



Advocacy Through Effective Benchmarking and Communications: Making the Case for Quality School Facilities in OUSD

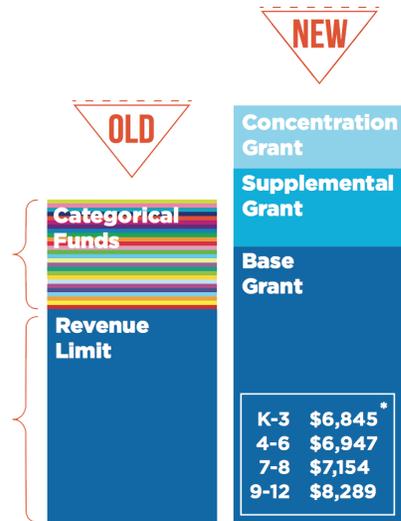
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Client: Oakland Unified School District

CA's New K-12 Education Funding:
Local Control Funding Formula

ISSUE

The Oakland Unified School District (USD), like many other districts in California and across the nation, has struggled to adequately fund the maintenance and operations (M&O) of its school facilities. Properly maintaining and operating facilities is essential to ensuring the health and success of students and educators. There are prodigious costs for putting off routine maintenance - expensive emergency repairs and decreases in building lifecycles - with underinvestment in school facilities having a compounding effect on future costs of school repairs, renewal, and replacement.

Under California's new Local Control Funding Formula (LCFF) K-12 funding system, local school districts are given increased flexibility and responsibility for local budgeting and decision making - a reality that poses both opportunities and challenges for facility maintenance funds.



Adapted from ACLU

SCOPE

How do Oakland USD's facilities and operations budget trends compare to other California school districts and industry standards for achieving healthy and educationally adequate facilities?

METHODS

To develop better benchmarks for measuring school districts' M&O investments, expenditure and staffing data were gathered from seven comparison school districts in California. M&O spending reported by NCES were collected and best practices in M&O investment were benchmarked. All figures are adjusted to 2011 dollars.

School District	Annual Average M&O Expenditures 2007-2011 (Source: NCES)	Total District Facilities sq ft (Source: LEAs)	Annual Average Enrollment 2007-2011 (Source: CDE)	Annual Average M&O \$ per sq ft (2007-2011) (Sources: NCES and LEAs)	Annual Average M&O \$ per Pupil (2007-2011) (Sources: NCES and CDE)	Annual Average M&O Expenditure as % of District Total Operating Budget 2007-2011 (Source: NCES)
Fresno USD	\$81,611,064	10,132,031	75,523	\$8.05	\$1,080.61	10.20%
Garden Grove USD	\$47,341,330	3,717,812	48,363	\$12.73	\$978.87	10.60%
Long Beach USD	\$97,086,664	7,629,591	86,097	\$9.58	\$1,127.64	11.10%
Oakland USD	\$47,866,085	5,841,891	46,524	\$8.19	\$1,028.85	7.90%
Pajaro Valley USD	\$16,518,487	2,304,129	19,549	\$7.17	\$844.97	6.30%
Piedmont USD	\$3,311,482	347,422	2,550	\$9.53	\$1,298.82	7.60%
Sacramento City USD	\$47,777,657	6,467,907	47,755	\$7.39	\$994.02	8.60%
State Total	N/A	529,453,528*	6,231,523	\$11.32*	\$961.90	8.7%

Notes: -Shaded cells indicate lowest M&O expenditures
-M&O Expenditures: Covers buildings services (heating, electricity, air conditioning, property insurance), care and upkeep of grounds and equipment (e.g. custodial services), nonstudent transportation vehicle operation and maintenance, and security services. It does not include direct expenditure for construction of buildings, roads, and other improvements, and for purchases of equipment, land, and existing structures, nor does it include amounts for additions, replacements, and major alterations to fixed works and structures
*Estimated by Center for Cities and Schools at the University of California, Berkeley



