



OAKLAND UNIFIED  
SCHOOL DISTRICT  
*Community Schools, Thriving Students*

# Asset Management Retreat



**iam OUSD**

Sept 8, 2018  
Presentation to the Board of Education



# Team Norms

---



- Honor Time - No Sidebars, Technology Aligned to Meeting Purpose, Start and End on Time
- Act as a Collective Body - Honor Confidentiality
- Check for Understanding, Surface Assumptions
- Share Divergent Views - Value as a Learning Opportunity
- Celebrate Successes and Each Other's Contributions
- Presume positive intent
- No personal attacks



# Outcomes

---

- To have a common understanding of our current context and guiding principles for asset management
- To have a common understanding of the timeline for decisions about revenue generation and surplus property
- To get board authorization to initiate process for a “7-11” advisory committee to recommend uses of surplus property
- To get board authorization to begin an RFP process for a consultant to support the asset management work
- To get board authorization to solicit ideas (RFI: Request for Ideas) for potential properties



# Agenda

Item
Opening: Framing from the Superintendent & Deputy Chief of Facilities
Questions & Comments
Understanding the Current Landscape
Questions & Comments
Analyzing Options for Real Property
Questions & Comments
Closing



# Understanding Our Current Reality

Presented by: Kyla Johnson-Trammell, Superintendent; Tim White, Deputy Chief of Facilities

[www.ousd.org](http://www.ousd.org)



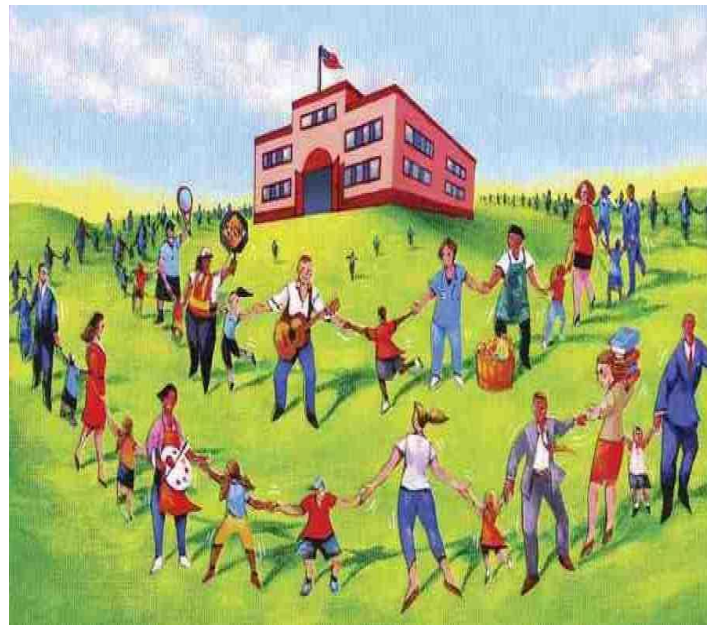
@OUSDnews



# Our Vision And Mission Ground Us

**Vision:** All OUSD students will find joy in their academic learning experience while graduating with the skills to ensure they are caring, competent, fully-informed, critical thinkers who are prepared for college, career, and community success.

**Mission:** To become a **Full Service Community District** focused on high academic achievement while serving the whole child, eliminating inequity, and providing each child with excellent teachers, every day.

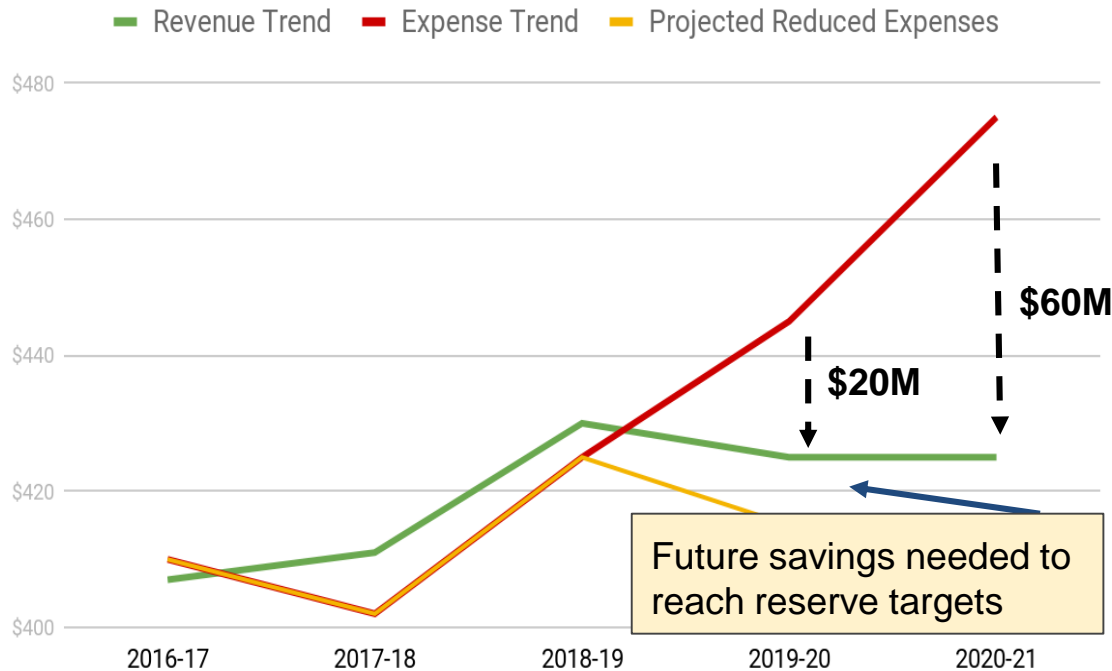


**Focused on Quality, Equity,  
Access and Fiscal Sustainability**



# Expenses outgrowing Revenue

Unrestricted Revenue vs. Expense (For Illustration Purposes Only)

