

2021 STATE OF OUR SCHOOLS REPORT

OVERVIEW

School facilities have a direct impact on student learning, student and staff health, and school finances, but too many students walk into school buildings that fall short of providing 21st century, optimal learning environments. Essential maintenance and capital improvements are chronically underfunded across the U.S. leaving school leaders forced to make impossible decisions on what to prioritize in terms of school building updates.

The State of Our Schools 2021 report from the **21st Century School Fund, the International WELL Building Institute and the National Council on School Facilities**, compiles and analyzes the best available school district data regarding U.S. K–12 public school facilities funding and draws attention to the disparity across the U.S. in funding efforts. The report estimates that the U.S. is **underinvesting in school buildings and grounds by \$85 billion each year and growing**.

These findings bring to light the funding levels required for all children, in every district, to attend healthy and safe schools that provide the best learning environments and most resilient facilities.

THE NATION'S PUBLIC SCHOOL FACILITIES IN CRISIS

Every day, 55 million people—students, teachers and staff—attend our country's nearly 100,000 PK-12 public schools, which represent the second largest sector of U.S. public infrastructure spending after highways. Our nation is now underinvesting in school buildings and grounds by \$85 billion each year, up an inflation adjusted \$25 billion a year since 2016.

Many factors contribute to this gap, including the fact that school buildings averaged 44 years old in 2012, which means they are toward the end of their expected and useful life as all facilities deteriorate with time and use. In addition, there is chronic underinvesting in annual capital renewals of existing public schools and chronic underfunding of maintenance and repairs.

This combination of age, underinvestment and underfunding represent a national crisis. The vast majority of schools around the country, particularly those in lower income areas, are suffering from poor conditions as the result of inadequate levels of funding and support for our nation's public school facilities infrastructure.



MASSIVE & CHRONIC UNDERINVESTMENT

Across the nation, local school district leaders have worked hard to deliver healthy, safe and suitable public school facilities. Districts support ongoing operations and maintenance of facilities in their annual operating budgets and invest in buildings and grounds construction and capital improvements through capital budgets.

On average, districts have been spending about \$110.1 billion every year on maintenance, operations, and capital construction, but the report finds this is falling further and further short, leaving school districts unprepared to provide adequate and equitable school facilities. Major building systems, components, furniture, fixtures, equipment and school grounds need upgrades and replacement to ensure the health, safety, education suitability, and environmental sustainability and resilience now and for the future.

The nation is now facing a staggering **\$85 BILLION** school funding gap every single year.

Specifically, the report finds a massive annual capital investment gap of

\$57.4 BILLION

despite an annual *\$54.1 billion* average investment in capital improvements by U.S. public school districts from FY09-19 in 2020\$.

In addition, the report finds an annual maintenance and operations gap of

\$27.6 BILLION

despite an annual *\$56 billion* spent on facilities maintenance and operations by U.S. public school districts.

Together, the *\$57.4 billion* capital improvement gap with the *\$27.6 billion* maintenance and operations gap totals

\$85 BILLION

in annual underfunding in school facility infrastructure.

INEQUITY IN CAPITAL IMPROVEMENTS

Disparities for school districts across socioeconomic, race, ethnicity and location are startling. A great deal of variation can be found across and within states, but what is clear when stepping back to look at national patterns is that inequity is deep rooted into this localized system for public education infrastructure.

If a district has a high level of economically disadvantaged students, it will have spent less per school than districts with low levels of economically disadvantaged students.

The districts with 0-33% economically disadvantaged students spent an average of \$5.2 million per school for school construction from fiscal year 2009 to 2018, while districts with 65-100% economically disadvantaged students only averaged \$3.8 million per school.

Structural inequities are also found in, and often compounded by, the locations and racial and ethnic composition of the districts.

RURAL DISTRICTS

serving high poverty public schools have funded capital improvements at almost **half the level of the national average**—\$2.3 million on average per school compared to \$4.3 million per school.

HISPANIC AND AFRICAN AMERICAN STUDENTS

are represented disproportionately in high poverty districts, where the schools (on average) have had the **lowest levels of investment**.

URBAN DISTRICTS

even high poverty districts, have higher levels of **average capital investment per school**, making clear what is well established in the field—that doing the same work in urban markets, and in older schools, costs more.

