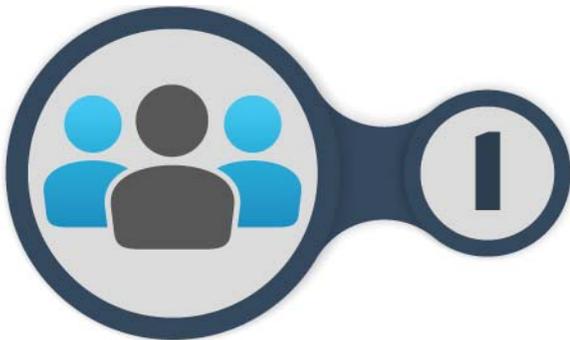


21st Century Schools and the Role of the CBO

2014 CASBO Workshop Supplement: CBO's Roadmap



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The Role of the CBO

Workshop Session Section Presented by Jerry Matranga, President & Chief Operating Officer, Dutra Cerro Graden

What is the Role of a CBO?

Each CBO is unique and contributes in her/his own way. Regardless of how one's role is defined in a given district, knowing what questions to ask, alternative strategies, where to go for resources, and how best to fulfill one's management and/or leadership responsibilities related to facilities will add to one's value in contributing to the central purpose of your district.

How do you see your role? Is it to:

- Keep the district fiscally solvent?
- Make sure all business functions are running smoothly?
- Serve as contributor to decisions on Superintendent's Cabinet?
- Promote the learning, achievement, and success of every student?
- Would you define your role in a different way?



21st Century Schools – What Are They?

Workshop Session Section Presented by Brianna García, Director, Management Consulting Services, School Services of California, Inc.

Everyone talks about it, but what exactly is a “21st century school”? 21st century schools encompass connectedness, technology, facilities, and sustainability to support and enhance a school's educational goals. In order to appropriately develop a 21st century school, districts need to look at both the macro (district-wide) and micro (school site-by-school site) levels.

The purpose of a 21st century school is to create a learning environment where every student can be educated.

Every student learns differently, so a learning environment needs to be designed that – both educationally and physically – reaches all students and provides teachers and administrators with the needed flexibility to implement varying teaching methods.

Over the last five to seven years, school districts across California have experienced a combination of declining

enrollment and reduced state funding. In addition, state funding for facilities has become harder and harder to access as existing bond authority has diminished. While many school districts have passed local bond measures to assist with constructing and modernizing facilities, **for many school districts, the 21st century school is the school you have.** In this case, CBOs must ask themselves:

- How can my district use existing space to meet new needs?
- Can my district use the dollars we have to make small, incremental improvements that will sustain us and/or that we can build upon in the future?
- Where can my district standardize and provide simplicity that provides us with room for creating flexibility and customization elsewhere?

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21st Century Schools - What Are They? *continued...*

Description of 21st Century School Components

Many of the changes happening in education on a state-wide basis make this an opportune time to begin your district's transition to 21st century schools. The introduction of the Common Core and the temporary suspension of the Academic Performance Index (API) provide school districts with opportunities to adjust their curriculum to better meet the needs of students and prepare them for college and/or the workforce. The implementation of the Local Control Funding Formula (LCFF) and the Local Control and Accountability Plan (LCAP) provide school districts funding and a less autocratic method for determining how that funding is utilized.

A 21st century school encompasses four components that should be developed and implemented to support the educational program.

The Four Components

1. Connectedness

Connectedness pertains to the schools connections within itself and with others. A 21st century school needs to provide opportunities for peers to connect with one another, and this includes not only student-to-student, but teacher-to-teacher and teacher-to-administrator; for students to connect with teachers; and for the school as an entity to connect to the community, take part in the community, and be a gathering point for the community. This connectedness is where the idea of neighborhood schools takes shape as the school becomes an integral part of the neighborhood by providing facilities for community uses, people for community engagement, and the opportunity for educational partnerships with local businesses and organizations.