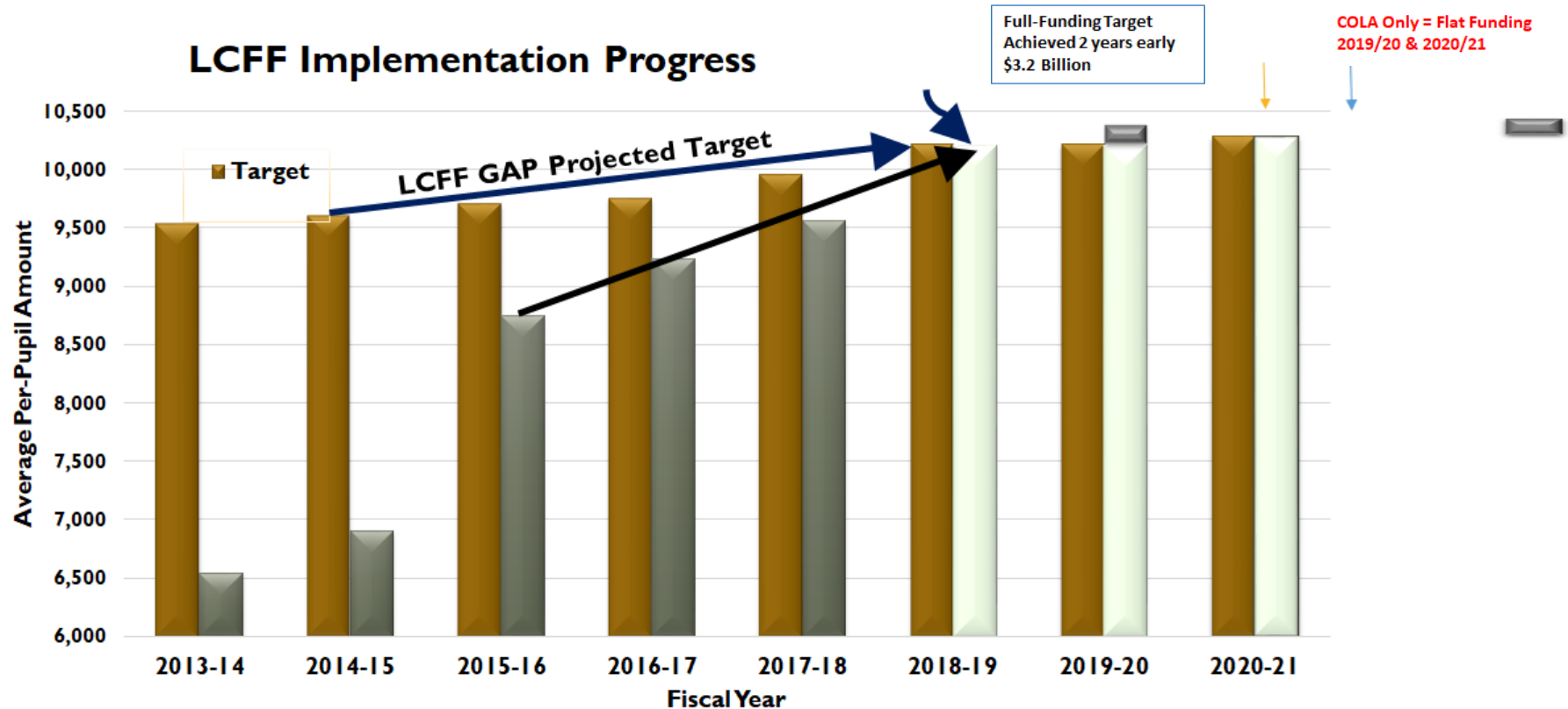


- ⇒ Without changes, Unrestricted Expenses are expected to exceed Revenue by \$60M by 2020-21.
- ⇒ To reach Board targets for reserves, Revenue must exceed Expenses enough to replenish reserves
- ⇒ If no adjustments to the budget are made, driven primarily by declining enrollment, charter school growth, increased STRS and PERS pension costs, and special education growth.



# Local Control Funding Formula (LCFF) - Full-Funding Environment

## LCFF Implementation Progress





# Choosing Abundance Over Scarcity

---

## Challenge:

- We have 87 schools, however, we do not have the enrollment to sustain 87 schools.
- We do not have the dollars to resource 87 Full Service Community Schools
  - Even to reach a base model of staffing, we have to subsidize some schools  
(Source: Based on initial internal school size data)
- We have about 12,414 empty seats (Source: Jacob/Cooperative Strategies)
- City of Oakland produces an additional 11,000 students not captured by either district run or charter schools. (Source: Census data and use of the Esri cohort survival methodology, see page 4 [here.](#) )

## Opportunity:

- Schools are fully resourced because we've reinvested in a fewer number of schools.
- Enrollment is up because we've provided new and robust program options.
- Collaboration with Charters allows for strategic placement of quality programs
- More families entering choose OUSD schools.



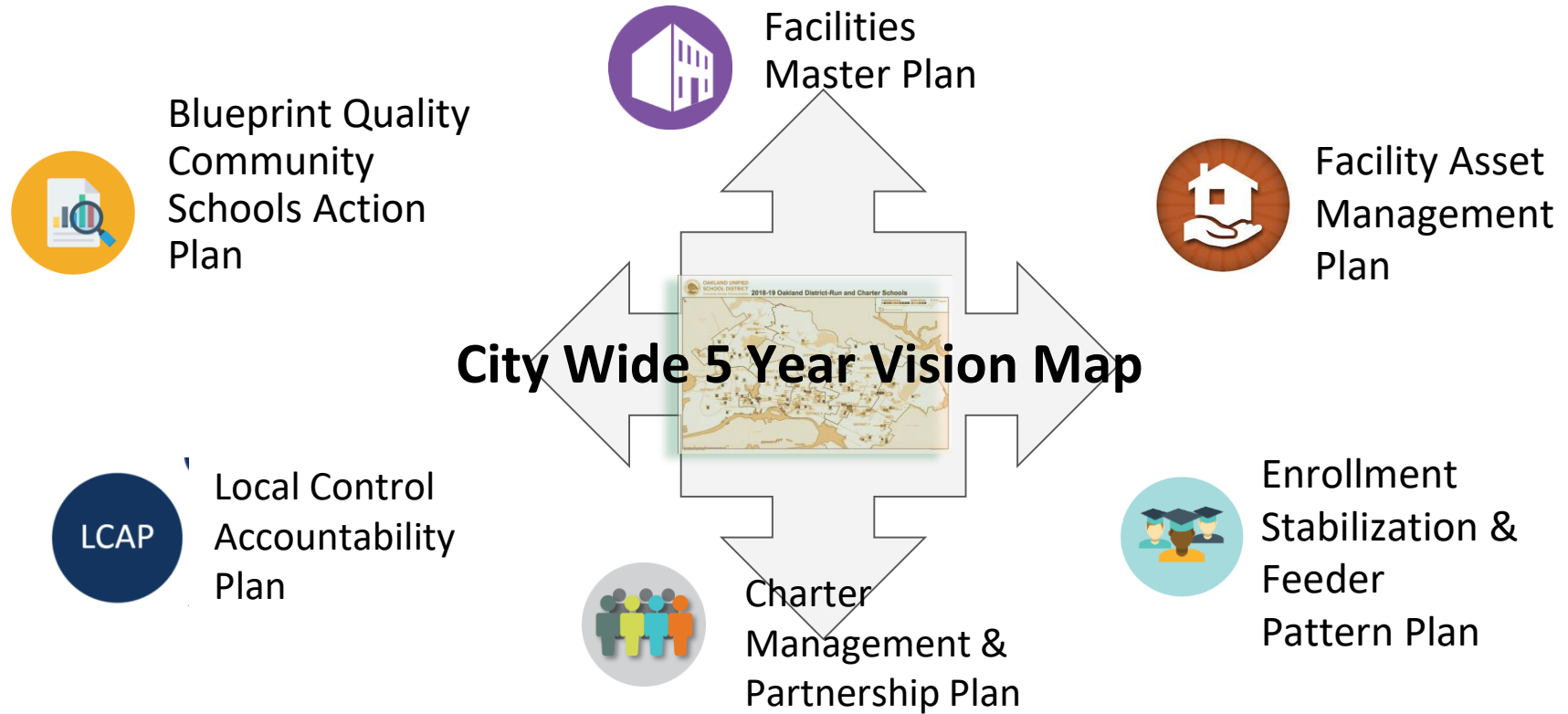
# Community of Schools Policy (BP 6006)