DISPARITY IN SCHOOL CONSTRUCTION FUNDING SOURCES

In the U.S., PK-12 school facilities are the second largest infrastructure capital expense behind highways. However, unlike transportation, which has most of its capital costs paid from federal and state sources, local school districts bear the heaviest responsibilities for school construction capital funding:

- Local school districts paid nearly **77 percent** of the costs for PK-12 capital projects during the fiscal years 2009 to 2019.
- States paid, on average, **22 percent** for capital expense and debt service. State support is highly varied, however, as this ranged from **11** states that paid nothing to some states paying over **50 percent** of district level capital costs.
- Public school districts received slightly more than **1 percent** from federal funds about \$7.1 billion in 2020\$ during FY09-19 for school construction.
- Local districts held **\$486 billion** in long-term debt at the end of fiscal year 2019, a national average of slightly over **\$11,000 per student**.
- School districts paid **\$20 billion** in FY2019 for interest on their long-term debt—an annual amount that is \$4 billion higher than the entirety of U.S. Department of Education Title I funding for disadvantaged students.



LOOKING TO THE FUTURE

Ending disparities in facilities conditions and quality by income, locale and race, must be prioritized as these gaps will not be closed without an aggressive and intentional plan to eliminate them. As we look to the future, the widening school investment gap will continue to compromise equity in student education and health, while threatening shared sustainability goals.

- **Educational equity:** When facilities are healthy, safe and educationally suitable, students (as well as teachers and staff) are better prepared for post-secondary education and the workforce. Researchers have found that when holding other factors constant, good facilities can account for up to 16 percent of the variation in student performance.
- **Child and Occupant Health:** With more than one-sixth of the entire U.S. population inside K–12 public school buildings each weekday, school facilities have a major impact on the health and performance of students and staff alike.
- **Environmental sustainability and resilience:** Modernizing and replacing old public schools will enable communities to conserve land, energy, and water, reduce carbon emissions, and in the face of climate change, protect lives and reduce the level of relief funding needed following disasters.
- **Good jobs in communities across the nation:** There is major work to be done to modernize, retrofit and build public schools and grounds, particularly in low wealth urban, suburban, town and rural communities. Taking up this work will create and provide good jobs and strengthen and revitalize the economies of struggling communities.

TAKING ADVANTAGE OF POLICY OPPORTUNITIES

The Elementary and Secondary School Emergency Relief (ESSER) funds appropriated by the U.S. Congress in 2020 and 2021 help address the costs associated with operating public schools during a pandemic. ESSER funds also provide an important opportunity to begin to address the inadequacies and inequities in America's public school buildings and grounds.

For example, if the PK-12 public school district recipients of ESSER funds apply just 15 percent towards public school facilities, then with this \$31 billion, public school districts could reduce the ten-year \$276 billion maintenance gap by 11 percent. Closing the maintenance and operations gap will be a critical step toward making schools healthier and safer.

If federal funding at the levels envisioned under the Rebuild America's School Infrastructure Act were provided to states, then there would be nearly \$130 billion over ten years to modernize public schools in low wealth and high need districts. A federal program to address the gross disparities in capacity of districts to modernize their schools could close the capital investment gap by 22 percent.



CONCLUSION

Schools will soon be back on the frontlines of two major national conversations – one dealing with potential sweeping infrastructure investment, and the other on the shape of the next phase of the pandemic as the Delta variant takes further hold. The findings of this report can and should help inform how we move forward on both fronts.

Our school facility infrastructure is facing a national emergency: such severe and chronic underinvestment is eroding the country's ability to provide quality student education in a safe, healthy and sustainable setting. The report shows, unequivocally, a rapid decline in the state of our schools, one marked by decay and deterioration stemming from severe underinvestment. But the true magnitude of the crisis is represented by the aggregate national investment gap in school facilities — \$85 billion every single year. We can no longer hide from this massive and chronic underfunding, along with the enormous cascading effect it has across the entire public educational system. In addition to funding sources skewing significantly local, the report finds other, more startling inequities in facilities conditions based on community wealth, student race or ethnicity, and on the geographic context of districts. School districts with the most students in need are bearing much more of the burden, and therefore many of the more entrenched negative impacts of these funding deficiencies.

Closing the gaps in facilities funding is a critical step to ensure that all of the nation's public schools meet modern standards for **health, safety and educational suitability**, as well as **environmental sustainability and resiliency**. We need to lead by ending disparities in facilities' conditions and quality by income, race and locale, as these gaps are deeply rooted and will not be closed without an aggressive and an intentional plan to eliminate them.

To download the 2021 State of our Schools report and learn more, visit:
StateOfOurSchools2021.org.