

Paso Robles Joint Unified School District

7 – 11 Surplus Property Advisory Committee

Report to the

Board of Trustees

January 26, 2021

Board of Trustees

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Executive Summary

7 – 11 Surplus Property Advisory Committee reviewed certain potential surplus property owned by the Paso Robles Joint Unified School District (PRJUSD or District). Having completed its investigations, the Committee recommends to the PRJUSD Board of Trustees (Trustees) the following:

- The so-called Montebello property be declared surplus and appropriately disposed.
- The so-called Phillips property be declared surplus and appropriately disposed.
- Based on there being essentially no expected student enrollment growth over the next ten years, the fact that the District has the capacity to serve approximately 1100 more elementary students than are currently enrolled, capital expenditure requirements to renovate all the District's elementary and middle school sites exceeds the Measure M funding available by approximately \$14 million and that annual operating expenses of an elementary school are approximately \$700,000, the Committee recommends one elementary school site be closed.
- Given the age, size, condition, and cost to renovate Georgia Brown Elementary School, the case to close Georgia Brown is stronger than any other elementary site in the District and the Committee recommends that Georgia Brown Elementary School be closed.

Background

In May of 2020 PRJUSD issued a letter to the Paso Robles community addressing ongoing PRJUSD budget issues. Among other items the letter noted :

After reviewing financial and enrollment data, it is clear that we need to examine the possibility of closing and/or consolidating an elementary campus, as we aim to reduce annual operational costs.

The letter called for the formation of a committee of committed community members to delve further into these issues. Such a committee (a **7 – 11 Committee**) is described under California law, Education Code sec 17389. A copy of sec 17389 is included in Appendix 1.

The PRJUSD letter goes on to state that the committee's purpose is as follows:

This committee will make a formal recommendation to the Board of Trustees around school closures/consolidations and possible uses for the property if any schools are closed. Additionally, this committee will review a list of unused properties owned by the district and make formal recommendations for their use in the future.

The Board of Trustees appointed the eleven member 7 – 11 Committee (Committee) on May 26, 2020. The Committee's first meeting was on July 30, 2020. A total of six Committee meetings were held. The minutes of all meetings are available in Appendix 2.

Process

The first major undertaking of the Committee was to receive a presentation from Devon B. Lincoln from the law firm of Lozano Smith in which she explained that the charge of the Committee was to review the following sites and recommend to the Board of Trustees any deemed as surplus:

- Montebello
- Phillips
- One elementary school site (yet to be determined)

Descriptions of the Montebello and Phillips properties are contained in Exhibits 1 and 2.

Specific to the consideration of the possibility of an elementary school site being deemed surplus, Attorney Lincoln stated the Committee needed to consider:

- Square footage, condition, and location of the property
- District's current facilities needs based on projected school enrollment and other data
- Feasibility of use and alternative uses
- Whether District will be able to sell, lease or exchange property for a sufficient amount given current market conditions.

Attorney Lincoln's full presentation is included in Appendix 3.

Pursuant to the District's stated purpose for forming the 7 – 11 committee, the requirements of California Education Code sec 17389 and Attorney Lincoln's presentation the Committee adopted Committee Objectives which are included in Exhibit 3.

Information and Analysis

In order to provide a sound basis for its decision the Committee obtained and analyzed the following information:

- Current and projected (10 year) elementary school enrollment
- Current elementary school site capacity
- Measure M update and Master Plan modifications
- Capital budget needs by site
- Elementary school annual operating costs

Current and Projected (10 year) Enrollment

Larry Ferchow of Cooperative Strategies presented historical and projected District elementary school enrollment through 2030. The projections included the impact of future residential growth in the City of Paso Robles due to the Olsen-South Chandler Specific Plan. This information had previously been presented by Cooperative Strategies to the Board of Trustees.

Despite modest projected future residential development (2731 single family and multifamily units projected to be built through 2030), the enrollment in District elementary schools is projected to be essentially flat over the next ten years. The key factor in this lack of growth in enrollment is the fact that student generation rates in Paso Robles are projected to remain low in comparison with other areas of the State at 0.2353 students per housing unit (single family detached unit). A reason often given for this low generation rate is that the combination of high housing costs and a lack of enough high paying employment opportunities in the area make it difficult for young families with school-age children to afford to buy or rent a home or apartment in Paso Robles. It has been well documented that many new residents in Paso Robles are retirees moving from other parts of the State and who are not a source of students for the District.

