2024
SFUSD SCHOOL BOND

February 12, 2024
Presentation to SF CPC
Today's **Discussion Topics**

- SFUSD Bond Program Background
- 2024 Bond Goals + Objectives
- SFUSD Policy Alignment
- Prioritization Principles + Projects
- Sizing + Schedule
- Equity + Climate Resilience in the 2024 Bond Proposal
- Risks, Challenges, + Opportunities
SFUSD Bond Program
Background
SFUSD owns 155 properties and 9.9 million s.f. of buildings, making it the 3rd largest public landowner, after the SF Recreation + Park Department (517 facilities) and the Port of SF (213 facilities).

The average age of SFUSD buildings is 73 years.
Voter-supported bond measures have allowed SFUSD to invest over $100 MILLION / YEAR in school improvements over the last 20 years.

- SF kids deserve safe, modern, and comfortable buildings.
- SF kids deserve facilities aligned with today’s teaching and learning.
- School bonds or parcel taxes are the only funding sources for facility improvements.
### SFUSD Bond Program Background

**Functional facilities are essential to positive student outcomes**

<table>
<thead>
<tr>
<th>Year</th>
<th>Bond Amount</th>
<th>Program Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$280M</td>
<td>The focus of 2003 Bond was accessibility improvements at 31 school sites to comply with the Americans with Disabilities Act.</td>
</tr>
<tr>
<td>2006</td>
<td>$450M</td>
<td>2006 Bond Program continued focus on ADA accessibility at additional school sites.</td>
</tr>
<tr>
<td>2011</td>
<td>$531M</td>
<td>2011 Bond Program continued accessibility work and added structural upgrades, classroom and building system modernization, and green schoolyards.</td>
</tr>
<tr>
<td>2016</td>
<td>$744.25M</td>
<td>The 2016 Bond focused on 3 components: school modernization, technology improvements, and kitchen + dining space upgrades.</td>
</tr>
</tbody>
</table>

A.P. Giannini Middle School
2011 + 2016 Bond Program Impact

- 3.2 million square feet renovated at school buildings
- 02 new schools (Willie Brown MS + Mission Bay)
- 107 new classrooms
- 54 portable classrooms removed
- 1,300,000 square feet improved at play yards
- 42 libraries
- 43 kitchens
- 37 dining spaces
Bond Program **Impact**

Mission Bay School

McAteer Kitchen

Clarendon ES

Starr King ES

Peabody ES
2016 Bond Program **Current Status**

- **All bond authorization is exhausted** following 2022 bond sale.
- **$467M (62%)** of 2016 bond proceeds are spent.
- **$110M (15%)** are encumbered. The vast majority of these funds are for Mission Bay School, currently under construction.
- **$170M (23%)** of funds are not yet encumbered, but expenditure is fully planned. Largest allocations:
  - $30M West Portal ES
  - $45M Denman MS
  - $40M Buena Vista Horace Mann K-8
  - $8M Security Projects
  - $7M Schoolyard/Outdoor Learning Projects
Every school has been impacted by the school bond program in some way.

Ongoing and consistent investment will always be necessary.

Now is the time. A 2022 bond sale exhausted the District’s existing authorization.

A 2024 bond is needed to move the program forward uninterrupted.
SFUSD’s Facilities Condition Assessments

- SFUSD school sites range from **excellent** to **poor** condition.
- SFUSD’s consistent bond-funded investments – **with voter support** – has made a big difference in the condition of our schools. However, there are a large number of buildings that remain in ‘poor’ condition.

**FCI** [Facility Condition Index]

**Scores by School Site**

*specific school site data can be found [here](#).
SFUSD’s facility investment funding need is several billion dollars.

SFUSD requires an ongoing bond program for consistent investment in facilities improvements.
Responsible **Bond Management**

- **We have little debt outstanding.** Among the twelve largest school districts in California, our debt burden (bonds outstanding divided by tax base) is the lowest.

- **Our tax rates are low.** Among the twelve largest school districts in California, our current general obligation bond tax rate is the lowest.

