



## School Capital Investments Improve Student Achievement and Reduce Inequality

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In November, California voters will decide whether to support a bond to raise capital funds for school facility improvements. The funds would primarily support K-12 school construction and renovation, with 15% allocated for community colleges and some funds earmarked for removal of lead pipes, kindergarten classrooms, and career and technical education facilities.

Evidence shows that capital funds benefit K-12 students and school districts in multiple ways. Capital spending improves student test scores, high school graduation, college-going, and local housing prices, with larger benefits for low-income students and districts.

### Research Demonstrates that Investing in Capital Funds Benefits Student Achievement

A [review of causal evidence](#) found that capital investments improve student achievement and attainment. The review carefully compared effects of capital spending to other school spending by accounting for the expected life of the new investment. The analysis found that every additional \$1,000 per student invested in capital or operations increased student achievement by the equivalent of about 4 weeks of learning.

The gains in student learning take time to emerge, as districts renovate or make other improvements to school buildings and grounds. But the benefits persist for years after the capital investment, with bigger investments yielding larger increases in student learning. A [recent study](#) combined data from 29 states and found that narrowly passing a bond election increases student achievement in years 5-8 after the election. Taking into account the amount of the spending increase and the expected life of the project, the study found that the boost in achievement for each additional \$1,000 spent per pupil amounted to about 6 weeks of learning.

For school districts, the benefits of passing a bond are not limited to student achievement. Districts that approve a bond measure also see an increase in housing prices. [Housing prices](#) increase steadily after districts pass a bond until 8 years after the election when they are 9% higher than before the bond election. Most of this increase is explained by state grants or state matching for district capital spending.

These findings also apply to the specific case of California. Two studies focused on the effects of school bond elections in California and found positive effects on student achievement. [One early study](#) found that passing a school bond election increased achievement by similar amounts in California as other studies found nationally. Using more recent data, [my own research](#) finds that additional capital funding improved achievement, especially for low-income students. These studies show that the benefits of capital spending also

apply to California.

## Capital Spending Matters More for Low-Income Students and Districts

My research has found that capital spending improved achievement more among low-income students than higher-income students in California. Research in additional states has confirmed that capital spending has larger achievement benefits in low-income districts compared to higher-income districts. This is consistent with growing evidence from multiple studies that students and districts with fewer economic resources benefit more from school spending.

Capital spending is the most unequal type of K-12 school spending because it relies more heavily on local funding. State investments in school capital improvements could reduce inequality in student outcomes. A recent study found that removing the gap in capital spending between high- and low-income districts and investing in facility improvements that matter for achievement (HVAC, safety and health improvements, STEM equipment, infrastructure, and classroom space) could “close as much as 25% of the observed achievement gap between these districts.”

Prop 2 would reduce the gap in capital spending by paying a greater share of costs for less affluent districts. This would help reduce achievement gaps between districts. In addition, the earmarks for “removing lead from water, creating transitional kindergarten classrooms and building career and technical education facilities” matches the types of investments that research finds most effective for improving achievement.

### Bottom Line

Rigorous evidence shows that the proposed school capital investments would improve student achievement and reduce inequality of achievement.