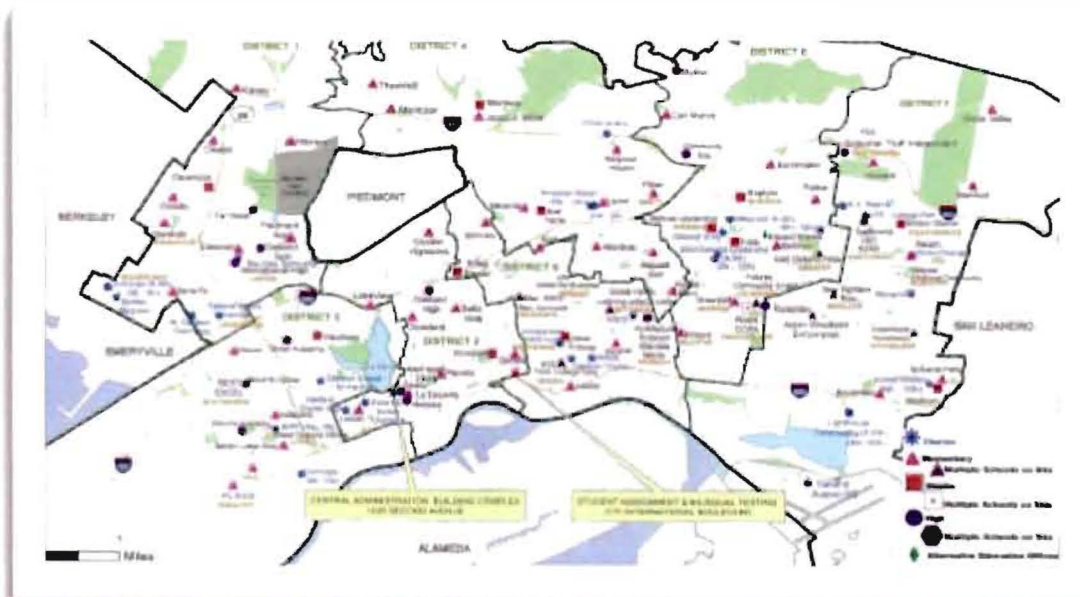




OUSD Facility Asset Management Framework

Integrated Assessment Framework

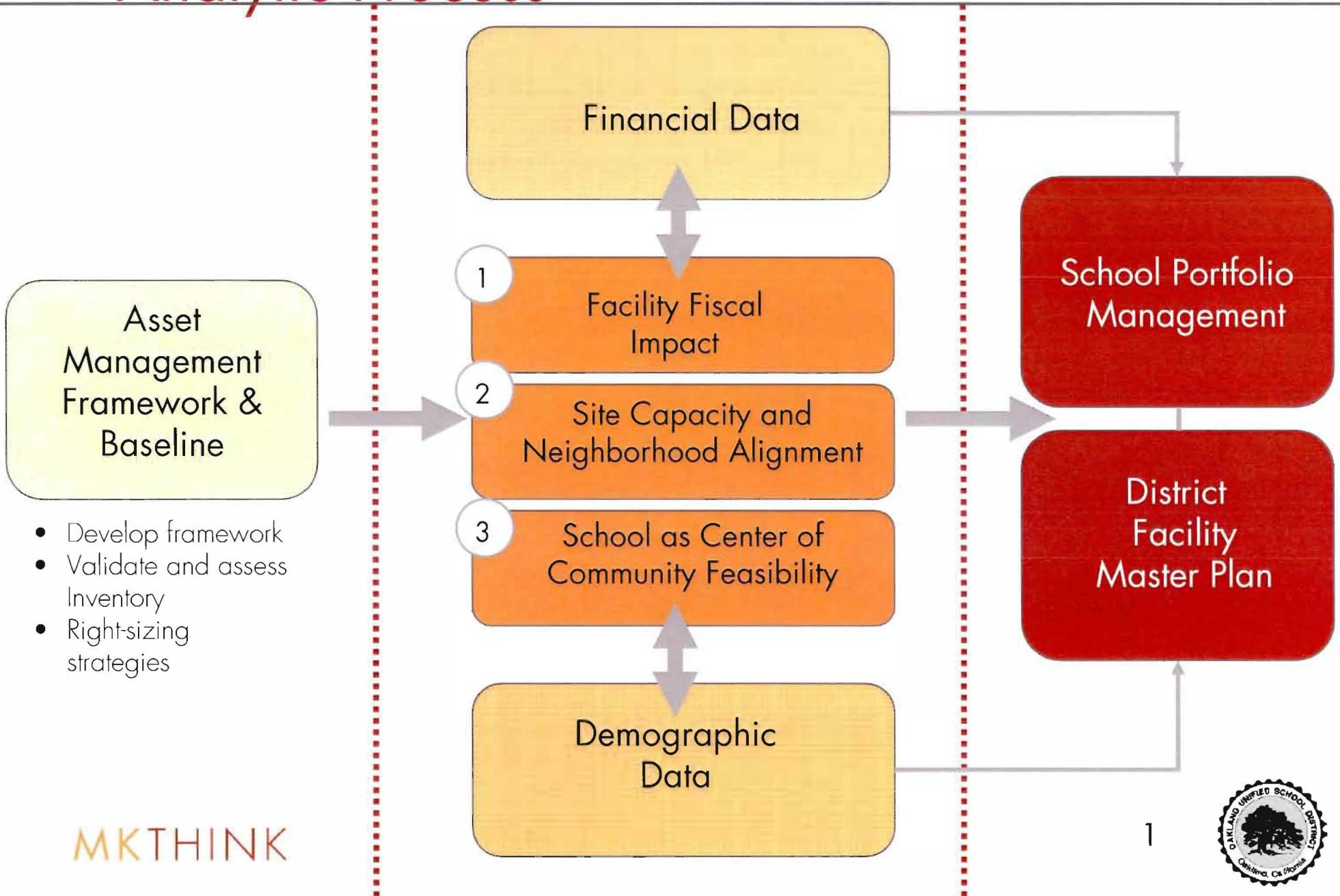
February 16, 2010



File ID Number: 09-3145
Introduction Date: 2-17-10
Enactment Number: _____
Enactment Date: _____
By: _____