- **We are paying off our debt quickly.** Among the twelve largest school districts in California, the percentage of debt that is repaid in ten years is the highest.

- **We're moving at a sustainable pace.** We spend down our bond proceeds efficiently and our metrics stay even (debt burden, annual tax rate, % of bonds repaid in 10 years).

- **We repay our bonds quickly.** We reduce interest costs and our repayment ratios remain low because we use a modified twenty-year level debt service structure.

- **We meet our targets.** Tax rates and total repayment costs have always been lower than what was presented to voters in ballot language and tax rate statements at election time.
ASSUMPTIONS
Projected growth rate: 4.00%
Interest rate: 5.50%
2024 School Bond
Goals + Objectives
Incorporating Takeaways from Prior Programs

- Modernization projects must prioritize building system core functionality. Prior focus on classroom upgrades (also important) left out heating and building envelope items due to cost constraints.

- **Buying power of bond funds is greatly reduced** since 2021. Unforeseen circumstances, including pandemic recovery, supply chain impacts, and labor constraints have dramatically increased construction costs.

- Prioritization principles for project selection must be inclusive and transparent as to why Bond investments are happening where, and data-driven through the use of recently-completed comprehensive Facilities Condition Assessments.

- Technology needs are increasing and must be a part of all capital programs moving forward.

- Focused kitchen and cafeteria improvements can yield major benefits to fresh food availability and improved student meals. When the food is better, more students eat it!
Continue to grow the modernization program through sustainable investments that prioritize safe, modern, and comfortable school sites.

Align with 2023 Facilities Master Plan Emerging Priorities, and make a measurable improvement in district-wide school site condition.

Take a definitive step toward SFUSD’s food security with completion of a warehouse for Student Nutrition Services and design of a central kitchen facility.

Install security enhancements in 100% of active school sites.

Align bond expenditure with other SFUSD policy and budget initiatives, including the 2024 Resource Alignment process, to ensure that bond investments are durable.

Listen to voters and stakeholders to assemble a right-sized bond measure that sustains the bond program and passes at the ballot box.
2024 School Bond
SFUSD Policy Alignment
In May 2023, the SFUSD Board of Education adopted the 2023 Facilities Master Plan (FMP), a ten year plan anchored by SFUSD’s overarching vision and values.

The FMP identifies Emerging Priorities and assigns appropriate pacing to those priorities.

The 2024 Bond would continue SFUSD’s commitment in the 2023 Facilities Master Plan towards improvements for the “schools we want.”
What’s proposed in the 2024 Bond?

The six proposed Bond Investment Categories shown in the graphic on the left can be summarized by the following focus areas:

- **SAFE**
  - Safe schools fully equipped to protect our students and school communities

- **MODERN**
  - Modern school environments that inspire student curiosity and enthusiasm for learning

- **COMFORTABLE**
  - Comfortable, engaging spaces that make all students feel valued and respected at school
Modernization | “Schools We Have” vs. “Schools We Want”

Classrooms We Have

◆ A one-size-fits-all classroom model
◆ Desks arranged in one direction, offering limited opportunities for collaboration
◆ Inflexible, traditional classroom seating

Classrooms We Want

◆ Up-to-date internet allowing for fast, reliable access
◆ Modern, flexible furniture that supports peer collaboration
◆ Culturally responsive learning spaces
◆ Durable, attractive wall coverings, tile, flooring, and paint

Indoor Comfort We Have

◆ Gas boilers needing frequent repair, and radiators prone to temperature fluctuations
◆ Passive ventilation which relies on operable windows
◆ Fluorescent lighting with frequent replacement needs

Indoor Comfort We Want

◆ Energy efficient LED lighting
◆ Ventilation enhancements to increase fresh air flow
◆ Mechanical systems that improve indoor air
◆ Updated heat controls to maintain comfortable temperatures
◆ Conversion to electric heating and ventilation when feasible
Schoolyards We Have

- Aging, cracked rubber tile playground surfaces, and standard playground equipment
- Asphalt yards with minimal green areas and dull colors
- Seating limited to wooden benches along the yard perimeter