FINDINGS

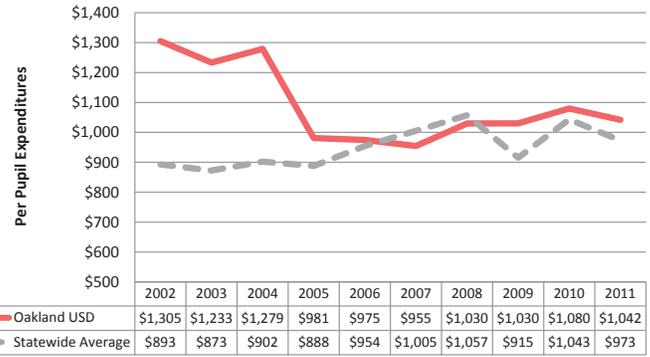
Historic trends

- Oakland USD experienced a 20% drop in M&O spending per pupil between 2002 and 2011.
- California, on an average, experienced a 10% increase in M&O spending per pupil between 2002 and 2011.

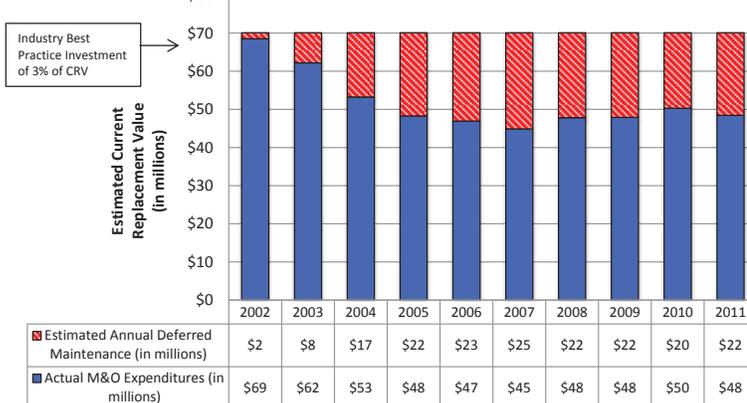
Benchmarking Oakland USD M&O Expenditures Against Industry Best Practices

- From 2002-2011, deferred maintenance grew at a yearly estimated rate of \$18 million. Based on this modeling, the accumulated deferred maintenance totaled more than \$183,000,000 at the end of 2011.

California and Oakland USD M&O Average Expenditures (2011 \$)
Data Sources: CDE, Oakland USD, and NCES



Annual Oakland USD Maintenance and Operations Expenditures and Estimated Annual Deferred Maintenance Totals: 2002-2011 (2011 \$)



Benchmarking Oakland USD M&O Expenditures Against Comparable School Districts

- Between 2007 and 2011, Oakland USD's spent an annual average of \$8.19 per sq. ft.
- The lowest district spent an average of \$7.17 per sq. ft. and the highest district spends an average of \$12.73 per sq. ft.
- In fiscal year 2010-2011, Oakland USD spent approximately 7.6% of the district's budget on M&O. Five of the six comparison districts spent more than Oakland USD with a maximum of 11.1% of the district's budget devoted to M&O expenditures.

LESSONS

- 1. Draft specific LCAP goals of good repair and ongoing yearly facilities assessment:** It is recommended that the district draft specific goals and activities that speak to the need for adequate facilities funding and ensuring district facilities align with *good repair* standards. These goals should require the district to conduct an assessment of facilities M&O needs to provide evidence supporting funding requests.
- 2. Institute programs to assess facilities conditions to understand future maintenance and capital renewal and replacement budgetary needs:** It is recommended piloting a database tool to assess lifecycles of facility systems (e.g. roof, HVAC, etc.) and to determine replacement and renewal needs. This tool would assist in transitioning from a reactive to a predictive maintenance paradigm and support budgetary funding requests.
- 3. Focus on decreasing levels of Deferred Maintenance:** It is recommended that facilities departments across California shift the conversation when negotiating their annual budget and use OUSD as a case study for explaining the importance of M&O expenditures in ensuring against higher costs in the future. While costs associated with M&O will initially rise, the long term savings far outweigh the upfront costs.