MKTHINK

Analytic Process



- Develop framework
- Validate and assess Inventory
- Right-sizing strategies

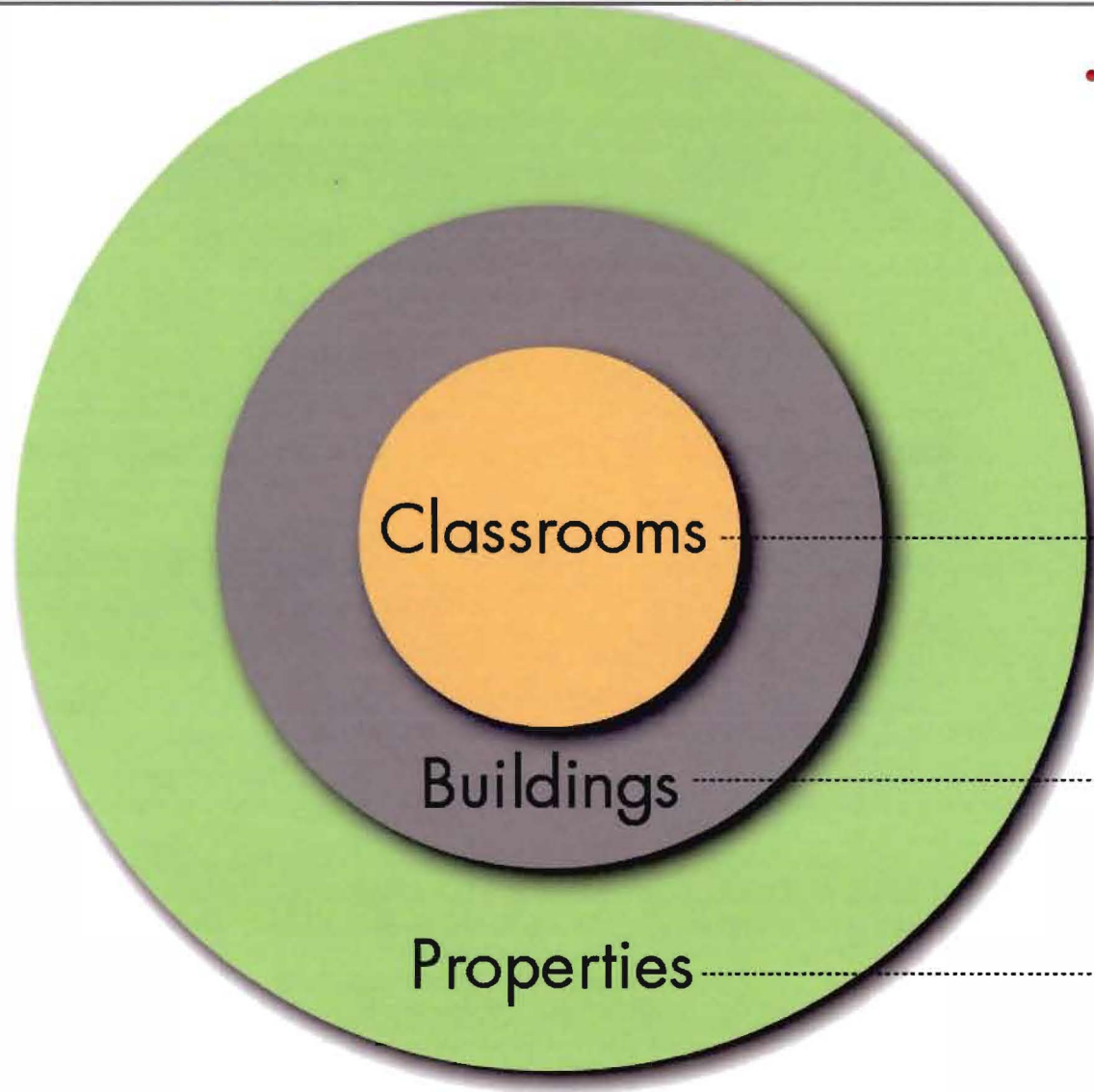


Presentation Agenda

- Progress to date – Asset Management Framework and Baseline
- Current Activities: Filling the Gaps
 1. Evaluation of the fiscal impact of facilities
 2. Alignment of site capacity with neighborhood needs
 3. Feasibility of the Schools as Center of Community model
- Integration of findings into policy and implementation strategies



