Maine for local school construction projects is restricted to debt service subsidies, and the level of available support is extremely limited. In fiscal 1998, school districts requested such subsidies for 83 projects. However, the $65.8 million authorized by the state is expected to be consumed by the four projects given the highest priority.

School districts in Maine are generally successful in getting voter approval for bond measures, but most districts in the state cannot cover the total cost of the bond. The lack of support from the state for debt service is cited as the leading reason why school districts fall short in raising financing, leading to the deferment of these sorely needed projects.

III. The Potential Impact of the Presidential Initiative

The executive director of the Maine Municipal Bond Bank noted that the President's school construction initiative could help Maine schools in two ways. The state could choose to use its allocation all at once to supplement its debt service subsidy program, or it could use that money to establish a revolving loan fund that would commit its revenues to debt service subsidies.

The State of Maryland

I. The Problem / Current Needs

There are two primary problems facing Maryland school facilities: aging structures and rising enrollments.

A review of the list of Capital Improvement requests to the state for the coming year reveals the extent of aging school facilities. Requests are filled with descriptions of items in need of repair or replacement, such as roofs as much as 44 years old, HVAC systems that are 25 years old or more, boilers and chillers that date to the 1950s, and windows and doors in use since the 1960s.

Over the last decade, enrollment in Maryland schools has grown by approximately 150,000 students. State officials expect enrollment to continue climbing by another 30,000 or so annually over the next five to ten years. Overall, local districts requested approximately $310 million for 459 construction and renovation projects for FY 1998. While a district might request more than one project for a school, these figures suggest that districts are seeking assistance with construction and renovation projects that could affect a third of the state's 1,280 schools.

II. Needs versus Available Resources

The Maryland State Public School Construction Program is designed to help local districts with costs related to planning and funding of school construction and renovation projects.

Early in the program, the state covered 100 percent of eligible costs for approved projects. However, since the mid-1980s, the state uses a sliding scale based on need to determine how much assistance a district receives.

Since the program's inception, the amount of funds requested each year by local districts has exceeded program allocations. For example, in FY 73, the program funded 72 percent of district requests -- the highest proportion in the program's history. In FY 89, the state supported an all-time low of 24 percent of requests. In the current fiscal year, the state funded 51 percent of requests, totaling $274 million.

III. The Potential Impact of the Presidential Initiative

State officials see three possibilities for the use of federal funds from the proposed School Construction Initiative.

First, the funds could subsidize additional state general obligation bonds. Therefore, the amount of assistance going to local districts with eligible costs would increase, and more projects would be funded. The federal funds could be targeted at poorer districts with larger projects that have been delayed due to fiscal constraints. It should be noted that an increase in the state funds for the Public School Construction Program might lead more districts to seek state assistance for additional projects. At this time, there are projects for which local districts do not submit requests because the district senses these projects will be deferred due to state fiscal constraints.

A second option would allow the state to use a portion of the funds to subsidize a combination of additional state bonds and county general obligation bonds. Finally, the state could use all the federal funds to subsidize additional county general obligation bonds.

New York City School District

I. The Problem/Current Needs

New York is experiencing enrollment growth of 20,000 to 23,000 students a year. In addition, more than half of the over 1,000 school buildings are 50 years old or more. The district must upgrade these facilities and accommodate its burgeoning student population.

There are limits to the amount of money the district can raise through general obligation bonds, and this mechanism is not sufficient to meet the district's needs. There is a state constitutional limit on the amount of debt the district can issue (as a percentage of total assessed property value), and the district is running up against this limit.

The fiscal year 1997 capital expenditures budget for the Board of Education is just over $1 billion, out of a total city capital budget of just over $4 billion. A proposed 10-year capital plan has just been put forth for $12.6 billion, which includes an amount contingent on receipt of federal funds. One of the main emphases of this plan is to address the district's overcrowding, using strategies such as new construction, other ways of handling seating capacity, and converting some schools to a year-round schedule, which could increase seating capacity by 25 to 33 percent.

II. The Potential Impact of the Presidential Initiative

The proposed 10-year plan was increased by about $700 million to address seating capacity needs. The district envisions six different avenues for the use of this money to increase seating capacity: Leasing new facilities, transportables, modular construction, rehabilitation of existing facilities to increase size, new construction, and converting schools to a year-round schedule (which necessitates putting in air-conditioning.)

Assuming an approximately $300 million subsidy from this federal program and a 2:1 leveraging ratio, the district could address this $700 million need.

The district expects that the $700 million will provide 65,000 new seats in a variety of ways. The sooner it receives the money, the sooner it can begin to put this plan in place to reduce the severe overcrowding. Transportables could be in place for the beginning of the new school year. Modular construction and leasing could be in place in about one year.

Philadelphia School District

I. The Problem/Current Needs

The Philadelphia story has two strands. First, the district estimates that it will need about two-thirds of a billion dollars to bring its 257 existing building sites up to standard. This includes major renovations, repairs, improvements, and technology needs (schools need to be wired for computers, but 60 of Philadelphia's schools are over 70 years old.)

Second, to accommodate expected population growth, approximately one-quarter of a billion dollars in additional funding may be necessary. In the past five years, the public school population has grown 9.2 percent, and in the past seven years it has grown 12.6 percent. The district expects this growth to continue by 1.4 percent in the next year and by 2.5 percent the following year. In one area, the district deals with overcrowding through a combination of classrooms under stairwells, walling off the ends of hallways to create classrooms, and portables.

II. Needs Versus Available Resources.

The district knows that its capital needs in the next 5 to 10 years seriously exceed its current budgeted capital capacity. A Long Range Facilities Plan is being developed, and it is expected that the total need will ultimately be between $1-$1.4 billion.

III. The Potential Impact of the Presidential Initiative

The district says that federal funds could be extremely helpful by supporting preventive maintenance projects. With shrinking operating budgets, it is preventive maintenance that gets cut from the budget. These projects include minor roof and gutter repair, HVAC system cleaning, and yearly boiler maintenance. These activities get pushed aside for emergency projects and educational needs. Yet today's preventive maintenance project is tomorrow's capital project. Roofs, boilers, and heating systems wear out years before their time because preventive maintenance funds are scarce. The failure of these systems also causes additional capital damage, such as water and pipe damage. Much of this could be avoided and long-term capital budgets could be brought down with additional resources for preventive maintenance.

Santa Ana Unified School District

I. The Problem / Current Needs

Santa Ana is an extremely densely populated area. In its 24 square miles, there are 350,000 residents, and 52,000 students. There is a school approximately every two blocks.

The primary problem in the district is school overcrowding, the result of a lack of construction funding during a period of rapid enrollment growth. The district has grown from 31 thousand student in 1980 to 52,000 students in 1996.

The school district has converted 22 of 31 elementary schools and four of seven intermediate schools to multi-track, year-round schedules. Although other school districts in California and around the country use year-round schooling, it is unusual to have such a high percentage of schools on this track. The district has 534 portable classrooms on existing sites, which is the equivalent of 24 free standing elementary schools. Santa Ana estimates that it now spends $1 million to lease portable classrooms.

