

Facility Asset Development

Continued Study
Board of Education Meeting
November 6, 2008

Background

- **State and District Budgets for 2008-09, 2009-10, and beyond projected deficits**
 - **State indicates a shortfall in this year's budget of \$10 Billion...up from \$3 Billion at state adoption (will cause mid-year cuts)**
 - **Mid-Year Cuts forecasted for education at \$4.5 Billion, projected cut for SCUSD...\$5.5million**
 - **Projections for State Deficit could grow to \$25 Billion in 2009-10**
 - **District shortfall for 2009-10 with no Cola projected from State...\$7-10 million...with additional state reductions that are now being projected (15%)...twice that or more!**

Background

- **SCUSD cut \$20.4 million for 2008-09**
- **SCUSD has cut \$90.4 million in the past seven years**
- **We must plan now for the fiscal reality of the next several years**
- **We have adjusted in many areas for declining enrollment and insufficient budgets...we have not adjusted for facilities**

How do we compare to local districts?

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

- **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**

Purpose

- **Plan for Budget Options for 2009-10 and beyond to continue to provide exceptional Learning Environments and remain Fiscally Solvent**
 - **Develop strategies for the options to be considered**
- **Study ALL District real property Assets and K-12 School Sites for cost reduction, revenue generating potential, and improved learning environments**
- **To receive Board Approval to engage Stakeholders in Five Step Decision-Making Process for decisions regarding options**

Five Step Decision Making Process

Implemented by Board August 2005

Phase I: Board gathers perspectives, ideas on needs, and challenges

Phase II: Board seeks to clarify and fully understand information received in Phase I. Board initiates the generation of creative options.*

*Possible solutions that would require a Board decision

Phase III: Board provides opportunity for public input prior to evaluating options. Board evaluates options presented by public, staff, and individual Board members.

Phase IV: Board discusses options prior to making a decision. Board makes decision.

Phase V: Board publishes and implements decision(s) reached in Phase IV.

Where are we in the Process?

Phase I: Board gathers perspectives, ideas on needs, and challenges	x
Since 2006 the Board, staff and public have discussed Asset Development and maximizing school site utilization at various meetings.	
Phase II: Board seeks to clarify and fully understand information received in Phase I. Board initiates the generation of creative options.* *Possible solutions that would require a Board decision	x
Through Board meetings, Workshops, Facilities Committee meetings and Special meetings staff has provided information and created options. (September & October 2008)	

Where are we in the Process?

<p>Phase III: Board provides opportunity for public input prior to evaluating options. Board evaluates options presented by public, staff, and individual Board members.</p>	
<p>Staff is seeking Board authorization to proceed with Phase III work.</p>	

District Properties Options for Alternative Use

■ Options

■ Commercial Rental

■ Current rates*

- \$1.00-\$2.00 per square foot (\$3.00 high end)*
- Average Class room is just under 1000 sq. feet.
- 1 classroom rental=\$12,000 K in net revenue
- 100 classrooms = \$1,200,000

■ Decentralized SCUSD Services

■ Increase Community Services to Neighborhoods

***Keller-Williams Commercial Real Estate (local)**

District Properties Options for Alternative Use (con't.)

District Property Options	Pros	Cons
■ Serna Center	Rent Options	Some relocation needed
■ Marian Anderson	Lease/UCD	Program relocation
■ Old Marshall	Rent/Dev.	Market/program
■ 16 th and N	CUC/Dev.	Market
■ 8th and V	Dev.	Market/program
■ Fremont	Dev.	Market/program
■ Trans/Warehouse	Dev/CSUS	Market
■ Maintenance/Ops	Dev.	Market/program
■ Florin-Tech	City/Dev/Dist	Market/improvement costs

Tools Used to Study School Site Utilization

■ Tools

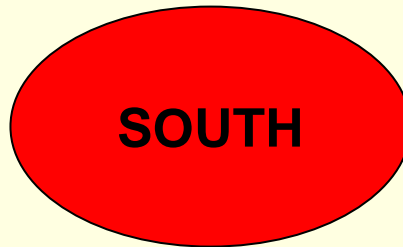
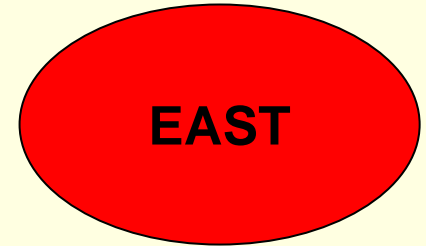
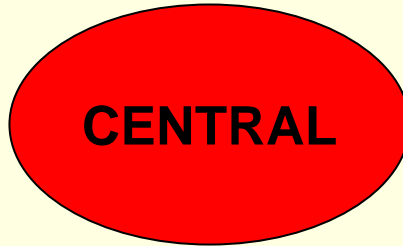
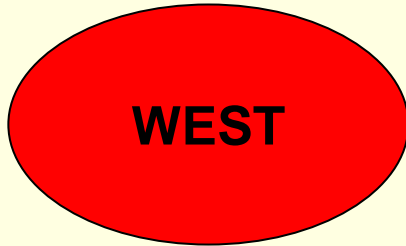
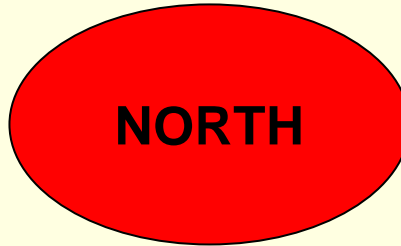
- **Matrix of School Site Characteristics**
- **District Cluster Maps**
- **Facility Capacity Study**
- **Enrollment Projections and Trends Study**
- **City and County Development Study**
- **Neighborhood Trends & Needs (to be developed by community engagement)**

School Site Utilization – Current Status

- 24 K-12 sites with 350 or less students, each site consolidation reduces expense by approximately \$500 K
- 50 K-12 sites with considerable excess capacity

(insert five cluster maps)

Adobe Acrobat 7.0
Document



School Site Consolidations & Re-Use

Purpose: To engage communities in discussion of utilization options & community needs for re-use

School Site Facility Use Considerations

- Provide equity and access
- Increase student achievement
- Enhance school program opportunities
- Increase revenues and decrease expense

ENHANCE LEARNING ENVIRONMENT

Revenue Generation & Neighborhood/Community Enhancement Options to Expand District Services

■ Options

- Nutrition Services
- Pupil Services
- Information Technology Services
- Intervention and Tutoring Services
- Adult Education Classes/Admin/ROP
- Alternative Education Classes
- Child Development Services
- Testing & Assessment Services

Revenue Generation & Neighborhood/Community Enhancement Options to Expand District Services

- Provide Access for Post-Secondary Education
- Governmental Agencies
 - City (meeting scheduled with city regarding lease/rent opportunities next week)
 - County
 - State
- Community Based Organizations
- Private Sector-Compatible Uses

Timeline for 5 Step Decision Making Process

- Phase I: Sep – Oct
 - ✓ Board Study of Asset Options
- Phase II: Oct – Nov
 - ✓ Clarify Options
- Phase III: Nov 20th Board Meeting
 - Phase III: Cont. Nov – Jan
 - Board gives Direction to engage stakeholders
 - Meet with community stakeholders to discuss, review, identify options
- Phase IV: Jan – Feb
 - Board reviews input, considers options, and makes decisions.
- Phase V: Feb – Mar
 - Board publishes decisions
 - Actions and Transition planning begin

Board Discussion

- Discussion of options and next steps to provide directions for community engagement.