**A City Wide Plan** grounded in policy: Asset Management, Charter Authorization, Enrollment, Equity, Results Based Budgeting, School Governance, and Quality School Development

A	Facilities	Best leverage vacant, underutilized, and <b>surplus properties</b> and utilize <b>facility use agreements</b> to strategically engage all Oakland public schools-district or charter; identify <b>high quality options for academic programs</b>
B	Enrollment & Transportation	Work with all Oakland public schools district or charter - to better articulate <b>feeder patterns</b> across Oakland to ensure more predictability for families.
C	Charter Authorization	Strengthen our role in <b>oversight and accountability</b> to ensure that all charter schools operating in Oakland are providing a high quality education and working to address inequities.
D	Access to Equitable & Quality Education for all	Share <b>best practices across all Oakland public schools</b> , (e.g., professional development, recruitment and retention of educators) that improve equitable educational access for all Oakland students.
E	Defined Autonomies	Best support <b>continued innovation</b> within OUSD schools and accelerate the number of high-quality school options within OUSD










# Community of Schools: A City Wide Plan (7 Components)



**A Interconnected Comprehensive Strategy**



# City Wide Plan: A Multi-Year Approach

Timeline	Action Plan Component	Deliverable for board approval
2018-19 Primary Focus: Finalize 4 Plans	 City Wide 5 Year Vision Map  Asset Management Plan  Facilities Master Plan  Blueprint Quality Community Schools Action Plan	-total number of schools that are operated by OUSD and authorized by OUSD -plan for sale, lease, swap or joint use of surplus property -plan for reallocation and repair of OUSD facilities -recommendations for cohort 2 school changes
2019-20 Secondary Focus: Finalize 2 Plans	 Charter Partnership & Management Plan  Enrollment Stabilization & Feeder Pattern Plan	2018-19 Groundwork: <ul style="list-style-type: none"> <li>- Charter Authorization Policy, Charter Board                Representative Policy</li> <li>- Identify possibilities for strategic placement of                charter schools in OUSD facilities</li> <li>- Identify criteria for lease agreements with                charters</li> </ul>
Ongoing Work- 1 Plan	 Local Control for Accountability Plan	-Indicate best practices to improve quality academic programs at all school sites



# Proposed Timeline of Key Board Engagements





# Focus for Today

---



## Facility Asset Management Plan



# Understanding Impacts on our Asset Management

Presented by: Kyla Johnson-Trammell, Superintendent; Tim White, Deputy Chief of Facilities

[www.ousd.org](http://www.ousd.org)



@OUSDnews



# Dual Forces Shaping the District

---

## External Forces

- Beyond our control
  - Proposition 39 process
  - Annual application process
  - Number of application unpredictable
  - Targets specific district sites
  - Multiple opportunities for school
- Authorization: District, County, State



## Internal Forces

- API/Program Improvement
- No Child Left Behind
- New Small Autonomous School
- Incubation process and solicitation for New Schools
- Office of Portfolio Management





# Dual Forces Shaping the District

---

## 20 years of Instability

Each year internally we make decisions about school creation, closure, relocation, co-location, grade reconfiguration and school expansions across the district that can dramatically change the way the district looked the previous year

Compounded by the aggressive expansion of external programs year to year since the passage of Prop 39. It was approached as a tactical exercise annually changing the district map subtly and not so subtly every year.

Schools have appeared and disappeared just as quickly in our District

### Impacts

- Uncertainty about your neighborhood schools stability
- Revenue loss / expensive and complex process
- Perpetual changes to district map annually

### Community Wants

Good schools and a stable Pre-k-12 feeder pattern to education success



# Proposition 39 It's the LAW!

---

- **Passed in 2003**

**Legal Intent**- To ensure that all students have equitable access to publicly funded school facilities

- **Our Legal Obligation**- To transparently expose all available space in school facilities
- **The Process**- By legally mandated timelines, we must accept applications Prop. 39 facilities from charter schools and provide preliminary offers of space by February



# Proposition 39 – Impact Unpredictable

---

YEAR	APPLICANTS	FINAL OFFERS ISSUED	Charters in District Facilities under Prop 39	Comment
2015-16	18	4	1	
2016-17	16	4	1	
2017-18	16	2	1	
2018-19	17	10	4	Pending Board Adoption

Four year history of Prop 39 Application Process  
Offers based on available school space  
Effort to move to longer term 'in-lieu of' agreements

