

ALASKA LEGISLATURE SPECIAL COMMITTEE/SUBJECT FILES 8672

2577 SCOMM 111: DEFERRED MAINTENANCE TASK FORCE, 1997

309
TASK FORCE FOR DEFERRED BUILDING RENEWAL
FINAL INSPECTION REPORT

DATE:	EVALUATOR:
AGENCY:	SITE:
BUILDING:	BLDG. NO.
PROJECT:	
PROJECT CODING:	ALLOCATION DATE:
ALLOCATION AMT: \$	CHANGE ORDERS: \$
ACTUAL EXPENDITURES: \$	COMPLETION DATE:
ARCHITECT/ENGINEER:	
CONTRACTOR	
QUALITY OF WORKMANSHIP:	
AGENCY SATISFACTION/INFORMATION PERTINENT TO THIS PROJECT	
CONTRACT COMPLETE: Yes_____ NO_____	
PURCHASE ORDERS COMPLETE:_____	

EXHIBIT "B"
"CONTRACT DOCUMENTS"

**Specification
for**

(Name of Project)

Index of Contract Documents

Advertisement for Bids
Instructions to Bidders
Proposal Forms
Form of Contract
Form of Contract Performance Bond
Form of Tax Exemption Certificate (if applicable)
Form of Appointment to Purchasing Agent (if applicable)

General Conditions
Special Conditions

Specifications
Division 1 thru Division ____

Drawings (state if "detached")
Sheet 1 thru Sheet ____
(State total sheets)

**Prepared By:
(Identify)**

**(Architect Seal)
(if required)**

(TYPICAL)

ADVERTISEMENT FOR BIDS

Sealed proposals for furnishing all plant, equipment, transportation, tools, materials, labor and skills necessary and incidental to perform all work described in the Proposed Contract Documents entitled:

(Name of Project)

will be received at the Office of the (Name of Agency), located at (Legal Location) until (Date and Time) and will then be publicly opened and read aloud.

All bids shall be made on the printed forms attached to and made a part of the Proposed Contract Documents. The said Documents may be obtained from the (Name of Agency and/or Architect) and may be seen at the Plan Services listed in the "Instruction to Bidders."

Bids mailed to this office shall be addressed to:

(Name and Address of Agency)

Bids delivered in person shall be delivered to:

(Name and Address of Agency)

Each bidder must submit with the bid a certified check or bid bond in an amount equal to five percent (5%) of the bid.

The character and amount of security to be submitted by the contractor for the performance of the contract is stated in the proposed contract documents.

Bidders may not withdraw their bids for a period of at least (Time Period) days after the scheduled closing time for the receipt of the bids.

The (Name of Agency-Owner) reserves the right to reject any or all bids and to waive informalities.

(Name of Agency)

(Name of Authorizing Person)

INSTRUCTIONS TO BIDDERS

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INSTRUCTION TO BIDDERS

1. BID SECURITY

Each proposal must be accompanied by a bid bond or a certified check in the sum of five (5%) per cent of the proposal, as a guarantee of good faith, drawn on a solvent bank and made payable to the order of the Agency, which will be retained by and may be forfeited to the Agency as liquidated damage if such proposal is accepted, the Contract awarded, and the bidder or bidders fail to enter into a contract in form prescribed, with a satisfactory surety bond, within ten (10) days after such award is made.

The bid deposit of all except the three (3) lowest bidders may be returned within three (3) days after the opening of bids. The bid deposit of the three lowest bidders may be returned within 48 hours after the executed contract and required bonds have been finally approved by the Owner.

2. PLANS AND CONTRACT DOCUMENTS

Plans and Specifications (including Instructions to Bidders, General Conditions, and Special Provisions) and the Forms of Proposal, Contract and Bond, and all made a part of this Contract, are on file in the office of the Agency and/or Architect. See last page of "Instructions to Bidders" for locations of "Plan Services" where contract documents are on file and can be seen and used by Contractors, Subcontractors, and Suppliers.

3. WORKING CONDITIONS

In submitting a proposal for this work, bidder agrees that he has familiarized himself with existing conditions at the site of the work. Any deviation between existing conditions at the site and the bidding documents will not be accepted as a basis for additional cost. The Contract shall be governed by the law of the place where the project is located and all work shall conform to the law.

4. EXEMPTION FROM PAYMENT OF THE FEDERAL TAX ON THE TRANSPORTATION OR PROPERTY

The Contractor is authorized to shop all property necessary for the work to the Agency Project Location, in care of the Contractor and exempt from the payment of the Federal tax on the transportation of property.

This authority is issued with the distinct understanding that the State will receive all benefits from the exemption from payment of that tax, that the tax is not included in the Contractor's bid and also that all transportation charges shall be paid by the Contractor.

5. OPEN COMPETITION

Whenever in these specifications a material or article is specified by using the specific description or name of a proprietary product or the name of a manufacturer or vendor, rather than by using descriptive detail of substance and function, any article which the Agency decides will perform the duties imposed adequately and to the same effectiveness, will be acceptable as a substitute in lieu of the material or article so specified.

6. INTERPRETATION OF CONTRACT DOCUMENTS

If any person contemplating submitting a bid for the proposed contract is in doubt as to the true meaning of any part of the plans, specifications, or other proposed contract documents, he may submit a written request for an interpretation thereof by the consulting Architect or Engineer or the Agency, whichever has prepared the documents. The person submitting the request will be responsible for its prompt delivery. Any interpretation of the proposed documents will be made only by Addendum duly issued and a copy of such Addendum will be mailed or delivered to each person receiving a set of such documents. The Agency will not be responsible for any other explanation or interpretations of the proposed documents. No such Addendum will be issued during the five (5) days immediately preceding the bid date. Bidder shall acknowledge receipt of addendum on proposal form.

7. PROPOSAL FORM

All proposals must be made on forms furnished by the Agency, and must be legibly written in ink or by typewriter. No alterations in proposals by erasure or interlineations will be permitted (see Paragraph 11. Acceptance of Bids).

No bidder may submit more than one proposal. Two proposals under different names will not be received from one firm or corporation.

8. FILING OF PROPOSALS

Each proposal shall be enclosed in a sealed envelope endorsed "Proposal for (Name Project, Letting Time and Name of Bidder)" and filed with the Agency, prior to the time set for the opening of bids. No bid will be considered which has not been filed with the Agency before the time set in the advertisement.

9. SIGNATURE OF BIDDERS

Each proposal must be signed in ink with the full name of each person, firm or corporation interested in it, together with their business address or place of residence.

Bids which are signed for a partnership should be signed in the firm name by at least one of the partners or in the firm name by an attorney-in-fact. If signed by an attorney-in-fact, there should be attached to the bid a power of attorney evidencing authority to sign the bid, executed by the partners.

Bids which are signed for corporation should have the correct corporate name thereof and the signature of the president or other authorized officer of the corporation manually written below the corporation name following the words: "By_____."

10. WITHDRAWAL OF BIDS

Any bidder may withdraw his bid at any time prior to the scheduled time for receipt of bids.

11. ACCEPTANCE OF BIDS

The Agency reserves the right to waive any technicality or informality in bids and to accept or reject any or all bids when the Agency considers it to be for the best interests of the State of Nebraska.

Where bidders attempt to condition their bids by stipulations not contained in the proposed contract documents, such bids may be disregarded as not responsive to the terms of the proposed Contract.

The Agency reserves the right to accept the low qualified bidder subject to negotiations within the Agency's requirements and limitations.

12. ALTERNATE PROPOSALS

All alternate proposals, when requested in the Proposal Form, shall be subject to the Owner's acceptance or rejection until 30 days after the Contractor has in writing informed the Agency he is withdrawing the alternate proposals.

13. BASIS OF AWARD OF CONTRACTS

The Agency will not award the Contract to any bidder who does not furnish upon request satisfactory evidence that he has the necessary ability and experience in work of this character, and necessary financial resources, facilities, and plant to enable him to prosecute the same successfully and promptly and complete it within the time required in the contract.

Contract award, if made, will be to the responsible bidder submitting the lowest acceptable bid.

The term "lowest acceptable bid" used in the above paragraph is defined as the accepted Proposal offering the lowest total price for the combination of base bid and any alternate bids selected by the Agency.

14. WHEN AWARD EFFECTIVE

The Contract shall be deemed as having been awarded when formal written notice of award shall have been duly served upon the intended awardee (i.e., the bidder to whom the Owner contemplates awarding the contract) by the Agency.

15. FORMAL CONTRACT AND CONTRACT SECURITY

The successful bidder or bidders will be required to enter into a formal contract with the Agency. Form of Contract shall be that included in the proposed contract documents.

The successful bidder or bidders shall furnish a surety bond in an amount at least equal to 100 per cent of the contract price as security for the faithful performance of this contract and for the payment of all persons performing labor and furnishing material in connection with this Contract. The bond is to be executed by an acceptable surety company or companies authorized to execute surety bonds in the State of Nebraska. Form of Contract Performance Bond shall be that included in the proposed contract documents.

16. TIME OF COMPLETION

The Contractor shall commence work under the Contract upon written notice to proceed or upon signing of Contract by both parties and shall fully complete all work thereunder within the time limit designated in the specifications and to be made a part of the Contract.

17. NUMBER OF COUNTERPARTS OF CONTRACT AND BOND REQUIRED

There shall be executed one (1) copy of the Contract Performance Bond and two (2) counterparts of the Contract.

18. NON-RESIDENT CONTRACTORS--REGISTRATION

Non-resident firms shall comply with the registration requirements and payment of fees to the Tax Commissioner of the State of Nebraska as defined in Sections 77-3101 through 77-3112, Revised Reissue Statutes of Nebraska.

19. FAIR LABOR STANDARDS

The proposal and the form of Contract contain a statement that the bidder is complying with, and will continue to comply with, fair labor standards in the pursuit of his business and in the execution of the work contemplated in this proposal.

Fair labor standards shall be construed to mean such a scale of wages and conditions of employment as are paid and maintained by at least fifty percent of the contractors in the area in the same business or field of endeavor as the contractor filing this proposal.

20. CODES, PERMITS, AND FEES

The Contractor shall secure and pay for all permits, governmental fees, licenses, and inspections that are necessary for the proper execution and completion of the work in accordance with the drawings, specifications, and law of the place. The following State agencies and regulatory bodies are noted for the Contractor's reference, which may require inspection, approval, and certification of the work prior to completion and final payment: State Building Division, State Fire Marshal, Department of Health, Department of Agriculture, Department of Labor, State Electrical Board and State Energy Office.

(Note: This page varies with each project.)

21. EXEMPTION FROM PAYMENT OF NEBRASKA SALES/USE TAX (if used)

The Contractor is exempt from payment of Nebraska Sales/Use Tax under the regulations of the Nebraska Department of Revenue Act of 1967. The Agency will issue an Appointment of Purchasing Agent form and Exemption Certificates to the Contractor to be used for this project. (Note: Revise if Contractor is to pay Sales Tax.)

22. SUPPLEMENTAL ITEMS

(Explain any additional items not covered but required to define scope of bidding.)

23. PLAN SERVICE LOCATIONS

(Name and Address of all Plan Services where contract documents are on file. NOTE: Major plan services across the state should be provided with documents on major projects funded with state or federal appropriations.)

24. DEFINITION OF TERMS:

- a) AGENCY - (Legal name and location of Agency proposing the work)
- b) AUTHORIZED AGENT - (Name, address, and telephone number of authorized person in Agency with decision responsibility)
- c) OWNER - State of Nebraska
- d) ARCHITECT - (Name, address, and telephone number of Architect)
- e) PROJECT - (Name and location of project)
- f) CONTRACTOR - The Contractor is the person or persons, firm or corporation that enters into a Contract with the Agency-Owner for the performance of work.
- g) BIDDER - A Bidder is any person or persons, firm or corporation submitting a bid or proposal to the Agency-Owner for consideration of award of a Contract for performance of work.
- h) WORK - The term "Work" includes all labor necessary to produce the construction required by the Contract Documents, and all materials and equipment incorporated or to be incorporated in such construction.

(Typical Proposal Form)

(Project Name)

(Project Number)

TO: (Agency Name & Address)

P R O P O S A L

PROPOSAL FOR: _____ DATE: _____

(Project Title & Location)

The Undersigned, being familiar with the local conditions affecting the cost of the work and the Contract Documents, including the Advertisement to Bidders, Instruction to Bidders, General Conditions, Drawings and Specifications, hereby proposes to furnish all labor, materials and equipment required to complete the Contract in accordance with the Contract Documents for the sum or sums of:

BASE BID _____
_____ DOLLARS (\$ _____)

Work to be completed with _____ Calendar Days.

It is hereby indicated, receipt of these Addenda No.(s) _____, prior to the time of submitting this proposal, and all items therein included in the above proposal.

ALTERNATE	ADD OR DEDUCT	AMOUNT
Alternate No. _____	Add/Deduct	\$ _____
Alternate No. _____	Add/Deduct	\$ _____
Alternate No. _____	Add/Deduct	\$ _____
Alternate No. _____	Add/Deduct	\$ _____

CORPORATION SEAL

RESPECTFULLY SUBMITTED

FIRM NAME _____

SIGNATURE _____

TITLE _____

CONTRACT

THIS AGREEMENT made and entered into as of the _____ day of _____ 19__ by and between hereinafter called the "Contractor", and hereinafter called the "Agency".

ARTICLE 1. SCOPE OF WORK

The Contractor shall furnish all of the materials and perform all of the work shown on the drawings and described in Specifications entitled:

(Name of Project)

prepared by acting as, and in these Contract Documents entitled, the Agency and the Contractor shall do everything required by this Agreement and the Contract Documents. The Contractor agrees to complete all work in _____ calendar days following the award of the Contract.

ARTICLE 2. FAIR LABOR STANDARDS

The undersigned states that he is complying with, and will continue to comply with, fair labor standards in pursuit of his business and in the execution of this Contract.

ARTICLE 3. CONTRACT SUM

The Owner shall pay the Contractor for the performance of this Contract in current funds as follows:

ARTICLE 4. CONTRACT DOCUMENTS

Contract Documents shall consist of the following component parts:

- | | |
|----------------------------|-----------------------|
| 1. Advertisement for Bids | 6. Plans and Drawings |
| 2. Instructions to Bidders | 7. This Instrument |
| 3. The Accepted Proposal | 8. Performance Bond |
| 4. General Conditions | 9. Addenda |
| 5. Specifications | 10. Change Orders |

This Instrument, together with the documents hereinabove mentioned form the Contract, and they are as fully a part of the Contract as if hereto attached or herein repeated.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in two counterparts as of the day and year above written.

Seal, if any

ATTEST: _____
SECRETARY

CONTRACTOR
By _____
TITLE _____

AGENCY
By _____
DIRECTOR

FORM OF CONTRACT PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, that we, the undersigned

of (hereinafter called the "Principal"), a corporation, partnership, individual duly authorized by law to do business as a construction contractor in the State of and of (hereinafter called the "Surety"), a corporation duly authorized to do a surety business under the laws of the State of are held and firmly bound unto

(hereinafter called the "Obligee") in the penal sum of Dollars (\$), lawful money of the United States, for the payment of which well and truly to be made unto said obligee, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents, as follows:

The conditions of this obligation are such that, whereas on the day of , 19 , the said Principal entered into a written agreement with said Obligee for the construction of

located at as set forth in detail in the Advertisement for Bids, General Conditions, Information for Bidders, Proposal, Specifications, and other related contract documents referred to in said agreement, all of which are hereby made a part hereof as if written herein at length.

NOW, THEREFORE, if the said Principal shall well and truly perform and complete said project in strict accordance with said Agreement, Advertisement for Bids, General Conditions, Information for Bidders, Proposal, Specifications and related documents, shall comply with all the requirements of the laws of the State of Nebraska, shall pay as they become due all just claims for work or labor performed and materials furnished in connection with said agreement, and shall defend, indemnify and save harmless said Obligee against any and all liens, encumbrances, damages, claims, demands, expenses, costs and charges of every kind, including patent infringement claims except as otherwise provided in said specifications and other contract documents, arising out of or in relation to the performance of said work and the provisions of said Agreement, then these presents shall be void; otherwise they shall remain in full force and effect.

This obligation is made for the use of said Obligee and also for the use and benefit of all persons who may perform any work or labor or furnish any material in the execution of said agreement and may be sued on thereby in the name of any such party claiming the benefit hereof.