2. Technology

Technology is an aspect of everyday life, yet many school districts were constructed before the computer era. As school districts grapple with how to integrate technology into not only existing facilities, but new construction as well, flexibility is key. Technologies are changing faster than they can be implemented and the technology of today may

not be the technology of the future. In addition, different spaces and teaching methodologies may require varying types and/or configurations. School districts need to ensure that the appropriate infrastructure is installed and that the appropriate devices and equipment are available to address the educational program. More importantly, considerable thought should be given as to how teachers will and can integrate technology into the curriculum.

3. Facilities

The education program should drive the facilities, not the other way around. The facilities should provide right-sized, flexible learning spaces to enhance and support the learning experience. The spaces to be considered include not only the classrooms, but support spaces and common areas. Careful consideration should be given to the campus as a whole and how each space can provide an opportunity to further the educational program, provide formal and informal learning environments, and provide needed flexibility for the varying teaching methodologies at a given time and over time. In addition, 21st century schools should study campus security and how it can be integrated into the design in an effort to offer the staff and students a safe environment while not making them feel as if they are locked behind impenetrable gates.

4. Sustainability

While some might think that sustainability, like technology, is new; in fact, many older school facilities were designed with sustainable principles in mind. The easiest sustainable practices to implement are simple, passive systems, such as the use of daylighting and adequate ventilation, which can be found in older campuses throughout California. The proper sealing and insulation of the building envelope is an additional passive measure that can be implemented to cut operating costs and provide a more comfortable and sustainable learning environment.

Newer technologies and sustainability processes and ideas pertain to renewable energy (e.g., solar panels and geothermal), generating as much energy and water as the building consumes (i.e., net-zero energy and water), and life-cycle analysis, which looks at all of the impacts and costs

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of a building and its systems. With the advent of these sustainable practices came the various programs available to monitor, evaluate, and set benchmarks and criteria for these practices. Today, school districts utilize rating systems such as Leadership in Energy & Environmental Design (LEED) and the Collaborative for High Performance Schools (CHPS) to determine just how “green” (i.e., sustainable) their facilities are.

It matters not, however, what rating system is utilized, which renewable energy features are installed, or which passive measures are employed if the user behavior is not modified accordingly. Having solar panels installed to generate energy will not save the school district money, if the lights are constantly left on in unoccupied spaces. The users, from the teachers to the students to the maintenance staff, must be taught how the buildings and technologies function and what part they must play for the building and systems to work at their optimum levels. This provides an opportunity to integrate sustainability into the curriculum and further support the district's educational goals and programs.

Macro – Develop a Strategic Asset Management Plan

The big picture question that must be answered is where are schools and support services needed? A strategic asset management plan will assist CBOs in addressing this question by looking at the facilities – their location and size – in light of the district's educational goals. Whether small schools situated in neighborhoods better address the educational goals of the district or larger specialized schools provide a diversity of choice, each option has a corresponding facilities impact.

Other aspects that impact facilities are the size and grade configuration of individual schools. Considering not only current enrollment, but projected demographic trends is important when planning facilities that will be in use for the next 50 to 100 years. And how these schools will be used – whether for elementary or high school aged children – is

critical to determining the layout and size of the facilities. These realities could necessitate the acquisition, disposition, or lease of real property.

All of these decisions are made only after a school district takes a serious look at its educational specifications and goals, gets a clear understanding of the existing conditions (both educational and physical), and engages with stakeholders (e.g., community, students, teachers, and staff) to determine the educational direction of the district. With this information in hand, the CBO can begin the process of developing the strategic asset management plan. The CBO will need to review the school district's vision, mission, and goals; understand the district's educational, facility, HR, student, and financial policies; conduct a preliminary assessment of all of the school sites; and complete a thorough fiscal review. This process will result in the development of specific, measurable, achievable, relevant, and timely goals from which to manage the physical assets of the district.

Micro – Develop a Facilities Master Plan

The CBO then has to turn to the next level question. What do individual schools need to address the larger strategic plan? The first order of business is the development of a comprehensive facilities inventory in order to determine what is needed. The school district needs to understand the existing conditions on a much more detailed level than previously investigated (e.g., when was the last time the facilities were painted or how old are the buildings on the campus). In addition, the district needs a set of standards and specifications against which to measure the existing conditions to accurately determine the short- and long-term facilities' needs.