Schoolyards We Want

- Engaging outdoor spaces to learn, eat, play, or relax
- Fun, challenging, age-appropriate play equipment
- Trees and plants to offer shade and decrease noise and pollution
- More natural landscaping to allow for better drainage

Dining Spaces We Have

- Reliance on pre-packaged meals
- Dining spaces that feel institutional with dull paint colors and dim lighting
- Inflexible furniture that limits the opportunity to socialize

Dining Spaces We Want

- Kitchens equipped to prepare fresh food on-site
- Clean, bright, and welcoming spaces
- Cafeterias with flexible seating and table options
- Faster, more efficient delivery/serving lines
- Nutritious, appealing food options
2024 School Bond
Prioritization Principles + Projects
<table>
<thead>
<tr>
<th><strong>2024 Bond</strong> Investment Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Modernization</strong></td>
</tr>
<tr>
<td>Large construction projects at existing school sites, focused on safe, long-lasting buildings, modern classrooms, upgraded restrooms, and brightened corridors. This bond will address at least one large high school campus.</td>
</tr>
<tr>
<td><strong>Core Functionality</strong></td>
</tr>
<tr>
<td>Targeted investments to fix basic needs like restrooms, water leaks, lighting, and electrical outlets, and to improve user comfort and how school sites feel to students.</td>
</tr>
<tr>
<td><strong>Security</strong></td>
</tr>
<tr>
<td>Installing school site security systems and features at 100% of school sites, including building communication systems, remote door entry, keyless entry systems, and site fencing.</td>
</tr>
<tr>
<td><strong>Student Nutrition Services</strong></td>
</tr>
<tr>
<td>Newer and better school kitchens and welcoming student dining spaces. Also, this bond will build or acquire a warehouse space to help SNS ensure that student meals are always available. This bond will also start the design of a central kitchen to be funded by other sources.</td>
</tr>
<tr>
<td><strong>Technology Upgrades</strong></td>
</tr>
<tr>
<td>Reliable network coverage and access at school sites across the District, both for student learning and to support modern building systems. Also, a stronger cybersecurity program for resiliency from malware or attacks.</td>
</tr>
<tr>
<td><strong>Schoolyard Outdoor Learning</strong></td>
</tr>
<tr>
<td>Comprehensive, student-centered improvements to schoolyards, including play, learning, access to nature, and shade in schoolyards.</td>
</tr>
</tbody>
</table>
This West Portal Elementary School project was designed and permitted in the 2016 Bond, and prioritizes replacement of aged bungalows showing signs of water intrusion, and rodent infestation. The existing classroom building is being designed as a second phase.

The Denman Middle School modernization was designed and permitted in the 2016 Bond at a school site with significant facility deficiencies. The Project will start with upgrades to the main academic building, with other buildings being addressed in a second phase.

The Buena Vista Horace Mann K-8 project completed Design Development in the 2016 Bond. This ambitious and visionary project includes the modernization of all buildings, a two-story classroom addition in place of the existing cafeteria, and a renovated schoolyard.

- Construction of two new light-filled buildings to replace eight temporary classroom units
- All new building systems and finishes
- Kitchen upgrade
- Renovation of existing smaller classroom buildings
- Upgraded lighting, fire sprinkler, and fire alarm systems throughout

- Major seismic improvements
- Roof replacement
- Kitchen and cafeteria upgrade
- Upgraded electrical, lighting, telecom, fire sprinkler, and fire alarm systems
- Replacement of the heating systems
- Renovation of staff work spaces and restrooms

- Major seismic improvements
- Roof and window replacement
- New, all-electric comfort control, plumbing, electrical, lighting, telecom, fire alarm
- New interior finishes and renovated restrooms
- Space reprogramming to better suit site needs
- Complete schoolyard renovation, landscaping, sport/play areas, and stormwater management
● The 2024 Bond will address **at least one large high school site** with a comprehensive modernization. Most high school sites are large, comprising several buildings.

● There are 4 high schools within the Top 30 FCI list: Mission High School, Balboa High School, SF International High School, Galileo Academy of Science and Technology.

