

Today's Topic:

A Referendum in a Recession

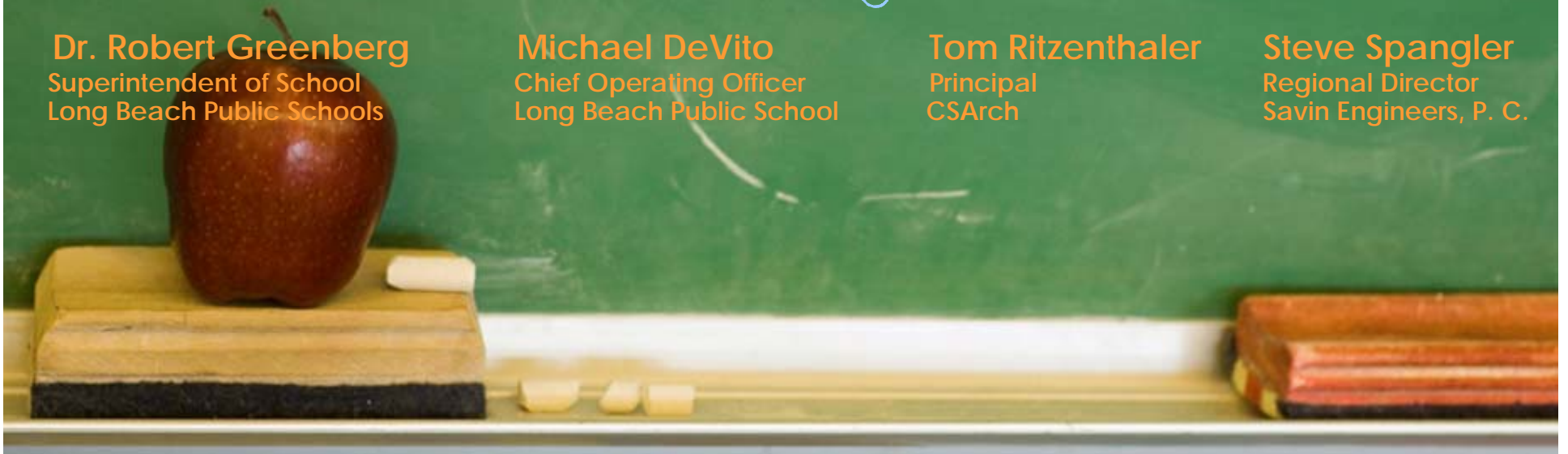
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Background

- The Long Beach Public Schools
 - Serves East Atlantic Beach, the City of Long Beach, Lido Beach, and Point Lookout
 - District communities cross jurisdictional lines: City of Long Beach, Town of Hempstead
 - Approximately 20 miles from mid-town Manhattan



Background

- The Long Beach Public Schools (cont.)
 - Enrollment: *4,000 students* (approx.)
Pre K – 12
 - *8 schools*: 1 Pre-K, 4 elementary (K – 5),
MS (6 – 8), HS (9 – 12), 1 Alternative HS



POP QUIZ



Pop Quiz

1. Why risk presenting a referendum in the midst of one of the worst financial crises in our nation's history?
2. How did Long Beach Public Schools get a \$98.9 million bond passed in a recession?



Why Take the Risk?

Before answering the question of "WHY",
need to identify/analyze
"WHAT" the risks were



What were the Risks?

BOND WOULD FAIL



What Were the Risks?

- Annual Budget & Bond Vote on same day increased chances that . . .



What were the Risks?

BOND & BUDGET

WOULD FAIL



WHY TAKE THE
RISK?



Because we really needed it
AND we thought we could
get it passed



Why Take the Risk?

FIRST . . .

- You all know the challenges that come with maintaining school facilities and learning environments
 - Long-standing *health & safety* challenges
 - Code *deficiencies*
 - Basic building *deterioration*/infrastructure needs
 - *Sub-standard* instructional space
 - *Inadequate/deficient* community resources



Why Take the Risk?

- 3 year Master Planning process identified an overwhelming **\$350 million** in potential projects
- District already facing **EMERGENCY** and **CRITICAL PROJECTS** that required funding; in one case **REGARDLESS** of voter approval



Why Take the Risk?

- Millions of \$ in health & safety projects included in bond would need to be included in future budgets
 - Currently, approx. *\$750,000 budgeted annually* for facilities improvements: not enough to satisfy issues in timely manner
 - Increasing commitment = big tax increase
 - Reduces budget flexibility
 - Jeopardizes reimbursed aid



Why Take the Risk?

