DOCUMENT RESUME

ED 470 375 EF 006 152

TITLE	Utilization & Sharing of School Facilities.
INSTITUTION	Georgia Governor's Office, Atlanta.
PUB DATE	2000-09-07
NOTE	36p.; Produced by the Georgia Governor's Education Reform Study Commission, Education Facilities Committee.
AVAILABLE FROM	For full text: http://www.ganet.org/governor/edreform_2000/issues_facilities.html.
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	EDRS Price MF01/PC02 Plus Postage.
DESCRIPTORS	Computer Uses in Education; Cooperative Planning; *Educational Facilities; Elementary Secondary Education; Privatization; Public Schools; School Buildings; *Shared Facilities; State Action
IDENTIFIERS	*Georgia

ABSTRACT

Asserting that as Georgia moves into the 21st century, its public education sector must examine alternative means of utilizing and sharing buildings and facilities, this paper explores the alternatives to relying on taxes alone to meet the ever-increasing needs for additional and improved school buildings, as well as ways to reduce the need for more schools and classrooms. The discussion focuses on three major topics: privatization, more effective facility utilization and sharing, and technology. (EV)

UTILIZATION & SHARING OF SCHOOL FACILITIES

Governor's Education Reform Study Commission

Education Facilities Committee

September 7, 2000

EXECUTIVE SUMMARY

This report addresses the issues and options associated with providing more classroom space with limited funding. Specifically, this report examines the options that may be available to increase or maximize the use of current facilities instead of building new facilities. Options examined include privatization, facility sharing, schedule changes, and technology.

The privatization process offers extraordinary opportunities to reinvent the traditional school financing concept by allowing private developers to build multi-use developments that, for example, could include schools, as well as retail establishments and professional offices. Financing options include operating leases, lease-purchase agreements, outright purchase, and traditional bonding. Partnerships could include other state agencies, such as public service facilities or libraries, which could share a common facility to the benefit of both the school and the community. Partnerships could combine educational institutions of different levels (elementary, secondary, technical, and colleges), creating "Education Centers" which share in the construction cost. Revenue generating facilities, such as athletic facilities, should be a prime target for privatization.

All of the above could eliminate or reduce taxpayer support of construction and reduce operating budgets, but must be accomplished without reducing quality or losing focus of educational programs. Since affected groups, including parents and teachers, may have different program objectives, careful consideration must be given during any program's development phase to assure long-term mutually beneficial relationships.

Another method of curtailing construction costs is to more effectively utilize existing facilities by increasing the number of hours and days of their use. Double sessions, three semester sessions per year, quarter systems, a 240-day school year instead of 180-day, Saturday sessions – all these methods would increase the utilization of the facilities but have possible negative consequences such as increased number of teachers and would have ancillary effects on well-established mores of child care, holidays, and vacation schedules.

The classroom use of computer technology is viewed today as an enhancement to in-class programs, but it could also allow for increased utilization of space. For example, if a typical class session of the future changed to two weeks in school, followed by two weeks of directed study at home using the computer, it would effectively double the capacity of the school building. Factors to consider here are the cost of integrating computer technology into the construction and maintenance of future school buildings.

Because these methods of alternative funding and increased utilization would have significant effects on community and family life, community involvement and acceptance are vital to their success.

Table of Contents

Introduction

Historically, tax revenues have supported the provision of public education, including the facilities needed to house and support these activities. Although different mechanisms to appropriate and allocate construction funds are utilized by the three segments of Georgia's public sector schools (K-12, technical institutes/colleges, and traditional colleges/universities), the basic funding practice established more than 200 years ago holds true today – public education is dependent on tax revenues for its facility requirements.

However, this 200+-year-old practice may be due for a change as tax revenues may not be able to meet increasing and competing demands indefinitely. Growing enrollment, societal changes, and policy choices (including legislation) all increase the need for educational facilities. In addition, technological advances can be expected to affect facility requirements, though the extent and nature of their influence have yet to be fully understood.

Enrollment trends show that the demand for facilities will continue to grow. For instance, the National Center for Education Statistics places Georgia fourth in the nation in terms of absolute growth and tenth in percent increases in enrollment in public and secondary schools between 2000 and 2010.[1] At the postsecondary level, University System enrollment targets show a 7.7 percent increase over the next three years (2000-2003),[2] and the Department of Technical and Adult Education has seen a steady increase in credit enrollment in technical education programs every year since 1991 and expects the upward trend to continue.

One trend that affects enrollment at the postsecondary and continuing education levels is that education is rapidly evolving into a lifelong process. As Rosbeth Moss Kanter observes, security in the job market increasingly lies in the skills and reputation a person "accumulates" (presumably through training, education, and experience):

> *From employment to 'employability'*: the new security. Large organizations can no longer guarantee long-term employment, and few people would believe such a promise anyway. If security no longer comes from being *employed*, it must come from being *employable*. But employability security – the knowledge that today's work will enhance the person's desirability for future opportunities – is a promise that can be made and kept. Employability security comes from the chance to accumulate human capital – skills and reputation – that can be invested in new opportunities as they arise. . . In the future, people will need portable career assets – skills and reputation that can be applied anywhere.[3]

[1] U.S. Department of Education, National Center for Education Statistics, Projections of Education Statistics to 2010 in "Growing Pains: The Challenge of Overcrowded Schools is Here to Stay," p. 17.
[2] Board of Regents of the University System of Georgia. August 30, 2000 memorandum from Dr. Joseph J. Szutz.
[3] Kanter, Rosabeth Moss. "Constructing the Future" appeared in Northern Telecom (Nortel) 1994 Annual Report to Shareholders, published in 1995.