The said Surety, for the value received, hereby stipulates and agrees that no change, extensions of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder or the Specifications accompanying the same, shall in any wise affect its obligations on this Bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work or to the Specifications.

IN TESTIMONY WHEREOF, the parties hereunto have caused the execution
hereof in one original counterpart as of the day of 19 .

(Seal)

Principal

Attest:

By:

Title

(Seal)

Surety

By:

Attest:

GENERAL CONDITIONS

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GENERAL CONDITIONS

1. DEFINITIONS

The "Agency," sometimes referred to as the Owner, the "Architect," and the "Contractor" are those named as such in the Contract and the "Instructions to Bidders".

The "Architect" is the consulting architect or engineer that the Agency may have employed to perform professional services required for the planning and construction of this project.

The term "the work" or "Work of the Contractor" includes labor or materials or both, equipment, transportation, and other facilities necessary to complete the Contract.

The term "Subcontractor" as employed herein, includes any person, firm or corporation having a direct contract with the Contractor to supply labor or materials or both for work of the Contractor, but does not include those who merely furnish material or materials not worked to a special design according to the plans and specifications of this work.

The term "Surety" includes any person, firm or corporation that has executed, as surety, the Contractor's performance bond securing the performance of the Contract.

The words "Plans" and "Drawings" are used synonymously in this Contract.

Wherever the word "Approved", "Approval", "As selected", appear in the specifications, it shall mean approval or selection by the Architect or Authorized Agent.

2. DEFINITION OF NOTICE

Where in any of the contract documents there is any provision in respect to the giving of notice, such notice shall be deemed to have been given; as to the Agency, when written notice shall be delivered to the Authorized Officer of the Agency, or shall have been placed in the United States Mails addressed to the Authorized Officer of the Agency, as to the Contractor, when written notice shall be delivered to the chief representative of the Contractor at the site of the project or by mailing such written notice in the United States Mails addressed to the Contractor at the place stated as the address of his permanent place of business in the Proposal Form; as to the Surety on the performance bond, when a written notice is placed in the United States Mails, addressed to the Surety at the home office of such Surety or to its agent or agents who executed such performance bond in behalf of such surety.

3. AUTHORITY OF THE CONSULTANT OR ENGINEER

The Department may for professional services required for certain projects employ consulting architects or engineers -- in these documents referred to as the Architect. The Agency on certain other projects may direct that the professional services be performed by the staff of the Agency under the direction of the Architect. It will be clearly stated in the Advertisement for Bids, Special Conditions, and Contract, whether professional services are being performed by an Architect.

The Architect or Authorized Agent who has prepared the plans and specifications shall make written interpretations of them. He shall review all samples or material which are specified to be submitted for approval, review the use of any equipment offered in lieu of that mentioned in the

specifications and shall check and review all shop drawings and details. He shall make periodic inspections of the project work and shall decide all questions which may arise as to the fulfillment of the Contract by the Contractor.

4. CONTRACTOR'S SUPERINTENDENT

The Contractor shall keep on his work, during its progress, a competent superintendent and any necessary assistants, all satisfactory to the Consultant or the Engineer. The Superintendent shall not be changed except with the consent of the Architect, unless the Superintendent proves to be unsatisfactory to the Contractor and ceases to be in his employ. The Superintendent shall represent the Contractor in his absence and all directions given by him shall be as binding as if given by the Contractor. Important directions shall be confirmed in writing to the Contractor. Other directions shall be so confirmed, on written request in each case.

5. PLANS AND SPECIFICATIONS -- CORRELATION

The work shall be executed in strict conformity with the contract documents.

Plans, drawings, and specifications are cooperative and supplementary. Portions of the work which can best be illustrated by the plans and drawings may not be included in the specifications and portions of the work best described by the specifications may not be depicted on the plans or drawings. All items necessary to construct or erect a complete improvement, project, building or structure shall be furnished whether called for in the specifications or shown on the plans and drawings. Special conditions shall take priority over General Specifications and large scale drawings shall take priority over General Conditions: Detailed Specifications shall take priority over General Specifications and large scale drawings shall take priority over small scale drawings. In case of disagreement between the plans, drawings and specifications, or within any document itself, the better quality or greater quantity of work shall be estimated and the matter drawn to the attention of the Architect or Authorized Agent for decision.

6. SHOP DRAWINGS

All work on which shop drawings are required must be in strict accordance with such drawings when approved and no work for which shop drawings are required is to be begun until after the approval of said drawings. FIVE COPIES of each shop drawing shall be submitted.

All shop drawings must be checked and completed in every respect, numbered consecutively, have the name of the project printed thereon, and each lot must be submitted accompanied by a letter of transmission referring to the number of drawings and the name of project for identification and especially drawing the Architect's attention to any modifications of plans and specifications that may have been made.

The Contractor shall make any corrections required by the Architect and file with him FIVE corrected sets for approval.

After the shop drawings have been reviewed, any portion of shop drawings which modify the plans shall be rejected as soon as such modification is discovered unless said modification has been specifically pointed out to the Architect as stipulated above and specific approval secured.

The approval of such shop drawings will be only general in character and shall in no way relieve the Contractor from responsibility for the accuracy of the shop drawings or for proper fitting and construction of the work, or from the necessity of furnishing any materials and workmanship required by the drawings and specifications which may not be indicated on shop drawings when compliance with all requirements of the Contract.

The Architect is not authorized to reduce the quality of work on the shop drawings without written approval of the Agency.

7. MATERIALS -- TESTS AND STANDARDS

Samples of material selected by the Architect or Authorized Agent to be tested must be furnished by the Contractor. Tests will be made at no cost to the Contractor. Where not otherwise specified, all materials shall meet the A.S.T.M. Standard or tentative specifications for that material. The Contractor, when requested, shall furnish a sample of all material which shall be kept on the job as basis for comparison of material incorporated in the job.

8. OBSOLETE EQUIPMENT

It is important that the Agency be protected as far as possible against the discontinuance of the make of equipment to be purchased, and that repair parts, services of expert factory representatives be available if desired. Under these conditions the Contractor shall not furnish equipment made by firms in the hands of receivers or equipment not currently in production by the manufacturers.

9. PATENTS

The Contractor and his Surety shall hold and save harmless the Agency, its officers, agents, servants, and employees, for or on account of any patented invention, articles or appliances manufactured or used in the performance of this Contract unless otherwise specifically stipulated in this contract.

10. OTHER CONTRACTS

The Agency may award contracts for additional work and the Contractor shall fully cooperate with such other contractors and carefully fit his own work to that provided under other contracts as may be directed by the Consultant or Engineer. The Contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor.

11. ASSIGNMENT OF CONTRACT

The Contractor shall not assign this Contract or any part hereof without the written consent of the Agency. No assignment of this contract shall be valid unless it shall contain a provision that the funds to be paid to the Assignee under the Assignment are subject to a prior lien for services rendered or materials supplied for the performance of work called for in said

contract in favor of all persons, firms, or corporations rendering such services or supplying such materials.

12. SUBCONTRACTING

The Contractor shall be fully responsible to the Agency for the acts and omissions of his subcontractors and of persons either directly or indirectly employed by him.

Nothing contained in the Contract shall create any Contractual relation between any subcontractor and the Agency.

The attention of the Contractor and subcontractors is called to the Contract Documents which are part of this contract.

The Contractor must notify the Agency of each subcontract he intends to award, prior to signing of agreement, giving:

Name of subcontractor
Branch of work concern
Total price of subcontract

No part of this Contract shall be sublet without prior approval of the Agency.

13. CONTRACTOR'S INSURANCE

(a) The Contractor shall not commence work under this contract until he has obtained all the insurance required hereunder and such insurance has been approved by the Agency nor shall the Contractor allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been obtained and approved. Approval of the insurance by the Agency shall not relieve or decrease the liability of the Contractor hereunder.

WORKMEN'S COMPENSATION INSURANCE

(b) The Contractor shall take out and maintain during the life of this contract the statutory Workmen's Compensation and Employer's Liability Insurance for all of his employees to be engaged in work on the project under this contract and, in case any such work is sublet, the Contractor shall require the subcontractor similarly to provide Workmen's Compensation and Employer's Liability Insurance for all of the letter's employees to be engaged in such work.

PUBLIC LIABILITY INSURANCE AND AUTOMOBILE INSURANCE

(c) The Contractor shall take out and maintain during the life of this contract such Bodily Injury Liability and Property Damage Liability Insurance and Automobile Bodily Injury Liability and Umbrella Liability as shall protect him and any subcontractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from operations under this contract, whether such operation be by himself or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amounts of such insurance shall not be less than:

- (1) Bodily Injury Liability Insurance, in an amount not less than Three Hundred Thousand Dollars (\$300,000) for injuries, for wrongful death to any one person, and an amount not less than Five Hundred Thousand Dollars (\$500,000) on account of one accident.
- (2) Property Damage Insurance in an amount not less than Two Hundred Fifty Dollars (\$250,000) for damages on account of any one accident, and in any amount not less than Five Hundred Thousand Dollars (\$500,000) for damages on account of all accidents.
- (3) Comprehensive Automobile Liability Insurance in an amount not less than as follows: Bodily Injury, each person \$300,000 and each occurrence \$500,000; Property damage, each occurrence \$500,000.
- (4) Provide Umbrella Liability policy with minimum coverage of \$1,000,000.

INSURANCE

(d) The Contractor shall insure the building or other work included in this contract to full insurable value against loss or damage by fire, and against loss or damage covered by the standard extended coverage insurance endorsement, including XCU coverage, in an insurance company or companies acceptable to the Agency, the amount of the insurance at all times to be at least equal to the amount paid on account of work and materials and plus the value of work or materials furnished or delivered but not yet paid for by the Agency. The policies shall be in the names of the Agency and the Contractor, as their interests may appear, and certificates of the insurance company as to the amount and type of coverage, terms of policies, etc., shall be delivered to the Agency before monthly partial payments are made.

14. EVIDENCE OF COVERAGE

The Contractor shall furnish the Agency with documentary evidence of insurance coverage which should be in the form of certificates submitted in duplicate. These certificates shall include the name of the company, serial number of the policy, effective dates, dates of expiration and amounts and types of coverage afforded.

The following clauses or endorsements must be added to the certificates for the respective types of insurance. If the clause or endorsement is placed on the reverse side of such certificate, it should be followed by the signature of the official of the company who signs the certificate. All certificates must contain the following two clauses of endorsement.

"The insurance contract referred to herein provides complete coverage within the limits stated for the type of insurance mentioned covering all the insured's operations in connection with the insured's contract on the _____."

"Said insurance contract also provides that it cannot be cancelled by the insurer in less than ten days after the insured and the Agency have been given written notice by registered mail of such cancellation."

15. PROTECTION OF PERSONS AND PROPERTY

The Contractor shall take all legal and reasonable precautions to protect persons and property from injury or damage resulting from his operation under this Contract. The requirements of the Nebraska Safety Codes adopted by the Nebraska State Department of Labor shall be complied with.

16. PROSECUTION OF THE WORK AND COMPLETION DATE

The work embraced in this contract shall be started on the earliest possible date after the signing of contracts by both parties, and shall be carried on regularly and uninterruptedly thereafter, with such forces and by such means as will insure final completion of the entire contract on or before the completion date set in the documents. The time of beginning, rate of progress and time of completion are essential conditions of the contract.

The Contractor expressly agrees that in undertaking to complete the work within the Contract period fixed in the Contract Documents, he has taken into consideration and made allowances for all delays and hindrances incidental to such work, whether growing out of delays in securing materials or workmen, or otherwise.

Should the Contractor be delayed in the prosecution and completion of the work by any cause beyond his control, he shall have no claim or right of action for damages from the Agency for any such cause or delay unless the cause or delay is the result of active interference by the Agency. The Contractor will in such case be granted an extension of time specified for completion of the work as the Agency may award in writing on account of such delay; provided however, that claim for extension of time is made by the Contractor to the Agency, through the Architect or Authorized Agent, in writing, within two weeks from the time when such alleged cause for delay shall occur. The Agency reserves the right to withhold granting of any time extensions until the stipulated contract period is about to expire.

The Agency, at its own discretion, may waive the above requirements and grant extensions of time for any reason he deems valid. Time extensions will not be granted for rain, wind or other natural phenomenon of normal intensity for the locality where the work is performed.

An extension of the contract period may be granted by the Agency for any of the following reasons:

- (1) Additional work resulting from modification of the plan for the project.
- (2) Delays caused by the Agency
- (3) Other reasons beyond the control of the Contractor which in the Agency's judgement would justify such extension.

No extension of the Contract period will be allowed for variation between contract quantities and actual quantities which cannot be predetermined and which amount to less than twenty-five percent (25%) of the contract quantities.

17. SURVEY STAKES AND LEVELS

The Contractor, unless otherwise specified, will stake out the project work and shall furnish and maintain the batter boards, level, etc.

The Contractor must carefully preserve bench marks and reference points; in case of their destruction, he will replace them and be responsible for any mistakes that may be caused by their loss or disturbance.

18. USE OF JOB SITE

The Contractor shall confine his equipment, apparatus, the storage of materials, and operations of his workmen to limits indicated by law, ordinance, permits, or directions of the Agency and shall not unnecessarily encumber the premises with his materials.

The Contractor shall not load or permit any part of a structure to be loaded with a weight that will endanger its safety. The Contractor shall enforce the Agency's instructions regarding signs, advertisement, fires, and smoke.

19. LABOR

All labor shall be performed in best and most workmanlike manner by mechanics skilled in their respective trades. The standards of the work required throughout shall be of such grade as will bring results of the first class only.

Mechanics whose work is unsatisfactory to the Architect, or are considered by him to be unskilled or otherwise objectionable, shall be instantly dismissed from the work upon notice from the Architect.

Contractor and subcontractor employed upon the work shall and will be required to conform to the labor laws of the State of Nebraska, and the various acts amendatory and supplementary thereto; and to all other laws, ordinances, and legal requirements applicable thereto.

20. INSPECTION

The Agency through its authorized representatives and agents shall be permitted to inspect all work required to complete the project.

The Agency shall at all times have access to the work and the premises used by the Contractor.

21. DEFECTIVE WORK OR MATERIAL

Work or material not in accordance with the Plans and Specifications, or in any way defective shall be removed at once on order of the Architect. The Contractor shall replace or rebuild at his own expense with satisfactory material and in a workmanlike manner any work so removed and shall reimburse the Agency for any expense that it is put to by reason of extra work, and shall reimburse any other contractor who may incur expense caused by removal of the defective work.

22. TERMINATION FOR BREACH

In event that any of the provisions of this Contract are violated by the Contractor or any of his subcontractors, the Agency may serve written notice

upon the Contractor and the Surety of its intention to terminate the Contract, and unless within ten (10) days after the serving of such notice upon the Contractor such violation shall cease and satisfactory arrangements for correction be made, the Contract shall, upon the expiration of said ten (10) days cease and terminate. In the event of any such termination, the Agency shall immediately serve notice thereof upon the Surety and the Contractor. The Agency may take over the work and prosecute the same to completion of Contract for the account and at the expense of the Contractor, and the Contractor and his Surety shall be liable to the Agency for any excess cost occasioned the Agency thereby and in such event the Agency may take possession of and utilize in completing the work, such materials, appliances and plant as may be on the site of the work and necessary therefor. Neither the Agency nor any member or employee thereof shall be in any way liable or accountable to the Contractor or his surety for the method by which the completion of the said work, or any portion thereof, may be accomplished or for the price paid therefor.

23. CONSTRUCTION REPORTS -- PAYMENT ESTIMATES

The Contractor shall submit to the Agency schedules of costs and quantities of materials and of other items, which schedule shall be in such form and shall be supported as to correctness by such of the estimates upon which they are based as the Agency may require. The Contractor shall also submit to the Agency the following records on forms to be supplied by the Agency:

- (a) Detailed Estimate, and
- (b) Periodical Estimates for partial payment

24. PAYMENT

So long as the work herein contracted for is carried on in accordance with the provisions of the contract, the Contractor will, on or before the 25th day of each month, make an approximate estimate of the value of the work performed during the month and the materials suitably stored on the work site. After each such estimate shall have been approved by the Architect or Authorized Agent, the Agency will pay to the Contractor in State warrants, ninety percent (90%) of the amount thereof. The Agency may at all times reserve and retain out of said payments, all such sums as it may be authorized to reserve or retain. At anytime, prior to final payment, the total payment to the Contractor shall not exceed ninety percent (90%) of the estimated value of the work performed and materials stored at the site.

