

Facility Asset Development

Continued Study
Board Meeting
October 16, 2008

Background

Purpose: to continue to review uses and potential uses of District real property and make recommendations to enhance revenues and reduce expenses

- Non-School Site Assets
- School Site Assets
- Provide effective and efficient facility use
- Make adjustments for declining enrollment
- Provide for facilities' needs- both short and long term

Background

- 2008-09 Budget (\$20M in cuts)
- 2009-10 Budget Projections (\$7-10M deficit)
- 2009-10 Enrollment Projections (flat)
- 2010-14 Slight Increase in Enrollment Growth
- In the 6 years prior to 2008-09 we cut \$70M from the budget...for a total of:
\$90 Million in the past 7 years

Background

- 2008-09 Budget Strategies
 - First Round of Recommendations Implemented
 - Reduce Centralized Services
 - Maximize Staffing Formulas
 - Reduction of Middle School Release Periods
 - Retirement Incentives
 - Reduce Special Education Encroachment
 - Energy Savings

Background

- 2008-09 Budget Strategies
 - Second Round of Recommendations Implemented
 - Revenue Enhancements
 - Reduction of Assistant Principals
 - Year Round Schools to Traditional Calendar
 - 10% Reduction in Central Operating Budgets

Background

- 2008-09 Budget Strategies
 - Third Round of Recommendations Implemented
 - Reduction of Above Ratio Music Teachers
 - Delay of Consent Decree High School
 - Final Round of Recommendations Implemented
 - Social Justice at America's Choice

Total Budget Reductions-\$20.7 M

Background

- 2008-09 Budget Strategies
 - Recommendations NOT Implemented
 - Eliminate One or More Grades of K-3 Class Size Reduction (CSR)
 - Eliminate 9th Grade Class Size Reduction
 - Eliminate Co-Curricular Support
 - Eliminate Regional Transit Subsidies
 - Freeze Salary Schedules
 - Cost Containment in Health and Welfare Benefits

Encroachments & Ongoing Costs

- Special Education
- Transportation
- K-3 CSR-9th Grade CSR
- Operating Expense Inflation
- Total Compensation
 - Step and Column
 - Health Benefits
 - Retiree Costs and Unfunded Retiree Liability
 - Worker's Compensation

How do we compare to local districts?

We each receive approximately the same general fund dollars per student....

■ Enrollment – Number of Students and Schools

■ Sacramento City USD**	45k students-86 school sites
■ San Juan USD*	40k students-61 school sites
■ Stockton USD*	39k students-44 school sites
■ Elk Grove USD*	62k students-58 school sites

*non-Charter

** includes Charter schools housed in SCUSD site

How do we compare to other large districts?

- **Santa Ana USD** **55k students-54 school sites**
- **San Bernardino** **57k students-68 school sites**
- **Fresno USD** **79k students-88 school sites**
- **San Jose USD** **30k students-42 school sites**
- **Pomona USD** **35k students-42 school sites**

Background

Needs:

- Begin to outline Budget Strategies for 2009-10
- Study District real property Assets for cost reduction and revenue generating potential

Study of District Real Property Lease and Alternative Use Including:

- 16th & N
- Fremont
- Marian Anderson
- Florin-Tech
- Serna Center
- 8th and V
- Old Marshall
- Transportation/
Warehouse
- Jedediah Smith –
adjacent property
- Maintenance &
Operations

Study of District Real Property Lease and Alternative Use (con't.)

Sites	Pros	Cons
■ 16 th and N	Land value	Market
■ 8 th and V	Land value	Market/program
■ Fremont	Land value	Market/program
■ Old Marshall	Land/rental	Market/program
■ Trans/Warehouse	Land/CSUS	Market
■ Jed Smith-excess	Land	Improvement costs
■ Maintenance/Ops	Land	Market/program
■ Florin-Tech	Land	Market/improvement costs
■ Serna Center	Rent options	Some relocation needed
■ Marian Andersen	Lease/UCD	Program relocation