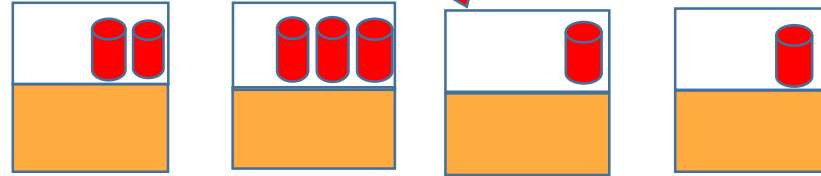


# Proposition 39 District Loading Model

Charter School Applications



District Schools loaded at 50 utilization



- Annual # of applications is unpredictable
- Charters select the attendance area of choice
- Charters must reapply each year
- Growth requires additional classrooms annually

- Many schools underutilized
- Underutilized Schools targeted for charter school enrollment
- No plan to consolidate programs and free up resources
- Piecemeal approach - Tactical



# 19 Years of School Instability

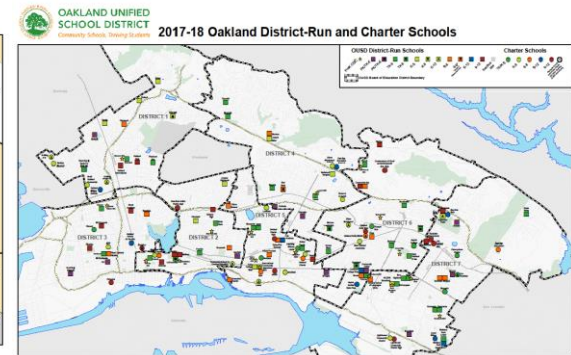
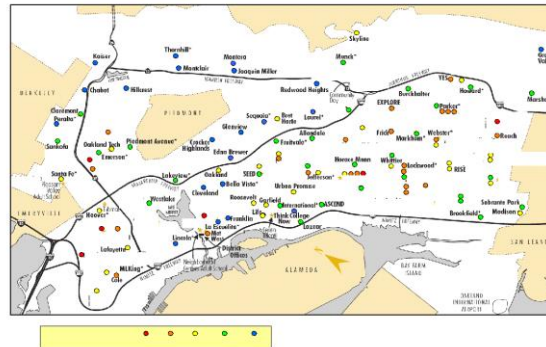
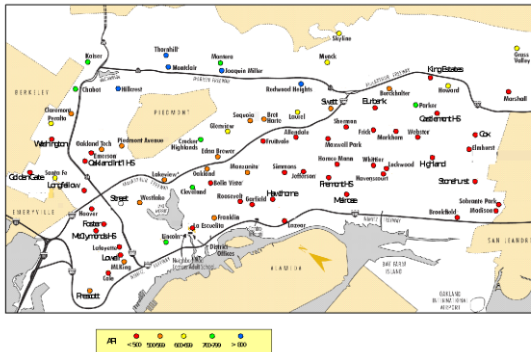
Year	1999-2000	2009-2010	2017-2018
Enrollment	55,050	46,516	49,760 *
District Operated Schools	86	110	87
District Approved Charter	7	32	35
ACOE Approved Charters			8