● SFUSD is working on site selection **Guiding Principles**, in conversation with stakeholders and the Board of Education, to inform which high school would move forward.

● Core Functionality work is also likely to occur at high school sites that are not selected for modernization.
2024 School Bond
Sizing + Schedule
## 2024 Bond Investment Categories

<table>
<thead>
<tr>
<th>Category</th>
<th>2024 Bond Investment</th>
<th>2025 Bond Investment</th>
<th>2026 Bond Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modernization</td>
<td>$305.8M</td>
<td>$400.4M</td>
<td>$522.7M</td>
</tr>
<tr>
<td>Core Functionality</td>
<td>$25.0M</td>
<td>$96.0M</td>
<td>$165.0M</td>
</tr>
<tr>
<td>Security</td>
<td>$5.0M</td>
<td>$15.0M</td>
<td>$15.0M</td>
</tr>
<tr>
<td>Student Nutrition Services</td>
<td>$75.0M</td>
<td>$80.0M</td>
<td>$80.0M</td>
</tr>
<tr>
<td>Technology Upgrades</td>
<td>$17.0M</td>
<td>$35.0M</td>
<td>$45.0M</td>
</tr>
<tr>
<td>Schoolyard Outdoor Learning</td>
<td>-</td>
<td>$15.0M</td>
<td>$20.0M</td>
</tr>
</tbody>
</table>
2024 Bond Resolution Adoption Schedule

- **March 2024**: Outreach
- **April 2024**: Development of bond report
- **May 2024**: New bond program implementation start-up activities
- **June 2024**: Finalization of bond report (thru December 2024)
- **July 2024**:
- **August 2024**: August 9th - Final date to submit ballot measures to Dept. of Elections
- **September 2024**:
- **October 2024**: November 5th - General Election
- **November 2024**:

**Key Dates**
- **March BOE**: 12
- **April BOE**: 16
- **May BOE**: 14
- **June BOE**: 11
- **September 2024**: 9
- **November 2024**: 5
2024 Bond Implementation Plan

- West Portal ES Modernization
- Denman MS Modernization
- Buena Vista Horace Mann K-8 Modernization
- High School Site Modernization
- SNS Warehouse Project

Security Enhancements

- 2024 School Modernization Program (TBD sites)
- November 5th Bond Measure Election
- Q1 2025 Bond Series A Sale
- Q1 2027 Bond Series B Sale
- Q1 2029 Bond Series C Sale
- 2030 Estimated Future Bond
2024 School Bond
Equity + Climate Resilience
2024 Bond: Racial and Equity Goals

- Ensure every SF neighborhood benefits from the SFUSD Bond Program
- Invest in schools where SFUSD students live
- Develop projects that incorporate feedback and input from communities that have historically been underserved
- Align with SFUSD Mission to provide each and every student with the quality education and equitable support required to thrive in the 21st century

Source: San Francisco Unified School District.
2024 Bond: Climate Resilience Impacts

- SFUSD bond-funded new construction is all-electric
- Leverage partnerships with SFPUC for stormwater management and solar infrastructure
- Schoolyard Outdoor Learning program focused on increasing outdoor shade and improving play environments
- Core functionality focus includes indoor air quality improvements
- Resource conscious plumbing fixtures, lighting, and finishes incorporated into all projects
2024 School Bond
Risks, Challenges, + Opportunities
2024 Bond Risks, Challenges, Opportunities

Risks
● Political environment impacts bond sizing and/or passage
● Competition with other bonds + ballot measures (i.e. BAHFA, State school bond, City/County measures)
● Bond program project delivery bandwidth – staffing and compensation structure
● Construction industry commitment to SFUSD in the case of a smaller program

Challenges
● Market fluctuations and construction cost variability
● Breadth of needed improvements make site selection difficult

Opportunities
● Meaningful improvements to student learning and play spaces
● Improved general school condition and indoor air quality
● Increased food security through independence from third party school food concessionaire
● Sustained investment in SF kids
QUESTIONS?