

## PART I

### SUMMARY OF FINDINGS

Significant Decline in Student Enrollment. Between 1970 and 1977, enrollment through the twelfth grade in California public schools dropped by 300,853 students. School facilities constructed to accommodate peak enrollment levels of earlier years now provide a capacity significantly in excess of what the state will need through at least the 1980's. Many school buildings are occupied by far fewer students than they were designed to accommodate. Such serious underutilization of facilities raises per-student operating cost and decreases fiscal efficiency.

This study was conducted to ascertain the effectiveness with which school districts are meeting the challenge of maintaining efficient facility utilization as enrollment declines. This study's findings and recommendations have been developed from a review of pertinent literature, an on-site survey of selected school districts, many consultations with a broad range of individuals knowledgeable about one or more aspects of facility use and two public hearings. (See appendices.)

Even though some professional journals and school administrator organizations projected decreased enrollment and warned of its potential effects on school operations as early as the mid 1960's, school districts generally have not acted to preserve efficiency in response to the decline. What actions have been taken have not been commensurate with the size and impact of the decline.

Four Factors Responsible for Inefficient Utilization. Four factors are primarily responsible for this failure to effect efficient facility utilization:

- 1) Many school district administrators lack the knowledge and managerial skills essential to effecting the economic use of facilities. State laws and the education profession have ensured that a background in education is a virtual prerequisite for becoming a district administrator. However, they have not also ensured that administrators obtain managerial training and experience of sufficient quality to enable them to perform their administrative role competently.
- 2) The State Department of Education has generally failed to provide leadership in promoting the economic administration of education. In particular, the Department has failed to provide leadership in the collection, dissemination and promotion of information regarding the methods and benefits of attaining efficient facility use in the face of declining enrollment.
- 3) Various state and federal legislative and court mandates require school districts to undertake programs or operating modes which are counter to optimum facility utilization.

- 4) Intense community opposition to the closure and reorganization of schools frequently results in district administrators and governing boards abandoning fiscal efficiency to mollify local political pressures.

These four factors are also basic components of an overall environment of education administration which inhibits minimization of the cost of providing a quality education.

Greater Utilization Economies Can Be Achieved. Facility utilization efficiency can be increased by several means. First, most seriously underutilized schools can be consolidated. Surplus schools can then be leased or sold, possibly returning to the property tax rolls. The marketability of surplus schools appears to be sorely underestimated. Their convertability to alternate uses can be very financially viable, but school districts generally have not explored this option.

Achieving increased utilization efficiency is not limited to entire surplus schools. Excess space within schools which are not to be completely closed can be consolidated. The consolidated space might then be closed off to reduce overhead costs such as utilities and custodial care. It is also feasible to lease surplus space within actively operating schools.

Proper use of year-round scheduling offers perhaps the greatest opportunity for reducing the cost of education through more efficient facility usage. Year-round can increase facility capacity by up to one third, reducing space needs commensurately. The currently limited use of year-round to achieve this end appears primarily to be a result of overly skeptical attitudes and a general reluctance to change, rather than any significant defects in the concept or its implementation.

School district reorganization and consolidation offer important potential for increasing facility utilization efficiency. Reorganization can provide more flexibility in setting school attendance boundaries which distribute students proportionately among existing facilities. In addition, consolidating districts could significantly reduce the unnecessary redundancy of administrative and support facilities perpetuated by the state's excessive number (1,043) of school districts.

Poor Maintenance Jeopardizes Multi-billion Dollar Investment. A disturbingly large proportion of the state's school facilities are in serious need of major maintenance work. As wage demands, mandated programs, inflation, and revenue controls pressure school district budgets, districts, more often than not, sacrifice attention to major maintenance expenditures to meet other budgetary demands.

Compounded by the poor management of district maintenance programs, and the relatively short time span during which more than half of the state's school facilities were constructed, this inattention has given rise to a statewide need for maintenance having an estimated cost in excess of \$740 million. Although some districts have done an exemplary job of keeping up their physical plant, the California Association of School Business Officials estimates that less than 5% of the state's school districts have adequately maintained the condition of their facilities. This situation jeopardizes an investment of billions of dollars in state, federal and local tax money.

The size alone of the statewide maintenance need poses a difficult problem for which no viable complete solution is readily apparent. However, at least a part of the solution for rectifying the maintenance problem may be found in improved facility utilization. By consolidating surplus facility space and either selling it or leasing it for a charge which covers its ongoing maintenance costs, a district can concentrate its maintenance funds on fewer facilities and more adequately meet its maintenance needs.