Armed with this information, the CBO can work to prepare preliminary cost estimates, develop a prioritization process, and identify funding sources. All of this information and analysis will become the long range facilities master plan, which will lay out the development of the district both in the interim and the long term.



Building Community While Planning to Build

Workshop Session Section Presented by Suzanne Speck, Associate Vice President, School Services of California, Inc.

Operating in the New World of Local Control and Accountability

Our school finance system is going through the most dramatic change since the creation of revenue limits and categorical programs in 1972. With major change come new challenges and new opportunities. The new Local Control Funding Formula (LCFF) shifts the state away from a system of rule compliance, measured by audits and enforced through penalties, to a system of local accountability based upon local needs. We are no longer implementing the state's plan for students – we must develop a plan locally that achieves improved results.

The cornerstone of the state's accountability system is the Local Control and Accountability Plan (LCAP) which, if developed and implemented with rigor and fidelity, provides a strategic roadmap for decision making by local education agencies. The LCAP requires that local decision-making be transparent and that parents, school personnel, and the community be engaged in setting goals and identifying metrics for measuring results. The LCAP requires that the goals and the actions of the Local Educational Agency (LEA) be based on data, making a local needs assessment an essential part of planning in the new world.

LCAP Contents

Meaningful engagement of parents, students, and other stakeholders is not only important, but it is now a statutory requirement. LEAs will have to demonstrate evidence of stakeholder engagement, describe how stakeholders were involved, and what impact that engagement had on development of the LCAP.

The LCAP is a three-year plan that must be updated annually. LEAs will have to describe their 3-year goals based on eight state priority areas. The first state priority area relates to the basic conditions of learning which includes

the condition of school facilities. The accountability plan must identify what metrics will be used when evaluating its progress relative to the 3-year goals.

Each goal must be supported by an action the LEA will take in each year of the 3-year plan to ensure achievement of the goal and must describe expenditures to implement the action.

Strategic Engagement

As any Superintendent, CBO, or other school or county office administrator will tell you, they do not have unlimited time or unlimited resources – I know, shocking! So whether the LEA is building its LCAP, engaging in strategic planning, or revising its facilities master plan, being strategic when planning stakeholder engagement is essential to ensuring it is meaningful and effective. Essential questions to ask when planning stakeholder engagement include:

- Who do we engage and at what level?
- What is our promise to different groups?
- How do we make engagement meaningful?

Levels of Engagement

Identifying stakeholders is the first step in developing a highly effective plan that achieves results but that doesn't take all of your time. The first step is identifying all of the LEA's stakeholders and determining their level of interest. It is also important to keep in mind the level of influence that parents, employees, or community members have over the decision-makers in the district. Groups or individuals with a high level of interest in the decision and who have a high level of influence on decision-makers should be engaged at a high level. If not, the LEA risks investing precious time and energy into a plan that is likely to fail adoption by the decision-makers – your local governing board. Involving this group in

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task forces, advisory committees, and inviting them to assist the LEA in community outreach and workgroup facilitation can increase their understanding of the operational needs and realities of the LEA and build credibility and good will.

The LEA should consult with interested stakeholders who have a high level of interest but little influence on decision-makers. Consultation means that you provide this group with information and an opportunity for input. This level of engagement might include public forums and/or the use of surveys. Keeping a large audience informed through emails, factsheets, newsletter, or by posting information on the LEA's website will ensure that those individuals and groups who

have influence are also in the know. Failing to appropriately identify or categorize individuals or groups could result in your efforts taking more time than is required, could derail your planning and negatively impact the district's credibility and reputation.

Involving stakeholders in local decision-making is part of our new reality and engagement and transparency are our new norms. So when building new schools, closing schools, selling excess property, or working to pass a local bond, being strategic when planning stakeholder engagement will be essential to your success.