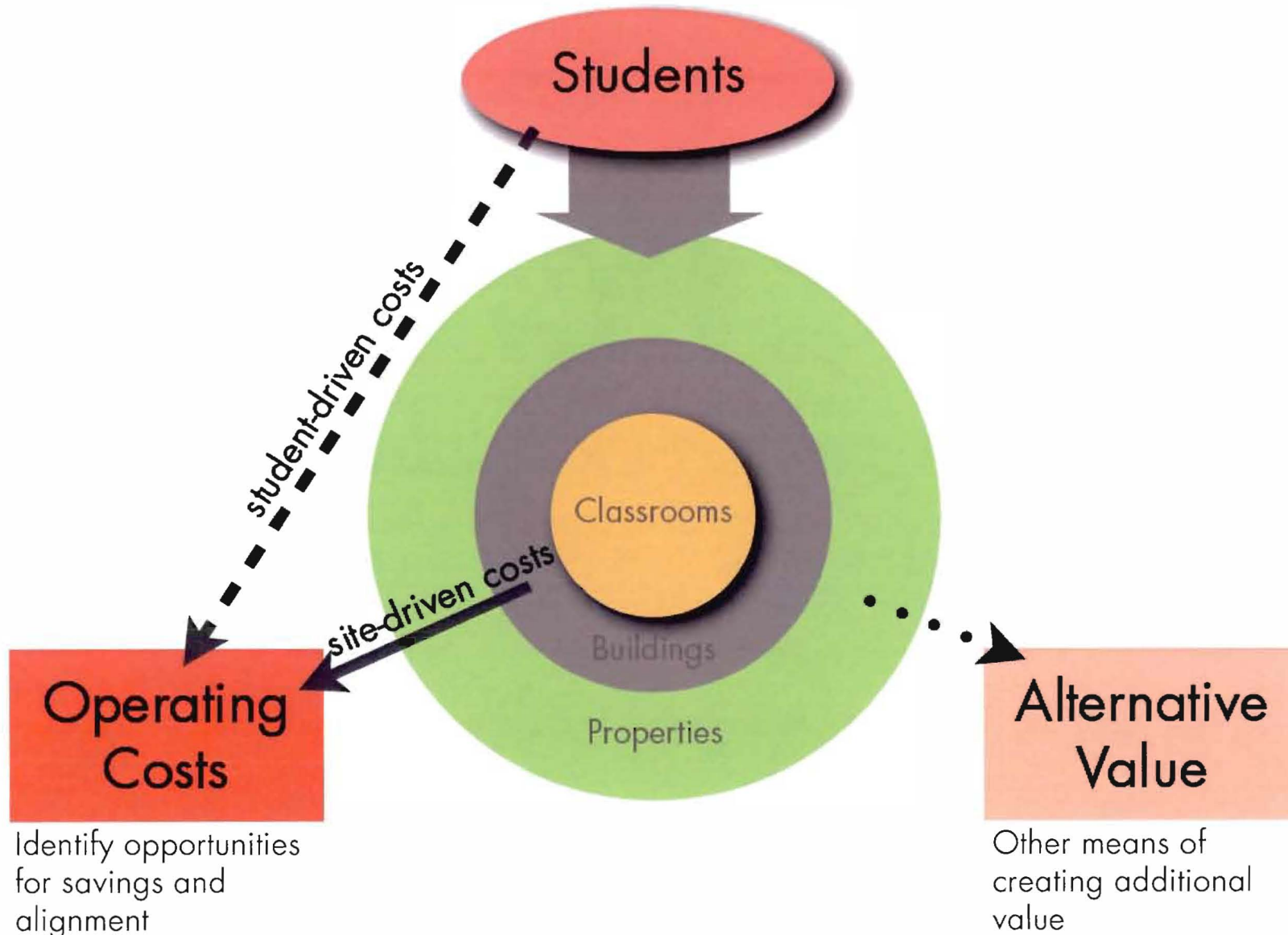
Facility Asset Management Framework

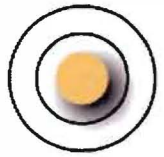


- Each physical asset is the sum of three components
- Classrooms
primary student learning space
(relates to staffing and enrollment)
- Buildings
primary driver of operating expenses
(utilities, maintenance, etc.)
- Properties
primary driver of economic value of
alternate use(s)



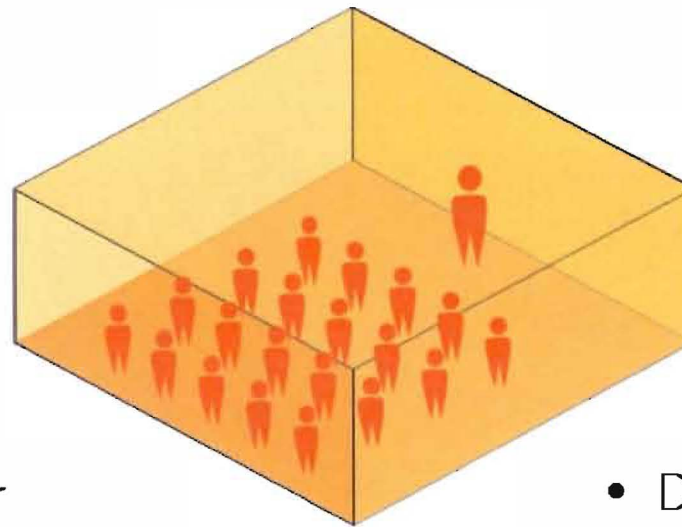
Operating Costs and Alternate Site Value





Key Drivers: Classrooms

- Primary student learning space
 - Highest area of impact for teaching and learning
 - Quality of space sets student expectations



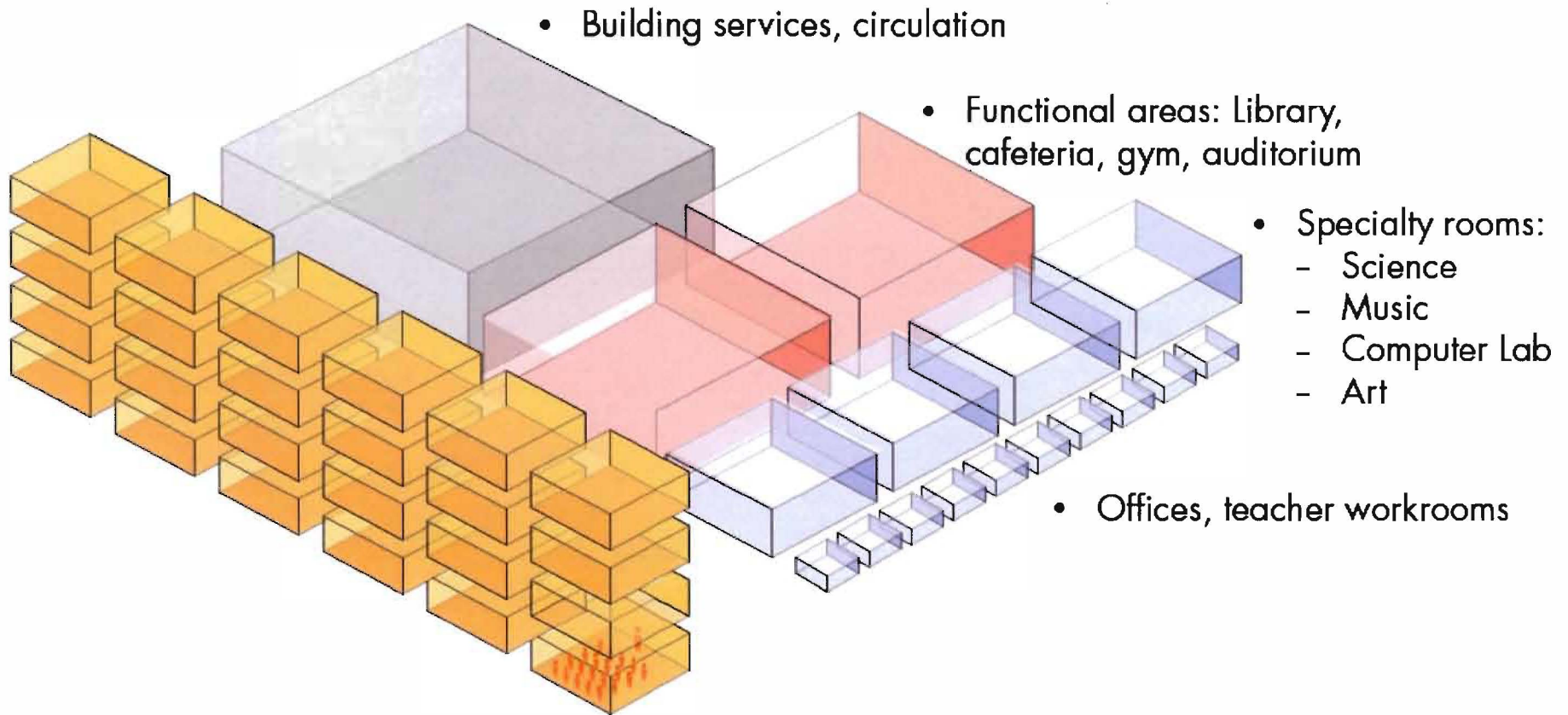
- Limiting factor for student enrollment