- “Waiting . . . deferring until a better time” was now risking:
 - Safety of students
 - Further, rapid deterioration/worsening conditions
 - Use of facilities (potentially)



Why Take the Risk?

- Community aligned: critical nature of improvements is a common reality
 - MS Roof has *failed*
 - *Failure* of exterior brick façade at ES
 - Bricks falling off
 - Scaffolding in place for more than 2 years
 - Pre K housed in former military barracks



Why Take the Risk?

- BOE hoping that by choosing to put up a referendum in a recession, community would recognize the urgency
- ALL candidates supported the bond



Why Take the Risk?

- *\$38.1 million* in NY State Building Aid
 - No guarantee district's *39% aid ratio* would still be available in 2010



Why Take the Risk?

And LASTLY . . .



Why Take the Risk?

Economic downturn
created a

FINANCIAL
OPPORTUNITY



Why Take the Risk?

- *Financial benefits* due to economic downturn
 - Low interest rates
 - High bond rating
 - Strong district credit rating
 - Slowing / decreased construction costs
 - Increased competition = lower/better bids
 - More "bang for the buck"
 - Millions in state aid to offset the local share



Why Take the Risk?

- \$19 per month to average homeowner for 23-year repayment period
 - \$200 - \$250 a year is generally the "threshold" of community support for a school bond
- No "crystal ball" to foresee/guarantee favorable economic situation in 2010



A Referendum in a Recession:

A Case Study of How
The Long Beach Public Schools
Passed a \$98.9 million Referendum
in a Recession



A Referendum in a Recession?

Long Beach BOE turned
"RISKS"
into



A Referendum in a Recession?

OPPORTUNITIES



A Referendum in a Recession?

- The Board of Education:
 - Had the community take ownership from the beginning of the process
 - Facilities Advisory Committee (FAC)
 - Public interview for Architect
 - Public interview for CM
 - Administration & staff input
 - "Envisioning Day" focus groups
 - Public focus group sessions
 - Public presentations



A Referendum in a Recession?

- o Selected a **Project Team**:

- o BOE comfortable with/confident in
- o Good working relationship: all parties

- o Project Team included:

- o All BOE members
- o Superintendent
- o Business Official
- o Architect
- o Construction Manager
- o Fiscal Advisor
- o Bond Counsel & General Counsel



A Referendum in a Recession?

Establish your Project Team
from **Day 1**



A Referendum in a Recession?

Don't be afraid to change a
team member if it's not
working out



A Referendum in a Recession?

■ The LB Board of Education:

○ Strategy

○ Work diligently to identify key constituencies and develop a plan the COMMUNITY WOULD SUPPORT

○ Plan had to have something for all levels and constituencies

- Pre-K, Elementary, MS, HS, Athletics, East
- Comprehensive approach



A Referendum in a Recession?

o Strategy

o Focus on *high profile items*

- Piggyback on sense of urgency created by emergency situations
- Community or BOE “hot button items”
 - HS science labs
 - Fields
 - Pre K

o *unanimous* BOE support for proposed plan



A Referendum in a Recession?

o Strategy

o Keep the message *simple & consistent*:

- School Preservation Plan
- Reaching All. Safety, Services, Savings

o Send a message to homeowners they *could identify with / relate to*

- School needs like home needs: boilers, roofs, etc. need to be replaced even if well-maintained for many years
- Bond like a mortgage



A Referendum in a Recession?

o Strategy

o Create public *confidence in the process*

- Project Team & professional consultants provided *confirmation* of FAC work

o Build *confidence in district leadership* by relaying fiscal health over past 5 years

- Managed budgets
- Proposed annual budget increase for 2010 lowest in 10 years!



A Referendum in a Recession?

o Strategy

- o Rely on professionals/expert advice to *plan*, organize, coordinate *campaign*
 - Content & timing of mailings to community
- o Run a "*quiet*" campaign
 - Target voters, reach out & mobilize base of voters
 - Develop a *compelling message*: draw people in on an emotional level
 - **RESPECT TAXPAYERS**: Refined \$350 to \$98.9 to get to reasonable tax impact



A Referendum in a Recession?

THE RESULT



A Referendum in a Recession?

1,677 YES

1,180 NO



A Referendum in a Recession?

Bond passes by
497 votes



A Referendum in a Recession?

Of the 2,857 who voted
on the bond proposition,

59% voted YES

41% voted NO



A Referendum in a Recession?

THANK YOU