26. EXTRA, ADDITIONAL OR OMITTED WORK -- PAYMENT FOR

The Agency shall have the right at any time and without notice to the Sureties, to alter and modify the Plans and Specifications in any particular, thus making specific changes in connections with the construction, details, or execution of the work. All changes in plans and specifications will be made by the Agency in writing. The Contractor shall make such alterations as may thus be ordered by the Agency and in case these changes increase or decrease the amount of work to be done under this contract, equitable amounts in price will be added to or deducted from the contract price. The amount of such increase or decrease to be agreed upon between the Agency and the Contractor before the changes are made.

When approved in writing by the Agency, the Contractor shall furnish material and do extra work not otherwise provided for by the terms of this contract, but which may be connected with or necessary to the proper completion of the work. Such material and work shall be furnished and done as part of this contract and subject to its provisions. The payment for any such work shall be determined by agreement between the Agency and the Contractor before the extra work is done, either on the basis of a unit price, or a lump sum price, or on a cost-plus-limited basis and not to exceed the specified limit.

The payment for "cost-plus" work shall be as follows: for all labor and foremen in direct charge of the specific operations, including liability and workmen's compensation thereon, the Contractor shall receive the rate of wage agreed upon in writing before starting such work, for each and every hour that said labor, teams and foremen are actually engaged in such work, to which shall be added an amount equal to 10% of the sum thereof. The wages of any foremen or time keeper who is employed partly on "cost-plus" work and partly on other work, shall be prorated between the two classes of work according to the number of men employed on each class or work as shown by the payroll.

For all materials entering permanently into the work the Contractor shall receive the actual cost of such material delivered to the work, including freight and handling charges as shown by original receipted bills, to which cost shall be added a sum equal to 10% thereof.

If it is necessary for the Contractor to rent equipment in the performance of force account work, he will be allowed the actual rental price paid, if reasonable, for the actual time that such equipment is in use on the work and to which sum 10% shall be added.

No claims for extra work will be allowed unless accompanied by a written order approved by the Agency authorizing such extra work and defining the agreed basis of payment.

The Contractor shall, in the next monthly payment application, file with the Agency, in writing, all claims for extra work performed. If he shall fail to make such claims, his right to extra pay for such extra work shall be deemed to have been waived and forfeited and he shall not be entitled to any payment on account of such extra work.

26. CONTRACTOR'S PAYMENTS FOR LABOR AND MATERIALS

The Contractor shall pay for all labor and materials used or furnished in the performance of this contract. Before final payment, the Contractor must certify that all bills for labor and materials have been paid. In event he is requested and fails to furnish satisfactory evidence, the Agency may withhold any payments until it is satisfied that all such claims have been paid.

27. RIGHT TO WITHHOLD CERTAIN AMOUNTS AND MAKE APPLICATION THEREOF

In addition to the payment to be retained by the Agency under the preceding provisions of these General Conditions, the Agency may withhold a sufficient amount of any payment otherwise due to the Contractor to cover (a) payments that are earned or due for just claims for labor or materials furnished in and about the performance of the work on the project under this contract; (b) for defective work not remedied and (c) for failure of the Contractor to make proper payments to his subcontractor. The Agency shall disburse and shall have the right to act as agent for the Contractor in disbursing such funds as have been withheld pursuant to this paragraph to the party or parties who are entitled to payment therefrom. The Agency will

render to the Contractor a proper accounting of all such funds disbursed in behalf of the Contractor.

28. CLEANING UP

On or before the completion of the work, the Contractor shall thoroughly clean all parts of the work built by him. He shall remove all rubbish and all his materials, tools, and equipment from the ground which he has occupied, leaving the site of the work in as good condition as it was at the beginning of the work.

The Contractor shall each day clean up and remove from the project the rubbish resulting from his work, and shall at completion of his own work remove all construction materials and leave the project in a clean condition.

29. SUBSTANTIAL COMPLETION AND FINAL INSPECTION

When the work has been substantially completed, the Contractor shall notify the Architect or Authorized Agency, in writing, that the work will be ready for substantial completion inspection and test on a definite date which shall be stated in such notice. The notice shall be given at least ten (10) days in advance of said date.

After the inspection has been made, the Architect or Authorized Agent shall present to the Contractor and the Agency a report ("punch list") listing all deficiencies found in the inspection of the Contractor's work. The Contractor shall immediately make the required corrections and the work necessary to remove the deficiencies reported. When the deficiencies have been removed, the Contractor shall in writing request a final inspection of the work.

30. FINAL PAYMENT

As soon as practicable but not later than ten (10) days after the completion and acceptance of the work and submitted to the Agency of all guarantees, warranties, operating manuals, etc. required by the contract documents, the Architect or Authorized Agent shall prepare a final payment statement showing the final payment amount due. After approval by the Contractor and the Agency, the final payment voucher shall be processed for payment.

31. GUARANTEE OF WORK

(a) Except as otherwise specified in the contract documents, all work shall be guaranteed by the Contractor against defects resulting from the use of inferior materials, equipment or workmanship for one year from the date of final completion of the Contract.

(b) If, within any guarantee period, repairs or changes are required in connection with the guaranteed work, which, in the opinion of the Agency are rendered necessary as the result of the use of materials, equipment, or workmanship which are inferior, defective, or not in accordance with the Contract, the Contractor shall, promptly upon receipt of notice from the Owner, and without expense to the Owner:

- (1) Place in satisfactory condition in very particular all of such guaranteed work, correct all defects therein, and
- (2) Make good all damages to the building or project work, or equipment or contents thereof, which in the opinion of the Agency is the result of the use of materials, equipment, or workmanship which are inferior, defective, or not in accordance with the terms of the contract; and
- (3) Make good any work or materials, or the equipment and contents of said building or project work disturbed in fulfilling any such guarantee.

(c) In any case where fulfilling the requirements of the contract or of any guarantee embraced in or required thereby, the Contractor disturbs any work guaranteed under another contract, he shall restore such disturbed work to a condition satisfactory to the Agency and guarantee such restored work to the same extent as it was guaranteed under such other contract.

(d) If the Contractor, after notice, fails to proceed promptly to comply with the terms of the guarantee, the Agency may have defects corrected and the Contractor and his Surety shall be liable for all expense incurred.

(e) All special guarantees applicable to definite parts of the work that may be required by the Contract Documents shall be subject to the terms of this paragraph during the first year of the life of such guarantee.

32. UNEMPLOYMENT COMPENSATION FUND

The Contractor shall make payments to the Unemployment Compensation Fund of the State of Nebraska all contributions and interest due under the provisions of Section 48-601 to 48-669, Revised Reissue Statute of Nebraska, on wages paid to individuals employed in the performance of this contract as required by Section 48-657, Revised Reissue Statute of Nebraska.

Under the requirements of Section 48-657, Revised Reissue Statute of Nebraska, the Agency cannot make payment to the Contractor on the final three percent (3%) of the contract without first receiving from the Contractor a written clearance from the Commissioner of Labor certifying that all payments then due of contributions or interest which may have arisen under such contract have been made by the Contractor or his subcontractor to the Unemployment Compensation Fund.

33. NONDISCRIMINATION IN EMPLOYMENT

Contractor hereby covenants and agrees that in performance of this contract, neither he nor any of his subcontractors shall discriminate against any of his or their employees, or on any applications for employment with his or their firms with respect to the employees' or applicants' hire, tenure, terms, conditions, or privileges of employment because of the employees' or applicants' race, color, religion, sex, disability or national origin.

34. OCCUPANCY OF NEW WORK

The Agency may, at its own discretion, after substantial completion of the project has been approved by the Architect or Authorized Agent, occupy all or part of the project. At the time of occupancy the Agency will assume all

or the fair proportionate share of utility costs for operating the project unless prior written agreements state otherwise. Contractor will maintain all insurance requirements until final payment is approved by Agency.

35. PROJECT CLOSEOUT

Maintenance and Operations Manuals: Prior to approval of final payment for the work, the Contractor shall submit four (4) bound copies of maintenance and operation manuals presenting full details and explanation of maintenance and operation requirements for equipment, materials, etc. Contractor shall be responsible for replacing any item in the work which requires particular care and/or maintenance but is not included in the bound copies and is inadvertently damaged by the Agency through lack of proper information.

Guarantee - Warranty: Prior to approval or final payment for the work, the Contractor shall submit four (4) bound copies of all guarantees and warranties required by the specifications which exceed the general one (1) year warranty required by the contract documents.

SPECIAL CONDITIONS

1. The following sections of the General Conditions shall be deleted in full unless otherwise noted:

(Designate)

2. Sanitary Facilities:

(State if Contractor or Agency to furnish)

3. Utilities:

(State if Contractor or Agency to furnish)

4. Sales/Use Tax:

(State if Contractor pays or is exempt)

5. Pre-Construction Conference:

(State when, where, and who)

6. (Others Required)

ATTACHMENT G

School Facilities: Condition of America's Schools
(U.S. Government Accounting Office, February 1995)

School Facilities: Condition of America's Schools (Letter Report,
02/01/95, GAO/HEHS-95-61).

GAO surveyed school officials across the country on the physical condition of their facilities. The survey projects that the nation's elementary and secondary schools need about \$112 billion in repairs and upgrades to restore them to good condition. Although two-thirds of America's schools are reported to be in good overall condition, about 14 million students attend schools needing extensive repair or replacement. Also, problems with major building features, such as plumbing, are widespread even among schools said to be in adequate shape. Nearly 60 percent of America's schools reported at least one major building element in disrepair; most of these schools had multiple problems. In addition, about half the school officials reported at least one environmental problem in their schools, such as inadequate ventilation or poor heating and lighting; most of these schools had multiple environmental problems. Some school officials attributed the physical decline of the nation's schools to decisions by school districts to defer vital maintenance and repair expenditures from year to year due to lack of money.

----- Indexing Terms -----

REPORTNUM: HEHS-95-61
TITLE: School Facilities: Condition of America's Schools
DATE: 02/01/95
SUBJECT: Elementary education
Secondary education
Public schools
Facility maintenance
Facility repairs
Cost control
Budget cuts
Hazardous substances
Repair costs
Safety standards
IDENTIFIER: National Education Goals
Dept. of Education Impact Aid Program
Dept. of Education Schools and Staffing Survey
Chicago (IL)
New Orleans (LA)
Montgomery County (AL)
District of Columbia
New York (NY)
Ramona (CA)
Raymond (WA)
Grandview (WA)
Pomona (CA)
Richmond (VA)
Education Infrastructure Act of 1994
Goals 2000

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Cover

===== COVER

Report to Congressional Requesters

February 1995

SCHOOL FACILITIES - CONDITION OF
AMERICA'S SCHOOLS

GAO/HEHS-95-61

Condition of America's Schools

Abbreviations

===== ABBREV

EPA - Environmental Protection Agency
HVAC - heating, ventilation, air conditioning
SASS - Schools and Staffing Survey
UST - underground storage tank

Letter

===== LETTER

B-259307

February 1, 1995

The Honorable Carol Moseley-Braun
The Honorable Edward M. Kennedy

The Honorable Claiborne Pell
The Honorable Paul Simon
The Honorable Paul Wellstone
United States Senate

The nation has invested hundreds of billions of dollars in school infrastructure to create an environment where children can be properly educated and prepared for the future. Almost exclusively a state and local responsibility, this infrastructure requires maintenance and capital investment. However, public concern is growing that while laws require children to attend school, some school buildings may be unsafe or even harmful to children's health. Recently, for example, a federal judge would not allow the schools in our nation's capital to open on time until thousands of life-threatening fire code violations were corrected. Similarly, noncompliance with asbestos requirements kept over 1,000 New York City schools closed for the first 11 days of the 1993 school year. Although such situations may be well publicized, little information exists documenting the extent to which the nation's schools may lack the appropriate facilities to educate their students.

Widely quoted studies\1 conducted in recent years report that school facilities are in poor condition. While these studies documented some problems and provided much anecdotal information, they had different methodological problems limiting their usefulness. Further, the Department of Education has not assessed the condition of the nation's school facilities since 1965. Accordingly, you requested that we conduct a study that could be used as a basis for determining the condition of the nation's school facilities.

In response to your request and subsequent discussions with your office, this report presents national information on (1) the amount of funding that the nation's public elementary and secondary schools report needing to improve inadequate facilities and (2) the overall physical condition and prevalence of schools that need major repairs. Another report is forthcoming shortly that will report the location of and other demographic analyses for schools that need major repairs. These reports are the first in a series responding to your request.\2

\1 Education Writers Association, *Wolves at the Schoolhouse Door: An Investigation of the Condition of Public School Buildings* (Washington, D.C.: 1989); American Association of School Administrators, *Schoolhouse in the Red: A Guidebook for Cutting Our Losses* (Arlington, Va.: 1992).

\2 Subsequent reports will address (1) the capability of schools to meet education reform goals and the needs of 21st century education, (2) state role in school facilities, and (3) the relationship of facility conditions to select school and staffing data.

RESULTS IN BRIEF

----- Letter :1

Based on estimates by school officials in a national sample of schools, we project that the nation's schools need about \$112 billion\3 to repair or upgrade America's multibillion\4

dollar investment in facilities to good overall condition.\5

Of this, \$11 billion (10 percent) is needed over the next 3 years to comply with federal mandates that require schools to make all programs accessible to all students and to remove or correct hazardous substances such as asbestos, lead in water or paint, materials in underground storage tanks (UST), and radon or meet other requirements.

About two-thirds of America's schools reported that all buildings were in at least overall adequate condition, at most needing only some preventive maintenance or corrective repair. However, about 14 million students attend the remaining one-third of schools that reported needing extensive repair or replacement of one or more buildings.\6

These schools are distributed nationwide. Also, problems with major building features, such as plumbing, are widespread even among those schools reported in at least adequate condition. Almost 60 percent of America's schools reported at least one major building feature in disrepair, needing to be extensively repaired, overhauled, or replaced. Most of these schools had multiple problems. In addition, about half reported at least one unsatisfactory environmental condition in their schools, such as poor ventilation, heating or lighting problems, or poor physical security. Most of these schools also had multiple unsatisfactory environmental conditions. Some district officials we spoke to told us that a major factor in the declining physical condition of the nation's schools has been decisions by school districts to defer vital maintenance and repair expenditures from year to year due to lack of funds.

\3 Sampling error is + 6.61 percent.

\4 No complete national data has been compiled for current replacement value of school buildings. Researchers have used the \$422 billion estimate made by the Education Writers Association in Wolves at the Schoolhouse Door.

\5 "Good" condition means that only routine maintenance or minor repair is required. "Overall" condition includes both physical condition and the ability of the schools to meet the functional requirements of instructional programs.

\6 Any one school may have more than one building.

BACKGROUND

----- Letter :2

Elementary and secondary education, the nation's largest public enterprise, is conducted in over 80,000 schools in about 15,000 districts. America's public schools serve over 42 million students. About 70 percent of schools serve 27 million elementary students; 24 percent serve 13.8 million secondary students; and 6 percent serve 1.2 million students in combined elementary and secondary and other schools.

America's traditional one-room school houses have been replaced by larger facilities that may have more than one building. Comprising classroom, administrative, and other areas like gymnasiums and auditoriums, a school may have an original building, any number of permanent additions to that building, and a variety of temporary buildings--each constructed at different times. Buildings that have been well maintained and renovated at periodic intervals have a useful life equivalent to a new building.

A number of state courts as well as the Congress have recognized that a high-quality learning environment is essential to educating the nation's children. Crucial to establishing that learning environment is that children attend school in decent facilities. "Decent facilities" was specifically defined by one court as those that are "...structurally safe, contain fire safety measures, sufficient exits, an adequate and safe water supply, an adequate sewage disposal system, sufficient and sanitary toilet facilities and plumbing fixtures, adequate storage, adequate light, be in good repair and attractively painted as well as contain acoustics for noise control...." More recently, the Congress passed the Education Infrastructure Act of 1994, in which it stated that "improving the quality of public elementary and secondary schools will help our Nation meet the National Education Goals." Despite these efforts, studies and media reports on school facilities since 1965 indicate that many public elementary and secondary schools are in substandard condition and need major repairs due to leaking roofs, plumbing problems, inadequate heating systems, or other system failures.