Study Tools of District Real Property School Sites

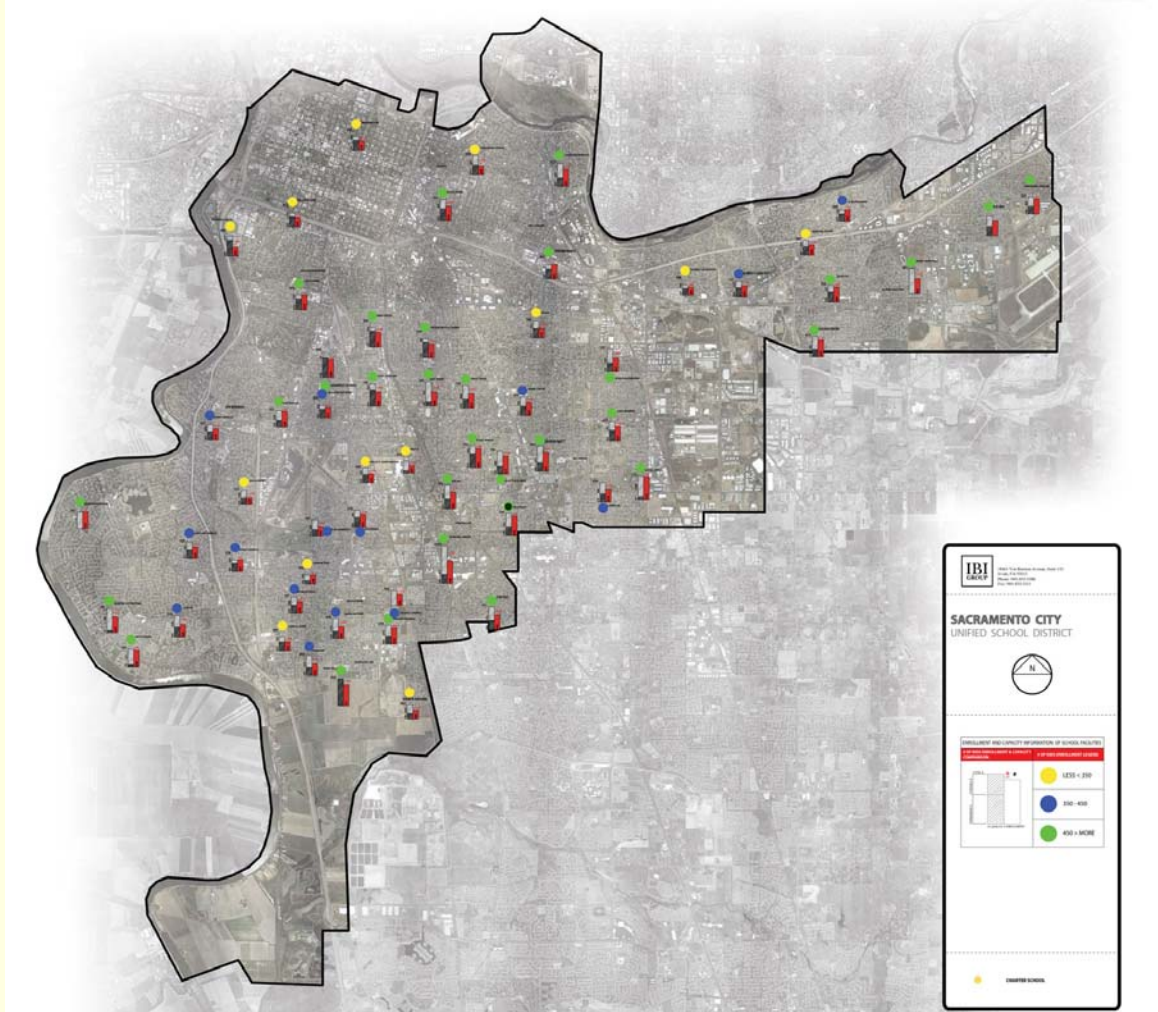
- District Wide Analysis

- Major School Site Criteria

- Local Analysis

- clusters of schools
 - enrollment patterns
 - urban design criteria

District Map: relative school size

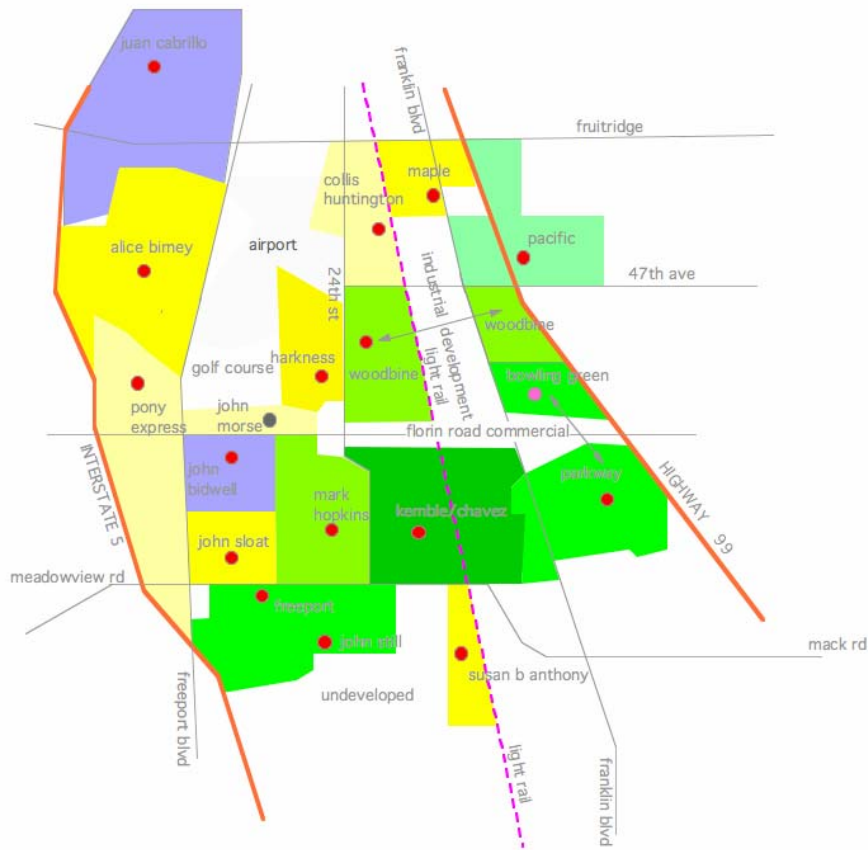


Major School Site Criteria

- Current Enrollment*
- Cost/Student*
- API scores*
- Free and Reduced Lunch*
- Capacity and Excess Capacity*

Study Tools of District Real Property

Sample Cluster Map/Urban Design



School Attendance Areas

- green 450 students or more
- blue 350 to 450 students
- yellow less than 350 students

Urban Design Elements

- residential
- non residential areas
- major roads
- rail lines
- freeways

Revenue Generation & Expense Reduction Examples

- Short Term - Internal
 - 26 sites with 350 or less students, each site consolidation reduces expense by approximately \$500 K
 - Students vacating one neighborhood school to another provides opportunities to add alternative use programs to the vacated sites.

Revenue Generation & Expense Reduction Examples (con't.)

- Short term continued:
 - Alternative re-use examples include:
 - Nutrition Services
 - Pupil Services
 - Information Technology Services
 - Intervention and Tutoring Services
 - Adult Education Classes
 - Alternative Education Classes
 - Child Development Services
 - Testing & Assessment Services

Revenue Generation & Expense Reduction Examples (con't.)

- Longer Term - External - Lease/Rent
 - Colleges - University Classes
 - Governmental Agencies
 - City-Library
 - County
 - State
 - Community Based Organizations -Non-Profit
 - Private Sector-Compatible Uses

Next Steps

- Feasibility study
- Cost Benefit Analysis
- Meetings with Key Stakeholders
- Facilities Committee Review and Recommendations
- 7-11 Committee (if needed)

Comments/Discussion

Suggested Timeline

- October-November Board Study of Asset Options
- November Board Decision for Next Steps
- December-January Community Input on Options and Feedback to Board
- January-February Open Enrollment Board Decision on Asset Options
- March-May Transition