A secondary, but also severe problem is maintaining ill-equipped and deteriorating facilities. The District prepared a state-mandated five-year plan of deferred maintenance needs, which is updated annually -- the current version projects a $15 million need.

II. Needs versus Available Resources

Santa Ana Unified has a need for three elementary schools plus a new high school. Enrollment growth has averaged over 1300 students annually since 1980. The need is accentuated by the fact that the State School Building Program is, "broke" and it is not clear when there will be another bond measure.

III. The Potential Impact Of the President's Initiative

President Clinton's initiative would potentially provide major benefits to the Santa Ana community. The district needs adequate classrooms equipped with up-to-date education technology for its rapidly growing student population. If the district received an estimated six million dollars from the federal government, it could leverage those funds to pay for additional elementary schools.

March 24, 1997

H. R. 1104

TITLE: A bill to establish a partnership to rebuild and modernize America's school facilities.

SPONSOR: Rep Lowey, N. (introduced 03/18/97)

54 COSPONSORS:

Rep Kennedy, J. - 03/18/97
Rep Clay - 03/18/97
Rep Maloney, C. - 03/18/97
Rep Schumer - 03/18/97
Rep DeLauro - 03/18/97
Rep Miller, G. - 03/18/97
Rep Kildee - 03/18/97
Rep Martinez - 03/18/97
Rep Sawyer - 03/18/97
Rep Green - 03/18/97
Rep Waters - 03/18/97
Rep Norton - 03/18/97
Rep Kucinich - 03/18/97
Rep Dixon - 03/18/97
Rep Andrews - 03/18/97
Rep Hastings, A. - 03/18/97
Rep Pelosi - 03/18/97
Rep Hinojosa - 03/18/97
Rep Lewis, John - 03/18/97
Rep Sanchez - 03/18/97
Rep Christian-Green - 03/18/97
Rep McCarthy, C. - 03/18/97
Rep McGovern - 03/18/97
Rep Neal - 03/18/97
Rep McCarthy, K. - 03/18/97
Rep Matsui - 03/18/97
Rep Mink - 03/18/97
Rep Stokes - 03/18/97
Rep Conyers - 03/18/97
Rep Frost - 03/18/97
Rep McDermott - 03/18/97
Rep Bentsen - 03/18/97
Rep Ford - 03/18/97
Rep Etheridge - 03/18/97
Rep Underwood - 03/18/97
Rep Baldacci - 03/18/97
Rep Fattah - 03/18/97
Rep McKinney - 03/18/97
Rep Gonzalez - 03/18/97
Rep Markey - 03/18/97
Rep Gutierrez - 03/18/97
Rep Owens - 03/20/97
Rep Foglietta - 03/20/97
Rep Lofgren - 03/20/97
Rep Wynn - 03/20/97
Rep Yates - 03/20/97
Rep Serrano - 03/20/97
Rep Roybal-Allard - 03/20/97
Rep Bonior - 03/20/97
Rep Manton - 03/20/97
Rep Gejdenson - 03/21/97
Rep Stark - 03/21/97
Rep Olver - 03/21/97
Rep LaFalce - 03/21/97

March 24, 1997

S. 456

TITLE: A bill to establish a partnership to rebuild and modernize America's school facilities.

SPONSOR: Sen. Moseley-Braun (introduced 03/18/97)

10 COSPONSORS:

Sen Kennedy - 03/18/97
Sen Graham - 03/18/97
Sen Kerry - 03/18/97
Sen Levin - 03/18/97
Sen Torricelli - 03/18/97
Sen Murray - 03/18/97
Sen Mikulski - 03/18/97
Sen Dodd - 03/18/97
Sen Wellstone - 03/18/97
Sen Moynihan - 03/19/97

National Library of Education
Clearinghouse on Educational Facilities

BACKGROUND: On July 11, 1996 President Clinton announced a School Construction Initiative to help local communities and states rebuild the nation's schools. As part of this initiative, the Department of Education is funding a Clearinghouse on Educational Facilities to provide State and local education personnel and others in the educational community with information on model school construction and financing strategies underway across the nation.

PROBLEM ADDRESSED: Many factors contribute to the poor condition of school facilities, including deferred maintenance, structural problems in state and local financing mechanisms, constraints on raising tax revenues, competing priorities in the capital budget process, and lack of information on effective and efficient practices. Consultations with State and local school district personnel have shown that states and school districts throughout the nation have developed numerous effective strategies for financing construction and for building innovative schools that will serve students well in the next century. Unfortunately, much of this information is not widely disseminated and shared.

States and districts would greatly benefit by sharing their experience in finding creative financing for school facilities' construction, adopting energy-efficient building standards, involving communities in wiring schools for technology, and building exemplary schools. The National Clearinghouse for Educational Facilities will have as its primary mission to facilitate this idea and information sharing and the provision of technical assistance.

CLEARINGHOUSE ACTIVITIES: The Clearinghouse will use a variety of strategies for disseminating information, including providing "on-line" access to project information and lists of experts and providing technical assistance through consultations and workshops. Activities will include:

- Collecting and disseminating information on exemplary school facilities projects across the nation;
- Linking school districts with model facilities programs with other districts considering similar projects;
- Providing technical assistance on educational facility-related issues including enrollment projection methodologies, facility needs assessment, and effective preventative maintenance strategies;
- Providing information on "cutting edge" financing strategies used by States and school districts;
- Maintaining a database on educational facilities construction activity and financing mechanisms across the nation; and
- Producing written materials to respond to needs and inquiries from the field and conducting conferences on key educational facilities issues;

The draft Statement of Work for the Clearinghouse is now available on the World-Wide Web for public comment. The Clearinghouse contract will be awarded by June 30, 1997.

AP v5400 rw 3exec Building Schools,510 03-15 8:25a
Clinton administration proposes aid for school construction
By ROBERT GREENE
AP Education Writer

WASHINGTON (AP) - School districts and states with crumbling or overcrowded schools would share $5 billion in construction seed money under legislation prepared by the Clinton administration.

Education Secretary Richard Riley provided details Friday of the bill, to be introduced next week in the House and Senate. If enacted, the measure would fulfill a campaign promise President Clinton made last year.

Many Republican lawmakers oppose using federal dollars for building or repairing local schools. They argue that federal construction would cost more because of the law requiring payment of union wages on projects financed by the federal government.

But Riley said the administration cannot stand by while millions of children crowd into old, often dangerous buildings, or jam into trailer classrooms in rapidly growing areas places like Broward County, Fla.

"Students who are forced to attend unsafe or overcrowded schools generally have a lower academic performance," Riley told reporters. "However, states and school districts are hard-pressed at this time of already tight budgets to develop adequate solutions to these problems."

In Broward County, where Clinton had planned to promote the bill before a knee injury forced him to cancel the appearance, voters rejected a penny increase in their sales tax two years ago to pay for schools. The last school bond issue approved was for $317 million in 1987.

The Broward school district, the nation's fifth-largest, could qualify for $16.4 million in federal money to support $70 million worth of building. The federal dollars would pay half the interest on borrowing for construction. The administration says that overall, the $5 billion would spur $20 billion worth of constructionover two years.

