

Good News: U.S. Cities and States Are Stepping up in 2022 to Address School Facility Deferred Maintenance

K-12 EDUCATION ASSET MANAGEMENT



Most of the literature on K-12 facility deferred maintenance, throughout the USA, appears to be substantively negative when it comes to the backlog of deferred maintenance at public schools. However, not all of the news is negative or pessimistic. This week, I wanted to find some good news to share with those who are subscribed to this bi-weekly newsletter.

State by state and city by city, there appears to be increasing levels of interest and action in addressing school facility condition in 2022. Most states appear to be sitting on approximately \$3 billion per state for K-12 funding from the Cares Act of 2020, the CRRS – Coronavirus Relief Supplemental Act, the American Rescue Plan, and the Infrastructure Bill. Funding from the CRRS Act needs to be used by Sept. 2023. Funding from the American Rescue Plan needs to be used by Sept. 2024.

As an example, in 2022, Alabama schools still have access to K-12 funding that includes:

1. \$435 Million from the Cares Act of March 2020

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2. \$899 Million from CRRS
3. \$2.02 Billion from the American Rescue Plan

In total, Alabama, like many other states has \$3.3 billion in funding to be used exclusively on schools. Almost all of this funding is for school services rather than infrastructure. Additional funding for electric busses and a variety of other educational services is available in the Infrastructure Bill. The problem is that very little of these federal funds, if any, are designated for facility construction or deferred maintenance. However, there is still good news for school facilities in 2022.

Good News: Cities and States are coming to the Rescue

The good news is that many states and cities are stepping in to specifically address school facilities. Highlights for 2022 school facility funding includes:

1. Detroit is proposing a 2022 budget of \$700 million for school facilities.
<https://www.facilitiesnet.com/educationalfacilities/tip/Detroit-School-District-Announces-700-Million-Plan-to-Upgrade-Buildings--49553>
2. Idaho is proposing a 7.1% general fund budget increase for Idaho state universities next year and a 4.8% increase for community colleges.
<https://idahobusinessreview.com/2022/02/14/all-idaho-children-deserve-safe-well-funded-school-facilities/>
3. Maryland is proposing a Healthy School Facility Fund for 2022 - The bill increases the mandated funding amount for the Healthy School Facility Fund from \$30 million to \$40 million in FY 2023 and 2024.
<https://www.mabe.org/priority-issues-capital-budget-school-construction-program-funding/#:~:text=This%20bill%20authorizes%20the%20Maryland,the%20State%2C%20including%20to%20support>
4. New Hampshire is proposing to add \$30 million into the school building aid fund: The school building aid fund, which was in moratorium for over a decade, will be infused with \$30 million for new projects. There were approximately \$250 million worth of projects proposed for the 2022-2023 biennium. <https://reachinghighernh.org/2021/06/25/lawmakers-pass-budget-with-significant-implications-for-public-education-in-new-hampshire/>
5. New Jersey is proposing a 2022 budget of \$400 million for college and university facilities as well as \$11.6 billion for K-12 facilities.
<https://www.nj.gov/governor/news/news/562021/20211116b.shtml>
6. Rhode Island is proposing a \$300-million bond for school construction and renovation that would go before voters on the 2022 ballot.

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States and large cities throughout the country appear to be increasingly aware of K-12 funding. This is a very positive step in the right direction for addressing the overwhelming backlog of school facility deferred maintenance. Claudia Persico, of Brown Center Chalkboard writes this poignant perspective on why facilities matter to our children and their families:

“Just as poor infrastructure negatively impacts students, facilities in good condition can promote an adequate learning environment. Researchers studied the effects of new infrastructure on educational achievement in Los Angeles, concluding that spending four years in a new school building is associated with increased math and English test scores. A study from Michigan examined bond referenda and found positive long-run effects of investments in school infrastructure on student reading proficiency levels.

Researchers from the Harvard School of Public Health recently reviewed this literature, writing: “There is overwhelming evidence for researchers, legislators, designers, parents, teachers, school districts, and community members to make compelling, fact-based arguments for elevating the role of the school building in the national conversation on education.”

America’s public investment in school infrastructure is lagging, and harming students as a result—especially in historically underserved areas. With schools overlooked in the recent infrastructure package and negotiations surrounding Biden’s Build Back Better plan stalled, it may be on local and state leaders—along with other stakeholders—to address these needs.” BROWN CENTER CHALKBOARD, Now is the time to invest in school infrastructure by Claudia Persico, Wednesday, May 19, 2021

Roth Integrated Asset Management

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