Following as figure 1 is Mr. Ferchow's summary Enrollment Projection through 2030 showing TK -5 projected 2030 enrollment of 2972 students only slightly higher than the 2928 students in 2019-20.

Mr. Ferchow's entire presentation is available in Appendix 4.

Figure 1
Enrollment Projection
 Elementary School Enrollment

School of Residence	2019/20	2020/21	2021/22	2022/23	2029/30
Bauer-Speck ES	429	413	380	379	366
Brown ES	466	490	509	513	501
Butler ES	525	529	543	540	494
King ES	419	405	390	361	399
Peterson ES	374	374	385	392	480
Pifer ES	513	523	534	537	535
IDT	197	197	197	197	197
Unknown	5	5	5	4	0
ES Total (Grades TK-5)^[1]	2,928	2,935	2,942	2,923	2,972
Annual Growth/(Decline)	N/A	7	6	(19)	10
Cumulative Growth/(Decline)	N/A	7	14	(5)	44

Current Elementary School Site Capacity

At the September 24 Committee meeting Assistant Superintendent, Business Services Brad Pawlowski shared with the Committee information prepared by the architectural firm SIM-PBK. This presentation, documented the capacity of all District sites (PK through 12). The presentation in its entirety is included in Appendix 5.

Per the SIMPRK information, the capacity of the District's elementary school sites is 4080 students.

A comparison of elementary school capacity versus projected enrollment in 2029/30 as determined by Cooperative Strategies and discussed in the immediately preceding section follows as figure 2.

Figure 2
Elementary School Capacity
Versus
Projected Enrollment in 2029/30

Paso Robles Joint Unified School District			
Elementary School Capacity Versus Projected Enrollment in 2029/30			
	Capacity (1)	Corona Capacity (1)	2029/30 Enrollment (2)(3)
Pat Butler	540	360	494
Kermit King	690	460	399
Georgia Brown	690	460	501
Winfred Pifer	600	400	535
Virginia Peterson	630	420	480
Marie Bauer	270	180	- (4)
Glen Speck	660	440	366
Inter-District Transfers			197
	4080	2720	2972

(1) SIM-PBK 4-30-20

(2) Cooperative Strategies 8-27-20

(3) By School of Residence

(4) Pre-School Only

Figure 2, which lays the projected elementary school enrollment figures developed by Cooperative Strategies next to the elementary school capacity developed by SIMPRK, clearly demonstrates that the District has, for at least the next ten years, the capacity to serve approximately 1100 more students than are likely to be enrolled in the District. This is more than the capacity of one elementary school site.

Measure M Update and Capital Budget Requirements by Site

A major issue the Committee considered in its discussions was the capital needs of the District vis-vis the \$95 million available through Measure M. District staff had made the Committee aware that the Measure M funding is not sufficient to meet the District's needs if it continues to operate all its sites.

Measure M Project and Masterplan Update presented by Assistant Superintendent, Business Services Brad Pawlowski to the Board of Trustees on January 25, 2020 and September 8, 2020 as well as an update on construction through September 24, 2020 were shared with the Committee at its September 24 meeting. This twenty-six-slide presentation is available in Appendix 6.

In 2019 a citizens committee recommended modifications to the 2016 District Facilities Master Plan. Subsequently in 2020 the Board of Trustees approved projects including roof renovations, HVAC renovations and shade cover additions. In addition, the Board of Trustees also approved a previously unbudgeted multipurpose room addition to Glen Speck at an estimated cost of \$6 million.

The cumulative effect of these items modifying and implementing the Facilities Masterplan along with the actual cost of the Bauer and Speck renovations is that necessary expenditures are projected to exceed funding available through Measure M by approximately \$14 million as shown in figure 3 below and also included as Exhibit 5.

