

Del Stover

Building a Bond

As school construction needs grow, districts must refine their strategies and plans before going to voters



The economy is in the doldrums, unemployment is high, and people are worried if they'll still have a job tomorrow. So it should come as no surprise that voters are wary when school officials ask them to approve a bond issue and the taxes to fund it.

This summer, for example, California's Jurupa Unified School District asked for a \$125 million bond—and saw its request go down in defeat. At least eight other districts in the state also saw their bond measures fail.

But to the surprise of many, these defeats were in the minority. An impressive three out of four bond proposals in the Golden State—25 out of 34—have won approval so far in 2012. The state economy may be weak, and California may be the birthplace of Proposition 13 and the modern anti-tax movement, but state voters are showing surprising support for school bond issues.

That support, however is provisional, say school finance experts. Officials cannot overreach in the funding they request, and they have to make a powerful argument for the taxpayer's sacrifice. In today's tough economic times, voters need not only to be wooed but won over—and that's no easy task.

"Voters have been surprisingly supportive of bonds," says Judy Marks, director of the National Clearinghouse for Educational Facilities. "But school officials also are making

the case for why they have to do it ... and school districts have to go out and sell their bond issues."

A tough sell

That should come as no surprise to veteran school leaders. An old maxim in public education is that any campaign for a bond issue—even in the best of times—must begin years before school leaders even think to ask voters for money. Public confidence in the schools, support for the district leadership's vision, and agreement on the need for a costly facilities investment must be carefully cultivated for bond votes to succeed.

All that's changed today is the less-welcoming political environment for such requests. Voters aren't keen to shoulder a greater tax burden these days, and any building plan will receive even greater scrutiny and debate over every dollar spent. That has convinced more than a few districts to simply shelve any building plans until the future.

Even communities with a history of overwhelming support for school funding are finding tough times. With a string of ballot victories over the past two decades, officials with Oregon's Portland Public Schools were dismayed to see last year's \$548 million referendum defeated by complaints over its price tag and a lack of details on how money would be spent.

Portland officials went back to the drawing board and recruited a wider cadre of community members, including

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bond issue opponents, to re-examine the district's facility needs and develop a new plan, says Robb Cowie, executive director of community involvement and public affairs. Dozens of public meetings made clear that citizens didn't feel like they owned the bond package and didn't agree with the rationale behind the plan's hefty price tag.

"It was really important to listen, particularly in the wake of a defeat of a ballot measure," he says. "These listening sessions really were helpful in building a sense of trust for the board and superintendent to sit down and have honest conversations with those on both sides of the fence."

In the end, a much broader consensus was reached for a targeted investment in the district's aging infrastructure, which includes many buildings that are more than 50 years old, Cowie says. There was far greater agreement for narrowing spending to updating the high schools, making safety renovations, broadening handicapped access, and modernizing middle school science labs.

"All of this creates the conditions for greater success the next time around," says Cowie, referring to a scaled-down \$482 million bond proposal that's under consideration this fall. "We'll see in November, but certainly we're already seeing greater ... energy in support of this proposal."

Clearly understanding public opinion can help districts avoid a false start like Portland's, experts say. School leaders

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Far left: Box Elder School District in Brigham City, Utah, narrowly passed a bond that allocated \$56 million for two new high schools. Center and top right: A new fine arts center and adjoining cafeteria that converts into a lobby for events were two focal pieces of Wayland High School's bond initiatives in Wayland, Mich. Bottom right: Ned E. Williams Elementary School library in Longview, Texas, was the result of a historic bond election that completely rebuilt the district.

cannot make decisions solely on what's popular, but there's real danger in bucking public opinion—or trusting that persuasion will sway money-conscious voters to change their views. Last year, Michigan's Galesburg-Augusta Community Schools attempted to change public opinion rather than align its plans with voter thinking, and the result was a decisive defeat for its \$11.1 million referendum.

School officials understood the dangers. A professional survey found solid support for a referendum that didn't raise taxes, but only a third of voters supported the district's plans for a combined junior-senior high school. The eventual bond proposal did not raise taxes—instead extending the tax rate that paid off a previous bond issue—but voters still "felt that was not the right thing to do," says Superintendent Tim Vagts.