Although localities generally finance construction and repair, with states playing a variety of roles, federal programs have monies to help localities offset the impact of federal activities, such as Impact Aid, improving accessibility for the disabled, and managing hazardous materials. However, these programs do not totally offset all costs. For example, prior GAO work found that federal assistance provided for asbestos management under the Asbestos School Hazard Abatement Act of 1984 did not meet the needs of all affected schools. From 1988 through 1991, the Environmental Protection Agency (EPA) received 1,746 qualified applications totaling \$599 million but only awarded \$157 million to 586 school districts it considered to have the worst asbestos problems. EPA was aware of the shortfall in federal assistance but believed that state and local governments should bear these costs.

Because of the perception that federal programs--as well as current state and local financing mechanisms--did not begin to address the serious facilities needs of many of America's schools, the Congress passed the Education Infrastructure Act of 1994. The Congress then appropriated \$100 million for grants to schools for repair, renovation, alteration, or construction.

\7 Pauley v. Kelly, No. 75-C1268 (Kanawha County Cir. Ct., W. Va., May 1982); Edgewood Independent School District v. Kirby, N. 362, 516 (259th Dist. Ct. Travis Cty., Tex., June 1, 1987), rev'd. 761 S.W. 2nd 859 (Ct. App. Tex., 1988), rev'd. 777 S.W. 2nd 391 (1989).

\8 The Education Infrastructure Act of 1994 was introduced by Senator Carol Moseley-Braun and was passed as part of Improving America's Schools Act (P.L. 103-382, Oct. 20, 1994).

\9 The National Education Goals are set forth in Goals 2000: Educate America Act (P.L. 103-227, March 31, 1994). The goals concern (1) school readiness; (2) school completion; (3) student achievement and citizenship; (4) teacher education and professional development; (5) math and science achievement; (6) adult literacy and lifelong learning; (7) safe, disciplined, and alcohol- and drug-free schools; and (8) parental participation.

\10 School Construction Specification and Financing, National Survey Data 1994, MGT of America, Inc., prepared for Hawaii's State Department of Education (Tallahassee, Fla.: 1994). See also our forthcoming report on state role in school facilities.

\11 The Impact Aid program is administered by the Department of Education and provided \$12 million in fiscal year 1994 for constructing and renovating schools in districts that educate "federally connected" children, such as those whose parents live and/or work on military installations and Indian reservations.

\12 Toxic Substances: Information on Costs and Financial Aid to Schools to Control Asbestos (GAO/RCED-92-57FS, Jan. 15, 1992).

SCOPE AND METHODOLOGY

----- Letter :3

To determine the amount of funding needed to improve inadequate facilities and the overall physical condition and prevalence of schools that need major repairs, we surveyed a national sample of schools and augmented the survey with visits to selected school districts. We used various experts to advise us on the design and analysis of this project. (See app. III for a list of advisers.)

We sent the survey to a nationally representative stratified random

sample of about 10,000 schools in over 5,000 school districts. The sample was designed for the Department of Education's 1994 Schools and Staffing Survey (SASS), which is sponsored by the National Center for Educational Statistics.

We asked about (1) the physical condition of buildings and major building features, such as roofs; framing, floors, and foundations; exterior walls and interior finishes; plumbing; heating, ventilation, and air conditioning (HVAC); and electric power; (2) the status of environmental conditions, such as lighting, heating, and ventilation; (3) the amount districts and schools had spent in the last 3 years or plan to spend in the next 3 years due to federal mandates that require managing or correcting hazardous materials problems and providing access to all programs for all students; and (4) an estimate of the total cost of needed repairs, renovations, and modernizations to put all buildings in good overall condition. (See app. IV for a copy of the questionnaire.)

We directed the survey to those officials who are most knowledgeable about facilities--such as facilities directors and other central office administrators of the districts that housed our sampled school buildings. Our analyses are based on responses from 78 percent of the schools sampled. Analyses of nonrespondent characteristics showed them to be similar to respondents. Findings from the survey have been statistically adjusted (weighted) to produce nationally representative estimates. All of the data are self-reported, and we did not independently verify their accuracy. (See the forthcoming report on location and demographic analyses of schools in need of major repair for a detailed description of our data collection methods and analysis techniques, confidence intervals, and the like.)

In addition, we visited 41 schools in 10 selected school districts varying in location, size, and minority composition. During these visits, we observed facility conditions and interviewed district and local school officials to obtain information on facilities assessment, maintenance programs, resources, and barriers encountered in reaching facility goals. (See app. I for profiles on the districts visited.)

We conducted this study from April 1994 to December 1994 in accordance with generally accepted government auditing standards.

PRINCIPAL FINDINGS

----- Letter :4

SCHOOLS REPORT NEEDING BILLIONS TO IMPROVE FACILITIES

----- Letter :4.1

On the basis of our survey results, we estimate that the nation's schools need \$112 billion to complete all repairs, renovations, and

modernizations required to restore facilities to good overall condition and to comply with federal mandates. (See fig. 1.) This amount includes \$65 billion--about \$2.8 million per school--needed by one-third of schools for which one or more entire building needs major repairs or replacement. Another 40 percent of schools (those in adequate or better condition) reported needing \$36 billion--about \$1.2 million per school--to repair or replace one or more building features, such as the plumbing or roof, or to make other corrective repairs.

Figure 1: School Officials
Report Billions Needed for
Repairs and to Comply With
Federal Mandates in the Next 3
Years

(See figure in printed
edition.)

Note: "Other" includes lead in water/paint, underground storage tanks, radon, and other mandated requirements.

Almost two-thirds of the schools reported needing \$11 billion--an average of \$.2 million per school--to comply with federal mandates over the next 3 years. Of this amount, about \$5 billion (54 percent) is needed to correct or remove hazardous substances, such as asbestos, lead in water or paint, materials contained in UST, and radon or meet other requirements while about \$6 billion (55 percent) is needed by schools to make programs accessible to all students. (See fig. 1.)

This \$11 billion is in addition to the \$3.8 billion reported spent by three-quarters of all schools in the last 3 years to comply with federal mandates. (See fig. 2.) Of the money schools reported that they spent to comply with federal mandates, \$2.3 billion (60 percent) went to correct or remove hazardous substances--primarily asbestos--while \$1.5 billion (40 percent) went to make all programs accessible to all students.

Figure 2: Amount Schools
Reported Spending Over the Last
3 Years and Need in the Next 3
Years to Fulfill Federal
Mandates

(See figure in printed
edition.)

Note: Other mandated requirements may include those governing pesticides or other chemicals and the like.

District officials we spoke with reported that they must also comply with many state and local mandates. For example, one urban district reported how federal, state, and local regulations govern many of the

same areas such as hazardous materials management and some aspects of indoor air quality. In addition, officials cited numerous state health and sanitation codes, state safety inspections for building features, as well as city zoning ordinances, local building codes, and historic preservation regulations. By 1992, the enormity of the requirements as well as decades of capital needs underfunding have resulted in only the 2 newest of their 123 schools complying with all current codes.

The district further described how these regulations and the accompanying cost could apply to the installation of air conditioning. For example, air conditioning could be installed in a building for \$500,000. However, this may also require an additional \$100,000 in fire alarm/smoke detection and emergency lighting systems as well as \$250,000 in architectural modifications for code compliance. Additionally, the location of outside chillers may be regulated by zoning and historic preservation ordinances.

In our visits to selected districts, officials from major urban areas reported needing billions to put their schools into good overall condition. (See table 1.)

Table 1

Major Urban School Districts Report
Needing Billions to Bring Schools Into
Good Overall Condition

Amount needed

ns \$7.8
2.9
0.5
0.5

\13 Building features include roofs; framing, floors, and foundations; exterior walls, finishes, windows, and doors; interior finishes and trims; plumbing, heating, ventilation, and air conditioning; electrical power; electrical lighting; and life safety codes.

TWO-THIRDS OF SCHOOLS
ADEQUATE BUT MILLIONS OF
STUDENTS MUST ATTEND OTHER
ONE-THIRD

----- Letter :4.2

School officials reported that two-thirds of the nation's schools are in adequate (or better) condition, at most needing only some

preventive maintenance or corrective repair. However, about 14 million students must attend the remaining one-third (25,000 schools), in which at least one building is in need of extensive repair or replacement. Even more students, 28 million, attend schools nationwide that need one or more building feature extensively repaired, overhauled, or replaced or that contain an environmentally unsatisfactory condition, 14 such as poor ventilation. (See tables 2 and 3. These schools are distributed nationwide.

Table 2

Millions of Students Attend Schools With
Less-Than-Adequate Physical Conditions

Building feature	Number of schools	Estimate of students affected
Roofs	11,100	11,916,000
Framing, floors, foundations	13,900	7,247,000
Exterior walls, finishes, windows, doors	11,500	11,524,000
Interior finishes, trims	13,600	10,408,000
Plumbing	13,100	12,254,000
Heating, ventilation, air conditioning	13,100	15,456,000
Electrical power	11,500	11,034,000
Electrical lighting	13,500	10,837,000
Life safety codes	14,500	7,630,000

Notes: See appendix IV for survey question.

Ranges for building or building feature condition were excellent, good, adequate, fair, poor, or replace. A building or building feature was considered in less-than-adequate condition if fair, poor, or replace was indicated.

Table 3

Millions of Students Attend Schools With
Unsatisfactory Environmental Conditions

Environmental condition	Number of Schools	Number of students affected
Lighting	11,200	6,682,000
Heating	13,000	7,888,000

Ventilation	21,100	11,559,000
Indoor air quality	15,000	8,353,000
Acoustics for noise control	21,900	11,044,000
Physical security	18,900	10,638,000

 Note: See appendix IV for survey question.

 \14 Environmental factors include lighting, heating, ventilation, indoor air quality, acoustics for noise control, energy efficiency, and physical security of buildings. Although flexibility of instructional space is included as an environmental factor in our questionnaire (see app. IV), we are not addressing those issues in this report. They will be addressed in a forthcoming report.

PHYSICAL CONDITION

----- Letter :4.3

Specifically, about one-third of both elementary and secondary schools reported at least one entire building--original, addition, or temporary--in need of extensive repairs or replacement. (See fig. 3 and pictures in app. II.) About 60 percent (including some schools in adequate condition) reported that at least one building feature needed extensive repair, overhauling, or replacement; and three-quarters of those schools needed multiple features repaired. Features most frequently reported in need of such repairs were HVAC; plumbing; roofs; exterior walls, finishes, windows, and doors; electrical power; electrical lighting; and interior finishes and trims. (See fig. 4 and pictures in app. II.) Further, while 41 percent of all schools reported unsatisfactory energy efficiency, 73 percent of those schools with exterior walls, windows, and doors and 64 percent of those with roofs in need of major repair reported unsatisfactory energy efficiency. These unrepaired features not only reduce energy efficiency but may also have an adverse environmental effect on students. As one Chicago elementary school principal told us, "Heat escapes through holes in the roof; the windows leak (the ones that are not boarded up) and let in cold air in the winter so that children must wear coats to class." Following are some other examples:

In New Orleans, the damage from Formosan termites has deteriorated the structure of many schools. In one elementary school, they even ate the books on the library shelves as well as the shelves themselves. (See app. II.) This, in combination with a leaking roof and rusted window wall, caused so much damage that a large portion of the 30-year-old school has been condemned. The whole school is projected to be closed in 1 year.

At a Montgomery County, Alabama, elementary school, a ceiling weakened by leaking water collapsed 40 minutes after the children left for the day.

Water damage from an old (original) boiler steam heating system at a 60-year-old junior high school in Washington, D.C., has caused such wall deterioration that an entire wing has been condemned and locked off from use. Steam damage is also causing lead-based wall paint to peel.

Raw sewage backs up on the front lawn of a Montgomery County, Alabama, junior high school due to defective plumbing.

A New York City high school built around the turn of the century has served as a stable, fire house, factory, and office building. The school is overcrowded with 580 students, far exceeding the building's 400 student capacity. The building has little ventilation (no vents or blowers), despite many inside classrooms, and the windows cannot be opened, which makes the school unbearably hot in the summer. In the winter, heating depends on a fireman's stoking the coal furnace by hand.

In Ramona, California, where overcrowding is considered a problem, one elementary school is composed entirely of portable buildings. It had neither a cafeteria nor auditorium and used a single relocatable room as a library, computer lab, music room, and art room.

Last year, during a windstorm in Raymond, Washington, the original windows of an elementary school built in 1925 were blown out, leaving shards of glass stuck in the floor. The children happened to be at the other end of the room. This wooden school is considered a fire hazard, and although hallways and staircases can act as chimneys for smoke and fire, the second floor has only one external exit.

In rural Grandview, Washington, overcrowded facilities are a problem. At one middle school, the original building was meant to house 450 students. Two additions and three portables have been added to accommodate 700 students. The school has seven staggered lunch periods. The portables have no lockers nor bathrooms and are cold in the winter and hot in the spring/summer.

In a high school in Chicago, the classroom floors are in terrible condition. Not only are floors buckling, so much tile is loose that students cannot walk in all parts of the school. The stairs are in poor condition and have been cited for safety violations. An outside door has been chained for 3 years to prevent students from falling on broken outside steps. Peeling paint has been cited as a fire hazard. Heating problems result in some rooms having no heat while other rooms are too warm. Leaks in the science lab caused by plumbing problems prevent the classes from doing experiments. Guards patrol the outside doors, and all students and visitors must walk through metal detectors before entering the school. (See app. II and fig. 6.)

Figure 3: Percent of Buildings
Reported in Less-Than-Adequate
Condition

(See figure in printed edition.)

Figure 4: Building Repairs
Reported Needed in America's
Schools

(See figure in printed edition.)

Note: Life safety codes could include such things as stairwells, adequate exits, panic hardware, fire extinguishers, rated corridor doors, fire walls, sprinkler systems, and the like.

During our school visits, we found wide disparities between schools in the best or even average condition and schools in the worst condition, and these schools were sometimes in the same district.

ENVIRONMENTAL CONDITIONS

----- Letter :4.4

About 50 percent of the schools reported at least one unsatisfactory environmental condition; while 33 percent reported multiple unsatisfactory conditions. Of those, half reported four to six unsatisfactory conditions. Those conditions most frequently reported to be unsatisfactory were acoustics for noise control, ventilation, and physical security. (See fig. 5.) Additionally, three-quarters of schools responding had already spent funds during the last 3 years on requirements to remove or correct hazardous substances such as asbestos (57 percent), lead in water or paint (25 percent), materials in USTs such as fuel oil (17 percent), radon (18 percent), or other requirements (9 percent). Still two-thirds must spend funds in the next 3 years to comply with these same requirements--asbestos (45 percent), lead (18 percent), UST (12 percent), radon (12 percent), or other requirements (8 percent).

Figure 5: Percentage of
Schools Reporting
Unsatisfactory or Very
Unsatisfactory Environmental
Factors

(See figure in printed edition.)

We saw numerous examples of unsatisfactory environmental conditions during our school visits:

In the Pomona, California, school district, the student body has increased 37 percent over the last 10 years. Some schools must have five staggered lunch periods to accommodate all students. As a result of overcrowding, in one elementary school, students are housed

in temporary buildings installed in 1948 that are unattractive, termite ridden, dark, and underequipped with electrical outlets. The temporary buildings get very hot as well as very cold at times because of poor insulation.

A Raymond, Washington, high school--a three-story structure with walls of unreinforced concrete with roof and floor not adequately secured to the walls that may not withstand earthquakes--contains steam pipes that are not only extremely noisy but provide too little or too much heat from room to room.

In Richmond, Virginia, schools in the district close early in September and May because the heat, combined with poor ventilation and no air conditioning, creates health problems for students and teachers, especially those with asthma.

A Chicago elementary school, built in 1893 and not painted for many years, has walls and ceilings with chipping and peeling lead-based paint, asbestos, and several boarded-up windows. Some rooms have inadequate lighting due to antiquated lighting fixtures that are no longer manufactured, so bulbs could not be replaced when burned out. One section of the school has been condemned due to structural problems. However, the auditorium and gym in this area are still used. The school was scheduled for closure in 1972 but remained open due to community opposition to the closure with promises of renovation by the district. (See app. II.)

INSUFFICIENT FUNDS
CONTRIBUTE TO DECLINING
PHYSICAL CONDITIONS

----- Letter :4.5

District officials we spoke to attributed the declining physical condition of America's schools primarily to insufficient funds, resulting in decisions to defer maintenance and repair\15 expenditures from year to year. This has a domino effect. Deferred maintenance speeds up the deterioration of buildings, and costs escalate accordingly, further eroding the nation's multibillion dollar investment in school facilities. For example, in many schools we visited, unrepaired leaking roofs caused wall and floor damage that now must also be repaired. New York school officials told us that, while a typical roof repair is \$600, a full roof replacement costs \$300,000, and painting and plastering 10 rooms on a top floor that has been damaged by water infiltration costs \$67,500 plus \$4,500 to replace damaged floor tiles. In other words, for every \$1 not invested, the system falls another \$620 behind. In addition, unrepaired roofs cause energy costs to increase as heat escapes through holes, further depleting already limited funds. Further, due to lack of routine maintenance in the Chicago district, many schools have not been painted since they were painted 20 years ago with lead-based paint.