## PART II

### RECOMMENDATIONS

1. The State Department of Education should exercise a leadership role and promote the efficient utilization of school facilities. Specifically, the Department should:
  - A. Improve coordination between its Program and Administrative branches so that educational programs designed or administered by the Department will be analyzed and evaluated for their impact on facility use and need. (pp. 17-18)
  - B. Improve coordination within the Administrative branch by, for instance, consolidating the functions of the Bureau of School Facilities Planning within the Bureau of Management Services to ensure the inclusion of a facility element in the product of the management assistance teams. (pp. 15-16)
2. To identify the full administrative costs of implementation, the State Department of Education should be required to analyze all bills before the Legislature and all proposed Departmental administrative regulations which deal with the establishment or modification of programs administered by school districts. The analysis should seek to identify the costs of providing ancillary services and facilities for the program as well as the costs of the program's primary activity. This analysis should be required whether the program would be optional or mandatory. The analysis should be provided to the respective decision-making authorities before action is taken on the proposal. This analysis should be developed through close consultation with the relevant Departmental program and administrative units. (pp. 17-18)
3. In concert with the Association of California School Administrators and The California Association of School Business Officials, the State Department of Education should:
  - A. Explore the potential market for surplus school facilities and sites. (p. 23)
  - B. Review all legal opportunities and constraints concerning the use and disposition of school facilities and sites, and seek to clarify any uncertainties or ambiguities in the law. (pp. 23-24)
  - C. Produce and widely disseminate a comprehensive facility utilization manual which would include thorough information regarding:
    - i) How to prepare a facilities utilization plan based upon enrollment projections and regular assessments of the district's needs which will serve an ongoing function as a management tool. (pp. 11-13)

- ii) The fundamental role of enrollment projections in facility use planning and the techniques for developing comprehensive projections in an environment of declining as well as increasing enrollment. (pp. 11-13)
  - iii) Methods of achieving greater operating efficiency in underutilized schools which are not to be closed. (p. 24)
  - iv) The viability of the year-round school concept as a means of achieving greater efficiency. (pp. 24-27)
  - v) The factors to consider when selecting a school for closure. (p. 14)
  - vi) Alternate uses for surplus school facilities. (pp. 23-24)
  - vii) Opportunities and constraints established in law regarding use of school facilities and sites, especially their lease or sale. (pp. 23-24)
4. The State Department of Education should develop and sponsor in-service administrator training workshops based upon proven training programs. These workshops should seek to improve general managerial skills as well as provide training in specific areas of district administration (e.g. facility utilization practices.) In designing and conducting these workshops, thorough use should be made of the talents of practicing administrators who have demonstrated unusual managerial ability or who have expertise in a particular facet of district operation. (pp. 12-14)
  5. A joint legislative committee composed of the Senate Education Committee and the Assembly Education Committee should be formed to review the Education Code for statutes which limit the ability of school districts to realize the goal of providing an economical system of quality education. Such statutes should be critically reevaluated and appropriately amended or deleted when found to inhibit the attainment of that goal. In particular, Code sanctions designed to indiscriminately limit class sizes to thirty pupils, and Code disincentives to school district reorganization and consolidation should be reevaluated. (pp. 17-19 and pp. 30-32)
  6. A joint ad hoc legislative committee composed from the Senate Education and Assembly Education committees should be formed to undertake a thorough reassessment of the economic, educational and social viability of the year-round school concept as a means of achieving greater efficiency and reducing the cost of education. (pp. 24-27)

7. The State Department of Finance should be directed to research the school facilities maintenance problem and report its findings and recommendations by no later than June 30, 1980. The Department's report should:
  - A. Identify the extent and immediacy of maintenance needs throughout the state.
  - B. Identify sources of funds and funding mechanisms for meeting those needs.
  - C. Recommend specific action at the state and/or local level to bring about timely elimination of the maintenance backlog and prevent future backlogs. (pp. 29-33)
8. Section 39363 of the Education Code should be amended to require that if the funds received by a district from the sale or long-term lease of property are not needed for capital outlay as determined by the State Allocation Board, then those funds must be used to reduce major maintenance backlogs or deficiencies. If the State Allocation Board determines that no major maintenance backlog or deficiencies exist which cannot adequately be taken care of through current district maintenance programs, then those funds should be made available to the district for other general fund expenditures. (pp. 32-33)
9. School districts should install cost-beneficial energy-saving materials and devices when the maintenance, rehabilitation or remodeling of facilities is performed.