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“We tried to sell it. We didn’t. We were not able to convince people. Our community believes we already have the facilities to educate our children, and they weren’t willing to ... support our concept.”

The lesson in Galesburg, Vagts says, is that school leaders and the community must share a common vision about the district’s needs. And that lesson has been learned. Rather than rush a revised bond proposal before voters and hope for the best, he says, “We want to take a bit of time and work with people to establish that community vision ... and then we’ll go forward from there.”

Community vision

These school officials did not ignore the strategies needed to push through a bond issue. But their failures underscore today’s realities: In a struggling economy, school officials need to go the extra mile—and perhaps even farther—to persuade taxpayers to invest.

Districts need a long-range facility plan—a vision for the future preferably developed with extensive community engagement—says Molly McGee Hewitt, executive director of the California Association of School Business Officials. There also needs to be “a sense of urgency” that a bond issue in tough economic times is the right decision.

“Where school officials have success, they will give a convincing story and show empirical data to show why they are doing what they are doing,” she says.

That can be done in many ways. Some districts open schools for tours to show voters the damage from roof leaks or the poor condition of science labs. Others distribute campaign brochures to show maintenance and fuel cost savings from replacing half-century-old boilers. In Ohio, the Huber Heights City Schools distributed a video of its school conditions.

“We were struggling with how to get the community to look inside the buildings,” says William Kirby, who recently retired as superintendent. “When they drive by, they see these well-maintained buildings, but now that we wanted their support in replacing those buildings, we had the video done [to show] what needed to be done ... why it wasn’t working.”

That argument strongly resonates with voters, according to a study of school bond measures by Ron Zimmer, an associate professor of public policy and education at Vanderbilt University’s Peabody College. Voters are much more likely to support funding plans that focus on repairs and maintenance instead of new construction, he says. Success is even more likely if school officials can finance the bond by extending existing taxes rather than raising them.

That might explain the success of the \$270 million bond referendum in California’s Glendale Unified School District, where officials originally explored a property tax increase to bolster operating expenses and the development of a stronger technical career instructional program. A survey was only half complete before it became clear that public support wasn’t there.



Wayland High School's fine arts center.

The district also needed extensive capital improvements, and school officials found much stronger support for facilities renovations and upgrades, says Eva Lueck, chief financial officer. Emphasized during board discussions on renovations were health and safety improvements, repairing walls and roofs, and updating science labs.

Such practical efforts won over voters, she says. “Brick and mortar, you can see. [Renovations] improve property values. You can understand that things have to be repaired and upgraded.”

School officials also embraced the same strategies used in Portland and Galesburg—but their public outreach began earlier and ultimately proved more successful. A citizen oversight committee offered assurance to voters that bond money would be wisely spent, and officials widely canvassed the community to talk about the district’s plans.

At one point, Lueck reached out to a leader among anti-tax groups, who said, “I don’t think you know who you’re talking to.” Lueck’s response: “I do. And if I can convince you this is the right thing to do, I’ve done a good job.” He ended up endorsing the bond plan, she says.

“You must know the people who will normally support a bond proposal, but you also need to be open to those you can bring into the fold,” she says.

Another vote-winning tactic, Lueck says, was pointing to taxpayer savings. The bond issue was estimated to eventually save the district nearly \$20 million in future maintenance costs after older facilities and equipment were replaced. The poor economy meant lower bond interest rates—and more money left over for renovations—which also didn’t hurt.

Indeed, spending money to save taxpayer dollars is an argument many school leaders are using to win support for bonds, experts say. That might seem counterintuitive, given that a bond issue saddles a community with a multimillion-dollar debt, but voters recognize a good financial deal when they see one.

A common tactic is proposing a bond that piggybacks on a retiring debt. That allows school officials to argue that the

new bond will not raise taxes but simply extend the existing tax rate to cover the cost. Where state money is available, school officials note that matching funds give taxpayers more bang for the buck.