The Law as an Opportunity, Not a Constraint

Workshop Session Section Presented by Marilyn Cleveland, Attorney at Law, Dannis Woliver Kelley and Jerry Matranga, President & Chief Operating Officer, Dutra Cerro Graden

Legal Parameters

School Districts are subject to extensive regulation in all areas, including the areas of budgeting, property acquisition, facility construction, modernization, renovation and maintenance. These statutory and regulatory schemes include both continuing constraints designating which funds can be used only for capital, as distinguished from operating, purposes, and new constraints related to LCFF, LCAP and Common Core curriculum and testing. Yet within these legal parameters are opportunities for funding capital needs if a District acknowledges the importance of facilities that meet the educational needs of the full range of students it seeks to educate.

The Funding Cap

At the present time, school districts in California cannot realistically look to the state for sufficient resources to

provide facilities to meet the needs of California's students. During the ten (10) years ending in 2013, School Services of California (SSC)* identified the major sources of funding for capital improvements and major deferred maintenance in California school districts and noted that state bonds provided only about 30% of the estimated \$118 billion expended in these areas. Even those state funds are not currently available, although they provided a major incentive to voters to approve local bonds by matching local contributions.

- Deferred Maintenance = \$6.2 billion
- Developer fees = \$10 billion (estimated)
- Local bonds = \$66.2 billion
- State bonds = \$35.4 billion

* Source: Strategic Asset Management Workshop offered by SSC in April 2013.

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Different Districts, Different Needs

It is important to recognize that while there are many commonalities in school districts, individual communities are different. What works in one school district may not be a practical option in another for a variety of reasons. One important consideration is the enrollment trends in your district. For example, some districts are growing, some stable and others declining.

- Between 2012 and 2013, 20 out of 58 counties experienced declining enrollment
- By 2014, only 33 counties are expected to experience enrollment growth

It's All About Relationships, Relationships, Relationships!

Because the State of California does not provide sufficient, or at present any, funding for capital improvements and major deferred maintenance for schools, it is imperative that school district leaders “think outside of the box.” Few school districts can meet all of their facility needs by “going it alone.” By reaching out to potential partners both within and outside of the K-12 education community, some school districts have been able to garner support and resources to make significant gains in providing the facilities needed for a 21st century education.

Developing partnerships cannot be accomplished by the faint of heart. It takes strong leadership, networking, and relationship building. While the CBO is an important member of the leadership team, s/he is just one member of the team and also cannot “go it alone.” Being effective requires an intentional and strategic approach: identifying partnerships that will enable the district to make maximum gains. One essential ingredient to such a plan is relationship building. Collaborative relationships built on trust between individuals and organizational leaders are essential for your district to make maximum gains.

Consider who are your district's partners at the local level, in Sacramento, and beyond.

Partners at the Local Level

Partners at the local level include:

- City and/or county elected officials and administrators,
- Other educational institutions, including community college districts and other higher education institutions, as well as early childhood education resources in your community,
- Local movers and shakers,
- Community organizations and non-profits, including those serving the children and youth the district serves,
- Religious organizations that serve the community,
- Business leaders and organizations such as the chamber of commerce whose members look for well-educated employees, and
- The district's own leaders, including the board of education, administrators, teachers, other employees and employee representative groups, parents and PTAs, consultants, and volunteers.

Relationships are built through shared experiences. Attending meetings of other public agencies, having shared meetings on a regular basis or about shared challenges can help to build relationships, as can participation in other local organizations. Of course, including other community leaders in the district's LCAP and on its oversight committees can also engage those leaders in the district's challenges.

While the foregoing list does not provide a specific implementable plan for generating the support and resources needed to implement your facility master plan, it does highlight some potential local solutions. It is important to tell the district's story, including about both its successes and needs. It is easier to gain support for a successful program which generates enthusiasm than for a program that seems overwhelmed by need. The story of the district's needs should be told in a way that will suggest solutions in which people can participate.

