

C.A.S.H. 30TH ANNUAL CONFERENCE ON SCHOOL FACILITIES

30 YEARS OF SCHOOL FACILITIES LEADERSHIP ADVOCACY ♦ EDUCATION ♦ COLLABORATION

Wednesday, February 25, 2009
9:00 a.m. - 10:30 a.m.
Sacramento Convention Center
Room 315

Workshop # 25

Why School Districts Need to CYA - Capitalize Your Assets

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Why School Districts Need to CYA - “CAPITALIZE YOUR ASSETS”

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Defining Important Terms

- What is an Asset?
- How do you “CAPITALIZE” it?
- How does this help the District?

Are we looking for revenue or?

Are we reducing costs?

It's time to CYA.

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How Does This Help?

- Is it Revenue?
- Does it reduce cost?
- Is it leverage?
- Does it improve cash flow?
 - Delay costs
 - Bridge to future
- Reduce Budget

An Asset Is . . .

- Any item of value in which the District has equity
- Unused Site
- Under-utilized Site
- Site no longer operating as originally planned
- Revenue streams
- Other items “special” to the District

The above assets can be used to generate a new revenue source to fund the District’s capital facility needs and/or to reduce costs to the District.

It's All a Matter of Perspective

What are your District's assets?

How can they be capitalized, or

How can they be converted from static assets to assets that will address today's needs?

Four Steps to Capitalizing Your Assets

Identify potential assets

Think outside the box

Keep an open mind

Validate that it is a useable asset capable of conversion

Verify the asset can be converted to produce a satisfactory result

Capitalize it: convert it - strip it - swap it

Above all, use the asset to meet District needs

What Assets Have Been Capitalized?

Real Property

- Unused Sites
- Underutilized Sites
- Sites no longer operating as originally planned

Location, Location, Location

Personal Property

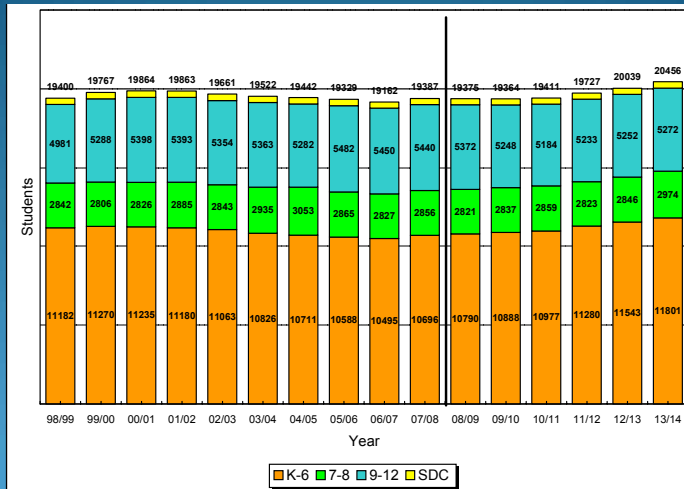
goods, crops, rights and other unusual assets

Validation: Is Your Asset Available for Conversion to Another Use?

- Examine:
 - Enrollment
 - Eligibility
 - Entitlement

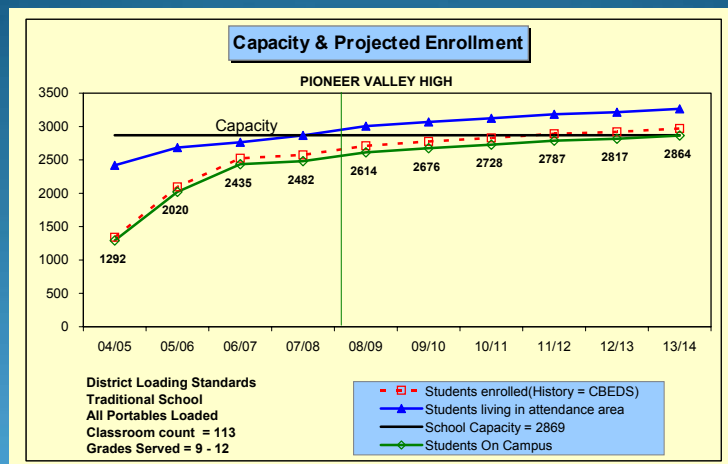
Don't convert an asset you will need later

District Enrollment



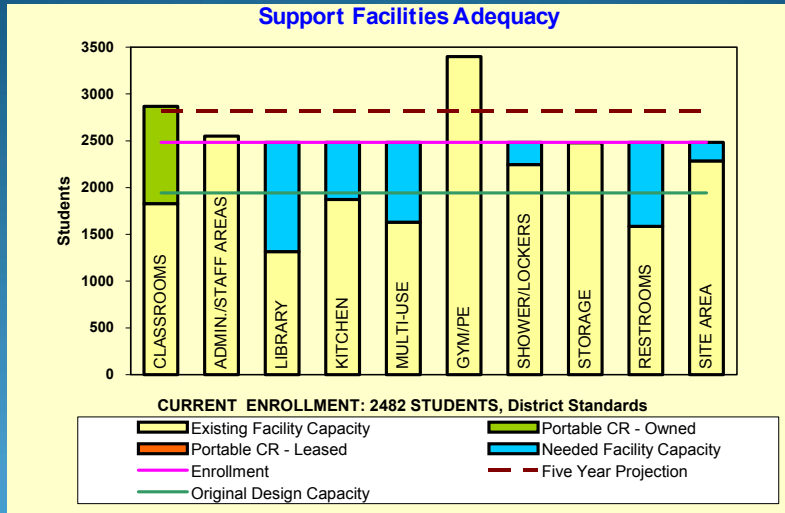
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School Enrollment Projections



