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Political Observations

Waste in school facility construction

Bond Damage Control

If the state's complicated approval process is not reformed, much of the \$12.3 billion from Proposition 55 will be wasted.

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The passage of Proposition 55, the Facilities Bond Act of 2004, is bad news for Californians. But there are ways legislators can mitigate the damage.

Proposition 55 passed by a meager 50.6 percent, with fewer than 57,000 out of more than five million votes in favor. Though a narrow margin, the result showed that voters are still willing to dump money into an education system that is wasteful, expensive, and mediocre at best. The voters' willingness, however, is declining. Recall that in November of 2002, a \$13-billion statewide bond won by a wider margin of 58.9 percent.

State Superintendent of Education Jack O'Connell predictably pronounced the victory of Prop. 55 "an investment in the future of our children." Things aren't quite so simple. Proposition 55 authorizes \$12.3 billion to fund school facilities construction and repairs. The state's legislative analyst pegs the cost to pay off the

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principal and interest at \$24.7 billion, which translates to payments of \$823 million per year. That is a lot of money for a state not exactly golden in fiscal terms.

Before it actually reaches the children, the \$12.3 billion will have to trickle down through multiple layers of bureaucratic sediment. A recent Pacific Research Institute study, “No Place to Learn: California’s School Facilities Crisis,” showed that school construction is both expensive and slow. New schools take six years or more to build, which is longer than it took to build the Empire State Building, Golden Gate Bridge, or the Channel Tunnel between England and France.

The lengthy process and high costs find their source in California’s complicated approval process. The Field Act, which has governed school construction since the 1930s, accounts for between two and 75 percent of a project’s cost. The act currently subjects school construction to five major state agencies. In addition, seven other state agencies operate 40 programs that may become involved. Prevailing wage laws, in effect a mandate for union labor, also boost costs 10-25 percent.

Legislators should consider exemptions from the Field Act, something the state’s Little Hoover Commission has recommended. As many as two million children attend school in non-Field-Act facilities. In recent earthquakes, schools built under the Act and those built under standard building codes fared about the same.

Legislators can also replace costly categorical programs with grants to school districts and empower them to approve and build their own facilities, without interference from five state agencies. Developer-built schools, such as Coyote Creek in the San Ramon Valley district, are a way for districts to save money. Districts can also convert administrative facilities for classroom use.

The prevailing-wage provisions that drive up costs were originally intended to block participation by blacks in public-works projects. Those provisions should be eliminated, along with expensive proposals for universal pre-school and class-size reduction.

Charter schools are not subject to the Field Act and render good results with less spending. These schools should be encouraged, along with home schooling.

These measures will help students get the facilities they need. Without them, it will be business as usual and much of the \$12.3 billion from Proposition 55 will be wasted.

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