Huber Heights used that tactic a few years ago. Officials noted that, if the community didn't seek matching funds that year, it could be a long time before state money would be available again. Kirby, who oversaw the bond effort, says the district had watched the state distribute money over a period of years without tapping into the funds.

"People needed to understand why this was a good opportunity for the community," he says. "Our message was, 'It's our turn now.'"

Tactics

Well-crafted messages mean a great deal in bond elections, but there are no guarantees. Indeed, so grim is Arizona's political environment that more than 90 percent of districts say they have no plans to seek a bond issue or a capital override. "In most cases, officials say it's not because they don't need the money, but because they see no prospect of winning voter approval," the *Arizona Republic* reported in May.

The reality is that the success of a bond referendum varies—state by state, locality by locality. Michigan's struggling economy no doubt had some influence on the nearly even split in wins and losses. In California, a change in state law that allows passage of a bond election with a 55 percent margin—as opposed to the two-thirds margin required previously—helped boost the approval rate to 75 percent.

Indeed, bad times actually can encourage people to rally behind their schools. "People have a more pent-up desire to fund schools at a higher level," says Jill Wynns, a San Francisco board member and president of the California School Boards Association. After debilitating cuts in state education spending, and election laws that require a two-thirds approval rating for raising local taxes for operating expenses, voters' "best opportunity to support the schools financially is through bond elections."

Of course, given that a bond vote's success or failure often is by a few percentage points, school leaders must think hard about their electioneering tactics. It's essential to squeeze every "yes" vote out of the community—and deflect the opposition of naysayers and critics.

Yet current tactics vary widely. Some districts run stealth campaigns, targeting get-out-the-vote efforts at likely supporters—teachers and parents—and trying not to draw undue attention from opponents. It's just as helpful when potential "no" voters forget an election is even taking place. Some suggest that yard signs should not be distributed because it reminds opponents of the vote. The job of getting likely Yes voters to the polls is the work of telephone banks and door-to-door volunteers who can target messages.

Ironically, the weak economy has become a bond issue selling point, Marks says. "It can be sold in these economic times

as a job creator. When you build a school, it brings money into the community, not just for [construction workers] but for the cafe down the block, the company that supplies the windows, the company that supplies the toilets. Everyone wins."

Districts rely heavily on community members to lead bond campaigns, and most successful efforts make an aggressive "get the word out" effort. In Missouri's Francis Howell School District, email was used extensively to get information to voters. Meanwhile, the campaign for Michigan's Bloomfield Hills sent letters to senior citizens and past absentee voters in an attempt to sway traditionally less-supportive audiences.

Bloomfield Hills did not have a choice about targeted audiences. The district had attempted several previous bond issues and the entire community was well aware that another vote was coming. But an aggressive effort to get out the district's message appeared to work.

"Our process was: We'll go the extra mile for outreach" to all voters, says Superintendent Robert Glass. "We wanted all of them. We didn't hide this election from anyone in the community or target our message specifically to anyone. Some say you should get just parents to vote, but that wasn't an option for us. We knew we had to get seniors on board, as many as we could."

In the end, the district's \$58.7 million bond issue passed by a comfortable margin.

That won't always work, so Nevada's Clark County Public Schools are taking an unusual tack. Rather than ask voters for a costly bond issue that is unlikely to pass—the district estimates it needs \$5.3 billion in construction and renovation work—school officials are pitching a "pay your way" plan that would raise \$669 million over six years.

The property tax hike would be used to modernize nearly 20 schools, replace aging HVAC systems in others, and include construction for a few elementary schools to ease overcrowding.

"This will provide a gap or bridge between our previous [bond-funded] construction program, which is winding down, and a time when we can go out in a more economically favorable time that will support a true bond program that would meet our comprehensive needs," says district spokeswoman Cynthia Sell. "It gives us an alternative to incurring the debt that comes with bonds."

It's a bold argument, and one that runs counter to prevailing opinion about raising money these days. But as community members—including several former Nevada first ladies—rally behind Clark County's campaign, who can say how it will play out?

The only thing certain these days is that—if a good plan is well argued—voters often will take a financial hit for their schools. But even then, there are no guarantees. ■

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