- Direct relationship to teacher staffing levels



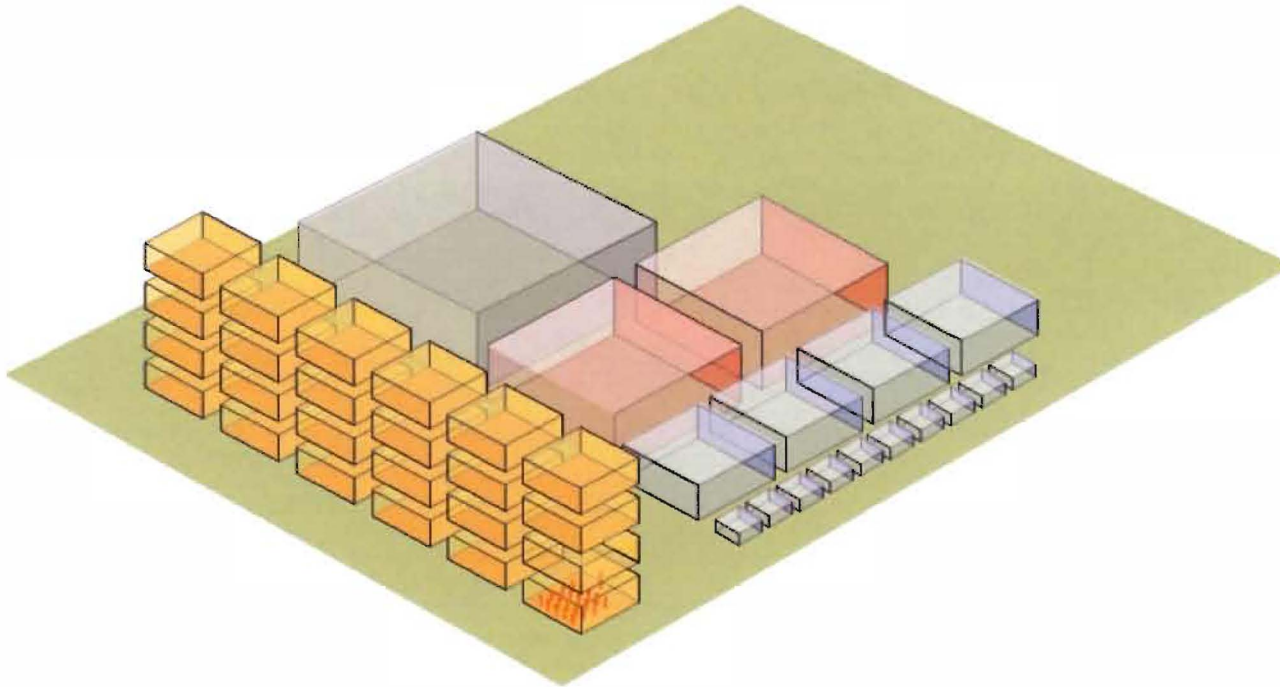
Key Drivers: Buildings

- Provide required infrastructure
- Value-added offerings (school 'climate')
- Primary driver of operating expenses





Key Drivers: Properties



- Required support infrastructure
- Primary driver of alternate-use economic value (market value)
- Value-added opportunities
 - Support expansion and growth
 - Curricular opportunities
 - Athletics
 - Community use

① Facility Fiscal Impact

Facility-related Costs

Elementary Schools Summary

Fixed Cost

ELEMENTARY (FIXED COST)			
	Cost	FTE	
Principal	\$ 130,276	1.0	\$ 130,276
Admin Assistant	\$ 74,760	1.0	\$ 74,760
Attendance Clerk	\$ 52,923	0.5	\$ 26,462
Noon Supervisor	\$ 42,843	0.5	\$ 21,422
Custodial Costs			\$ 107,421
Utilities			\$ 54,858
Total Fixed Cost		5	\$ 415,199

Assumptions

- 1) Max compensation
- 2) Custodial & U

Middle Schools Summary

Fixed Cost

MIDDLE SCHOOL (FIXED COST)			
	Cost	FTE	
Principal	\$ 138,380	1.0	\$ 138,380
Assist Principal	\$ 111,496	0.5	\$ 55,748
Admin Assistant	\$ 74,760	1.0	\$ 74,760
Attendance Clerk	\$ 52,923	1.0	\$ 52,923
Counselor	\$ 106,746	0.5	\$ 53,373
Custodial Costs			\$ 153,008
Utilities			\$ 82,625
Total Fixed Cost		4.0	\$ 610,817

Assumptions

- 1) Max compensation used to allow for growth and
- 2) Custodial & Utility costs are based on prior year

High Schools Summary

Fixed Cost

HIGH SCHOOL (FIXED COST)			
	Cost	FTE	
Principal	\$ 144,560	1.0	\$ 144,560
Assist Principal	\$ 117,498	1.0	\$ 117,498
Admin Assistant	\$ 74,760	1.0	\$ 74,760
Attendance Clerk	\$ 52,923	1.0	\$ 52,923
Counselor	\$ 106,746	0.5	\$ 53,373
Custodial Costs			\$ 164,329
Utilities (Pr Yr-Excl Comp. HS)			\$ 76,314
Total Fixed Cost		4.5	\$ 683,757

Assumptions

- 1) Max compensation used to allow for growth and extended tenures
- 2) Custodial & Util costs are based on prior yr avg cost/Util avg excludes comp High Schls

- Utility costs, among other site-driven operational costs, can vary considerably from site to site depending on size, use, age and condition of physical plant
- Averaging utility costs across the district can conceal some important cost variables re: site/facility operations
- Some smaller sites can be much more efficient to run from a utilities costs perspective than larger sites currently above the 'break even' threshold
- Deferred maintenance and required capital improvements vary widely by site