As a result, more and more people are moving in and out of the educational market place. As the demand for learning opportunities—both job and general-interest related—continues to expand, the public education sector will be pressured to respond.

However, growing enrollment alone does not account for an increase in demand for facilities. Policy also plays a significant role. Last year the Governor's Education Reform Commission came out in favor of lower class sizes at the elementary and secondary education levels. This policy recommendation resulted in a legal requirement to reduce class size (per HB 1187, also known as the A+ Education Reform Act of 2000) which, to be implemented, will require additional classrooms.

Finally, modern technologies can be expected to have an impact on facility requirements. These technologies augment on-site instructional capabilities and, in some cases, provide educational capabilities well beyond those available in the traditional local setting. The Internet, in particular, provides an opportunity to deliver education to the citizens of Georgia, wherever they live and whenever they want it. The potential of all these new technologies can only be realized at a cost—the cost associated with providing computer-video-data infrastructure and the physical facilities needed to house and support these emerging technologies. How these technologies will affect enrollment at traditional school facilities remains to be seen.

Taken together, all the factors mentioned can be expected to have a significant impact on the funding needed for school facilities. In Georgia, we already invest over half of our state budget in education. Last year 57 percent of the total state budget plus lottery (2^{nd} highest in the U.S.) and about 55 percent of our bond package went to education. Can public education's ever increasing needs be accommodated solely by taxpayer support, especially in the face of competing demands? A recent survey of 51 governors (states plus Puerto Rico) resulted in 35 responses and indicated that education is currently considered a high spending priority (see Table 1).[4] But, can this situation last forever? Georgia already has pressing (so far) unmet financial needs in other areas, for instance mass transit and water and sewer facilities. At some point, these competing demands will require more attention, at which point funding for education may no longer be able to accommodate the demand for facilities.

TABLE 1

Given your current state needs, how would you prioritize each of the following spending categories?

Category:	% High/ Very High
K-12 education	97%
Postsecondary education	83%
Early childhood development/child care	74%
Criminal justice	51%
Health care	49%
Welfare reform/social services	49%
Roads/infrastructure	46%
Return some or all surplus to taxpayers	37%

Therefore, it seems prudent to re-examine the traditional practice of funding all of the construction and maintenance needs of public schools through tax revenues. As

[4] Education Commission of the States; State Education Leader, Vol. 17, No.2, p.8; Spring 1999.

Georgia moves into the 21st century, our public education sector (all levels) must examine alternative means of utilizing and sharing buildings and facilities that serve the welfare of the state and its citizens and reduce the growing need for capital facilities expansion. While there is already some degree of mutual utilization and sharing, further efforts are certainly possible.

This paper explores the alternatives to relying on taxes alone to meet the ever-increasing needs for additional and improved school buildings, as well as ways to reduce the need for more schools and classrooms. The discussion focuses on three major topics: privatization, more effective facility utilization and sharing, and technology.

BACKGROUND

While all three segments of our public education sector rely on tax revenues to meet their facility needs, both the funding methodologies and the methods used in the collection and allocation of revenues differ.

For example, the Department of Education (DOE) manages the K-12 system in cooperation with 180 local school districts, each of which is responsible for providing a local tax-supported component for each construction project.[5] The complexities associated with this practice are myriad and require extensive coordination between DOE and the districts. In effect, then, a combination of locally-generated and state-provided tax revenues fund the K-12 school construction program. The Department of Technical and Adult Education's (DTAE) construction program relies on state appropriations and consequently does not involve the complexities associated with locally elected school boards or local funding. The University System of Georgia (USG) also relies on state appropriations for construction of its basic instructional facilities; however, USG is able to utilize alternative sources of funds to provide some types of research, dormitory, athletic and other instructional support facilities.

Over the years, various methodologies have been developed to respond to unique needs. For example, elementary and secondary schools rely on a combination of locally-generated funding that is augmented by state appropriations where the state support may vary based on specified geographical or other local system circumstances, such as the identification of a low wealth area.[6] Likewise, the University System has developed a user-fee concept to provide facilities beyond those directly required for educational purposes (e.g., dormitories, athletic facilities). Regardless of the funding

[5] The U.S. General Accounting Office (School Facilities, 1995, p.7) reports that 40 states provide ongoing financial assistance to local [school] districts for the construction of public elementary and secondary schools. On a per pupil basis, state funding provided in fiscal year 1994 ranged from a high of $2,254 per student in Alaska to a low of $6 per student in Montana. The median amount of assistance provided per student was about $104. [Georgia provided $123 per student in 1994, South Carolina-$41; Alabama-$14; Kentucky-$104; Florida did not quantify and Tennessee did not report.]