Department officials could not say Friday whether the money would enable a district such as Broward to build new schools without raising the sales tax. But they did say it would lower the cost of financing, making it easier for voters to support school bond issues.

"This is designed not to replace what any county might do, but to say to that county, 'This is a very good time for you to go forward with it,"' Riley said.

A school district borrowing $1 million for construction now pays an average $2 million over 25 years, assuming a 5 percent interest rate, the department said. The subsidy would lower that overall cost to $1.5 million.

Of the money, $2.45 billion would go to school districts with large numbers of poor students. New York would get $287.3 million; Chicago, $117 million; and Los Angeles, $116 million. On the low end, Knox County, Tenn., schools would get $5 million; Lafayette Parish, La., schools, $4.5 million.

Another $2.45 billion would go to states based on the number of poor students. California and Texas would top that list at $221.7 million and $211.2 million, respectively.

The remaining $100 million would go to schools on Indian reservations and in the territories.

This story appeared March 15 under the following headlines.

AMERICAN STATESMAN (AUSTIN, TX)

Riley details how U.S. may help schools

By subsidizing interest, building could be spurred and dollars stretched, secretary says

By Robert Greene
Associated Press

A11

DENVER POST

$5 billion designed as school seed money

Clinton plan would cut construction costs

By Robert Greene
The Associated Press

AP

CINCINNATI ENQUIRER

Add rebuilding to 'Three Rs'

$5 billion proposed for school renovation

BY ROBERT GREENE
The Associated Press

A12

BALTIMORE SUN

Riley offers details on proposal to bolster school construction

$5 billion could be spent, education secretary says

Associated Press

4A

DALLAS MORNING NEWS MAR 15 1997

AROUND THE U.S.

11A

From Wire Reports

Education secretary details school subsidy plan

■ WASHINGTON — Education Secretary Richard Riley gave details Friday of a plan to subsidize school construction by $5 billion in 1998. The legislation would fulfill a campaign promise made by President Clinton. Many Republican lawmakers oppose using federal dollars for building or repairing local schools. The plan earmarks $211.2 million for Texas.

MAR 15 1997

ARIZONA REPUBLIC

NATIONAL BRIEFS

A22

School-construction subsidy outlined

WASHINGTON — Declaring that children cannot learn when buildings crumble around them, Education Secretary Richard Riley gave details Friday of a plan to subsidize school construction by $5 billion in 1998.

The legislation, if enacted, would fulfill a campaign promise made last year by President Clinton.

Many Republican lawmakers oppose using federal dollars for building or repairing local schools.

LOS ANGELES TIMES MAR 15 1997

Clinton Seeks Funds for Repairs at Schools

■ **Education:** Plan to distribute $5 billion would benefit needy districts, including 13 in California.

By RICHARD LEE COLVIN A20
TIMES EDUCATION WRITER

The Clinton administration on Friday proposed spending $5 billion to speed the repair of rundown schools and the construction of new ones, especially in urban areas such as Los Angeles struggling to cope with record enrollments.

The money would not be spent directly on bricks and mortar, which caused some school officials to grumble. Instead, it would be used to subsidize as much as half the cost of borrowing—an arrangement designed to spur as much as $20-billion worth of projects, officials said.

That is but a fraction of the $112 billion that the General Accounting Office in 1995 estimated as the cost of repairing serious defects in the nation's school buildings. But the new money, if approved by Congress, still would amount to the most ambitious federal school construction effort ever and the first in about three decades.

"It's hard to learn to read if your classroom is too hot or the bathrooms don't work or if the roof is leaking," said Vice President Al Gore, speaking at an elementary school in San Bernardino. "And in California, lots of children have to take their classes in portables because their schools have just run out of room."

President Clinton had planned to announce the program—part of the 10-point education agenda that he has made the centerpiece of recent appearances—at a school in Florida. But he spent Friday recuperating from emergency surgery to repair his knee, which he injured during a stumble outside the home of professional golfer Greg Norman.

The president's education agenda includes national standards and tests in math and science that some have denounced as a federal intrusion into education, historically the responsibility of states and local communities. In a prepared statement released Friday, Clinton said: "Underinvestment in school infrastructure has become a national problem and it demands national action."

Under the Clinton plan, half of the $5 billion would be set aside for the 100 school districts in the nation serving the highest number of children living in poverty. Part of that money would be allocated on a per-pupil basis and part given out through a competitive grant process.

Thirteen California school districts—including those in Los Angeles, Long Beach, Compton, Santa Ana, San Diego, Montebello and San Bernardino—are on the list to benefit from that part of the plan, potentially sharing up to $220 million in financing subsidies based on enrollment.

The other half of the $5 billion would be allocated to the states, which would decide how to redirect it to school systems with the greatest needs and the least resources to meet them.

California could apply for as much as $221 million from that pot, with a catch—to get it, the state would have to increase its own spending on school facilities.

But while the federal money could be used only to assist in "leveraging" financing, the resulting funds could go for a wide variety of projects, from building new schools to wiring classrooms for computers.

U.S. Department of Education officials said the proposal is structured to encourage local districts and states to spend more on construction, rather than to try to come close to meeting the huge need for new and upgraded facilities with federal funds alone.

Mike Vail, facilities director for the Santa Ana school district, said districts such as his—where voters have been unwilling to spring for local financing for school construction—would have trouble qualifying for the funds. The district needs to build a high school and three elementary schools just to keep up with an enrollment that is swelling by more than 1,500 students annually.

"We think the idea of the feds putting in money is excellent, but we need to work with the Department of Education and Congress to find a way that a district like Santa Ana can access some of this money," Vail said.

Michael Casserly, executive director of the Council of the Great City Schools, acknowledged that some urban districts will have trouble raising local funds, but was enthusiastic about the possibility of federal assistance.

"Historically, the repair and renovation of school buildings has fallen solely on local school systems, so any relief is welcome," he said.

Casserly said the amount proposed by Clinton is far more than the $3 billion to $3.5 billion that all 50 states now spend annually for that purpose. "We're very enthusiastically supporting the package," he said.

In California, state education officials are bracing for 1 million new students over the next decade. The cost of providing those students with a place to study, retrofitting buildings for computers, modernizing facilities and making badly needed repairs is $33 billion.

State Supt. of Public Instruction Delaine Eastin said the state should raise some of those funds through a $4-billion state bond issue she supports. Eastin met with federal education officials a year ago and pushed them to pitch in.

The situation in Los Angeles Unified School District epitomizes the daunting task facing school officials nationwide. The district's enrollment hit an all-time high of 668,000 this year. That number is expected to grow by almost 10,000 annually through 2000.

On April 8, the district will ask voters to approve borrowing $2.4 billion to make sure those students have classrooms. But California law makes passing such a measure difficult, requiring the support of two-thirds of the voters.

The district would receive at least $116 million, the third largest amount in the country, if the Clinton proposal passes.

"When you look at the needs in Los Angeles, $116 million is nice—and we're happy to get anything we can to help our schools—but compared to the need, it's not much," said Beth Louargand, the district's director of facilities.

Other California districts in line to benefit are those in Bakersfield, Fresno, Oakland, Sacramento, San Francisco and Stockton.