In an elementary school in New York City, repair problems had not

been addressed since the school was built 20 years ago. Problems that could have been addressed relatively inexpensively years ago have now caused major problems such as sewage leaking into the first grade classrooms, a leaking roof that is structurally unsound, and crumbling walls.

Similarly, in Chicago, we visited an elementary school whose roof, the principal told us, had needed replacement for 20 years. Because it had only been superficially patched, rather than replaced, the persistent water damage had caused floors to buckle and plaster on the walls and ceilings to crumble. It had also flooded parts of the electric wiring system. One teacher in this school would not turn on her lights during rainstorms for fear of electrical shock; in another classroom the public address system had been rendered unusable. Buckets had to be placed on the top floor of the school to catch the rain.

Some district officials we spoke with reported that they had difficulty raising money for needed repairs and renovation due to an anti-tax sentiment among voters resulting in the failure of bond issues as well as passage of property tax limitations. About one in three districts reported that they have had an average of two bond issues fail in the past 10 years. Further, school officials told us that often bond proceeds are far less than needed for repairs. For example, in Pomona, California, a \$62.5 million bond issue was submitted to the voters after a survey indicated that the \$200 million needed for repairs would be rejected. At the time of our survey, 6 percent of districts had a bond issue before the electorate. However, as one survey respondent commented, "the current public attitudes about the economy and education are generally so negative that passing a bond referendum is a fantasy." Other states have reduced school funding by passing property tax limitations. One survey respondent reported, "The state's contribution to local schools has dropped by 40 percent over the last few years..." According to another survey respondent, "This is a 1913 building which many of the taxpaying citizens feel was good enough for them...it is looked at as a monument in the community. Unless some form of outside funding is arranged, the citizens may never volunteer to replace this building since it will require raising their taxes."

Further, districts reported a lack of control over some spending priorities as they must fund a large portion of federal mandates for managing or correcting hazardous materials as well as making all programs accessible to all students. A recurring theme in comments from survey respondents was, "Unfunded federal and state mandates are one of the prime causes of lack of funds for replacing worn-out heating and cooling equipment, roofs, etc..." Another survey respondent stated, "The ADA requirements were a major reason we had to replace two older schools. These costs, when added to other costs for renovations and modifications, resulted in overall costs for repairs which exceeded the costs for new facilities." On the other hand, Chicago school officials told us that due to limited funds and the installation of one elevator costing \$150,000, very few schools

In looking at the uses of bond proceeds in the districts, the average amount of the most recently passed bond issue was \$7 million. While about 3 percent was provided for federal mandates, 54 percent was provided for school construction and 38 percent for repairing, renovating, and modernizing schools. The remaining 5 percent was spent for purchases of computers and telecommunications equipment.

One survey respondent described the competing demands on limited funds as follows: "Our school facilities are not energy efficient or wired for modern technology. Our floor tile is worn out and the furniture is in poor shape. Our taxpayers don't want to put any more in schools. Our teachers want better pay. Our students and parents want more programs and technology. HELP!!!"

BUILDING AGE--BY
ITSELF--IS NOT
SIGNIFICANT

Letter : 4.5.1

05/28/97 11:41:50

Pools of water collect in the floors of the classrooms. One wall has buckled and is held in place with a steel stake. The windows leak and let cold air in...." According to some school officials, the misperception about the age factor has been reinforced because older buildings are sometimes not maintained but allowed to deteriorate until replaced.

Three schools we visited in Chicago presented a good example of the difficulty of using age to define condition. All three were built between 1926 and 1930 and had the same design and basic structure. Today, their condition could not be more different. One school had been allowed to deteriorate (had received no renovation since the 1970s) until it reached a point where local school officials classified it as among those schools in the worst physical condition. The second school had received some recent renovation because of community complaints about its condition and was classified as a typical school for the school district. The third school had been well maintained throughout the years, and now school officials classified it as a school in the best physical condition. (See pictures contrasting the three schools in fig. 6.)

(See figure in printed edition.) Figure 6: Same Age (60+), Same Design; Now Examples of Best, Typical, and Worst of Chicago Schools

\\16 Repair and Maintenance of School Buildings, National Audit Office, Report by the Controller and Auditor General, London, England, Ordered by the House of Commons to be printed July 25, 1991.

CONCLUSIONS

----- Letter :5

Two-thirds of America's schools report that they are in adequate (or better) overall condition. Still, many of these schools need to repair or replace one or more building feature, manage or correct hazardous materials, or make all programs accessible to all students. Other schools have more serious problems. About 14 million students are required to attend the remaining one-third of schools that have one or more entire buildings in less-than-adequate condition, needing extensive repair or replacement. These schools are distributed nationwide.

Our survey results indicate that to complete all repairs, renovations, or modernizations needed to put school buildings into good overall condition and comply with federal mandates would require a projected investment of \$112 billion. Continuing to delay maintenance and repairs will defer some of these costs but will also lead to the need for greater expenditures as conditions deteriorate, further eroding the nation's multibillion dollar investment in school infrastructure. In addition, if maintenance continues to be

deferred, a large proportion of schools that are in only adequate condition and need preventive maintenance or corrective repair will soon deteriorate to less-than-adequate condition.

As one survey respondent observed, "It is very difficult to get local communities to accept this burden (facilities construction/renovation). Our district, one of the wealthiest in the state, barely passed a bare bones budget to renovate. It must be a national crisis."

AGENCY COMMENTS

----- Letter :6

We spoke with Department of Education officials at the National Center for Educational Statistics who reviewed a draft of this report and found the report well done and generally approved of the approach. In addition, staff from the Office of the Undersecretary provided us with technical comments that we incorporated into our report. They did not comment, however, on our methodology, reserving judgment for the detailed technical appendix in our forthcoming report.

----- Letter :6.1

Copies of this report are also being sent to appropriate House and Senate committees and all members, the Secretary of Education, and other interested parties.

If you have any questions about this report, please contact Eleanor L. Johnson, Assistant Director, who may be reached at (202) 512-7209. A list of major contributors to this report can be found in appendix VII.

<sig:MORRA.EPS>Linda G. Morra
Director, Education and
Employment Issues

<aptitle)DISTRICT PROFILES

We visited 41 schools in 10 selected school districts that varied by location, size, and ethnic composition. During these visits, we observed facility conditions and interviewed district and local school officials to get information on facilities assessment, maintenance programs, resources, and barriers encountered in reaching facilities goals. We asked officials to show us examples of "best," "typical," and "worst" schools and verified the reliability of these designations with others. In some small districts, we visited all schools.

CHICAGO, ILLINOIS

----- Appendix I:1

OVERVIEW

----- Appendix I:1.1

Table I.1

Chicago, Illinois

□

ATTACHMENT H

School Facilities: States's Financial and Technical Support Varies
(U.S. Government Accounting Office, November 1995)

School Facilities: States' Financial and Technical Support Varies (Letter Report, 11/28/95, GAO/HEHS-96-27).

Pursuant to a congressional request, GAO examined the role of states in supporting school facilities improvements, focusing on: (1) state funding and technical assistance to local school districts; and (2) the extent to which states collect information on school building conditions.

GAO found that: (1) most states have a role in school facilities construction, renovation, and maintenance, and 13 states have established comprehensive facilities programs; (2) states provided \$3.5 billion for school facilities construction during fiscal year 1994; (3) state financial assistance for school facility construction ranged from \$6 per student to more than \$2,000 per student; (4) the number of staff devoted to providing facilities guidance and oversight varied, with most states having fewer than 6 full-time equivalent staff; (5) twenty-three states collected data on the condition of school buildings in their area, seventeen states collected data on building inventories, and 10 states collected no data on school facilities; and (6) some state officials believe that school facilities matters are primarily a local responsibility.

----- Indexing Terms -----

REPORTNUM: HEHS-96-27
TITLE: School Facilities: States' Financial and Technical Support Varies
DATE: 11/28/95
SUBJECT: Data collection operations
Educational facility construction
Facility maintenance
Facility repairs
State/local relations
Technical assistance
Intergovernmental fiscal relations
State budgets
Public schools
IDENTIFIER: Florida
New Hampshire
Kansas

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Report to Congressional Requesters

November 1995

SCHOOL FACILITIES - STATES'
FINANCIAL AND TECHNICAL SUPPORT
VARIES

GAO/HEHS-96-27

School Facilities: State Involvement

(104789)

Abbreviations

===== ABBREV

FTE - full-time equivalent
LEA - local education agency
SEA - state education agency

Letter

===== LETTER

B-259315

November 28, 1995

The Honorable Carol Moseley-Braun
The Honorable Edward M. Kennedy
The Honorable Claiborne Pell
The Honorable Paul Simon
The Honorable Paul Wellstone
United States Senate

This report is one in a series addressing your request for a
comprehensive review of the condition of America's school facilities.
We have already reported that school officials estimate that about

\$112 billion is needed to restore school facilities to good overall condition and that many schools cannot adequately support modern technology or accommodate instructional activities related to education reform.\1 The magnitude of this need has overwhelmed the resources of many local school districts and raised the question of whether, and to what degree, the nation's schools can look to the states to play a major role in addressing the need.

As part of this review, you asked us to examine the current role of states in supporting school facilities improvements. More specifically, you asked for information on what states are doing to provide funding and technical assistance and compliance review to school districts. In addition, you asked for information on the degree to which states collect and maintain information on the condition of school buildings. Table 1 outlines three areas of state involvement and the types of activities associated with each.

Table 1

Areas of State Involvement Reviewed by
GAO

Area of involvement	Types of activities
-----	-----
Funding	States provide funding for construction, renovation, or major maintenance of school facilities through grants or loans to pay for local construction costs or debt service.
Technical assistance and compliance review	States provide information and guidance on funding, construction requirements, planning, architectural matters, education specifications, and other facilities-related issues. States review architectural plans and other documents for conformance with fire and building codes, education program specifications, or other state requirements. (Education program specifications provide detailed requirements for school facility needs such as large-and small-group instruction and properly constructed and outfitted science laboratories.)
Data collection on condition of facilities	States conduct one-time studies of facilities conditions statewide. States maintain an ongoing system of regularly updated condition data or

revise data when districts apply for facilities funding.

Our report results are based primarily on information provided by each state's education agency (SEA) for state fiscal year 1994. We obtained the information through telephone interviews with SEA officials and supporting documentation provided by the agencies. Although in most states other agencies are also involved in at least some school facilities activities, exploring other agencies' activities was beyond the scope of this study. We conducted this study from October 1994 to September 1995 in accordance with generally accepted government auditing standards. We did not verify the information reported to us by state officials. (See app. I for a discussion of our methodology.)

\1 School Facilities: Condition of America's Schools (GAO/HEHS-95-61, Feb. 1, 1995) and School Facilities: America's Schools Not Designed or Equipped for 21st Century (GAO/HEHS-95-95, Apr. 4, 1995).

RESULTS IN BRIEF

----- Letter :1

While the construction of school buildings has traditionally been a local responsibility, nearly all states now have some role in school facilities construction, renovation, and major maintenance (hereafter referred to collectively as construction), and 13 states have established comprehensive facilities programs. As a group, states reported providing about \$3.5 billion for school facilities construction during fiscal year 1994.\2 However, states' involvement in facilities matters varied greatly. For example, state financial assistance for school facilities in the 40 states with ongoing assistance programs ranged from \$6 per student to more than \$2,000 per student. States' technical assistance and compliance review activities also varied greatly; the number of staff devoted to providing facilities guidance and oversight varied from fewer than 1 full-time equivalent (FTE) to 72, with most states having fewer than 6 FTE staff.

In addition, the amount and type of data that states collected and maintained on school facilities varied greatly. Twenty-three states reported collecting at least some data on the condition of school buildings, with 15 of those updating such data regularly. Seventeen states did not collect information on building condition but collected other types of facilities information such as building inventories. The remaining 10 states collected no facilities information at all or did so on an extremely limited basis.

Overall, the data on state involvement suggest that while most states are providing facilities support to school districts, many states do not currently play a major role in addressing school facilities

issues. However, states' philosophies vary on the appropriate level of state involvement in facilities matters. Officials in some states reported a long history of state assistance to local education agencies (LEA), while others reported that school facilities matters were primarily a local responsibility.

\2 Typically, states' fiscal years run from July 1 to June 30.

BACKGROUND

----- Letter :2

Traditionally, financing the construction of public schools has been a function of local government. Until the 1940s, only 12 states provided any financial assistance for school construction. State participation increased during the baby boom of the 1950s, when local communities needed classrooms and states had surplus revenues. Even with such increases, however, localities were mainly responsible for school facilities construction.

Beginning in the 1970s, litigation in many states highlighted disparities in school districts' ability to raise money for public education. Court decisions resulted in many states increasing funding levels and playing a larger role in lessening financial disparities between rich and poor districts. Although these decisions have pertained mainly to the state's role in providing for instruction rather than to a focus on buildings, the past 20 years have seen a general increase in state involvement with facilities-related matters. By 1991, state funding for school facilities totaled more than \$3 billion or about 20 percent of all funds used for public school construction.\3

Increasingly, the physical condition of school buildings has become a concern in school finance litigation. In 1994, for example, the Arizona Supreme Court found the state's school funding system unconstitutional on the basis of disparities in the condition of its schools. Also, court challenges in Texas and Ohio have focused on inequities in districts' abilities to make capital expenditures and the importance of suitable facilities for a constitutionally acceptable education system. School finance experts expect disparities in facilities to be a continued aspect of litigation. Meanwhile, states face pressure from other rising budget expenditures, such as for health care and prisons.\4

\3 Honeyman, David S., "Finances and the Problems of America's School Buildings," The Clearing House, November/December 1994, p. 95.

\4 See School Finance: Trends in U.S. Education Spending (GAO/HEHS-95-235, Sept. 15, 1995).

NEARLY ALL STATES INVOLVED,
SEVERAL COMPREHENSIVELY

----- Letter :3

Forty-eight states reported participating in at least one of the three areas of state involvement in school facilities that we identified. State involvement ranged from participation in all three areas to participation in just one or none of the areas. (State-by-state involvement as reported by SEAs is summarized in app. II, table II.1.) In all,

40 states reported providing ongoing facilities funding,

44 states reported participating in technical assistance or compliance review activities, and

23 states reported collecting and maintaining information about the condition of school facilities. (See fig. 1.)

Figure 1: Number of States
Providing Funding and Technical
Assistance and Compliance
Review and Maintaining Data on
the Condition of Facilities

(See figure in printed
edition.)

We characterized 13 states as having comprehensive facilities programs: Alabama, Alaska, Florida, Georgia, Hawaii, Kentucky, Maryland, Massachusetts, Minnesota, North Carolina, Ohio, South Carolina, and West Virginia. Our review of state programs addressed the extent of state involvement and did not evaluate program effectiveness. We considered programs comprehensive if they had a facilities program framework in place that provided ongoing funding, conducted a variety of technical assistance and compliance review activities, maintained current information on the condition of school buildings statewide, and had one or more FTE staff working on facilities matters. Although a total of 19 SEAs reported activities in all three areas, for some states the level of activity reported in at least one of these areas was limited in some way. For example, Pennsylvania participated in all three areas, including collecting information on the condition of facilities; however, officials reported that the information was updated only when a LEA applied for project funding. Since the interval between these updates may be as much as 20 years, the information maintained by the state may be out of date.

Kentucky is an example of a state we characterized as having a comprehensive program. A facilities official reported that the SEA Division of Facilities Management provided guidance to LEAs in implementing locally developed 4-year facility plans that included detailed information on the condition of school buildings. Eight

professional staff and three support staff provided the LEAs with information and guidance throughout the planning, budgeting, and building of school facilities. Staff also reviewed building plans for compliance with education specifications. The state had three funding assistance programs and reported providing about \$66 million in state financial assistance for facilities in state fiscal year 1994--mostly through a \$100 per student capital outlay allotment paid as part of the state foundation funding.\5 The SEA reviewed all major LEA construction and renovation projects, whether or not state funding was used.