Figure 3

**Paso Robles Joint Union School District
Measure M Capital Budget Status**

**Paso Robles Joint Union School District
Measure M Capital Budget Status**

School Site	Original Budget (2017)	Completed	In Progress or Approved	Balance Remaining of the Original Budget	Total Revised Budget (3)	Comment regarding the Balance Remaining of the Original Budget (4)
Pat Butler	\$ 3,720,000	\$ 1,367,500 (1)	\$ -	\$ 2,352,500	\$ 3,720,000	The budget should be sufficient
Kermit King	\$ 4,170,000	\$ -	\$ -	\$ 4,170,000	\$ 4,170,000	The budget can be reduced
Georgia Brown	\$ 13,850,000	\$ -	\$ -	\$ 13,850,000	\$ 13,850,000	Based on the Speck renovation, a major increase is required
Winifred Pifer	\$ 590,000	\$ -	\$ -	\$ 590,000	\$ 590,000	The budget must be increased
Virginia Peterson	\$ 4,590,000	\$ 1,367,500 (1)	\$ -	\$ 3,222,500	\$ 4,590,000	The budget should be sufficient
Marie Bauer	\$ 11,080,000	\$ -	\$ 12,800,000	\$ -	\$ 12,800,000	
Glen Speck	\$ 21,980,000	\$ -	\$ 29,257,686 (2)	\$ -	\$ 29,257,686	
Daniel Lewis	\$ 16,750,000	\$ -	\$ -	\$ 16,750,000	\$ 16,750,000	The budget can be reduced
George Flamson	\$ 12,567,000	\$ 184,500 (1)	\$ 6,500,000	\$ 5,882,500	\$ 12,567,000	
Temporary Campus	\$ -	\$ -	\$ 4,500,000	\$ -	\$ 4,500,000	
Aquatics Complex	\$ 5,700,000	\$ 1,300,000	\$ -	\$ 4,400,000	\$ 5,700,000	
Total	\$ 94,997,000	\$ 4,219,500	\$ 53,057,686	\$ 51,217,500	\$ 108,494,686	

(1) Completed Summer 2020

Virginia Peterson /Pat Butler Roof & HVAC Replacement	\$ 2,358,000
Virginia Peterson /George Flamson Shade Structures	369,000
Virginia Peterson/Pat Butler Painting	192,500
	<u>\$ 2,919,500</u>

(2) Includes \$6,000,000 for an MPR at Glen Speck approved by the Board of Trustees

(3) Equals work completed, in progress and approved plus the balance remaining of the original budget by site.

(4) Brad Pawlowski January 25, 2020 presentation to the Board of Trustees

As noted earlier and displayed in Figure 3, the current budgeted figures show a projected capital budget requirement of \$108.5 million which is \$13.5 million more than the \$95 million provided by Measure M. (See Exhibit 9)

There is an additional downside to these figures in that the original, and still current, budget to renovate the Georgia Brown site is only \$13.85 million. Based on the sites age, condition and the experience in renovating Glen Speck, District staff is of the opinion that substantially more than this amount would be required to renovate the Georgia Brown Site.

Elementary School Operating Costs

The final piece of information the Committee requested is the annual operating costs for an elementary school site. Assistant Superintendent, Business Services Brad Pawlowski developed this information for a typical site. This cost is approximately \$700,000 as detailed in figure 4 below and also included as Exhibit 4.

Figure 4

Site Operating Costs

Elementary School Site Operating Costs	
Principal	\$ 146,292.00
Guidance Specialist (.5FTE)	\$ 63,777.06
Office Manager	\$ 58,675.91
Clerk	\$ 37,323.14
LVN	\$ 63,342.45
Custodian	\$ 60,950.38
Custodian (.85 FTE)	\$ 57,820.00
Custodian (.85 FTE)	\$ 57,820.00
Food Service	\$ 23,743.66
Food Service	\$ 16,749.55
Gas	\$ 3,717.39
PG&E	\$ 50,111.93
Water	\$ 19,527.37
Trash	\$ 5,415.22
Insurance (\$0.41)	\$ 18,044.00
Total	\$ 683,310.06

Committee Recommendations to the Board of Trustees

Montebello Property

As more fully described in Exhibit 1, the Montebello property is an approximate 10 acre undeveloped property located north of Union Road overlooking Highway 46 West. Originally intended as a possible school site the site is not in a growth area as the area around it is essentially fully built out. Other uses by the District are not feasible due to its poor access being only via residential streets.