The Washington Times MARCH 15, 1997 A3

Clinton unveils school-rebuilding bill

By Susan Ferrechio
THE WASHINGTON TIMES

Republicans, including many of the nation's governors, do not embrace the idea of federal involvement in local construction.

The Clinton administration yesterday pitched the details of its $5 billion proposal to help rebuild America's crumbling, overcrowded schools, but the plan faces stiff opposition from congressional Republicans.

The plan, which Democrats will introduce Tuesday in the House and Senate, calls for the federal government to pay half the interest on local financing costs, a move they say would motivate cities and counties to start making an estimated $112 billion in repairs needed at schools across the country.

Education Secretary Richard W. Riley yesterday formally outlined the plan as a way to "put out hope" for cash-strapped school districts with sagging floors, leaking roofs and not enough room for increasing enrollment.

A General Accounting Office report in June concluded that many of the nation's schools are old and in disrepair. Among the findings: 12 million children attend schools with leaky roofs, and 7 million learn in buildings with life-threatening safety-code violations.

The plan, which would be a one-time appropriation, calls for spending about half of the money for the neediest 100 districts and includes $15 million to help repair the District's antiquated schools.

But Republicans, including many of the nation's governors, do not embrace the idea of federal involvement in local construction.

"That [$5 billion] is a drop in the ocean. It wouldn't make an impact," said Iowa Gov. Terry E. Branstad, who with other governors met with GOP leaders on Capitol Hill last week. "And it puts the federal government into something that it has never done before."

The Clinton construction plan, part of a $90 billion education reform package the president unveiled in his State of the Union address last month, already is facing an uphill battle in Congress.

Several key Republican leaders, including Sen. Paul Coverdell, head of the GOP's task force on education, and Rep. Bill Goodling, chairman of the House Education and the Workforce Committee, oppose the plan.

Mr. Goodling said in an interview Thursday that the school construction plan is "at the bottom" of his list of the president's initiatives he will consider supporting.

Mr. Goodling, Pennsylvania Republican, said the money Mr. Clinton is offering isn't nearly enough to affect construction needs nationwide and would only entangle the federal government in local responsibilities. In addition, he said, the plan unfairly rewards districts that have taken no initiative to start fixing schools.

"With scarce dollars available, school construction is the last place the federal government should be spending money," said Mr. Goodling, a former teacher and school superintendent. "Why do we have to jump-start from the federal goverment things [local governments] know they need to do?"

Republicans also oppose the plan because it would incorporate the Davis-Bacon law, which requires payment of "prevailing union wages" to workers at any federally funded construction project. In some cases, the law can drive up construction costs by as much as 15 percent.

Coverdell spokesman Jonathan Baron said the Georgia Republican would rather see the federal goverment invest more money in helping school districts educate disabled students. He said such a move would free up local money for their own spending priorities.

"Of course, Mr. Coverdell wants school improvements, but the federal government should not dictate how schools spend their budgets," Mr. Baron said.

Mr. Riley said the $5 billion plan would help stimulate $20 billion in school construction nationwide while at the same time avoiding "the bricks-and-mortar part of state and local responsibility."

"We can make a dent by offering a very attractive incentive," Mr. Riley said.

REBUILDING U.S. SCHOOLS

President Clinton's proposed Partnership to Rebuild America's Schools Act would offer $5 billion to spur construction and repairs at U.S. schools. The school districts below are among 100 slated to receive half of the proposed one-time appropriation; the other half would be divided among the states.

School district	Proposed appropriation
1. New York City	$287,346,360
2. Chicago	$117,077,534
3. Los Angeles	$115,698,982
4. Detroit	$72,671,983
5. Philadelphia	$63,207,471
6. Dade Co., Fla.	$50,033,069
7. Houston	$37,707,854
8. Milwaukee	$34,146,293
9. Baltimore	$31,397,759
10. Cleveland	$26,590,896
22. Washington	$15,462,996
79. Norfolk	$6,401,660
84. Richmond	$5,894,898

Under the plan, Maryland would receive $26,523,779 and Virginia would receive $47,106,611

The Washington Times

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HOUSTON CHRONICLE MAR 15 1997

Clinton's schools act proposed

Bill would allocate rebuilding funds

By MELANIE MARKLEY P33A
Houston Chronicle

The Clinton administration is proposing legislation that would subsidize school construction $5 billion nationwide – including $37.7 million for HISD and $211 million for Texas.

The Partnership for Rebuilding America's Schools Act was announced Friday by U.S. Education Secretary Richard Riley, who said that one-third of all schools nationwide need expensive repairs or total replacement.

"What kind of a message do children get when we send them to schools that are literally crumbling around their heads?" he said. "They get the message that we don't care about them or their education, and America can't afford to have our children believe that."

Clinton had planned to promote the bill at a school in the fast-growing Broward County, Fla., district, but a knee injury forced him to cancel. The proposal now goes before Congress.

It would allocate $2.45 billion to 100 school districts with the largest number of children in poverty. The federal subsidizes would pay half the interest on borrowing for construction.

A school district borrowing $1 million for construction at an interest rate of 5 percent now has to pay an average $2 million over 25 years, officials said. The federal assistance would lower that cost to $1.5 million.

The Houston Independent School District would get about $37.7 million to support $151 million worth of building. Aldine, the only other Houston-area district to qualify, would receive about $5.7 million to support $23 million in construction.

"This represents for us another opportunity for our revenue-enhancement initiatives," said HISD Superintendent Rod Paige. "We are going to take maximum advantage of this."

HISD voters rejected a $390 million bond proposal for school construction in May 1996. Aldine approved and $84 million bond package last week.

The proposal also would distribute $2.45 billion to states based on the number of poor children. Texas would receive $211 million.

"As with all federal programs, we look for this to assist us, not dictate to us," said state Education Commissioner Mike Moses. "We'd also like assurances that this program won't cause a disequalization of funding in Texas."

The states and school districts qualifying for the money would have to survey their needs and show how, over a four-year period, they would increase the amount of school construction funded locally.

KANSAS CITY STAR MAR 15 1997

KC schools could get building fix-up subsidy

By JAKE THOMPSON pc1
Washington Correspondent

WASHINGTON — Identified as one of the nation's 100 high-poverty school districts, Kansas City could qualify for an $8 million federal subsidy to fix up its school buildings.

Kansas City, Kan., didn't make the cut in a proposal announced Friday, although district officials recently identified $38 million in needed repairs and modernizing.

"If you look at it strictly on the basis of poverty, you get a different list than on the basis of need," Bonnie Leslie, associate superintendent of the Kansas City, Kan., School District, said Friday.

Warning that America's school buildings face a "virtual epidemic" of backlogged repairs, U.S. Education Secretary Richard Riley outlined a proposal to pump $5 billion into them.

Under President Clinton's plan, $2.45 billion would go to the 100 high-poverty school districts and to schools on Indian reservations. It would be used to pay half the interest on voter-approved bonds issued for construction projects.

It was unclear Friday whether the $300 million the Kansas City district spent in recent years for school construction as part of its desegregation effort would have an effect on its qualifying for the $8 million.