Another 21 states reported activities in two of the three areas. Most of them provided funding and technical assistance and compliance review but did not collect and maintain information on the condition of school facilities. For example, an Indiana official reported that the state provided funding through three programs, and the SEA staff reviewed architectural plans for compliance with state education administrative codes and advised local officials on funding and other processes related to facilities planning and construction.

Eight states reported participation in just one area. For example, an Illinois official reported that while the state did not have an ongoing funding program or collect condition data, the SEA facilities staff did provide technical assistance and compliance review for certain locally funded projects to correct life/safety code violations.

Along with the variation among states in facilities activities and level of involvement, we also found differences in state views and traditions on the extent of the state role in providing facilities assistance. Several states reported many years of providing funding, illustrating the view that states have a role in school facilities assistance. Officials in other states expressed the view that school facilities matters are the responsibility of the local districts.

\5 Foundation programs establish a minimum level of expenditure per pupil that is guaranteed by the state. A state may fully fund the foundation or may require each district to contribute a local share.

MOST STATES PROVIDED FACILITIES
FINANCIAL ASSISTANCE, THOUGH
LEVELS VARIED

----- Letter :4

A total of 40 states reported providing ongoing financial assistance to local districts for the construction of public elementary and secondary schools.\6 Collectively, these states reported providing an estimated \$3.5 billion in grants and loans for school facilities construction in state fiscal year 1994. Ten states reported no regular, ongoing programs to assist districts with construction costs, although some of these had recently provided one-time

appropriations for facilities or considered proposals for funding school construction.

While most states reported providing financial assistance for school construction, funding levels varied widely. On a per pupil basis, state funding provided in fiscal year 1994 ranged from a high of \$2,254 per student in Alaska to a low of \$6 per student in Montana (see table 2). The median amount of assistance provided per student was about \$104.\7

With the exception of Hawaii\8 and Alaska, which provided full or nearly full state support for school construction, all states provided less than \$300 per student. Eight states--Arkansas, Indiana, Michigan, Minnesota, North Dakota, Ohio, Utah, and Virginia--reported providing at least some portion of their assistance in the form of loans to districts.

Table 2

Amount of State Aid Provided for School
Facilities Construction in State Fiscal
Year 1994 for States With Ongoing
Funding Programs

State	State funding for grants and loans	State funding per pupil
Alaska\8	\$273,956,043	\$2,254
Hawaii\8	133,088,000	740
Florida	579,182,541	290
Connecticut	137,541,140	281
Delaware	29,373,300	275
Maine	43,500,000	203
North Carolina	219,506,574	195
Massachusetts	170,000,000	193
New York	451,000,000	167
Vermont	16,400,000	163
Indiana	149,863,628	155
Minnesota	122,900,000	153
Washington	137,600,000	150
Georgia	151,170,000	123
Rhode Island	17,008,435	117
Maryland	87,000,000	113
Pennsylvania	184,000,000	105
Colorado	65,656,512	105
Virginia	108,800,000	104
Kentucky	66,380,260	104
New Mexico	28,763,442	93
New Hampshire	15,327,295	84
Wyoming	8,000,000	80
Mississippi	36,000,000	72

New Jersey	69,945,000	61
North Dakota	5,660,000	48
South Carolina	25,807,048	41
Ohio	68,600,000	38
Idaho	7,015,342	30
Utah	9,612,055	21
Kansas	7,000,000	16
Alabama	9,790,992	14
Michigan	20,227,052	13
Arkansas	4,764,506	11
California	52,000,000\c	10
Montana	1,000,000	6
West Virginia	0\d	0
Tennessee	not provided	not provided
Arizona	unknown\c	unknown\c
Wisconsin	unknown\c	unknown\c

Note: Ten states had no regular, ongoing program to assist districts with capital construction costs. These states--Illinois, Iowa, Louisiana, Missouri, Nebraska, Nevada, Oklahoma, Oregon, South Dakota, and Texas--are not included in the table.

\a In Alaska, officials reported that the state has typically provided a high level of support for school construction since the 1980s. In fiscal year 1994, state funds accounted for 93 percent of school construction funding.

\b Hawaii's schools are uniquely organized as a single state system with no individual local districts; thus, school construction in Hawaii is entirely state funded, and the amount shown reflects total funding for school facilities.

\c California has historically issued bonds every 2 years for school construction. The last bonds passed in 1992 totaled \$2.8 billion. State officials reported that bond sales scheduled for 1994 did not succeed. The amount shown represents funding for the Deferred Maintenance program, which does not depend on state bond sales.

\d West Virginia provides financial assistance for school construction but provided none in fiscal year 1994, according to the state official we interviewed.

\e Reported by state officials as unknown.

The following descriptions of funding programs in three states provide more context for the amount of state aid provided for school facilities.

Florida has eight programs to aid school facilities: Florida has provided financial assistance for school facilities construction since 1947. Its eight funding programs for facilities assistance are funded from gross receipts from utility taxes and motor vehicle licensing tax revenues. Two programs are based on district enrollment growth relative to enrollment growth

In New Hampshire, facilities aid is linked to LEA consolidation: New Hampshire reimburses local districts for a percentage of their construction debt. The state contribution ranges from 30 to 55 percent and favors districts that have consolidated. Districts can receive an extra 20 percent for portions of projects attributable to the construction of kindergartens. (New Hampshire is the only state without mandatory kindergarten.) The state reimburses districts over a minimum of 5 years or the longest period of time required by the funding instruments used by the district.

Not only do funding levels vary among states in any 1 year, but construction funding can vary dramatically within states from year to year, making it difficult to capture the complete picture of state support in one snapshot. Some states supplement their regular construction funding programs from time to time with additional monies for school facilities construction. For example, a state official in New Jersey reported that in fiscal year 1993 the state made a one-time appropriation of \$250 million to address health and life/safety needs in schools in addition to the regular facilities funding provided that year. In several states where we obtained data for multiple years, construction funding reported by officials increased or decreased more than 50 percent between fiscal years 1993 and 1994. These fluctuations can reflect such circumstances as changes in school construction needs or in the availability of state funding.

04 99/02 11 44 03

When we asked states whether they had any information about unmet needs for construction funding, officials from several states noted instances of facilities needs outstripping available state resources. For example, a state official in Alaska reported that in fiscal year 1994 local districts submitted requests for funding totaling \$880 million for a grant program that received an appropriation of \$171 million. Similarly, a state official from Wyoming noted that district requests for funding totaled \$42 million in fiscal year 1995, although the state had only \$13.5 million available. In contrast, officials from two states commented that they had no backlog in requests for funding.

\7 Data for the amount of financial assistance provided are reported by state officials and do not account for any differences in construction costs among states.

\8 Hawaii's schools are uniquely organized as a single state system with no individual local districts; thus, school construction in Hawaii is entirely state funded, and the amount shown reflects total funding for school facilities. In Alaska, officials reported that the state has typically provided a high level of support for school construction since the 1980s. In fiscal year 1994, state funds accounted for 93 percent of school construction funding.

ALTHOUGH STATE FUNDING
PROGRAMS VARIED, SOME
FEATURES WERE COMMON

Letter :4.1

States reported using a variety of mechanisms to allocate funding for facilities, and many reported having multiple programs. Some programs provided assistance to districts requesting aid for specific construction projects; others provided each district with a fixed amount of funding per student or a proportion of available funding based on such factors as a district's facility needs relative to facility needs statewide.

Delaware exemplifies how programs can vary within a state. An official reported three funding programs: one focused on major capital projects that provides funds on a project-by-project basis accounting for district ability to pay, a second program for scheduled maintenance and repairs that distributes available funding to districts on the basis of enrollment and requires a local match, and a third program for unscheduled repairs that uses a flat rate formula including factors of building age and enrollment.

While states reported using various ways to distribute funds, we found common features among the programs:

Most states reported prioritizing funding toward districts with less ability to pay. While states reported using a variety of ways to prioritize which districts receive funding and how much they receive, most reported considering district ability to pay in awarding some portion of assistance. Of the 41 states providing construction funding, 34 reported programs that gave some weight to ability to pay, either through eligibility criteria, allocation formulas, or prioritization criteria. For example, Montana has restricted its debt service subsidy program to districts whose taxable property wealth per pupil was less than the statewide average. Maryland reported providing districts with a percentage of approved project costs that ranged from 50 to 80 percent, depending on ability to pay. States varied, however, in the degree to which they considered district wealth. For example, officials in North Carolina reported four funding programs, one of which targeted assistance to poorer districts with critical facility needs. In New York, all construction funding has been provided through one program that considered district wealth in providing a percentage of approved project costs. In addition to ability to pay, other funding prioritization factors that state officials reported using included enrollment growth and facility overcrowding, physical condition of buildings, and whether districts had consolidated.

Most states reported providing aid as grants rather than loans. Only 8 of the 40 states reported providing any assistance for school facilities in the form of loans to local districts.

Most states reported providing facilities funding through state budget appropriations. A total of 19 of the 41 states reported providing at least a portion of construction funding through state budget appropriations. Another often used source of funding was state bonds. A few states also reported using special revenue sources dedicated to school construction. For example, Wyoming reported using mineral royalties from school-owned lands to support its capital construction grant program.

Most states reported providing no assistance for preventive or routine maintenance through their construction funding programs. Officials typically described state programs as providing

assistance for the construction and renovation of school buildings. While many states also reported funding major maintenance projects, such as roof replacements, most said they did not provide assistance for routine or preventive maintenance.

OVER THREE-FOURTHS OF THE
STATES CONDUCTED TECHNICAL
ASSISTANCE OR COMPLIANCE REVIEW
ACTIVITIES

----- Letter :5

Forty-four states reported providing technical assistance to LEAs for facilities or reviewing facilities projects for compliance with state requirements. (See app. II, table II.2.) Although technical assistance and compliance review activities tended to be similar among states, the level of involvement varied considerably as did the number of staff devoted to the efforts. As we conducted our study, we also found that agencies other than the SEA had at least some responsibility for school facilities. However, pursuing information about activities in these other agencies was beyond the scope of this study, and we focused mainly on the activities and staffing levels at the SEAs.

SEAS' LEVELS OF TECHNICAL
ASSISTANCE AND COMPLIANCE
REVIEW ACTIVITY VARIED

----- Letter :5.1

A total of 44 states reported providing technical assistance to LEAs--specifically, information or guidance on facilities regulations, planning, construction, or maintenance. Technical assistance was typically furnished by phone, through publications and manuals, at meetings between SEA and LEA representatives, or through workshops and formal training. The assistance in some states was limited to answering a few LEA questions and in others it also included guidance on needs assessments and long-range plans; building design; hazardous materials; engineering, legal, and architectural matters; among other subjects.

We found considerable variance in the levels of technical assistance provided. Some states provided a limited level of technical assistance. For example, Montana's SEA reported providing information--but not training--on regulations, requirements, and other facility guidelines. Oregon reported providing guidance only on asbestos removal regulations and processes, including sponsoring a yearly training class. Other SEAs were more involved in technical assistance activities. For example, a Maryland SEA official reported that its facilities staff spent a large portion of their time in the field working with local committees to plan and design school buildings. They conferred with architects on school design; presented training for school board officials, engineers, architects,

and school custodial staff; and provided a variety of facilities issues publications to LEAs.

A total of 37 states also reported compliance review activities relative to building and fire codes, state education specifications, or other state regulations. Compliance review activities were fairly standard among states, consisting primarily of reviewing project architectural plans to ensure that they conform to regulations and requirements. Over two-thirds of the 50 states reported overseeing compliance with education specifications or other state regulations associated with facilities, while nearly one-third reported reviewing plans for building or fire code compliance.

Although states' compliance review activities were fairly standard, their levels of involvement varied. For example, Ohio officials reported that the facilities unit reviewed architectural plans for conformance with education standards but did little compliance enforcement. In contrast, Connecticut officials reported that the SEA facilities unit reviewed plans for compliance with several codes, including state building, life safety, and health codes, as well as federal health, safety, and accessibility requirements. Approval of the facilities unit was required for a project to receive state aid.

SEA FACILITIES STAFFS TENDED
TO BE SMALL, AND SOME SEAS
SHARED RESPONSIBILITIES WITH
OTHER AGENCIES

----- Letter :5.2

Of the 44 states providing technical assistance or compliance review, a total of 28 reported SEA staffs with fewer than six FTE employees involved in facilities-related work--including 12 states with one FTE or fewer (see fig. 2). SEA facilities staffing levels in the 44 states ranged from .02 to 72 FTEs. (See app. II, table II.2.) Officials reported that facilities staff expertise may include finance, education specifications, building codes, and plans checking. Some reported architects, engineers, or attorneys on staff.

Figure 2: SEA Staffing Levels
for States With Technical
Assistance and Compliance
Review Activities

(See figure in printed
edition.)

In many states, SEA officials told us that other state agencies were involved to at least some extent in school facilities activities--in particular, compliance activities. For example, most states reported that the State Fire Marshal had school facilities responsibilities, often related to code compliance or building inspection. Other state agencies frequently mentioned by officials as having facilities

responsibilities included departments of health, labor, and environment. In three states--California, Hawaii, and Maryland--major facilities responsibilities were shared among the SEA and other agencies. For example, in California, staff in two divisions of the Department of General Services as well as the SEA played major roles. Finally, in two states--South Dakota and West Virginia--the major school facilities activities were handled outside the SEA. For example, in South Dakota, all facilities responsibility was transferred to the State Fire Marshal's Office by legislation passed in 1994.

Facility staffing levels are changing in some states. Several SEAs reported proposed or enacted reductions in facilities staff or facilities responsibilities. For example, in Maine, since a 1991 recession, facilities unit FTEs have been reduced from three to one professional staff as part of a general reduction in the size of the SEA. More recently, Florida has reduced its facilities unit staffing by 75 percent and New York by 25 percent for fiscal year 1996. On the other hand, two SEAs reported that they hope to increase their facilities units by one or two staff.

ALMOST HALF OF THE STATES
MAINTAINED INFORMATION ON THE
CONDITION OF SCHOOL FACILITIES

----- Letter :6

Fewer states reported collecting and maintaining current information on the condition of school buildings compared with the number of states providing financial or technical assistance and compliance review for facilities. We considered states to collect such data if the information documented the condition of individual schools and was collected or at least updated in the last 5 years.

A total of 23 states reported maintaining information on the condition of school buildings (see fig. 3). Of these, 15 states reported collecting facility condition data on a regular, ongoing basis, updating their information annually or every few years. The remaining eight states reported conducting a one-time study of the condition of their facilities sometime in the last 5 years.

Figure 3: Facilities
Information Maintained by
States

(See figure in printed
edition.)

Seventeen states reported maintaining other types of information on their facilities that was not specifically related to building condition. In many cases this information was an inventory of school buildings, which often included such data as the number of buildings, their age and size, and building use. Other types of facility information that states collected included data on the total

interest in developing an inventory of their school buildings or updating their present inventories. Many states were also interested in starting to gather building condition information or updating condition information collected earlier. In addition to gathering more data, officials in many states expressed an interest in automating more of the information they collect. For example, officials in several states hoped to make data collection from local districts more interactive using computers. Two state officials expressed interest in computerizing architectural plans.

On the other hand, officials in several states believed their current level of data collection was sufficient. In six states that collected relatively little facilities data, officials said they did not want to gather any additional information, and a few said the information they had was adequate for the scope of their state's program. For example, in Rhode Island, the state aid specialist said that as long as the state program remains locally oriented they require no further data. Officials in a few states said that they would have to increase their staff to collect or analyze more information and did not want to do this.

CONCLUSIONS

----- Letter :7

Although local governments have traditionally been responsible for facilities construction, renovation, and major maintenance, most SEAs have established a state presence in school facilities matters using a variety of approaches. However, states' levels of involvement varied: about one-fourth of them had programs that included ongoing funding assistance, a variety of technical assistance and compliance review activities, and data collection on the condition of facilities; 10 states were involved in one or none of the activities. Further, officials reported differing viewpoints and traditions on state involvement in facilities matters. Such variations in approach and philosophy among states illustrate the lack of consensus on the most appropriate and effective state role.

Today, state involvement in school facilities remains in flux. Because the physical condition of school buildings has become a concern in school finance equity litigation, experts expect disparities in facilities to be a continuing and pressing issue. States will likely be looked to for ways to lessen these disparities. State governments, however, face pressure from other rapidly rising budget expenditures--such as health care--that compete for the same limited funds.