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Partners in Sacramento

Along with building local relationships, districts need to build relationships at the state level. This includes building relationships with legislators who are a cross over between local and state and can be strong allies in dealing with the myriad agencies responsible for regulating school districts. Building relationships within those agencies can also provide resources to accomplish the district's goals and remove roadblocks that could make the process more expensive and time consuming. Participation in statewide organizations, that are active in the legislative arena, such as CASBO, can also help build relationships and support efforts to reinstate state funding.

Partners Beyond the State Level

Suggestions for innovative approaches can come from other states or other countries. (Consider Finland's approaches to innovative educational facilities.) Every state in the country is faced with the challenges of public education, including providing educational facilities. Support at the federal level can be available if states team up to provide pressure on federal legislators and administrators. Such support can start at the district level through developing relationships with the federal senators and representatives representing the district and the state, and with staff in their offices. Developing relationships with national organizations supporting education and encouraging other local officials to become active at the national level can also help to develop such resources. For instance, representatives of CASBO have become active in ASBO, the national association of school business officials, developing connections with counterparts throughout the nation.

Potential Solutions

Since a major constraint for developing 21st century school facilities is obtaining sufficient funding, the legal parameters for such funding are critical in converting those constraints into opportunities.

Local Debt

The most important source of local funding for school facilities is local general obligation bond measures, paid for by taxes based on the district's real property assessed value. Since the passage of Proposition 39 in 2000 allowing the passage of local bond measures by 55 percent when certain safeguards are included, such as specified election dates, limits on percent of assessed value that can be imposed, development of a project list, preparation of fiscal and performance audits and appointment of a citizen oversight committee (COC). Some of those measures can be positive for the district. The dissemination of the COC's annual report can provide information to the community about the positive accomplishments that the local bonds make possible. They can also report on whether the district has applied for, and/or obtained, state matching funds or other funding to supplement the local bonds.

In addition to district-wide bonds, districts can seek authority to impose bonds within a limited area through a Mello-Roos community facilities district and/or a school facility improvement district. These can be especially helpful in areas of new development where a few large property owners can approve bonds that will be paid for by the later residents of the area.

Other types of local debt include certificates of participation and lease financing.

Developer Participation

At a minimum, districts facing new development can impose developer fees at Level 1 or Level 2. (See Education Code, sec. 17620, et seq.) However, the amount of these fees is limited by state law and biannual action of the State Allocation Board. At a maximum, Level 2 fees were designed to pay 1/2 the cost of school facilities to house students generated by new development, with the other half to come from state bonds. Yet with inflation, even Level 2 fees fall far short of this goal. Pressure to either approve Level 3 fees which would double the amount available under Level 2 fees can

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either increase the amount available in developer fees, or increase pressure on the state to approve a state bond to supplement these local resources.

Before the School Facility Program was adopted in 1998 with the passage of SB 50, school districts could seek full mitigation under CEQA for the impacts of new development on school facilities through a series of court cases commonly known as Mira, Hart and Murietta. While this option is not currently available, some districts, through cooperative working relationships with cities and counties, are able to obtain mitigation agreements that substantially exceed statutory developer fees. While the Education Code and California Environmental Quality Act (Public Resources Code, sec. 21,000 et seq., "CEQA") currently limit a city council or board of supervisors to developer fees as mitigation of the impacts of a new project on the adequacy of school facilities, a city or county can require that proponents of new development address the secondary effects of new development on schools, including traffic generated if students must travel a distance to school, air quality impacts resulting from increased traffic, and the impacts of new development on recreational and athletic facilities and green spaces in a community.

Cities or counties can also reserve school sites within new development, thus providing a district with choice in the location of new schools and ensuring that new developments will include school facilities for the families that will reside in those new communities.

Developing relationships with both cities and counties and with local developers are key to maximizing the support for facilities to house students from new development.

District Property Resources

Often a district that has limited financial resources has property resources that can help it accomplish its purposes of providing 21st Century schools.

Many districts have excess property that can be sold or leased after going through an extensive process, including determining that the property is surplus. (See Educ. Code,

§ 17387 et seq.) The process also includes public offerings, including a new public offering to charter schools that meet certain criteria, and then a public bidding process if the property is still available. (See Educ. Code, §17455 et seq.)