In addition to the direct subsidy, the state of Missouri might qualify for $47.6 million to support school rebuilding statewide, while Kansas could seek $24.5 million to fix up its needy schools. Some of that could flow to the Kansas City, Kan., district.

The $5 billion school-construction proposal was part of a 10-point education manifesto that Clinton has made the centerpiece of his second term.

Congress would have to approve the construction proposal, and already Republicans have questioned whether the federal money should go to what traditionally are local and state tasks.

PHILADELPHIA INQUIRER MAR 15 1997

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Education chief proposes $5 billion in school construction

p. A5 By Dale Mezzacappa
INQUIRER STAFF WRITER

Declaring that children cannot learn in outdated and overcrowded buildings, Education Secretary Richard W. Riley sent legislation to Capitol Hill yesterday that would subsidize school construction by $5 billion over the next four years.

President Clinton promised such legislation during his campaign last year, after a report from the General Accounting Office showed that one-third of the nation's schools — serving 14 million students — needed major repairs.

Clinton was to announce the details at an elementary school in Broward County, Fla., a rapidly growing area where many children are jammed into trailers or crowded into old buildings. But he was forced to cancel after injuring his knee.

"This won't solve all school construction needs in the country, but it can be an important jump-start," said Gene Sperling, the chairman of the National Economic Council.

The bill is designed, he said, to give school districts financial incentives to embark on major repair or construction — and make the idea more palatable to voters, who often reject bond issues designed to fix schools or build new ones. The legislation would subsidize interest costs on bonds by up to 50 percent, and provide a "window," Sperling said, to encourage voters to approve bonds because costs will be higher if they delay.

"In school district after school district, people know they need to make a serious infrastructure investment, but decide they can put it off with Band-Aids for another year," Sperling said. "We want to empower people in local communities who are saying, we need to make major capital expenditure."

The proposed legislation would set aside $2.45 billion for the nation's 100 cities serving the highest number of children living in poverty, including Philadelphia and Camden. Another $2.45 billion would go to the states to distribute to other needy districts, and the remaining $100 million to American Indians and the territories.

Philadelphia last year estimated it would cost $750 million to bring its 257 school buildings up to date, 42 of which are more than 80 years old.

That figure doesn't account for overcrowding, new schools, technology, or correcting environmental problems, said Ellwood Miller, director of the district's design and construction program.

Even though it has spent nearly $100 million in each of the last two years on upgrading doors, windows, roofs and other big-ticket items, "we're still about a billion short," Miller said, if the goal is to make each school state-of-the-art.

Under the legislation, the city would qualify for at least $63 million. With a very good repair and rebuilding plan, it could get more money. Camden would qualify for at least $8.4 million.

In addition, Pennsylvania would get $113.9 million; New Jersey, $54.5 million, and Delaware, $7 million. The states would distribute that money according to a formula weighted toward the poorer districts, but not limited to them. The districts would compete for the money by developing plans for new repair and construction efforts.

Sperling said the administration doesn't want to give federal money to districts for work they planned to do anyway. Districts will have to show they are increasing their capital budget by at least 25 percent over the previous year, he said, to qualify.

While Sperling said the plan had bipartisan support, some Republican lawmakers oppose using federal dollars for such local purposes and argue that the requirement to use union labor on federal projects will drive up costs.

Clinton has made education reform a centerpiece of his second term. One of the most common citizen complaints is about unsafe or ill-equipped school buildings, Riley said.

"We're in the midst of a veritable epidemic of old and sick school buildings," Riley told reporters. "What kind of message do we send the children when they have schools crumbling around their heads?"

This article contains information from the Associated Press.

The bill would encourage districts to fix or replace buildings. It would subsidize interest costs on bonds.

CLEVELAND PLAIN DEALER MAR 15 1997

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Clinton plan may offer a fix for schools

Cleveland could get $26 million for buildings

By JENNIFER BROOKS
STATES NEWS SERVICE

WASHINGTON — Cleveland's crumbling schools could get long-delayed renovations with the help of $26 million in a financial assistance plan introduced Friday by the Clinton administration.

President Clinton will ask Congress to appropriate $5 billion over five years to help leverage the cost of repairs to overcrowded and decaying schools nationwide — half of which would be split among the 100 highest-poverty districts. Cleveland ranked 10th on the list.

The program is not a grant but an investment incentive, Education Secretary Richard Riley said Friday. The federal money would underwrite as much as half the cost of interest on bonds and other financing mechanisms for new school construction, renovation or modernization. The remaining 50 percent would come from local taxes or other sources.

Rick Ellis, Cleveland schools spokesman, said that knowing the district's ranking and the exact aid amount was helpful, but it all would be meaningless if Congress rejects the program.

"If somebody wants to give us $26 million, we will jump up and down," he said. He added that Cleveland had been promised other aid packages by the state to help repair its dilapidated buildings, only to later receive less or none of the aid.

Repairing every school building would cost around $500 million, according to a 1990 Ohio Department of Education audit. Ellis said that despite the report's age, the estimate is still accurate because few renovations have been done since then.

The latest plan to improve buildings, a two-year, $22 million project to repair leaky roofs, was part of the tax levy spending package approved last November.

The Cleveland School District could receive $26.6 million from the program — a figure based on a General Accounting Office evaluation of the district's construction needs. Elsewhere in Ohio, Columbus would receive $15 million, Cincinnati $14.9 million, Toledo $10 million and Akron $7.4 million.

The Clinton plan, dubbed the Partnership to Rebuild America's Schools, splits $2.5 billion between the 100 urban districts — 70 percent in the form of targeted allocations to each school system and the remaining 30 percent in a $750 million pool from which the schools can compete for additional funding.

Another $2.45 billion would go to state departments of education, of which Ohio is slated to receive $102 million. The money could be used for state bonds, with the proceeds allocated to the districts, Riley said.

Districts could use the money either to underwrite construction of new school buildings or to improve old ones — repair roofs, replace antiquated heating or plumbing systems, install access ramps for the disabled or strip away old asbestos insulation.

To receive the money, states and school districts would have to agree that they also will increase their spending on school construction during the next four years.

According to U.S. Department of Education figures, one-third of all schools — serving 14 million students — need extensive repairs or replacement. In addition, school districts will need to build 6,000 new schools nationwide to accommodate the 2.9 million students expected to enroll in the next decade.

"We are in the midst of a virtual epidemic of old, 'sick' school buildings," Riley said. "What kind of message do children get when we send them to schools that are literally crumbling around their heads? They get the message that we don't care about them or their education — and America can't afford to have children believe that."

Riley said studies found that students in overcrowded or substandard school buildings tended to perform slightly worse on standardized tests, had lower grade-point averages and more behavioral problems than students from comparable backgrounds who attended well-maintained schools.

The school construction bill goes to Congress this week. It faces potential opposition both from members who believe it represents unacceptable government interference in local affairs and from members who believe $5 billion is not adequate to address the problem.

Plain Dealer reporter Mario G. Ortiz contributed to this report.

COLUMBUS DISPATCH MAR 15 1997

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Clinton plan may give $175 million to Ohio schools

$15.1 million earmarked for Columbus

By Jonathan Riskind
Dispatch Washington Bureau

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WASHINGTON — Ohio schools could reap at least $175 million from President Clinton's $5 billion school construction proposal, according to U.S. Department of Education figures.