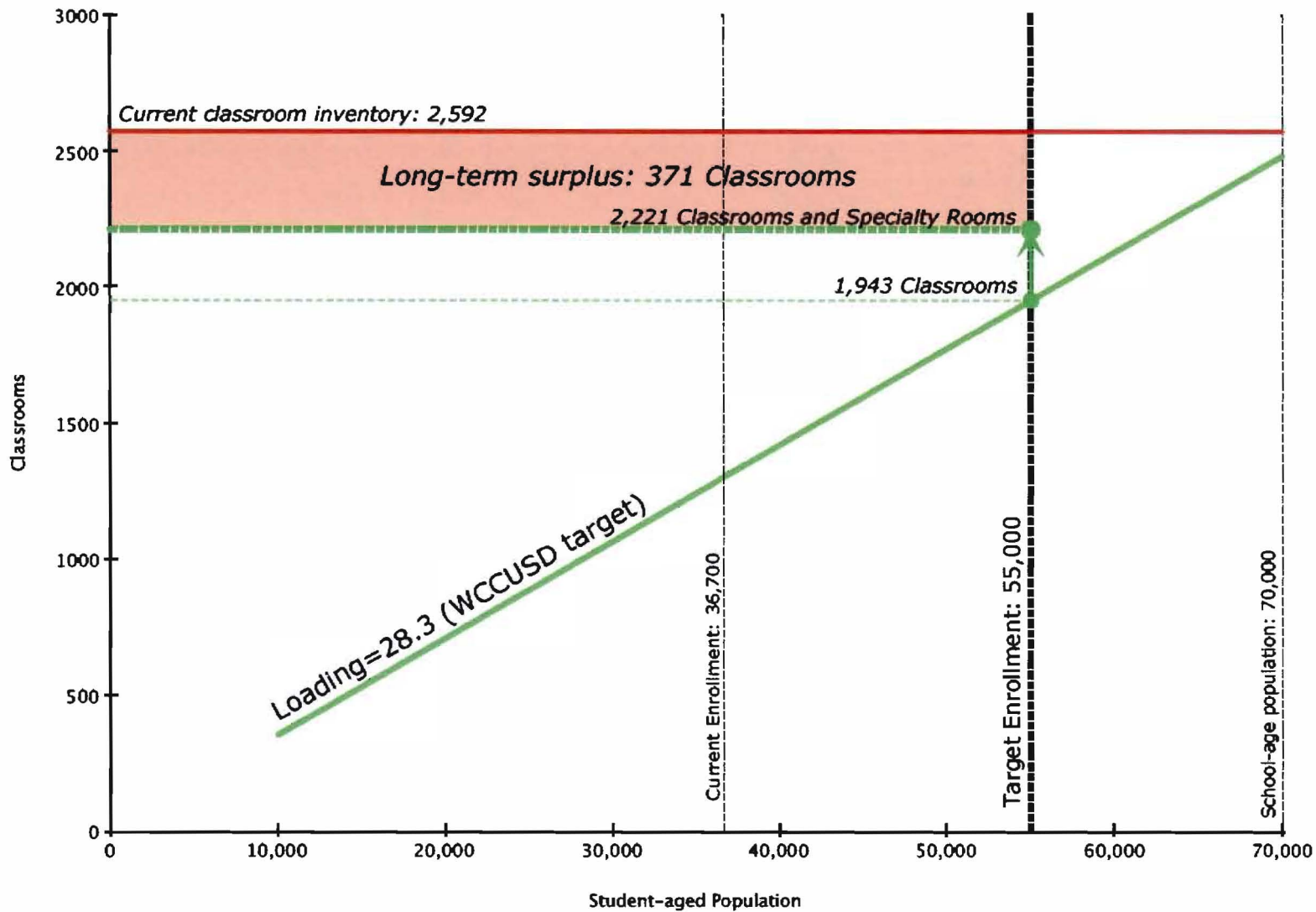
Facility Fiscal Impacts Summary

Key Components	Definition	Data Sources
1 Facility Operating Expenses	Site specific utility, janitorial, and routine maintenance costs	<ul style="list-style-type: none"> District spending records
2 Deferred Maintenance Forecast	Projected costs for site-specific deferred maintenance over next 5 years	<ul style="list-style-type: none"> District facilities reports Recent projects log Assessment of permanent and portable building age
3 Risk of Required Major Project	Likelihood that facility will require major capital improvement (>\$1,000,000) within next 5 years	<ul style="list-style-type: none"> 2005 Long Range Facilities Plan A4E OUSD facilities staff reports Site-level modeling and forecast



② Site Capacity & Neighborhood Alignment

District-wide capacity was determined by total classroom inventory



ILLUSTRATIVE



School capacity will be assessed relative to its neighborhood student population as well as fitness for alternative uses



- Elementary School
- Middle School
- High School



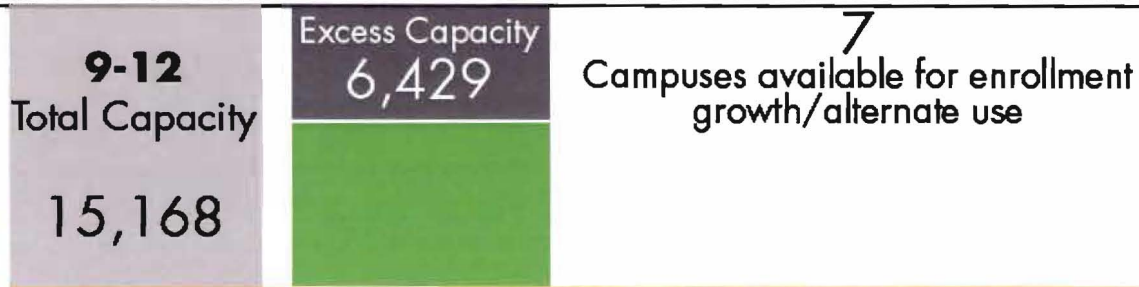
Site Capacity & Neighborhood Alignment Summary

Key Components	Definition	Data Sources
1 Site Capacity	Student capacity, or space available and fit for alternate use (facility and property)	<ul style="list-style-type: none"> • 2005 Long Range Facilities Plan A4E • 2009 Facility Inventory
2 Neighborhood Alignment	Degree to which school capacity is aligned with student population living nearby – and/or EUSD admin or alternative neighborhood tenant needs	<ul style="list-style-type: none"> • Detailed enrollment information and project trends (home school, private, charter, parochial) • Student age population proximate to all OUSD sites • Demographic and market data

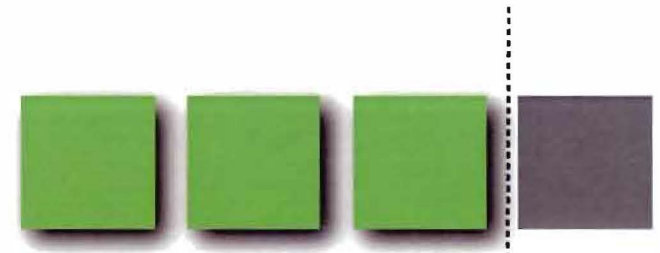


③ School as Center of Community Feasibility

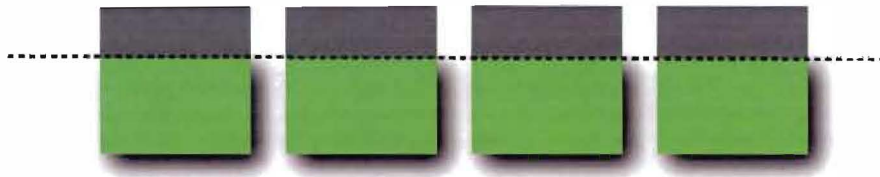
Excess capacity creates opportunities



55,899 19,199 **40** Campuses



School as Center of Community Model



Advantages

- Schools become vital centers for community
- Potential for immediate income generation through alternative public use
- Enrollment distribution becomes more predictable as desire to attend neighborhood schools increases