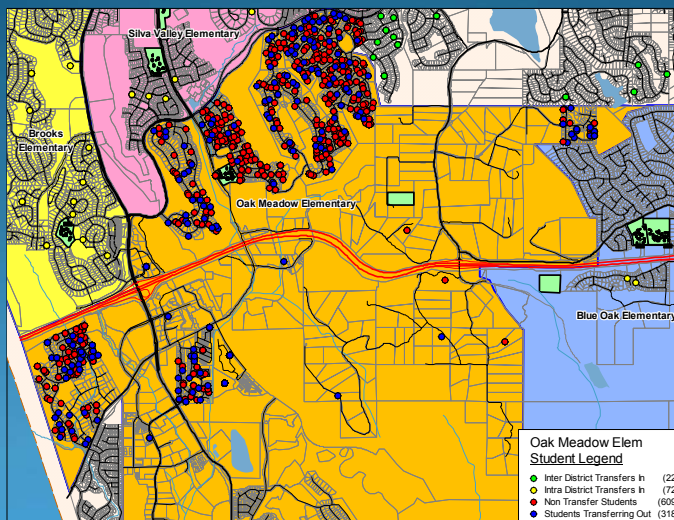
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Selection Criteria - Facilities



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Attendance Patterns



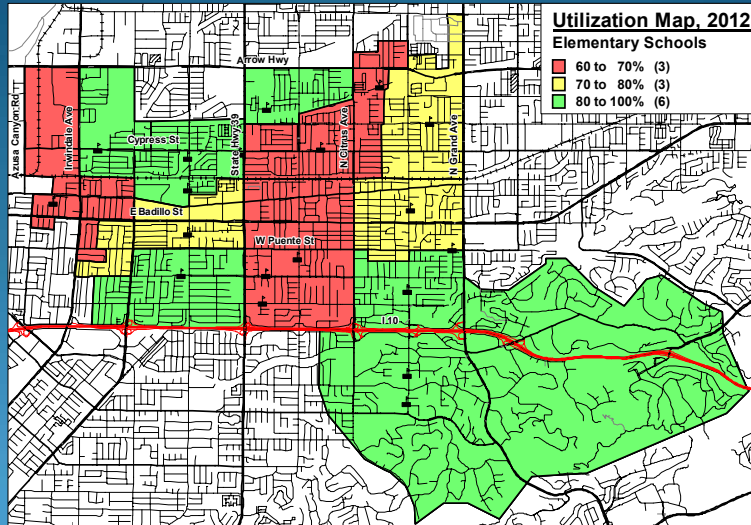
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Facility Utilization

School	Capacity	Current Enrollment	5 Year Enrollment	Current Utilization	5 Year Utilization
Elementary Schools					
BARRANCA ELEM	558	521	491	93.4%	88.0%
BEN LOMOND ELEM	505	395	374	78.2%	74.1%
COVINA ELEM	615	462	442	75.1%	71.9%
CYPRESS ELEM	651	553	415	84.9%	63.7%
GROVECENTER ELEM	524	391	368	74.6%	70.2%
LARK ELLEN ELEM	497	452	431	90.9%	86.7%
MANZANITA ELEM	517	412	321	79.7%	62.1%
MERWIN ELEM	482	441	468	91.5%	97.1%
MESA ELEM	635	604	508	95.1%	80.0%
ROWLAND AVE ELEM	596	545	489	91.4%	82.0%
VALENCIA ELEM	425	360	367	84.7%	86.4%
WORKMAN AVE ELEM	642	542	409	84.4%	63.7%
Elementary Totals	6647	5678	5083	85.4%	76.5%
Middle Schools					
LAS PALMAS MIDDLE	1305	1227	1072	94.0%	82.1%
SIERRA VISTA MIDDLE	1401	1243	1159	88.7%	82.7%
TRAWEEK MIDDLE	1089	1044	872	95.9%	80.1%
Middle School Totals	3795	3514	3103	92.6%	81.8%
High Schools					
COVINA HIGH	1638	1481	1290	90.4%	78.8%
NORTHVIEW HIGH	1641	1557	1498	94.9%	91.3%
SOUTH HILLS HIGH	2196	2113	1990	96.2%	90.6%
High School Totals	5475	5151	4778	94.1%	87.3%
Other Schools					
FAIRVALLEY HIGH	450	312	293	69.3%	65.1%
Totals	16367	14655	13257	89.5%	81.0%

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Facility Utilization Map



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To Verify An Asset You:

- Determine how it can be used
- Identify investment or other revenue producing potential
- Identify “Black Holes”
 - Local issues
 - Legal issues
 - Financial issues

Closing Thoughts

1. Assets are meant to be utilized. Properly, yes. But utilized.
2. Know what you need and when and why you need it.
3. Identify assets that can be converted and capitalized profitably.
4. Sunshine all discussions and decisions.
5. Understand that the conversion process will be divisive and politically sensitive.

Closing Thoughts

6. Perception is 100% of reality.
7. Proper use of assets is good stewardship of the public trust.
8. Remember, the community thinks this is a school. Research and understand local community concerns.
9. Prepare a risk assessment to present the upside and the downside.
10. The fact that it might be difficult does not mean you shouldn't do it.

Thank you

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