1999 Pre-Charter

2017 Charters Today/Small School Competition

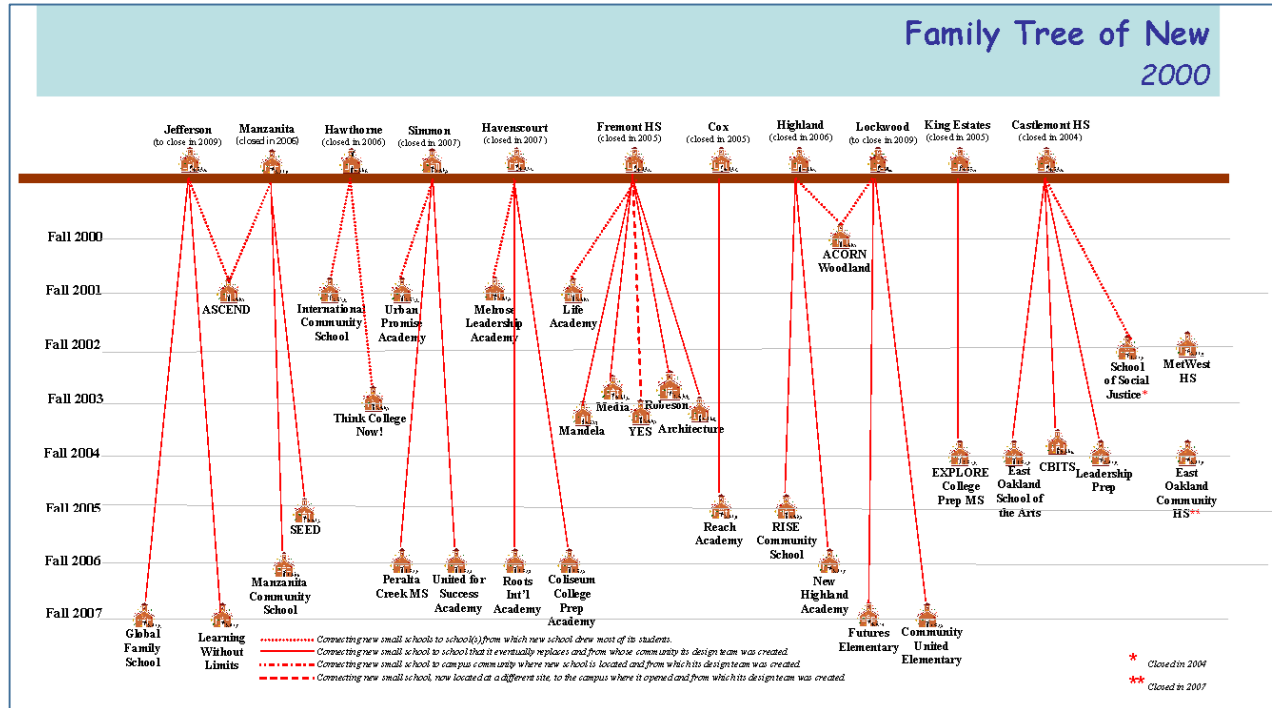
2009 Mid-Charter

## OUSD Schools: 1999 API



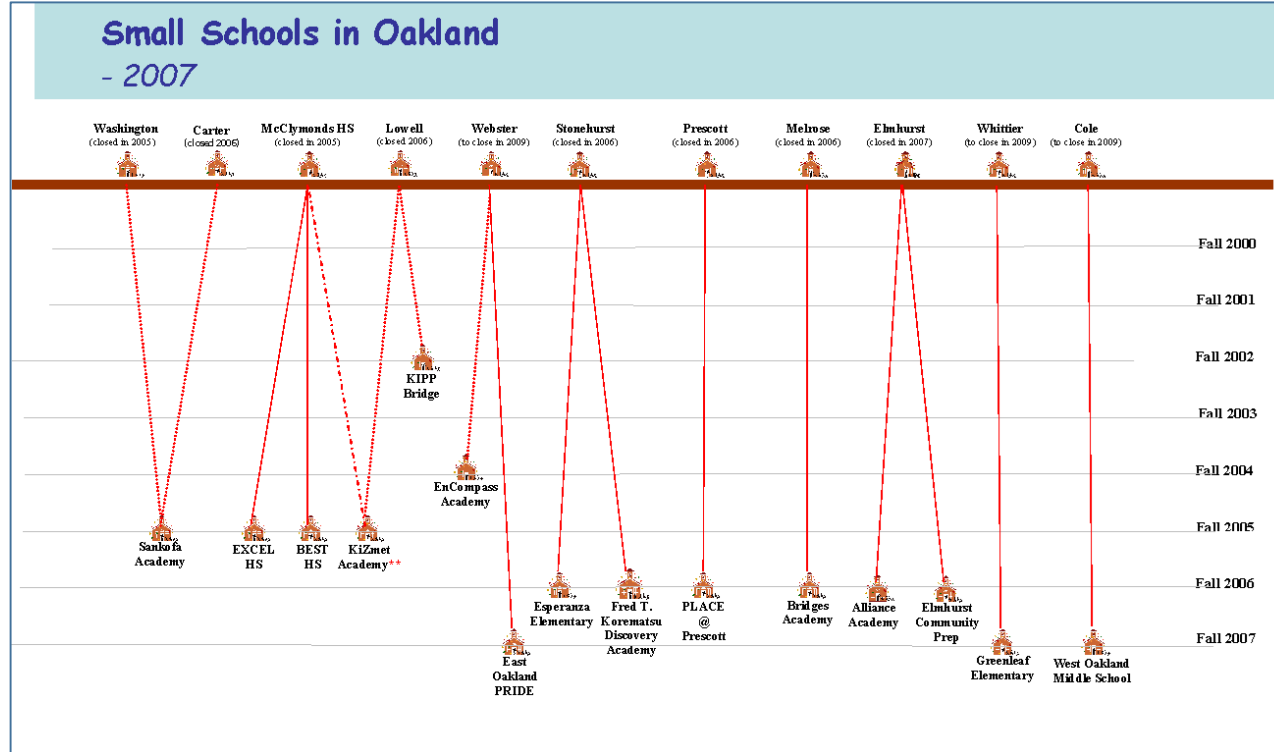


# Expansion of Small Schools





# Expansion of Small Schools





# Strategic Approach to District Asset Planning

---

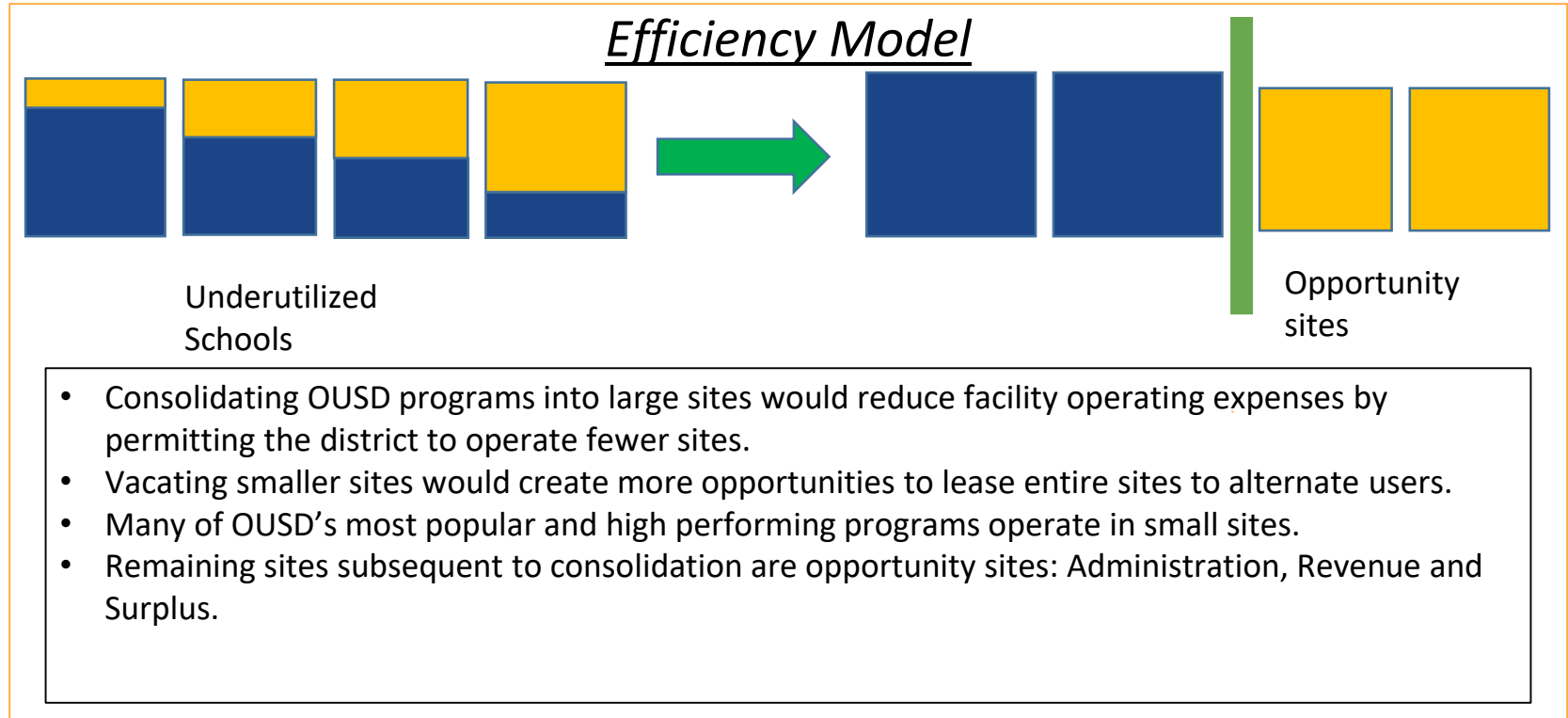
## Seven Pillars

1. Number of Students we serve
2. Number of Schools and Where they are located
3. Diverse Programs: District and Charter
4. Administration Facilities
5. Revenue Generation Facilities
6. Surplus Facilities
7. Centralized Athletics Facilities