Columbus schools would be in line for at least $15.1 million of that money, which is designed to assist school districts trying to finance repairs or new construction.

The initiative is in the education package Clinton unveiled in his 1998 budget proposal. His administration formally sent a bill to Congress yesterday explaining the building proposal.

Yesterday also saw the Clinton administration launch a public relations blitz. Secretary of Education Richard Riley met with reporters in Washington, and Vice President Al Gore discussed the initiative in California.

"Underinvestment in school infrastructure has become a national problem, and it demands national action," Clinton said in a statement. "I urge Congress and communities ... to step up to this challenge."

Congressional Republicans have criticized the proposal, saying that school construction should be handled at the state and local levels. In addition, some Republicans have said the proposal is more flash than substance because it would barely make a dent in what has been estimated to be a $112 billion problem nationally.

Ohio school districts are estimated to need some $10 billion worth of repairs or new construction.

Riley said that the Clinton building fund would subsidize the interest on school bond issues, instead of directly paying the bill for repairs or construction. Districts still must finance the bulk of projects.

The $5 billion would generate $20 billion worth of work, Riley said. Half of the $5 billion would go into statewide building funds to be allocated as states see fit. Ohio's share of that pie is $102.4 million.

The other half of the pot would be split among the 100 districts nationally with the most students living in poverty. Seventy percent of that portion is earmarked for specific districts, and the remaining 30 percent is up for grabs among the 100 poorest districts.

Here's the money set aside for specific Ohio districts: Cleveland, $26.6 million; Columbus, $15.1 million; Cincinnati, $15 million; Dayton, $8.5 million; and Akron, $7.6 million.

DETROIT NEWS & FREE PRESS MAR 16 1997

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Detroit schools eager to accept federal assistance for repairs

Under the proposal, city would get aid for bonds.

By Carol Stevens
Detroit News Washington Bureau

WASHINGTON — Detroit Public Schools officials say the groundwork is in place to take the federal government up on its $72.6 million offer to help fund school repairs, as soon as the plan is approved by Congress.

"We'll be ready to file our application as soon as the bill is signed," said Arthur Carter, deputy superintendent of the Detroit schools.

The Clinton administration announced its funding allocation plans for 100 high-poverty school districts including Detroit on Friday.

Under the plan, which still must be approved by Congress, Flint would also get $9.8 million and Michigan would receive more than $106 million to help finance bonds that fund school construction, repairs and renovations.

Because school construction has traditionally been a local responsibility, the Clinton administration decided against giving school construction grants directly to states and local districts.

"While we want to be helpful, we recognize this is primarily a state and local issue," said Education Secretary Richard Riley. "We have carefully avoided funding bricks and mortar."

Instead, the federal government hopes to spur school building projects through a $5 billion plan to pick up half the interest on school construction bonds issued by states and needy city school districts.

"We are in the midst of a virtual epidemic of old and sick school buildings," Riley said.

Some critics questioned whether poor school districts will be able to muster the political support to pass the bond referendums required to collect on the federal government's offer.

"Districts will get no part of the money unless they make the commitment to build and renovate," Riley said.

But Carter said the plan appears to be custom-made for Detroit, where voters in 1994 approved a $1.5 billion package of bond initiatives, the nation's largest ever.

Detroit is currently preparing to issue the $85-million second phase of these bonds. If the Clinton administration's funding proposal is approved, Carter said, the Detroit Public Schools will be able to "stretch" its school improvement plans because the federal funds will be paying half the interest on the bonds.

"It's like Hamburger Helper for us. We'll be able to do more," he said. "This proposal is probably more significant for Detroit than for any other school system in the country right now."

Carter said the school systems has plans to renovate school buildings that date back to the presidencies of Grover Cleveland and Woodrow Wilson, rewire schools so they can use computer equipment and improve heating systems district wide.

EDUCATION

Administration Details $5B School Construction Proposal

The Clinton administration today released details of its plan to encourage building and renovation of public schools by spending $5 billion to subsidize interest payments on construction bonds. President Clinton had planned to announce the package at a Florida school where a third of students attend classes in trailers surrounding the school due to overcrowding — but he had to cancel because of emergency knee surgery *(see related item, p. 3)*. "Today, even as I get my knee repaired, I want the nation to focus on how to repair and rebuild our country's schools," Clinton said in a written statement. The president said the $5 billion interest subsidy would "spur" $20 billion in school construction.

The federal subsidies would pay for up to 50 percent of the interest on bonds, certificates of participation, purchase or lease agreements, capitalizing state revolving funds, or other financing mechanisms used by eligible states and school districts for construction and renovation. To receive funds, states would have to guarantee they will increase, over a four-year period, the amount of school construction paid by state, local and private funds. The $5 billion would be appropriated in a lump sum in FY98 under the president's budget plan, then distributed to eligible states and school districts over the life of the bonds. States and districts would have four years to apply for the interest subsidy. Two percent of the $5 billion would be set aside for the Bureau of Indian Affairs and U.S. territories. The remaining money would then be split between state governments and low-income school districts.

Clinton administration officials said their plan is more flexible than the Senate Democratic bill authored by **Sen. Carol Moseley-Braun**, D-Ill., because it does not require a waiver for financing mechanisms besides bonds. After Clinton announced the broad outlines of his plan during his State of the Union address in January, **House Education and the Workforce Chairman Goodling** complained it would make school construction more expensive due to Davis-Bacon requirements that workers be paid union wages for federally financed projects.

SCHOOL CONSTRUCTION INITIATIVE
QUESTIONS & ANSWERS

Need for the Program; Federal Role

Question: Why is a Federal school construction program needed? Why is this an appropriate Federal role?

Answer: School construction has been, and will remain, primarily a State and local responsibility. The vast majority of school facility needs will have to be met with non-Federal resources. However, America is facing a school facilities crisis and State and local governments have not been able, on their own, to deal with their construction and renovation needs.

The General Accounting Office has found that one-third of the Nation's schools, serving more than 14 million students, need extensive repair or renovation of one or more buildings. About 60 percent of schools have at least one major building feature in need of repair. More than half have at least one unsatisfactory environmental condition, such as poor ventilation, heating, or lighting. Almost half have inadequate electrical wiring for computers and other technology. And finally, just to meet growing enrollments, school districts will need to build some 6,000 more schools by the year 2006.

We owe it to our children to do something about these problems. But the purpose of our proposal is not to take over the responsibility from States and localities. Instead, our bill would provide limited, one-time support in a manner that spurs States, communities, and even the private sector to shoulder the burden and provide adequate school facilities for all children.

Number of Schools and Children Affected

Question: How many schools would be built or repaired, and how many children would be affected?

Answer: According to the GAO, the average school reported needing about $2 million to repair and upgrade to good overall condition. The average new elementary school costs about $6 million to construct and the average secondary school costs about $15 million. Assuming that about one-quarter of the construction generated under this initiative is new schools and the rest is repair and upgrading of existing schools, a $5 billion investment that leverages $20 billion in new construction would pay for approximately 500 new schools and 7500 major repair projects. This would mean that over 4 million students would be learning in safer, healthier, more up-to-date classrooms.