Implementation Challenges

- Balancing school choice and neighborhood enrollment
- Shared use policies with non-school occupants
- Operational changes required to achieve economic sustainability

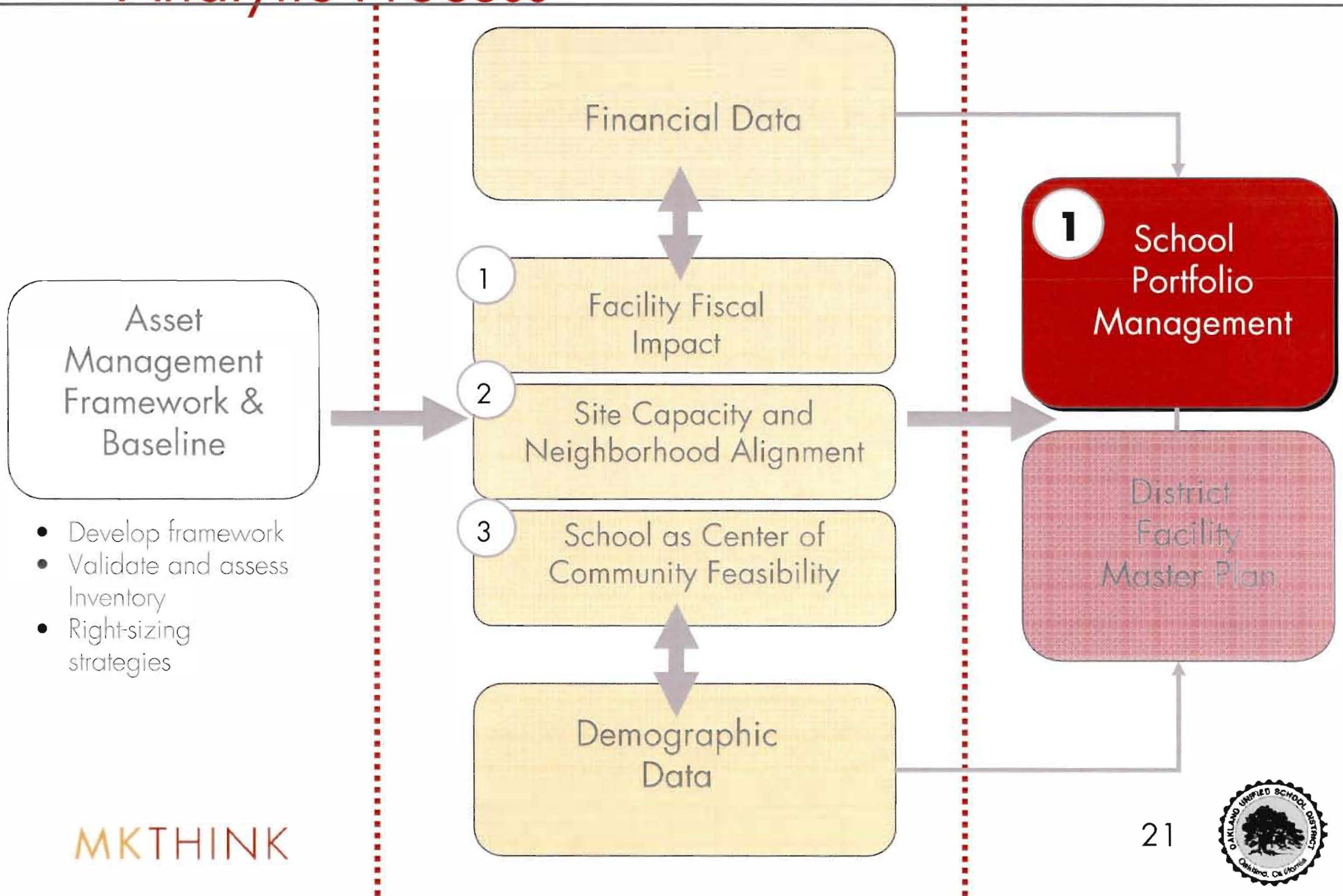
School as Center of Community Feasibility Summary

Key Components	Definition	Data Sources
1 Criteria Development	Development of financial, operational, physical and neighborhood criteria for evaluation of model	<ul style="list-style-type: none"> • Best practices research
2 Feasibility Assessment	Assessment of business case, issues of impact, and ability of model to yield intended benefits	<ul style="list-style-type: none"> • Alternate revenue stream analysis • Community issues, prioritization & opportunities • Alternate use valuation
3 Pilot Program Development	Plan for selecting, implementing, operating and assessing success of model at limited site(s)	<ul style="list-style-type: none"> • Facility Management Team • Selected school staff • Potential shared users



Integrating findings

Analytic Process



Facility Asset Evaluation Criteria

Facility Fiscal Impact	Facility Operating expenses	Site specific utility, janitorial, and routine maintenance costs
	Deferred maintenance forecast	Projected costs for site-specific deferred maintenance over next 5 years
	Risk of Required Major Project	Likelihood that facility will require major improvement (>\$1,000,000) within next 5 years
Site Viability	Site Capacity	Degree to which school capacity is aligned with student population living near school
	Capacity relative to Neighborhood student population	Student capacity, or space available for alternate use (facility and property)