- How big of a school district are we?
- Do we ever aspire to house 55,000 Students again?
- Schools needed to accommodate planned enrollment
- Charters represent approximately 30% of District enrollment.
- Solving for pillars 1, 2, 3, clarifies options for pillars 4,5,6, and possibly 7
- Efficiency only realized if programs housed in District Facilities are consolidated
- Administration Facilities cost \$5 MILLION annually. Must resolve. Option of returning to rent free district owned site is preferable



# Consolidate into Larger Site





# Strategic Approach to District Asset Planning

---

- Allows us to strategically program our resources to our address district needs
- Comprehensive way to identify best sites to serve district educational need
- Negotiated opportunity to peacefully coexist with our charter population
- Dramatically reduce structural deficit by identifying opportunity sites for revenue and surplus
- Provide predictability and stability to district portfolio of schools
- Restore confidence in district ability to deliver quality programs in neighborhood schools



# Current Landscape

Presented by: Kyla Johnson-Trammell, Superintendent; Jean Wing, Director of Research  
Assessment and Data

[www.ousd.org](http://www.ousd.org)



@OUSDnews

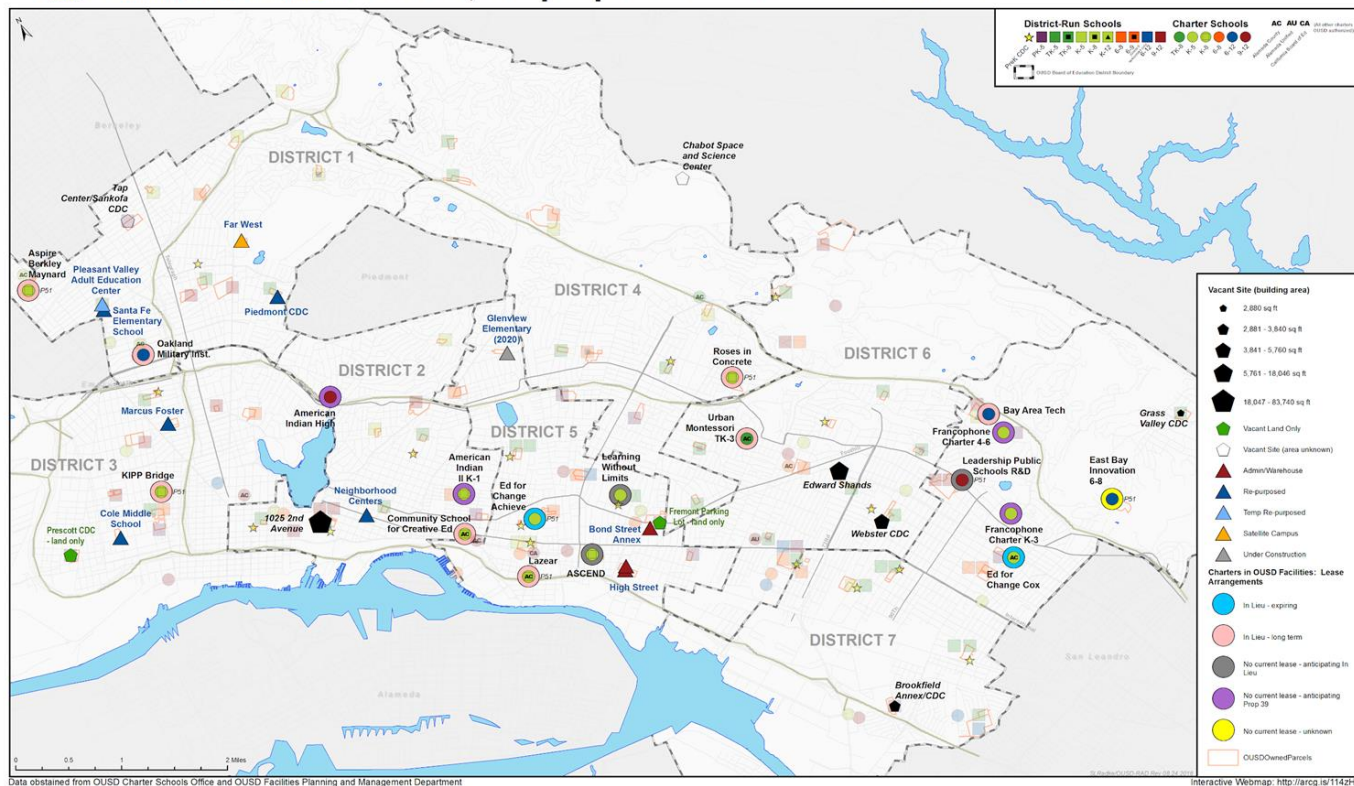


# Vacant, Repurposed & Charter Leases



**OAKLAND UNIFIED  
SCHOOL DISTRICT**  
Community Schools, Thriving Students

## 2018-19 OUSD Facilities: Vacant, Re-purposed & Charter Leases



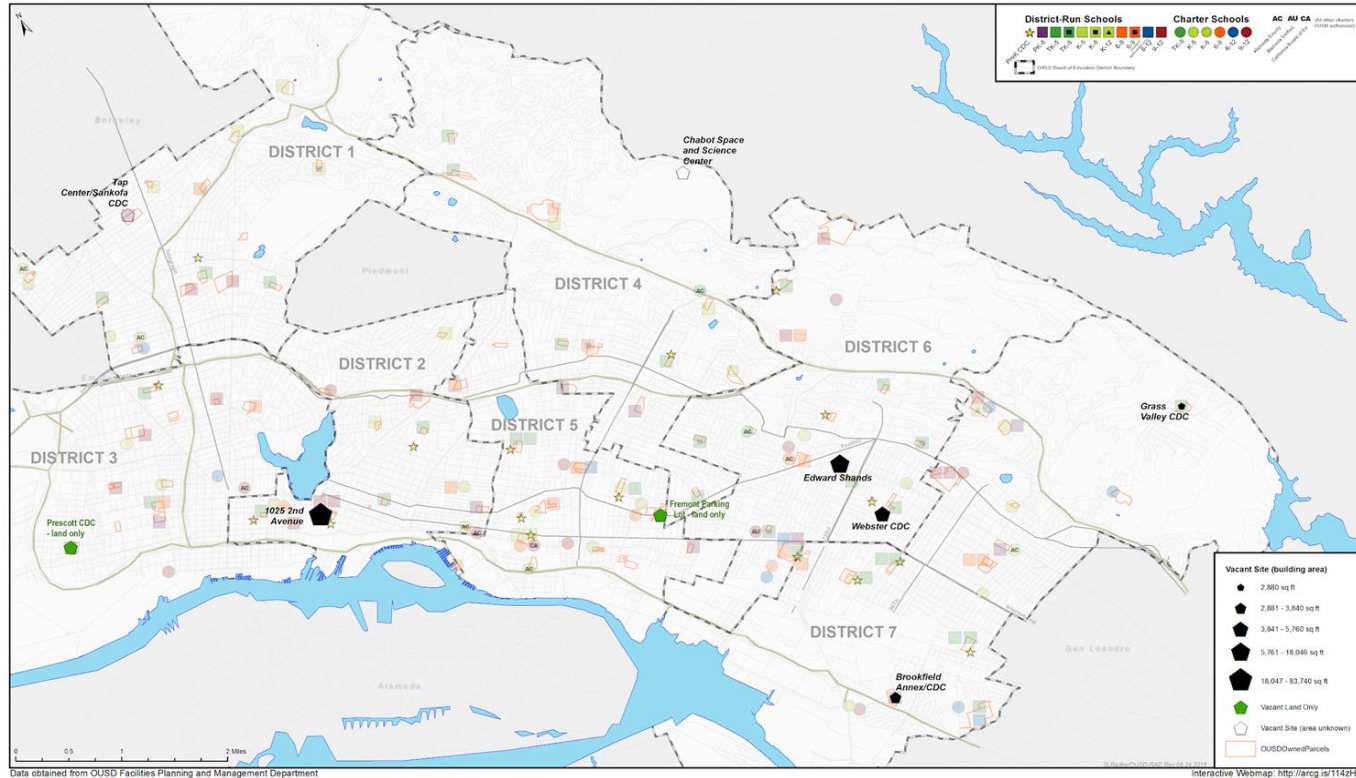


# Vacant Land & Properties



**OAKLAND UNIFIED  
SCHOOL DISTRICT**  
Community Schools, Thriving Students

## 2018-19 OUSD Facilities: Vacant Land & Properties





**SCHOOL DISTRICT**  
*Community Schools. Thriving Students.*

## 2018-19 OUSD Facilities: Re-purposed



Interactive Webmap: <http://arcg.is/114zHS>

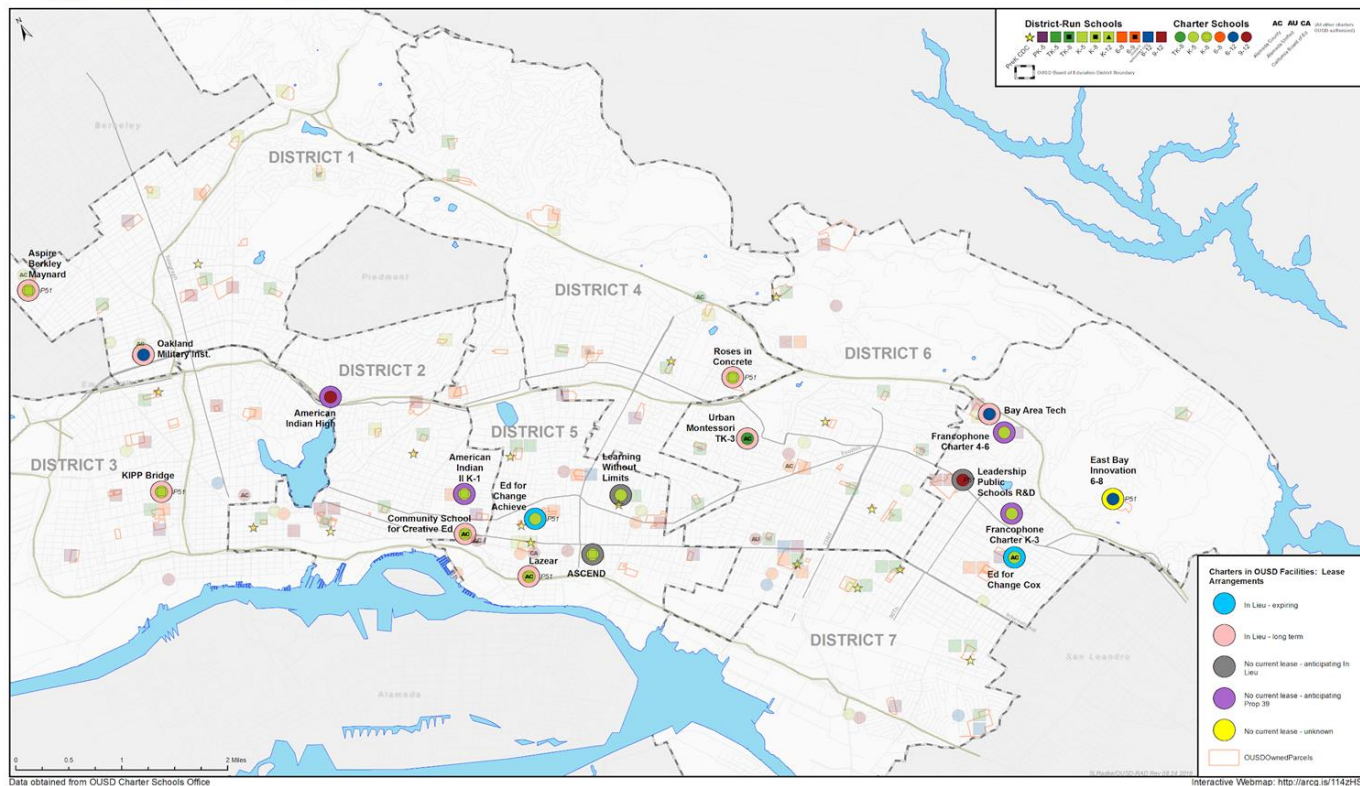


# Charter Leases



**OAKLAND UNIFIED  
SCHOOL DISTRICT**  
Community Schools, Thriving Students

## 2018-19 OUSD Facilities: Charter Leases





# Discussion Questions for the Board

---

- What do you notice about our city wide landscape?
- Are there particular properties that the Board would like to consider for potential options for surplus property?