AGENCY COMMENTS

----- Letter :8

The Department of Education reviewed a draft of this report and had no comments. In addition, we provided state-specific information to state officials for verification and incorporated their comments in

the text as appropriate.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days from the date of this letter. At that time, we will send copies to appropriate House and Senate Committees and all members, the Secretary of Education, and other interested parties.

Please contact me on (202) 512-7014 or my assistant director, Eleanor L. Johnson, on (202) 512-7209 if you or your staff have any questions. Major contributors to this report are listed in appendix III.

Sincerely yours,

Linda G. Morra
Director, Education and
Employment Issues

METHODOLOGY

===== Appendix I

To determine the extent to which states provided funding and technical assistance and compliance review for school facilities and maintained information on the condition of school buildings, we conducted telephone interviews with state officials responsible for school facilities in all 50 states. In nearly all cases, we spoke with staff at the state education agency (SEA) responsible for school facilities. In a few states, we also spoke with officials located in other state agencies extensively involved in school facilities. Where necessary, for clarification, we conducted follow-up telephone interviews. We supplemented this information with supporting documentation provided by state officials. All data were self-reported by state officials, and we did not verify their accuracy. We conducted our work between October 1994 and September 1995 in accordance with generally accepted government auditing standards.

The focus of our study was state fiscal year 1994. Typically, this covered the period from July 1, 1993, to June 30, 1994. We learned of changes in state programs that occurred after this time during follow-up interviews with state officials and included these when they suggested trends in changing levels of state involvement.

STATE-BY-STATE INFORMATION

===== Appendix II

STATES' INVOLVEMENT VARIED IN
THREE AREAS REVIEWED BY GAO

----- Appendix II:1

States' involvement in providing assistance for school facilities ranged widely (see table II.1). To illustrate, profiles of assistance provided in three states--Georgia, Maine, and Colorado--are presented following table II.1.

Table II.1

Overview of State Activities for School
Facilities

State	Ongoing funding program	Technical assistance or compliance	Data on facility condition
Alabama	x	x	x
Alaska	x	x	x
Arizona	x		x
Arkansas	x	x	
California	x	x	
Colorado	x		
Connecticut	x	x	
Delaware	x	x	
Florida	x	x	x
Georgia	x	x	x
Hawaii	x	x	x
Idaho	x	x	x
Illinois		x	
Indiana	x	x	
Iowa		x	
Kansas	x	x	
Kentucky	x	x	x
Louisiana			
Maine	x	x	
Maryland	x	x	x
Massachusetts	x	x	x
Michigan	x	x	
Minnesota	x	x	x
Mississippi	x	x	
Missouri		x	
Montana	x	x	
Nebraska			x
Nevada			
New Hampshire	x	x	
New Jersey	x	x	
New Mexico	x	x	
New York	x	x	
North Carolina	x	x	x
North Dakota	x	x	x
Ohio	x	x	x
Oklahoma		x	x
Oregon		x	

Pennsylvania	x	x	x
Rhode Island	x	x	x
South Carolina	x	x	x
South Dakota		x	
Tennessee	x		
Texas		x	x
Utah	x	x	
Vermont	x	x	
Virginia	x	x	
Washington	x	x	x
West Virginia	x	x	x
Wisconsin	x	x	
Wyoming	x	x	x

COLORADO--INVOLVED IN
FUNDING

----- Appendix II:1.1

Colorado requires that each local education agency (LEA) set aside \$202 per pupil of the state and local basic aid funding to be used for long-range capital needs such as new facilities, major renovations, land, school buses, or risk management purposes such as liability insurance or workers compensation. The funding cannot be used for debt service. The Colorado state education agency (SEA) has no staff assigned to facilities activities, and technical assistance is limited to answering a few questions during the year. Colorado does not routinely collect information on facilities; an official told us that measuring the condition of schools is considered a local issue.

MAINE--INVOLVED IN FUNDING
AND TECHNICAL ASSISTANCE

----- Appendix II:1.2

The Maine School Construction Program provides LEAs with about \$43.5 million in state fiscal year 1994 to pay debt service on capital construction bonds through the state's foundation funding. The amount received is based in part on the assessed valuation per student and on project priority criteria such as overcrowding. A staff of three in the Division of School Business Services spend part of their time overseeing the facilities funding program and providing information and assistance to LEAs throughout the funding and construction processes. The division works with LEAs in compliance with state education program guidelines and coordinates project review and approval among other agencies, such as the State Fire Marshal and the Bureau of General Services. The SEA does not currently gather information about the condition of buildings but hopes to conduct a survey of LEAs to gather descriptive information on their facilities.

GEORGIA--INVOLVED

Washington	7.00	A, C
Alaska	6.00	A, C
Minnesota	6.00	A, C
South Carolina	6.00	A, B, C
Maryland\	5.50	A, B, C
Alabama	5.00	A, C
Massachusetts	5.00	A, C
Indiana	4.00	A, C
Mississippi	4.00	A, B, C
New Mexico	4.00	A, C
South Dakota\	4.00	A, B
Virginia	4.00	A
Ohio	3.50	A, C
Arkansas	3.00	A, C
Oklahoma	3.00	A, B, C
Delaware	2.00	A
Missouri	2.00	A
Vermont	2.00	A, B, C
Maine	1.80	A, C
New Hampshire	1.62	A, C
Utah	1.25	A, C
Iowa	1.20	A, C
Kansas	1.00	A, B
North Dakota	1.00	A, B, C
Texas	1.00	A
Wisconsin	1.00	A
Wyoming	0.75	A, C
Idaho	0.74	A, C
Colorado	0.49	
Michigan	0.35	A
Nevada	0.25	
Rhode Island	0.25	A, C
Montana	0.10	A
Oregon	0.02	A, C
Arizona	0.00	
Louisiana	0.00	
Nebraska	0.00	
Tennessee	0.00	

KEY

A. Technical assistance includes providing information or guidance to LEAs on funding or construction issues using one or more of a variety of activities, including telephone consultations or site visits, attending district meetings, presenting training to district staff or those working on school construction projects, or publishing informational documents for district use.

B. Compliance review for building or fire codes includes reviewing architectural plans for conformance with building, mechanical, electrical, or related structural and life/safety codes.

C. Compliance review for education specifications or other state regulations includes reviewing architectural plans or other documents for conformance with state education specifications such as for the size and use of school building space. It also includes reviewing documents for conformance with other state requirements, such as the use of women- or minority-owned companies, or wages paid to school construction workers.

\a In addition to the SEA FTEs shown, officials report significant numbers of staff carrying out facilities activities in other state agencies. The number of additional FTEs located in other agencies in California is 188; Hawaii, 99; and in Maryland, 17.2.

\b FTEs shown are not situated in the SEA but are in other state agencies that have the primary responsibility for school facilities.

NEW YORK--INVOLVED IN MANY
TECHNICAL
ASSISTANCE/COMPLIANCE
ACTIVITIES

----- Appendix II:2.1

New York's SEA staff present workshops and publish newsletter articles on regulations and facilities planning as well as architectural, engineering, and legal issues. They also provide information to about 100 telephone callers per day. Staff review architectural plans for compliance with the building code and education specifications. They assess the need for projects, approve sites, enforce the state environmental review act, determine eligibility for state building aid and petroleum overcharge funds, issue building permits, and approve leases. The SEA oversees a fire inspection program that enforces building and fire codes for existing buildings through annual inspections conducted by LEA-hired inspectors. Staff certify completed projects for occupancy, provide on-call assistance for environmental hazard problems and are implementing a requirement for LEA comprehensive 5-year capital plans.

WASHINGTON--INVOLVED IN
TECHNICAL ASSISTANCE/
COMPLIANCE ACTIVITIES

----- Appendix II:2.2

Washington's SEA school facilities section staff provide information to local school districts on health and safety issues and ensure that state-assisted school construction projects comply with state law. The section provides assistance to school districts and other state and federal agencies by acting as an information clearinghouse.

WISCONSIN--INVOLVED IN
TECHNICAL ASSISTANCE

ACTIVITIES

----- Appendix II:2.3

Wisconsin's SEA staff provide assistance interpreting the building code and health and safety regulations--usually by telephone or sending documents by mail. The staff present occasional on-site workshops, referrals to other agencies, and assistance with LEA facilities plans.

NEARLY HALF OF THE STATES
MAINTAINED INFORMATION ON THE
CONDITION OF SCHOOL FACILITIES

----- Appendix II:3

Nearly half of the states maintained information on the condition of school facilities. Some collected it on an ongoing basis, while others had done a recent, one-time study. Most states maintained information on facilities other than condition. Only 10 states maintained extremely limited or no information on facilities. Table II.3 describes the extent of facilities information maintained by each state.

Table II.3

Extent of Facilities Information
Maintained by States

State	Ongoing	Recent one- time study	Maintain information c facilitie other tha conditic
Alabama	X		
Alaska	X\		
Arizona		X	
Arkansas			
California			
Colorado			
Connecticut			
Delaware			X\
Florida	X		
Georgia	X		
Hawaii	X		
Idaho		X	
Illinois			
Indiana			X\
Iowa			X\
Kansas			
Kentucky	X		

Louisiana			
Maine			
Maryland	X		
Massachusetts	X\		X\
Michigan			
Minnesota		X	
Mississippi			
Missouri			
Montana			
Nebraska		X	
Nevada			
New Hampshire			
New Jersey			
New Mexico			
New York			
North Carolina	X		
North Dakota	X		
Ohio		X	
Oklahoma	X		
Oregon			
Pennsylvania	X		
Rhode Island		X	
South Carolina		X	
South Dakota			
Tennessee			
Texas		X	
Utah			
Vermont			
Virginia			
Washington	X		
West Virginia	X		
Wisconsin			
Wyoming	X		

 \a Development of information system still in progress but data collection under way.

GAO CONTACTS AND STAFF

ACKNOWLEDGMENTS

===== Appendix III

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*** End of document. ***

ATTACHMENT I

**California's Statutes Concerning the State School Deferred Maintenance Fund
(California Education Code § 39618 through §39619.55)**

Discard Earlier Pocket Supplement

1997 POCKET SUPPLEMENT

ISSUED IN DECEMBER, 1996

COVERING LEGISLATION THROUGH
THE 1996 SESSION OF THE 1995-96 LEGISLATURE

DEERING'S EDUCATION CODE

ANNOTATED

OF THE STATE OF CALIFORNIA

§§ 35250-43999

Annotated and Indexed by the Publisher's Editorial Staff

Note—An updated analysis of the Education Code appears at the
beginning of the supplement to the first volume.

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Frequency of football equipment

January 1, 1998.

Editor's Notes under this article.

Contracts for repair of football

January 1, 1998.

Editor's Notes under this article.

indicate omissions.

[3 Ed C]

EDUCATION CODE

§ 39619.2

§ 39617. (Operative until January 1, 1998) Quality of football equipment; Certification requirement

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39618. (Operative until January 1, 1998) District deferred maintenance fund

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39618.5. (Operative until January 1, 1998) Transfer of excess local funds

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39619. Certification to and apportionment by State Allocation Board

(a) Whenever, in any given fiscal year, a school district has budgeted, exclusive of state matching funds and district funds previously matched pursuant to subdivision (b), in its deferred maintenance fund established pursuant to Section 39618 an amount equal to, or greater than, that amount the district expended from its general fund for major maintenance, repair, or modernization of existing school buildings, as specified in Section 39618, exclusive of categorical aid funds and any proceeds from the sale of district property which were expended for the purpose of the district deferred maintenance account, in either the 1978-79 or 1979-80 fiscal year, adjusted annually to the current fiscal year in conformance with the percentage change in the district revenue limit computed pursuant to Section 42237 or 42238, the Superintendent of Public Instruction shall so certify to the State Allocation Board.

(b) The State Allocation Board shall apportion, from the State School Deferred Maintenance Fund, to school districts an amount equal to one dollar (\$1) for each one dollar (\$1) of local funds up to a maximum of $\frac{1}{2}$ percent of the district's current-year revenue limit average daily attendance multiplied by the average, per unit of average daily attendance, of the total *expenditures of the total* general funds and adult education funds *for districts of similar size and type, as defined in subdivision (b) of Section 42238.4*, for the second prior fiscal year, exclusive of any amounts expended for capital outlay or debt service, to the extent of funds available pursuant to Chapter 24 (commencing with Section 17780) of Part 10.

(c) Notwithstanding subdivision (a), in order to be eligible to receive state aid pursuant to subdivision (b), no district shall be required to budget from local district funds an amount greater than $\frac{1}{2}$ percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total *expenditures and ending fund balances of the total* general funds and adult education funds *for districts of similar size and type, as defined in subdivision (b) of Section 42238.4* for the second prior fiscal year, exclusive of any amounts *expended* for capital outlay or debt service.

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998. Amended Stats 1996 ch 1158 § 5 (AB 2964), effective September 30, 1996.

Editor's Notes—The purported repeal of this section by Stats 1996 ch 277 was inoperative because of the amendment of the section by the later enacted Stats 1996 ch 1158. See Gov C § 9605.

§ 39619.2. (Operative until January 1, 1998) Requirements for deferred maintenance funding

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

[3 Ed C]

Beginning in 1992,
italics indicate changes or additions. * * * indicate omissions.

53

§ 39619.3. (Operative until January 1, 1998) Apportionment from State School Deferred Maintenance Fund

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39619.5. (Operative until January 1, 1998) Additional apportionments for districts with more than specified average daily attendance; Criteria for determining hardship

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39619.55. (Operative until January 1, 1998) Authorization to increase apportionment, waive repayment, or reduce apportionments upon determination of hardship

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39619.6. (Operative until January 1, 1998) Apportionment of funds for containment or removal of asbestos

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39619.9. (Operative until January 1, 1998) Asbestos Abatement Fund

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39620. (Operative until January 1, 1998) Approval of five year plan of maintenance needs of district; Expenditure of funds to conform with plan

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

§ 39621. (Operative until January 1, 1998) Moneys available to Director of General Services

Repealed Stats 1996 ch 277 § 6 (SB 1562), operative January 1, 1998.

Editor's Notes—For operative date of Stats 1996 ch 277, see Editor's Notes under this article.

ARTICLE 2

(First of two; Operative until January 1, 1998) Duties of District Clerks

Editor's Notes—In Stats 1996 ch 277 section 17 the Legislature provided, "Any section of any act enacted by the Legislature during the 1996 calendar year prior to the enactment of this act, that amends, amends and rennumbers, adds, repeals and adds, or repeals a section, article, chapter, or part, that is amended, amended and renumbered, added, repealed and added, or repealed by this act, shall prevail over this act until January 1, 1998, at which time Sections 1 to 16 of this act shall become operative." We have been informed that the legislative intent was that all changes made by ch 277 should become operative January 1, 1998.

Editor's Notes—There is another Ed C Part 23 Chapter 4 Article 2, added by Stats 1996 ch 277 § 5, operative January 1, 1998, consisting of §§ 38130-38139. The second Part 23 immediately follows this Part 23.

§ 39630. (C)

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§ 39643. (C Department

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DEERING'S CALIFORNIA CODE

EDUCATION CODE

Annotated

OF THE STATE OF CALIFORNIA

Adopted September 17, 1976
with amendments through the 1994
Session of the 1993-94 Legislature

§§ 35251 to 43999

Annotated and Indexed by
The Publisher's Editorial Staff

1995

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§ 39617

SCHOOL FACILITIES

This section shall not be construed as relieving school districts from the duty of maintaining football protective equipment in a safe and serviceable condition.

Added Stats 1977 ch 36 § 449, effective April 29, 1977, operative April 30, 1977. Amended Stats 1987 ch 917 § 11.

Amendments:

1987 Amendment: Amended subd (b) by (1) substituting "unless the" for "after the commencement of the 1980-81 school year, unless such" after "interscholastic football"; and (2) deleting "Department of Education. In determining the suitability of equipment for certification the department may accept the certification of the" before "National Operating".

Collateral References:

Cal Jur 3d Schools § 187.

§ 39618. District deferred maintenance fund

(a) The governing board of each school district may establish a restricted fund to be known as the "district deferred maintenance fund" for the purpose of major repair or replacement of plumbing, heating, air conditioning, electrical, roofing, and floor systems, the exterior and interior painting of school buildings, the inspection, sampling, and analysis of building materials to determine the presence of asbestos-containing materials, the encapsulation or removal of asbestos-containing materials, and any other items of maintenance approved by the State Allocation Board. Funds deposited in the district deferred maintenance fund may be received from any source whatsoever, and shall be accounted for separately from all other funds and accounts and retained in the district deferred maintenance fund for purposes of this section.