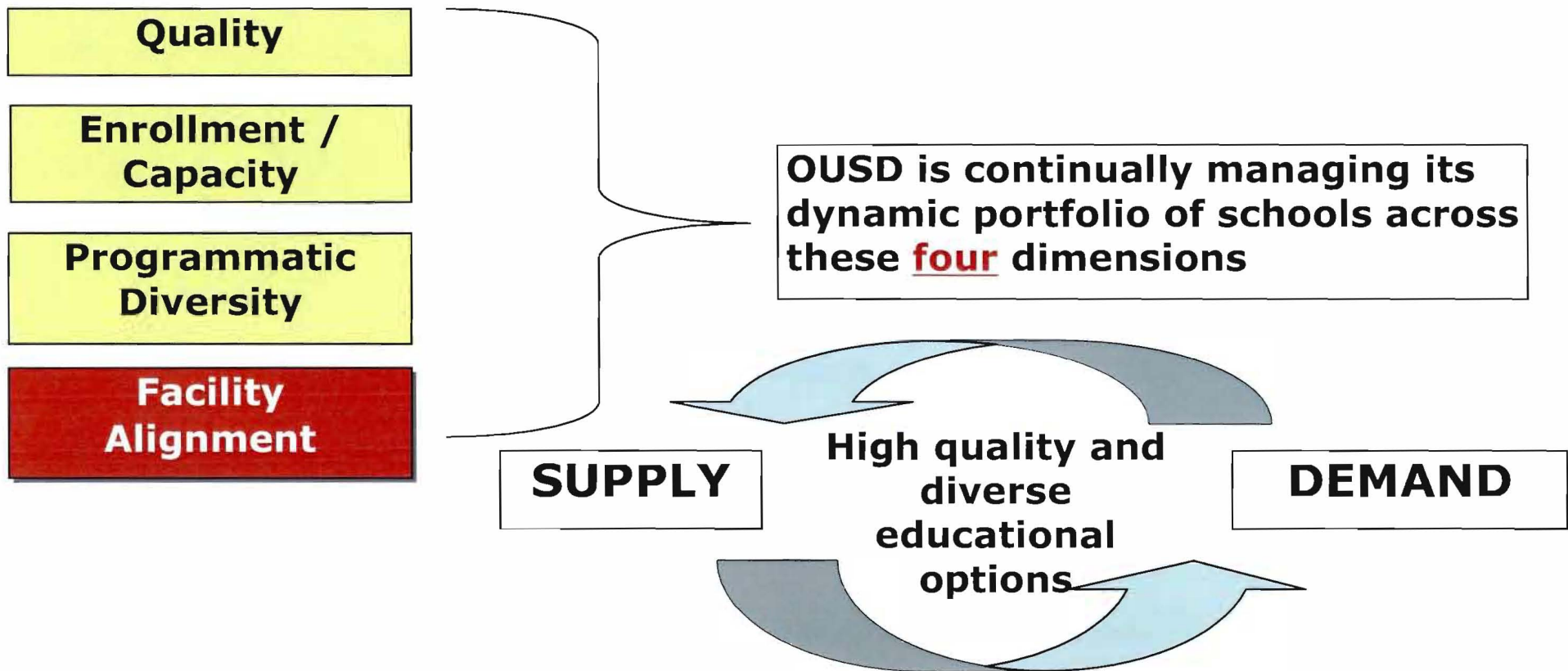
Integrating facility-based criteria into School Portfolio Management Evaluation

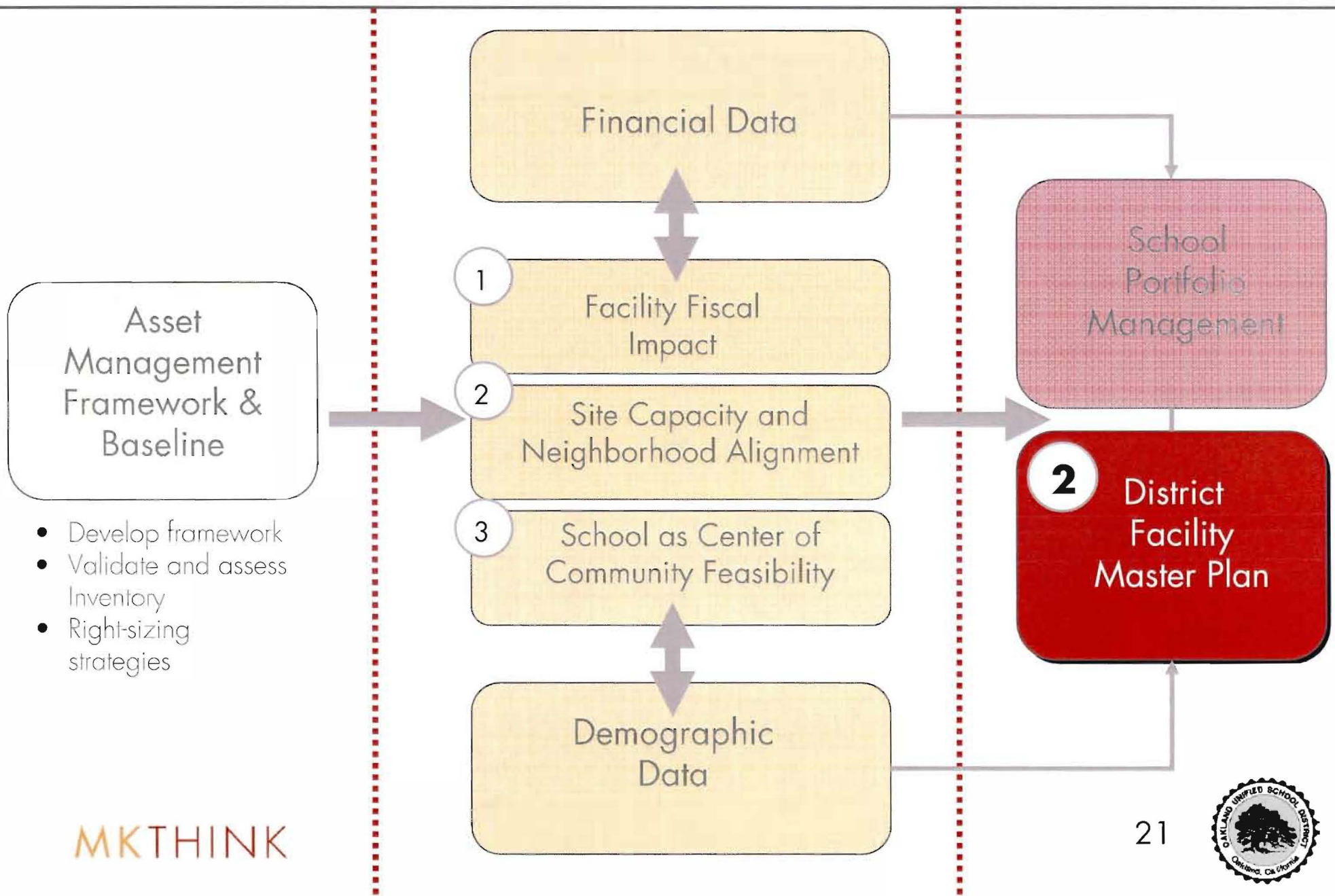
Academic	Absolute Performance	2008-2009 API School-wide and Subgroup Performance
	Lack of Student Growth	% of students moving from one performance band to the next, evaluated over one, two and three year periods
	Lack of Closing Achievement Gap	Change in the difference between School and Lowest performing subgroup API
Enrollment	Enrollment	School size based on CBEDS count, % loss of students over 1 year, % loss of students over 4 years
	Neighboring School Impact	The sum of the underutilized facilities capacity within all of the schools in a particular neighborhood megaboundary. Comparing the number of students who live and go to school in their neighborhood with the underutilized facilities capacity within its megaboundary will determine whether it can be absorbed if closed/phased out.
Financial Viability	Cost Per Student	Includes General Purpose (GP) and TIIG only and takes everything into consideration except for utilities, which is an expense that is not under the control of schools
	School Budget Health	Schools with budgets in "the red," or negative balances
Equity	% of Free/Reduced	% of Free/Reduced Lunch population at a school
	Nearby Closures	Schools that have had closures within their megaboundary. Focusing on nearby historical closures will determine the impact on a given neighborhood
	# of nearby higher performers	# of nearby schools that have a higher level of academic performance as measured by a school's Academic Performance Index (API)