# Analyzing Options For Real Property

Presented by: Kyla Johnson-Trammell, Superintendent, Marion McWilliams, General Counsel

[www.ousd.org](http://www.ousd.org)



@OUSDnews



# Asset Management BP 7350

---

**Guiding Principle:** The physical assets of the Oakland Unified School District shall be managed and maintained as a system to provide safe, secure, healthy, and technologically ready learning environments for students in Oakland's publicly funded schools in alignment with the District's Strategic Plan. To support the District's educational and operational functions, the District shall also use its properties to realize unrestricted revenue to support programs and services for District students.

Key Sections of the Policy:

**III. Considerations for Use of Properties**

**V. Using District Properties to Generate Unrestricted Revenues to Support Services and Programs for Student**



# Surplus Defined

---

- “Surplus” is space that is not needed for classroom purposes after meeting District students needs and in-District charter student’s needs
- In its role of managing its assets and optimizing use of its public resources, the Board has some flexibility with “surplus” property
- Identified as an option for addressing structural deficit and increasing resources to students



# Potential Options for Surplus Property

Requirements	Sale	Lease (>30 days)	Joint Use w/ New Construction	Exchange
7-11 Committee?	Yes	Yes	No	No
2/3rds vote of Board?	Yes	Yes, if purchase option	No	Yes
Offer to certain public/ gov't agencies 1st?	Yes	Yes (shorter list)	No	No
Highest bidder?	Yes	Yes	No	No
Proceed use?	Capital program or Loan Payback	Capital program or Loan Payback <u>if purchase option</u> , otherwise flexible	Depends on structure	Depends on structure



# Step One: 7-11 Committee Appointed

---

Board appoints an advisory committee of between 7 to 11 members representative of:

- The ethnic, age group, and socioeconomic composition of the District
- The business community
- Landowners or renters, with preference to be given to representatives of neighborhood associations
- Teachers
- Administrators
- Parents of Students
- Persons with expertise in environmental impact, legal contracts, building codes, and land use planning



# Role Of 7-11 Advisory Committee

---

- Review District data to determine the amount of surplus real property
- Create a priority list of use of surplus space and real property that will be acceptable to the community
- Circulate the priority list of surplus property and hold a public hearing to seek community input on acceptable uses
- Make a final determination of limits of “tolerance of use” of space and real property
- Forward to the Board a report recommending uses of surplus space and real property
- Recommendation is advisory only
- Based on data from other districts, process takes at least 4-6 months



# Process For Sell or Lease -- Preoffers

---

- Conduct preliminary work -- appraisal, title report, conditions analysis
- Adopt a resolution: Considering the 7-11 Committee's recommendations; describing the property; declaring the property surplus; authorizing offers to other public agencies
- Make a written offer to sell or lease the property to specific agencies for use as outdoor recreational space. Offer remains open for 60 days and 90 day negotiation period.
- By public notice/ 3 weeks of newspaper publication offer to other governmental agencies at fair market value. Offer remains open for 60 days.
- If vacant classrooms are leased, additional offers must be made



# Process for Sale or Lease -- Public Bid

---

- If still unsold/unleased: Pass Resolution
  - Considering 7-11 Committee's recommendations
  - Describe the property proposed to be sold or leased in such a manner as to identify it.
  - Specifying the minimum price and the terms upon which the property will be sold or leased.
  - Stating the commission or rate, if any, which the board will pay to a broker out of the minimum price.
  - Specifying a date at least three weeks later for a public Board meeting at which proposals to purchase or lease will be received and considered.
- The resolution must be adopted by a 2/3rds vote
- Overall timeline to closing after 7-11 committee recommendations is estimated to be about 9-15 months
- Examples: Rio Unified, Napa Valley Unified, San Diego Unified, Sacramento City Unified (materials in appendix)



# Process for Property Exchange

---

The Board can “swap” or “exchange” one or more of its parcels for a different parcel that is more suited to its needs. If the value of the District’s parcel(s) is higher than the exchanged property, it can obtain cash in the transaction.

- Process:
  - Adopt resolution to offer for exchange
  - Solicit properties for exchange
  - Appraise properties
  - Assess and negotiate terms
  - Board vote to select offer
- Examples: San Diego Unified & Glendale Unified solicited proposals for exchanging underutilized sites for a new location for administrative offices (see Appendix)



# Next Steps

---

- **Sept./ Oct. 2018** -- Solicit proposals for a consultant to assist with selection and facilitation of 7-11 committee and potential uses for property
- **Oct. 2018** -- District contracts with consultant and posts application for 7-11 committee
- **Oct. 2018** -- District solicits ideas for potential exchanges and/or optimizing use for the 7-11 committee to consider
- **Oct./Nov. 2018** -- Board appoints 7-11 committee
- **Dec. 2018** -- Surplus resolution, considers 7-11 committee's determination of surplus property and authorizes offers to other public agencies
- **Jan. 2019** -- Consider 7-11 report recommending uses of surplus space and real property



# Discussion Questions for the Board

---

- What are the pros and cons for each of the options for surplus property (e.g. sale, lease, swap, joint use)?
- How do we get to a more stable place and avoid changing our landscape every year?
- What is a realistic bundle of properties to consider in the window that the state has provided to eliminate our structural deficit?
  - Are there any restrictions that the Board wishes to place at this time? (i.e., no sales, no commercial development, no housing)
  - How aggressive and bold can we be?





**OAKLAND UNIFIED  
SCHOOL DISTRICT**  
*Community Schools, Thriving Students*

1000 Broadway, Suite 680, Oakland, CA 94607

[www.ousd.org](http://www.ousd.org)



**@OUSDnews**





# Appendix



# Standards of Quality Community Schools

---

**Quality Indicator 1:** Quality Learning Experiences for All Students

**Quality Indicator 2:** Safe, Supportive & Healthy Learning Environments

**Quality Indicator 3:** Learning Communities Focused on Continuous Improvement

**Quality Indicator 4:** Meaningful Student, Family & Community Engagement/Partnerships

**Quality Indicator 5:** Effective School Leadership & Resource Management

**Quality Indicator 6:** High Quality Central Office That Is in Service of Quality Schools



# Key Resource Documents

---

2012 Facilities Master Plan

2014 Facilities Asset Management Plan

BP 7350 Asset Management Policy

BP 6006 Community of Schools Policy