The difficult economic climate for school districts during the last several years has led to a relaxation of state law limitations on the use of funds from sale or lease with option to purchase. While helping to bridge the gap in operating funds, this flexibility has meant that districts did not have the funds from property disposition reserved for capital needs. At the same time, funds from straight leases of school property continue to be available for operating expenses.

Other options can also assist school districts in meeting facility needs. Joint use agreements can provide a mechanism for districts to partner with other public entities and/or with private entities for the improvement and use of facilities. This can be for playgrounds, gyms, performing arts centers, community space in operating schools, preschool or childcare facilities, classrooms, medical clinics, or even for commercial uses on school site. It cannot be for K-12 private schools. (See Educ. Code, §17527 et seq.)

Joint occupancy agreements can allow other entities to pay for and construct facilities on district property to be jointly used for up to 66 years, after which the land and buildings become the property of the district without further payment. (See Educ. Code, §17515 et seq.)

Exchanging property is a flexible tool that can allow a district to obtain property in a location that better meets its needs than the location of its existing property, and can include the exchange of any interest in real property with or without additional consideration. (See Educ. Code, §17536 et seq.)

Again, strategic planning can help a district identify its existing resources and look at how to repurpose its land to better meet its current needs.

Nontraditional Solutions

Many districts now engage in fundraising through district or school foundations and seek out potential major donors

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in the community for facilities as well as operating needs. Many donors prefer to contribute to or support bricks and mortar facilities rather than programs and operations. Identifying donors and providing them a range of options for gifts and bequests to the district can lead to opportunities that would not otherwise be available.

Other funding sources include other foundations and businesses, especially those doing business in the community. For example, Proposition 39 now provides funding for energy projects based on funding from a tax on utility charges. Federal funding can also be available if specific criteria are met, such as through the Qualified Zone Academy Bond program, other federal bonds, block grants, and other tax credit programs such as new market tax credits.

The key to each of these is to think outside the box and look for partnerships and creative solutions.

State Support

While state bond funds from previous state school bonds have largely been expended in the major categories, a bill

to put a new state bond on the ballot in 2014 is in the legislature, and pressure from school districts throughout the state will be helpful in pressuring the legislature and the governor to place that bond measure on the ballot. Polls show strong support for such a bond. CASBO and other groups supporting state school bonds can identify the best ways to assist in this effort. One way is to apply for state funding even though it is not currently available so that the state will have a record of unmet need throughout the state.

In addition, prior state deferred maintenance funding has been rolled into the new LCFF funding formula, removing that source of major maintenance funding. However, since one of the factors in the LCAP is that schools be maintained in good condition, those concerned about facilities need to sell the importance of maintaining schools in good condition, and of including the cost to do so in the district's operating budget, to those responsible for the LCAP.

Many solutions to districts' facility and funding needs can be found by creative efforts and teamwork within the district and community.

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Marilyn has represented school and community college districts in the areas of real property, business, finance and construction, including asset management, property acquisition, disposition by sales, leases, joint ventures and exchanges, environmental compliance, public bidding and contracting, energy efficiency and other school construction issues since 1990.

Jerry Matranga

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Jerry enjoyed a successful school business career for over 25 years in California school districts. He held the positions of Director of Fiscal Services, Associate Superintendent, and Deputy Superintendent for the Cupertino USD, Associate Superintendent Administrative Services in the San Jose USD, and as Associate Superintendent/Chief Business Official in the Palo Alto USD.

Brianna García

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Brianna has more than 14 years of full time, professional experience with responsibility for planning, design, funding, management, and development of major public facilities, over eight of which have been in public K-12 education. She has extensive experience in all aspects related to planning and development of long-term charter school facilities.

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Suzanne provides support to school districts, county offices, and community college districts in management, collective bargaining, factfinding, contract risk analysis, special education, legislative issues, general consulting, and chief business officer search services. For more than 20 years, she has served school districts in California as a special education teacher, site administrator, and human resources professional.