Integrated Facility Alignment Criteria

School Portfolio Management: Managing the Success and Quality of Schools
Every family will have access to at least two quality school options in their neighborhood, and the ability to select from a diverse range of educational options throughout Oakland





- Develop framework
- Validate and assess Inventory
- Right-sizing strategies

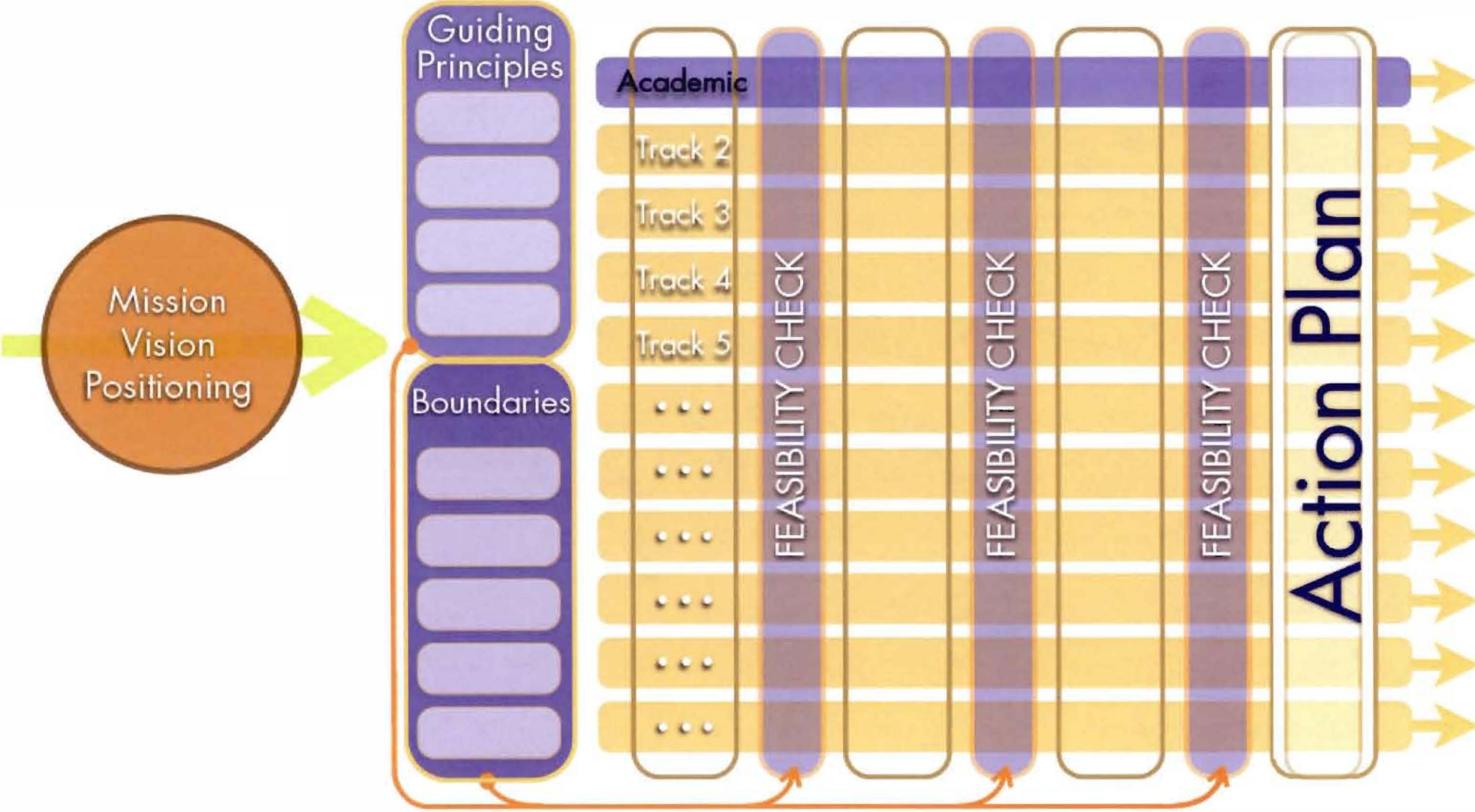


District Facility Master Plan Update

- Develop goals and objectives of updated facilities master plan
 - Determine depth and breadth of assessment, as well as desired outcomes and success criteria
- Integrate master plan goals with overall district and city objectives
 - Pedagogical objectives
 - Enrollment objectives
 - Policy objectives and priorities
 - City, State and Not-for-Profit partners
 - Strategic plans
 - Key initiatives
 - Funding opportunities
- Update and highlight progress made since 2005 master plan



An Integrated Master Planning Process



Appendix

Facility Fiscal Impact: Illustrative

School A
X1 s.f.; Y1 classrooms

School B
X2 s.f.; Y2 classrooms



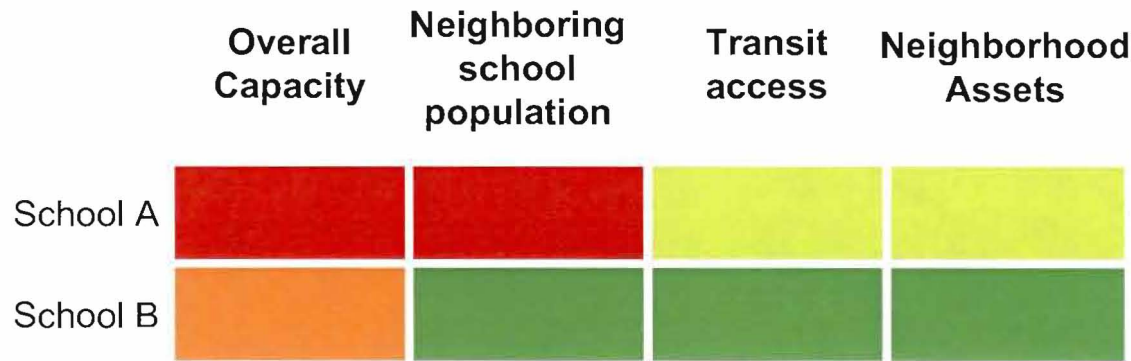
Note:
Data will be obtained from 2005 site/building condition assessments, capital project logs, maintenance histories and forecasts projections, and site utility monitoring and modeling



Site Viability: Illustrative

School A

School B



Note:

Data will be obtained from 2005 site/building condition assessments, capital project logs, maintenance histories and forecasts projections, and site utility monitoring and modeling