(b) Funds deposited in the district deferred maintenance fund shall only be expended for maintenance purposes as provided pursuant to subdivision (a).

(c) The governing board of each school district shall have complete control over the funds and earnings of funds once deposited in the district deferred maintenance fund, provided that no funds deposited in the district deferred maintenance fund pursuant to subdivision (a) or (b) of Section 39619 may be expended by the governing board for any purpose except those specified in subdivision (a) of this section.

Added Stats 1979 ch 282 § 18, effective July 24, 1979, operative July 1, 1980. Amended Stats 1980 ch 40 § 2, effective March 14, 1980; Stats 1981 ch 371 § 2; Stats 1984 ch 1751 § 1, effective September 30, 1984.

Amendments:

1980 Amendment: Substituted (1) "a restricted fund" for "an account"; (2) "fund" for "account" in the general fund of the district" after "deferred maintenance" in the first sentence of subd (a); and (3) "fund" for "account" after "deferred maintenance" wherever it appears in the second sentence of subd (a) and in subds (b) and (c).

1981 Amendment: Amended subd (a) by substituting (1) the comma after "floor

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systems" for "and"; and (2) "encapsulation or replacement of asbestos materials, and" for "or".

1984 Amendment: Amended subd (a) by (1) adding "the inspection, sampling, and analysis of building materials to determine the presence of asbestos-containing materials,"; and (2) substituting "asbestos-containing materials, and any other items of maintenance" for "asbestos materials, and such other items of maintenance as may be".

Cross References:

Ineligibility for funding or other assistance: Ed C § 39363.2.

Repayment of county or city loans for removal of asbestos-derived materials: Gov C §§ 23010.4, 37116.

Developer fees for construction or reconstruction of school facilities: Gov C § 53080.

§ 39618.5. Transfer of excess local funds

Notwithstanding Section 39618, whenever the state funds provided pursuant to Sections 39619 and 39619.2 are insufficient to fully match the local funds deposited in the deferred maintenance fund, the governing board of each school district may transfer the excess local funds deposited in that fund to any other expenditure classifications in other funds of the district. A resolution providing for the transfer shall be approved by a two-thirds vote of the governing board members and filed with the county superintendent of schools and the county auditor.

Added Stats 1987 ch 917 § 11.5.

§ 39619. Certification to and apportionment by State Allocation Board

(a) Whenever, in any given fiscal year, a school district has budgeted, exclusive of state matching funds and district funds previously matched pursuant to subdivision (b), in its deferred maintenance fund established pursuant to Section 39618 an amount equal to, or greater than, that amount the district expended from its general fund for major maintenance, repair, or modernization of existing school buildings, as specified in Section 39618, exclusive of categorical aid funds and any proceeds from the sale of district property which were expended for the purpose of the district deferred maintenance account, in either the 1978-79 or 1979-80 fiscal year, adjusted annually to the current fiscal year in conformance with the percentage change in the district revenue limit computed pursuant to Section 42237 or 42238, the Superintendent of Public Instruction shall so certify to the State Allocation Board.

(b) The State Allocation Board shall apportion, from the State School Deferred Maintenance Fund, to school districts an amount equal to one dollar (\$1) for each one dollar (\$1) of local funds up to a maximum of $\frac{1}{2}$ percent of the district's current-year revenue limit average daily attendance multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4, for the prior fiscal year, exclusive of any amounts budgeted for capital

outlay or debt service, to the extent of funds available pursuant to Chapter 24 (commencing with Section 17780) of Part 10.

(c) Notwithstanding subdivision (a), in order to be eligible to receive state aid pursuant to subdivision (b), no district shall be required to budget from local district funds an amount greater than $\frac{1}{2}$ percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4 for the prior fiscal year, exclusive of any amounts budgeted for capital outlay or debt service.

Added Stats 1979 ch 282 § 19, effective July 24, 1979, operative July 1, 1980. Amended Stats 1980 ch 40 § 3, effective March 14, 1980, ch 1354 § 37.3, effective September 30, 1980; Stats 1981 ch 649 § 5, ch 1093 § 3; Stats 1982 ch 525 § 1; Stats 1983 ch 753 § 1; Stats 1989 ch 82 § 5, effective June 30, 1989, ch 83 § 5, effective June 30, 1989.

Amendments:

1980 Amendment: (1) Substituted subd (a) for the former subd (a) which read: "(a) Whenever a school district has deposited in its deferred maintenance account established pursuant to Section 39618 an amount equal to or greater than that prescribed by this section, and such district's total expenditures and accounts payable for maintenance, repair, or modernization of existing school buildings, as specified in Section 39618, are at least as great as in the previous fiscal year, adjusted in conformance with the percentage change in the Consumer Price Index—All Items, of the Bureau of Labor Statistics of the United States Department of Labor, for that fiscal year, the Superintendent of Public Instruction shall so certify to the State Allocation Board."; and (2) deleted "in accordance with the greatest need as reflected in the maintenance plans required by Section 39620" at the end of subd (b). (As amended by Stats 1980, ch 1354, compared to the section as it read prior to 1980. This section was also amended by an earlier chapter, ch 40. See Gov C § 9605.)

1981 Amendment: (1) Substituted "Section 42237 or 42238" for "subdivision (f) of Section 42238" and subd (a); and (2) added "and adult education funds" before "budgeted by the" and "of Part 10" in subd (b). (As amended by Stats 1981, ch 1093, compared to the section as it read prior to 1981. This section was also amended by an earlier chapter, ch 649. See Gov C § 9605.)

1982 Amendment: Amended subd (a) by adding (1) ", in any given fiscal year," after "Whenever"; and (2) "and any proceeds from the sale of district property which were expended for the purpose of the district deferred maintenance account" after "categorical aid funds".

1983 Amendment: Added subd (c).

1989 Amendment: (1) Added "district's current-year revenue limit average daily attendance multiplied by the average, per unit of average daily attendance, of the" in subds (b) and (c); (2) substituted "districts of similar size and type, as defined in Section 42238.4, for the prior" for "the district for the" in subds (b) and (c); and (3) added the comma after "subdivision (b)" in subd (c). (As amended Stats 1989, ch 83, compared to the section as it read prior to 1989. This section was also amended by an earlier chapter, ch 82. See Gov C § 9605.)

Editor's Notes—For application of constitutional provision on school funds, see Note following Ed C § 41200.

§ 39619.2. Requirements for deferred maintenance funding

(a) School districts may submit applications to the State Allocation Board for deferred maintenance funding in addition to the amounts

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Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

outlay or debt service, to the extent of funds available pursuant to Chapter 24 (commencing with Section 17780) of Part 10.

(c) Notwithstanding subdivision (a), in order to be eligible to receive state aid pursuant to subdivision (b), no district shall be required to budget from local district funds an amount greater than $\frac{1}{2}$ percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4 for the prior fiscal year, exclusive of any amounts budgeted for capital outlay or debt service.

Added Stats 1979 ch 282 § 19, effective July 24, 1979, operative July 1, 1980. Amended Stats 1980 ch 40 § 3, effective March 14, 1980, ch 1354 § 37.3, effective September 30, 1980; Stats 1981 ch 649 § 5, ch 1093 § 3; Stats 1982 ch 525 § 1; Stats 1983 ch 753 § 1; Stats 1989 ch 82 § 5, effective June 30, 1989, ch 83 § 5, effective June 30, 1989.

Amendments:

1980 Amendment: (1) Substituted subd (a) for the former subd (a) which read: "(a) Whenever a school district has deposited in its deferred maintenance account established pursuant to Section 39618 an amount equal to or greater than that prescribed by this section, and such district's total expenditures and accounts payable for maintenance, repair, or modernization of existing school buildings, as specified in Section 39618, are at least as great as in the previous fiscal year, adjusted in conformance with the percentage change in the Consumer Price Index—All Items, of the Bureau of Labor Statistics of the United States Department of Labor, for that fiscal year, the Superintendent of Public Instruction shall so certify to the State Allocation Board."; and (2) deleted "in accordance with the greatest need as reflected in the maintenance plans required by Section 39620" at the end of subd (b). (As amended by Stats 1980, ch 1354, compared to the section as it read prior to 1980. This section was also amended by an earlier chapter, ch 40. See Gov C § 9605.)

1981 Amendment: (1) Substituted "Section 42237 or 42238" for "subdivision (f) of Section 42238" and subd (a); and (2) added "and adult education funds" before "budgeted by the" and "of Part 10" in subd (b). (As amended by Stats 1981, ch 1093, compared to the section as it read prior to 1981. This section was also amended by an earlier chapter, ch 649. See Gov C § 9605.)

1982 Amendment: Amended subd (a) by adding (1) ", in any given fiscal year," after "Whenever"; and (2) "and any proceeds from the sale of district property which were expended for the purpose of the district deferred maintenance account" after "categorical aid funds".

1983 Amendment: Added subd (c).

1989 Amendment: (1) Added "district's current-year revenue limit average daily attendance multiplied by the average, per unit of average daily attendance, of the" in subds (b) and (c); (2) substituted "districts of similar size and type, as defined in Section 42238.4, for the prior" for "the district for the" in subds (b) and (c); and (3) added the comma after "subdivision (b)" in subd (c). (As amended Stats 1989, ch 83, compared to the section as it read prior to 1989. This section was also amended by an earlier chapter, ch 82. See Gov C § 9605.)

Editor's Notes—For application of constitutional provision on school funds, see Note following Ed C § 41200.

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specified in Section 39619. In order to be eligible for an additional apportionment, a school district shall do all of the following:

(1) Certify that if an additional apportionment is provided, the district will have matched the additional apportionment amount with an equal amount of district funds that have not been previously used as a match for state aid.

(2) Certify an additional claim of not greater than one-half of 1 percent of the district's current-year revenue limit average daily attendance, multiplied by the average, per unit of average daily attendance, of the total general funds and adult education funds budgeted by districts of similar size and type, as defined in Section 42238.4 for the prior fiscal year, excluding any amounts budgeted for capital outlay or debt service, but including adult education funds.

(3) Certify that any additional funds will be used to meet deferred maintenance identified in the district's five-year deferred maintenance plan.

(b) The State Allocation Board shall establish rules and regulations regarding the formulas used to apportion additional funds pursuant to this section.

(c) It is the intent of the Legislature that state funds for deferred maintenance be drawn first from excess bond repayments by school districts, revenues pursuant to subdivision (f) of Section 6217 of the Public Resources Code, and proceeds from existing general obligation bonds.

Added Stats 1986 ch 886 § 30. Amended Stats 1986 ch 888 § 5; Stats 1989 ch 82 § 6, effective June 30, 1989, ch 83 § 6, effective June 30, 1989.

Amendments:

1989 Amendment: (1) Added "district's current-year revenue limit average daily attendance multiplied by the average, per unit of average daily attendance, of the" in subds (b) and (c); and (2) substituted "districts of similar size and type, as defined in Section 42238.4, for the prior" for "the district for the" in subd (a)(2). (As amended Stats 1989, ch 83, compared to the section as it read prior to 1989. This section was also amended by an earlier chapter, ch 82. See Gov C § 9605.)

Editor's Notes—For application of constitutional provision on school funds, see Note following Ed C § 41200.

§ 39619.3. Apportionment from State School Deferred Maintenance Fund

Notwithstanding any limitations imposed as a result of actions taken by the State Allocation Board pursuant to Section 39363, a school district shall be eligible to receive an apportionment pursuant to subdivision (b) of Section 39619, if it meets all of the following criteria:

(a) There are excess revenues that resulted from the sale of surplus sites upon which there was no encumbrance to the board.

(b) The Superintendent of Public Instruction has verified all of the following:

§ 39619.55

SCHOOL FACILITIES

(c) Reduce state apportionments pursuant to Section 39619 in future years to offset the increased apportionment.

The State Allocation Board shall develop and adopt regulations for the application of subdivisions (a), (b), and (c). The regulations may give consideration to a school district's financial resources, ongoing deferred maintenance needs, and the nature of the project for which the hardship apportionment is requested.

The waiver authorized in subdivision (b) may be applied by the board to any repayment otherwise required by law, regardless of apportionment date.

Added Stats 1984 ch 1234 § 2. Amended Stats 1985 ch 759 § 2.

Amendments:

1985 Amendment: (1) Deleted former subd (a) which read:

"(a) Notwithstanding the limitations of Section 39619, the State Allocation Board shall each year reserve 5 percent of the funds transferred from any source to the State School Deferred Maintenance Fund for apportionments to school districts in instances of extreme hardship, if the district had less than 2,501 average daily attendance, excluding summer session attendance, in the prior fiscal year. The apportionment shall be in addition to the apportionments made pursuant to Section 39619.

"An extreme hardship shall exist in a school district when the State Allocation Board determines the existence of all of the following:

"(1) That the district has deposited in its deferred maintenance fund an amount equal to at least 0.5 percent of the total general funds budgeted by the district for the fiscal year, exclusive of any amounts budgeted for capital outlay or debt service.

"(2) That the district has a critical project in its five-year plan which if not completed in one year could result in serious damage to the remainder of the facility or would result in a serious hazard to the health and safety of the pupils attending the facility.

"(3) That the total funds deposited by the district and the state pursuant to Section 39619 are insufficient to complete the project"; (2) designated former subd (b) to be the first paragraph; (3) substituted "Section 39619.5" for "subdivision (a)" in the first paragraph; (4) redesignated former subds (b)(1)-(b)(3) to be subds (a)-(c); (5) added ", in whole or in part" in subd (b); (6) deleted ", unless the board has waived repayment pursuant to paragraph (2)" at the end of subd (c); and (7) added the second and third paragraphs.

§ 39619.6. Apportionment of funds for containment or removal of asbestos

The State Allocation Board shall develop board policies for the apportionment of funds appropriated for the containment or removal of asbestos materials in schools pursuant to Section 49410. The policies shall provide for the allocation of funds on a matching basis, or the board may determine, based on each application, to increase the allocation to any school district by the amount it determines is necessary to complete critical projects. In making policies pursuant to this section, the board may establish funding priorities based on a determination in each instance as to the imminence of the health hazard posed by the asbestos materials.

Added Stats 1984 ch 1751 § 2, effective September 30, 1984.

§ 39619.7. [§

Added Stats 1987, by its own removal of asbestos

§ 39619.8. [§

Added Stats 1987 (AB 2587). The removal of asbestos

§ 39619.9. A

The Asbestos Section 1334 fund are contribution Board and county

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§ 39620. Apportionment

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Amendments:

1980 Amendment

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Added Stats 1979

PROPERTY MAINTENANCE/CONTROL

§ 39621

§ 39619.7. [Section repealed 1987.]

Added Stats 1984 ch 1751 § 3, effective September 30, 1984. Repealed, operative January 1, 1987, by its own terms. The repealed section related to credit for funds spent for inspection or removal of asbestos.

§ 39619.8. [Section repealed 1994.]

Added Stats 1984 ch 1751 § 4, effective September 30, 1984. Repealed Stats 1994 ch 922 § 48 (AB 2587). The repealed section related to additional apportionment of funds for inspection or removal of asbestos.

§ 39619.9. Asbestos Abatement Fund

The Asbestos Abatement Fund is hereby created, and notwithstanding Section 13340 of the Government Code, all moneys deposited in this fund are continuously appropriated to be administered by the State Allocation Board for the purpose of making allocations to school districts and county offices of education pursuant to Sections 39619.6 and 49410.

Added Stats 1984 ch 1751 § 5, effective September 30, 1984.

§ 39620. Approval of five year plan of maintenance needs of district; Expenditure of funds to conform with plan

Each district desiring an apportionment pursuant to Section 39619 shall file with the State Allocation Board and receive approval of a five year plan of the maintenance needs of the district over such period. This plan may be amended from time to time. Any expenditure of funds from the district deferred maintenance fund shall conform to the plan approved by the State Allocation Board.

Added Stats 1979 ch 282 § 20, effective July 24, 1979, operative July 1, 1980. Amended Stats 1980 ch 40 § 5, effective March 14, 1980.

Amendments:

1980 Amendment: Substituted "fund" for "account" in the third sentence.

§ 39621. Moneys available to Director of General Services

From any moneys in the State School Deferred Maintenance Fund, the board shall make available to the Director of General Services such amounts as it determines necessary to provide the assistance, pursuant to this chapter, required by Section 15504 of the Government Code.

Added Stats 1979 ch 282 § 21, effective July 24, 1979, operative July 1, 1980.

LEGISLATIVE COMMITTEE ON GOVERNMENT
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