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Creating Jobs Through FAST!, a Proposed New Infrastructure Program to Repair America's Public Schools

By Mary Filardo, Jared Bernstein, and Ross Eisenbrey

The 21st Century School Fund and the Economic Policy Institute propose to create Fix America's Schools Today (FAST!), a project that would help address the need for job creation while tackling disrepair in the nation's schools.

The Problem

The average U.S. public school building is 40 years old, and many are much older. The cost of maintaining nearly 100,000 public schools and facilities in good repair is enormous. According to the Government Accountability Office and the American Society of Civil Engineers, school districts have been under-spending on maintenance and repair for many years. Chronic deferred maintenance and repair can lead to energy inefficiencies, unsafe drinking water, water damage and moldy environments, poor air quality, inadequate fire alarms and fire safety, compromised building security, and structural dangers.

By conservative estimates the accumulated backlog of deferred maintenance and repair amounts to at least \$270 billion. Including the cost to "green-up" existing schools—and using less conservative assumptions—the cost of needed improvements to buildings and systems could exceed \$500 billion.

State and local governments and school districts have been hammered financially by the Great Recession, laying off hundreds of thousands of employees and cutting budgets. Most school districts do not have resources to address the maintenance and repair backlog, let alone to make energy conservation and efficiency improvements.

The Opportunity

A national project to address this backlog could create hundreds of thousands of jobs, including jobs for construction workers, building technicians, boiler repairmen, electrical workers, roofers, plumbers, glaziers, painters, plasterers, laborers, and tile setters. It could also lead to the direct hire of building maintenance workers to help slow or prevent the deterioration of buildings and building systems, while generating new savings through energy conservation.

Construction and building repair generally create 9,000–10,000 jobs per billion dollars spent. Eliminating even half of the entire backlog and improvements could eventually create more than two million jobs, over a period of years. Addressing even one-tenth of the needed improvements could immediately create half a million jobs.

Given the grim outlook for residential construction and the fact that 1.5 million construction workers are unemployed, a project of this magnitude would put hundreds of thousands of them back to work, which would have a large positive effect on the economy.

It would also improve teacher and student morale, boost student achievement, and improve the health and safety of school communities. There is consistent evidence that providing a quality physical environment for teaching and learning improves student performance. Quality teachers are attracted to and remain longer in better facilities, attendance for students and teachers is improved, and students are healthier and can concentrate and learn better. Investing in school maintenance and repair can support efforts to dramatically improve the results of our nation's public education system.

How would this project work?

The proposed Fix America's Schools Today program would be "dialable," meaning it could scaled up or back based on available resources.

The fastest way to launch the program would be to add money to existing funding formulas, such as Title I of the Elementary and Secondary Education Act of 1965. All 16,000 public school districts, including public charter schools, receive funds under Title I. For example, \$50 billion could be allocated among them. Districts would be required to use federal funds for deferred maintenance, repairs and component or system replacements to existing facilities or to supplement their current maintenance and repair efforts so that public school buildings and grounds are operated in a healthy and efficient manner.

The funds would be used for:

- improving air quality and thermal comfort with improvements to heating, ventilation, and air conditioning (HVAC) systems;
- stopping interior damage, including mold, and reducing energy costs with roof replacement and repair;
- supporting technology, mechanical systems, and modern use of electricity with an electrical system modernization;
- reducing water consumption, eliminating lead in water, meeting ADA requirements with bathroom and plumbing upgrades;
- eliminating allergy and asthma triggers, making sure asbestos is contained or eliminated, and creating inviting classroom and school environments with plaster repair and painting;
- saving energy and increasing daylight with window replacement;
- improving the school grounds with improvements to outdoor learning and play areas, storm water management, landscaping, and environmental cleanup, when necessary;
- reducing ongoing heating costs with energy-efficient boiler replacement;
- installing solar panels, wind generators, and geothermal or other comparable clean energy generators; and
- planning the work outlined above and any similar modifications necessary to reduce the consumption of electricity and energy, especially fossil fuels, including natural gas, oil, water, or coal.

Any other usage of funds would be impermissible.

Details and options for FAST! implementation

High Need Areas: Each of the 100 largest high-need Local Education Agencies (LEAs) receives a formula amount similar to what it received under Part A of Title I (roughly one-third of the total) within 30 days of enactment.

The remainder goes to State Educational Agencies (SEAs) within 30 days of enactment per a formula amount similar to what remaining districts would have received under Part A of Title I. No district should receive less than \$10,000.

Other than administrative funds, SEAs must distribute 100 percent of these remaining funds to LEAs in the form of competitive grants according to eligibility rules based on:

- percentage of poor children;
- need for school repair and renovation;
- limited LEA fiscal capacity;
- estimate of new jobs or extra hours created by the project; and
- estimate of energy savings.

No match is required. States may use up to 1 percent of their grant for SEA administration, monitoring, and reporting on FAST!, but may use up to 2 percent of funds if they agree to establish and support a state-level database of public school facility inventory, condition, design, and utilization.

Local districts may use up to 2 percent of their grant for administrative and oversight costs. SEAs and LEAs shall use FAST! funds to supplement and not to supplant state and local funds for school maintenance and repair that would be made available in the absence of federal funds.

LEAs must report to the SEA as each project is completed—including a description of:

- location, name, building size, site size, and age of school;
- project justification;
- type and description of work completed;
- actual cost of work by project;
- sources of funding (share and amount of federal, state, or local funds used);
- additional hires and hours that were used to complete the repairs; and
- anticipated energy or natural-resource savings.

“Buy American” provisions should apply to materials purchased for and paid for by the FAST! program. Davis-Bacon rules apply.

To comply with PAYGO, we recommend that FAST! be paid for by eliminating fossil fuel preferences as in President Obama’s FY2012 budget. Closing these loopholes raises \$46 billion over 10 years.