Exhibit 5 Resolution No. 2021-1 contains the Committee's recommendation that the property be deemed surplus and that it be disposed of by the District.

Phillips Property

This is a remote rural property described in Exhibit 2. The Committee sees no use of this property by the District in the future.

Exhibit 6 Resolution No. 2021-2 contains the Committee's recommendation that the property be deemed surplus and that it be disposed of by the District.

Closing an Elementary School

In considering whether to recommend to the Board of Trustees that one elementary school site be closed with students and staff consolidated into other District elementary school sites, the Committee considered the following:

- There is little or no projected growth in elementary school student enrollment in the District over the next ten years.
- The District has the capacity to serve approximately 1100 additional students over and above current and projected future enrollment.
- The current capital expenditure requirements exceed funding provided by Measure M by approximately \$14 million.
- Closing an elementary school site reduces the District's capital expenditure needs and saves approximately \$700,000 in annual operating costs.

- The District has the capacity to serve students from a closed elementary site at other District school sites without the construction of additional facilities.

Based on these findings and subsequent discussion the Committee passed Resolution No. 2021-03 included in Exhibit 7 recommending to the Board of Trustees the closure of one elementary school site.

Closing a Specific School Site

Having reached the decision to recommend the closure of one elementary school site the Committee focused on which specific site to recommend for closure.

Using the same information and discussion that led to the recommendation to close an elementary school site led the focus directly to Georgia Brown. Georgia Brown is the oldest and smallest site in the District and has the largest elementary school renovation capital budget other than for Glen Speck where construction is underway. As has been previously noted in this report, the \$13.85 million currently allocated to Georgia Brown likely would not be sufficient to complete a renovation.

One factor arguing against closure of Georgia Brown was concerns by the Committee of the impact a closure would have on the highly successful and popular Dual Immersion Program which is resident at Georgia Brown. District staff assured the Committee that should Georgia Brown be closed the Dual Immersion Program would be retained by the District and moved elsewhere.

With this assurance and after determining that the case for closing Georgia Brown is stronger than for any other elementary school in the District, the Committee proceeded to pass Resolution No. 2021-04 recommending to the Board of Trustees the closure of Georgia Brown Elementary School. Resolution No. 2021-04 is included as Exhibit 8.

Other Items

During discussions numerous items relating to such issues as curriculum, transportation, neighborhood schools and attendance boundaries arose. Committee members were reminded that the purpose of a 7 – 11 committee under California law, Education Code sec 17389, the expectations of the Board of Trustees and instructions from the District's legal counsel was specifically limited to real estate issues. As important as these other issues are, they will be the concern of the Board of Trustees as they take up the subject of a possible elementary school closure and are not appropriate for formal action by the Committee.

Nonetheless, Committee members felt that it was worthwhile and appropriate for the issues identified by Committee members be transmitted to the Board of Trustees with the expectation that they will be considered when the Board of Trustees takes up these matters.

These submittals varied from a half page to three and a half pages. Due to their length, they will be submitted under separate cover to the Board of Trustees with the explanation that these are concerns of individual committee members. They cover issues that are outside the 7 – 11 Committee mandate but hopefully will be helpful to the Board of Trustees when they take up matters relating to potential elementary school closures.

Exhibits

1. Montebello Property Report
2. Phillips/Freedom Property Report
3. Committee Objectives
4. Elementary School Operating Costs
5. Measure M Capital Budget Status
6. Resolution 2021-01 Approval to Declare Montebello Property Surplus
7. Resolution 2021-02 Approval to Declare Phillips/Freedom Property Surplus
8. Resolution 2021-03 Recommending Closure of One Elementary School
9. Resolution 2021-04 Recommending Closure of Georgia Brown Elementary School

Appendices

1. CA Education Code Section 17389
2. Committee meeting minutes
3. Attorney Devon B. Smith presentation at the July 30 meeting
4. Larry Ferchaw of Cooperative Strategies on projected enrollment presented at the August 27 meeting
5. Current elementary school site capacity developed by SIM-PBK
6. Measure M and Masterplan Update presentations by Brad Pawlowski to the Board of Trustees dated January 25, 2020 and September 8, 2020