

SUBJECT: Cost allowances for construction of public school instructional facilities

COMMITTEE: Public Education — committee substitute recommended

VOTE: 7 ayes — Grusendorf, Oliveira, Branch, Delisi, Dutton, B. Keffer, Mowery

1 nay — Eissler

1 present not voting — Hochberg

2 absent — Dutton, Mowery

SENATE VOTE: On final passage, April 28 — 31-0, on Local and Uncontested Calendar

WITNESSES: No public hearing

BACKGROUND: Education Code, ch. 46, defines an instructional facility as real property, improvements, or fixtures used predominantly for teaching the foundation curriculum. Education Code, sec. 46.008, requires TEA to establish standards for adequacy of education facilities. The standards must include requirements for space, educational adequacy, and construction quality. All new facilities constructed after September 1, 1998, must meet the standards to be eligible to be financed with state or local tax funds.

The Instructional Facilities Allotment (IFA) is a competitive program that provides equalized state aid to help qualified school districts pay debt service for new instructional facilities, additions, and renovations. IFA recipients must match state aid with local taxes. Low-wealth districts generally receive priority for IFA funding.

DIGEST: CSSB 962 would amend Education Code, ch. 46, to require TEA to adopt rules by September 1, 2006, to establish a cost factor for the construction of new facilities based on allowable square footage requirements for instructional facilities, which would include each space or room, hallways and other spaces needed for circulation of students, and spaces for mechanical and electrical equipment and other support equipment. In developing square footage allowances and cost factors for new

facilities, TEA would have to consult with people who have significant experience in designing and constructing new facilities and represent a diverse spectrum of school districts and regions.

TEA would adopt rules to develop a regional cost index for new instructional facilities that accounted for differences in construction costs, materials, building systems, and environmental and climatic conditions in various regions of the state but could not include site acquisition and development costs. The rules would have to be updated quarterly. Each district would be assigned to a region.

School districts would not be entitled to IFA funding for any portion of the cost of constructing a new instructional facility that exceeded the cost allowance determined using the student capacity of the facility, the cost factor, and the appropriate regional cost index. A district could be exempted from the restriction on funding if it could demonstrate to TEA's satisfaction that extraordinary circumstances justified spending a greater amount on a new instructional facility. This portion of the bill would apply to school districts that received IFA funding after January 1, 2007.

The bill would amend Education Code, sec. 46.008, to eliminate the requirement that TEA's adequacy standards for facilities include requirements related to space and instead would prohibit the standards from including requirements related to space or square footage for all or part of a facility.

The bill would require the commissioner to adopt rules to establish a best practices program for the construction, replacement, renovation, or improvement of school facilities. This portion of the bill could not be construed in a manner that would impair or eliminate a bond guaranteed by the state.

The program would have to:

- include solicitation from districts on best practices;
- recognize districts that had achieved cost-effectiveness in construction and long-term maintenance;
- emphasize cost-effectiveness, energy efficiency, functionality, and replicability;
- be designed to encourage, without imposing requirements relating to specific criteria, school district consideration of best practices,

cost-effectiveness, projected enrollment, and the condition of the facility to be replaced; and

- include a process for local evaluation of the need for construction, acquisition, renovation, or improvement of a facility.

The bill would take effect September 1, 2005, and would apply to facilities constructed after that date.

**SUPPORTERS
SAY:**

SB 962 would establish standards and guidelines for the construction of instructional facilities to help school districts and the state contain costs. Currently, districts have no restrictions or guidelines for the facilities they choose to build, even though most of these facilities are built with state support through the backing of school bonds or through IFA funding. The bill would ensure that any facility built using state IFA funds did not exceed these state standards.

The state is reaching capacity for backing bond issuances and needs to establish guidelines and priorities so that scarce state dollars are used to fund direct instruction. The guidelines established in the bill would help school districts stay within the boundaries of state assistance and reduce development costs.

**OPPONENTS
SAY:**

SB 962 would require the state to impose overly restrictive guidelines on architects and other planners of school facilities. These decisions should be made locally, based on a variety of factors, including materials used, environment, and student needs.

The bill contradicts itself by first requiring TEA to establish square footage allowances, then prohibiting the agency from including space considerations in standards for adequacy of school facilities. If space is not required to be taken into account in the construction of school facilities, school districts strapped for funds would be free to build classrooms the size of broom closets in order to save money.

NOTES:

The committee substitute added the provisions eliminating space as a consideration in construction standards and requiring the adoption of best practices in the construction of school facilities.