Interest Subsidy vs. Direct Support for Construction

Question: Why would the program fund interest subsidies rather than providing direct support for school construction?

Answer: Given the scope of the school facilities infrastructure problem -- $112 billion, by GAO estimates, for repairs and replacement alone -- a limited grant program to cover the full cost of school construction projects could not begin to make an impact on the problem. By using the Federal dollars to leverage increased State and local support, we can generate a much bigger "bang" for our "buck." Through a traditional direct grant program, $5 billion would buy only $5 billion in construction.
But with a $5 billion appropriation to subsidize the interest on construction bonds and similar financing mechanisms, we can "leverage" approximately $20 billion in construction.

Federal Leveraging

Question: How will a $5 billion program result in $20 billion in construction?

Answer: Under the bill, Federal grants would pay for up to one-half the interest cost on school construction bonds, or an equivalent portion of the cost if a different financing mechanism is used; the remainder of the cost would come from non-Federal sources (State, local, private sector). Assuming that States and localities will pay for construction using 25-year bonds that have a 5 percent interest rate (approximately the current average maturity and interest rate for municipal bonds), then one-half the interest cost, calculated on a "net present value" basis, is equivalent to about one-quarter of the total cost of construction. Thus, every dollar of Federal subsidy will "leverage" three dollars in non-Federal support, and the $5 billion appropriation will support $20 billion in total construction.

Will this Supplant State and Local Effort?

Question: Won't this initiative merely pay for what States and localities would be doing anyway?

Answer: No, in order to ensure that the Federal program does not merely replace non-Federal effort, the bill would **prohibit** grantees from using the Federal funds to supplant State and local support for school construction. In addition, in order to receive a grant, each State or locality would have to assure the Secretary that it will increase by 25 percent, over a four-year period, the amount of school construction it undertakes with non-Federal funds, compared to the level of expenditures for the preceding four-year period. These provisions would ensure that the Federal funding results in **additional** construction, not construction that would have taken place anyway.

Impact on Total Construction Funding

Question: What impact would your initiative have on overall construction funding nationally?

Answer: Complete, current data on the level of school construction activity nationally are unavailable. The most recent reliable data, from the Census Bureau, indicate that localities and States spent about $14 billion on construction in 1992. Other reports indicate that school construction has picked up in recent years; the current level may be close to $20 billion. If we assume a $20 billion level, then non-Federal activity without the Federal program would be $80 billion over the four-year period 1998-2001. Thus, the additional $20 billion attributable to the Federal program would increase national construction funding by 25 percent.

Encouraging Local Activity

Question: How will this initiative address the problem of local taxpayers voting down bond issues for construction?

Answer: We can't -- and don't want to -- force local communities to spend money they don't want to spend, but we can encourage and reward responsible behavior on the part of local communities that choose to increase their efforts to upgrade their school facilities. By subsidizing increased spending for school construction, this program is structured to encourage and reward those communities that choose to increase their efforts to improve school facilities. Communities that refuse to do their fair share to address the problem would not receive these Federal funds.

Impact on Current Activity

Question: What effect will this have on existing and pending bond activity? (I.e., will States and localities defer issuing bonds because they may be able to get a credit subsidy after this bill passes?)

Answer: The proposal, as it is structured, should not cause any delays in State and local borrowing or construction activity. Grantees would be permitted to use their Federal grants to support construction projects they elect to initiate any time beginning July 11, 1996 (the date on which the President announced the initiative) and ending on September 30, 2001.

Uses of Construction Funds

Question: What kind of construction projects would the funds be used for? Would the bill give certain types of activities a priority?

Answer: The bill is very flexible in defining the types of construction projects that could be supported. Allowable activities would include: (1) construction needed to ensure the health and safety of students (e.g., removal of environmental hazards, improvements in air quality, electrical systems, or plumbing); (2) construction needed to ensure the access of individuals with disabilities; (3) construction to make school facilities more energy efficient; (4) construction to

facilitate the use of modern educational technologies; (5) construction of new facilities to accommodate enrollment growth; and
(6) construction projects to facilitate the establishment of charter schools and community schools.

The bill does not set priorities among these types of construction projects. Instead, each State or local grantee would be required to undertake a survey of its construction needs and then to use the Federal subsidy to help meet its highest-priority needs. It would be inappropriate for the Federal Government, rather than the States and localities, to determine what are the most urgent construction projects in individual States and school districts.

Funding for School Construction Only?

Question: Would your bill support construction only of schools? What about school district central facilities? And what about football stadiums and other fancy athletic facilities?

Answer: Because we believe the national need is to have adequate school buildings for all children, the bill would provide Federal subsidies only for construction projects at schools -- not for central offices or other school district facilities. In addition, the bill would expressly prohibit the use of Federal funds to support construction of athletic stadiums and other athletic facilities used primarily for events for which admission is charged to the general public.

State and Local Financing Mechanisms

Question: Would the many school districts that do not use construction bonds to finance school construction be able to participate in the program?

Answer: Yes, the bill would be flexible enough to accommodate the wide variety of financing mechanisms in use in the States and localities. In addition to school construction bonds, recipients could use the Federal grant to subsidize general obligation bonds, certificates of participation, lease-purchase arrangements, and other debt-based financial instruments. States would be permitted to use the Federal grant to establish school construction revolving funds. States and localities could use the Federal funds to "buy down" their bonds or to subsidize financing mechanisms that don't involve debt (such as increases in the property or sales tax).

Whichever method recipients use, the maximum Federal subsidy would be the equivalent of 50 percent of the interest cost on bonds, assuming a standard amortization.

Will the Program Help Poor Communities?

Question: If the program would subsidize only the equivalent of 50 percent of interest costs (or roughly one-quarter of the total cost of construction), how would it help poor communities that cannot afford to pay the remainder of the costs?

Answer: The bill would not require school districts to come up with the non-Federal share from their own resources. They would be able to draw on whatever State, private sector, or local funds are available for construction.

Few school districts are totally lacking in resources for construction. Rather, many have failed to keep up with their construction needs because the State has not funded school construction or because the taxpayers have voted down bond issues. The availability of Federal subsidies should encourage governments and citizens at all levels to take more responsibility for this problem. Along with the infusion of $5 billion in Federal funds, this would be a major benefit of the program.

In addition, the bill would cause States to give a priority to the needs of poor districts. Specifically, in determining how to use their grant funds, States would give highest priority to localities with the greatest needs, as demonstrated by inadequate educational facilities coupled with a low level of local resourcesw available to meet school construction needs. The school districts that fall within this priority will inevitably be among the poorest in each State. This priority reflects another key principle behind the legislation: driving limited Federal funds to the communities least able to meet their school construction needs with their own resources.

Why a Hybrid Program?

Question: Why is the Administration proposing a two-tiered program, with some of the money flowing through the States and the rest going out as grants from Washington to the big-city school districts?

Answer: The GAO data show that the need for assistance with school construction is especially great in the cities, especially cities with high poverty. The two-tiered approach will ensure that the program addresses the needs of communities that have the greatest need for Federal assistance.

Allocation of the Funds

Question: How would the bill divide the money between State grants and the direct grants to urban districts?

Answer: Of the total amount of money available, the Department would distribute, by formula, 35 percent to the 100 school districts that educate the greatest numbers of children from poor families. The Department would use an additional 15 percent for competitive grants to those same districts. The remaining 50 percent would be distributed to the States.

Needs of Urban Districts

Question: How can you justify giving half the money to only 100 urban districts?

Answer: Data from the General Accounting Office demonstrate that school facilities problems are heavily concentrated in urban districts. A 1996 GAO report found that 38 percent of central city schools had at least one inadequate building, compared to 29 percent of schools in suburbs and large towns and 30 percent of small town and rural schools. The report also found 67 percent of central city schools (compared to 57 percent of suburban/large town schools and 52 percent of small town/rural schools) had at least one building feature, such as a roof, plumbing, or heating and air conditioning, needing repair or replacement.

As the GAO pointed out, urban districts must spend disproportionate sums to meet the special instructional needs of poor and immigrant students, and thus must often forgo construction spending. What construction dollars are available must often be spent on emergency repairs, leaving little or nothing for the kind of modernization really needed to bring schools into the "Information Age."

The situation in some particular cities illustrates the dire situation that many of them face. Philadelphia needs more than $764 million in construction in order to bring its 257 schools up to standard. Los Angeles has a maintenance and construction backlog of over $600 million; in that city, 245 schools need roof replacement, 152 schools need new fire alarm systems, and 58 need new boilers.

Some of the urban districts are often among those LEAs most affected by rising enrollments. The Broward County (Ft. Lauderdale) schools are absorbing an additional 10,000 students each year. The district would have to build a new school every month in order to serve its students adequately. Enrollment in Santa Ana, California, a smaller district (but still on the list of the top 100) has grown by 67 percent since 1980, with most of the growth attributable to immigrants; the district has responded by instituting year-round schedules in most of its schools and purchasing 534 portable classrooms, but still faces a substantial facility crisis.

Access of the 100 Largest Districts to State Funds

Question: Would the large districts be able to obtain funds from the State formula grants, in addition to their direct grants from the Department?

Answer: Yes, the bill would not prohibit the cities from receiving support from both types of grants. However, in conducting their surveys and need analyses, the States would take into consideration the support that the cities would receive directly from the Federal Government.

What about the Rural Districts?

Question: How would the program address the needs of rural districts, which frequently have the most critical construction needs and the smallest economic base from which to meet those needs?

Answer: The bill would require States, in determining how to use their funds, to pay particular attention to the school construction needs of their rural districts. In addition, by authorizing States to use the Federal funds to subsidize State bonds and State revolving funds, the program would be sensitive to the needs of rural communities. Many of those communities are so small that they cannot issue bonds or other financial instruments on their own. States, with Federal support, would be able to able to issue bonds, in amounts large enough to be viable, that meet the needs of a number of rural districts within their borders.

State Formula

Question: What type of formula will the Department of Education use to distribute funds to the States?

Answer: The formula would be modeled after the ESEA Title I Basic Grants formula. That is, State shares would be based on:
(1) each State's number of children from families below the poverty level; and (2) each State's per-pupil expenditure for education. In order to avoid double-counting, the count of children from poor families would not include the children in the districts that would receive direct Federal grants.

Formula for Local Grants

Question: Would you use the same formula to distribute funds to the 100 largest cities?

Answer: We would use a similar mechanism. Each district's share of the money would be the same as its share of Title I Basic Grant funds in the most recent year.

Criteria for Competitive Grants

Question: How will the Department select applications for competitive grants to the 100 urban districts?

Answer: The urban districts would be selected to receive competitive grants on the basis of: (1) their need for the funding; (2) the level of effort they are making in support of education; and (3) the commitment they are willing to make to provide additional non-Federal resources for school construction. In other words, the competitions would reward communities that are most willing to use their own resources to meet their construction needs. In addition, the Secretary would have the authority to make grants in amounts that reflect the relative sizes of different districts.

State and Local Administration

Question: Which agency would be responsible for administration of the program at the State and local levels?

Answer: This would probably vary by State, because some States handle school construction through the State educational agency, others do it through an independent State bond bank or school construction authority, and some may use a different mechanism entirely. The bill would make the funds available to whatever agency the Governor, with the agreement of the chief State school officer, designates as best qualified to administer the program.

Similarly, a direct grant to a locality would go to the local educational agency (LEA) or to another public agency if the LEA identifies such an agency as better equipped to carry out the program.

Community Schools

Question: Will your program help school districts build schools that meet a variety of community needs, such as providing a site for after-school tutoring, recreation, and social services?

Answer: Yes, the bill would allow districts to use the Federal funds to subsidize construction of "community schools" that serve as centers for after-school and summer programs and the delivery of education, tutoring, cultural, and recreational services, in addition to serving students during the normal school day and year.

Davis-Bacon Act

Question: Would your program drive up school construction costs by requiring grant recipients to pay unrealistically high union wages, as mandated under the Davis-Bacon Act? Won't this result in taxpayers paying more for schools and students getting less?

Answer: As is the standard with Federal construction programs, this program would be covered by the Davis-Bacon Act, which requires that laborers and mechanics who work on the construction projects be paid wages at rates not less than the "prevailing wages" as determined by the Secretary of Labor.

The Davis-Bacon requirement ensures that Federal construction programs do not have the unintended consequence of depressing construction workers' wages in a locality. Without this protection, local contractors might have an incentive to lower wages in order to become the lowest bidders on federally supported construction contracts. Contractors who did not take this action would be at a competitive disadvantage. Davis-Bacon thus prevents this situation from occurring.

Recent studies have not demonstrated an impact of Davis-Bacon rules on overall construction costs. Although the Act ensures that contractors pay the locally prevailing wage, higher wages do not necessarily result in higher construction costs because those wages may attract more skilled and productive workers. Nor does Davis-Bacon always require contractors to page meet union wage scales. Currently, only 29 percent of the Labor Department's Davis-Bacon "schedules" are set at union wage levels.

Why a Mandatory Program?

Question: Why is the Administration proposing to make this program a mandatory Federal expenditure? Doesn't this type of action erode the budgetary discipline that occurs through the normal appropriations process?

Answer: In order for this program to its intended impact on State and local activity, it is important that States and communities know that the money will be available up front. Without a guarantee of the funding, if annual funding is subject to the regular appropriations process, States and communities may be unable to initiate bonds and other financing vehicles, thus undermining the purposes of the program.

Offsets

Question: Does this program have a budget offset? Are you planning to pay for it through the sale of a portion of the television spectrum?

Answer: When the President announced this initiative during the course of Congressional deliberations over the 1997 budget, he was required to identify an offset because the program had not been included in the Administration's budget submission. At that time (July of 1996), we identified the sale of a portion of the VHF television spectrum as the offset.

Now, because the proposal fits within the President's overall plan for eliminating the budget deficit, as enunciated in the 1998 budget, a specific offset is not needed. Therefore, this proposal is no longer tied to the spectrum sales.