[6] Most states reported prioritizing funding toward districts with less ability to pay. While states reported using a variety of ways to prioritize which districts receive funding and how much they receive, most reported considering district ability to pay in awarding some portion of assistance. General Accounting Office (School Facilities, 1995 p.11).

differences among the specific educational sectors or particular building projects, the bottom line is that public education's basic requirements are taxpayer assisted.

The challenge lies with providing for the expanding facility needs (in terms of both quality and capacity) of the state's public education sectors within the framework of the traditional tax-supported methods of financing buildings. Given the worthy competing demands that vie for tax revenues, it is apparent that alternative ways to increase the use factors associated with public school buildings should be developed. Possible solutions can be found in three areas: privatization, more effective facility utilization and sharing, and technology.

Privatization

One way school construction costs can be reduced (and potentially fully eliminated) is by partnering with private industry. The term "privatization" is used to describe a continuum of partnering relationships between public and private entities, for the purposes of this paper ranging from outsourcing of services to outright private ownership and operation of buildings for public entities.

Outsourcing of services

Public schools have a long business relationship with private industry to provide a variety of goods and services; examples include food and dining service, groundskeeping, custodial services, bookstores (potential "reverse" leases, with the private operator leasing space from the school), and numerous other activities. These relationships have evolved because of efficiencies; certain services can be provided more efficiently and effectively by a specialty firm than if the school organization retained staff to perform the service.

Lease-purchase[7]

Since the ultimate outcome of a lease-purchase would be public ownership of the school facility, this option falls next on the continuum. Lease-purchase financing is used to purchase capital equipment and real property with regular payments over time. Repayment of these funds is contingent upon annual appropriations made by the state or local government and is treated as a current expense. The underwriter finances the asset by selling securities called "Certificates of Participation" (COPs). Investors recoup their investment by receiving a proportional share of the lease/purchase payments paid by the state or local governments.

Despite the non-appropriation risk and market risk, many banks and investors participate in lease-purchase financing because of the tax benefits. The investor gets a tax benefit because as an obligation of a state or local government, the interest on lease/purchase payment is exempt from federal income tax and in certain states is also exempt from state income tax. To qualify for this tax-exempt status, the financing must

[7] The "technical" part of this section is based on information from iCap Inc. Great Falls, Virginia, http://www.financing-solutions.com/serv03.htm

be for an essential public purpose. If a taxable lease is used, the lessor (e.g. the bank) can deduct depreciation of the asset (the school building) over the term of the lease from income taxes.

Ultimately, the certificate holders (investors) are secured against non-appropriation by the importance, or essentiality, of the leased asset to the government user. If the state or local government must provide an essential function or service with the asset, the reasoning goes, it will, in all likelihood, continue to make the scheduled lease payments. Since state and local governments for the most part have acted responsibly in meeting their obligations under lease-purchase agreements, this option's acceptance in the public debt markets has increased.

Lease-purchase financing has several advantages. First, lease-purchase financing allows the agency to obtain a facility without a large initial investment. Second, a lease-purchase option can spread the cost of a facility over a long period of time. Third, in most states the lease agreement does not contribute to a jurisdiction's spending limit. Fourth, usually voters do not have to approve lease-purchase financing like they do with special taxes or bonds.

Lease-purchase agreements do have drawbacks. Agreements for large capital facilities are complicated and require numerous players and advisors. Because of market uncertainty and because leases are unsecured, they may require slightly higher interest rates than bonds to attract investors. Third, because lease-purchase financing is treated as a tax-exempt investment, it is susceptible to changes in federal or state tax law.

Financial rating agencies generally consider lease obligations/commitments the state has entered into, but they are generally considered "off balance sheet" financing and do not have the same impact on credit capacity as the outright issuance of G.O. bonds.

Preliminary research indicates that several states use lease-purchase financing for school construction. Texas has quite a few schools that have been constructed under lease-purchase arrangements. In Virginia, some school districts use lease-purchasing agreements for 18 to 24 months to bridge the gap between start of construction and fund availability from a state construction loan pool. However, some states like Kentucky have laws that prohibit governments and school districts from using lease-purchasing/COP financing.

Operational leasing

Continuing along the privatization continuum, leasing is another alternative to school construction. There are two options to consider: 1) leasing of an existing facility, and 2) leasing of a facility built to suit. The second option is less likely since it could be hard to find profitable uses for a facility built, but no longer serving, as a school.

Research shows that several states permit and use lease arrangements. For instance, the State of New York has provisions for the operational lease of education space. North Carolina also has provisions for short-term leases. However, although leases and lease-purchase financing is used in various states to different degrees, bonding is still the most common and preferred method for funding facilities. The chart below provides a comparison of various financing options.

Table 2

	Pay as you go	Pay as you use[8]		
	Outright Purchase	**Operating Lease or True Lease**	**Lease-Purchase/COP**	**Bond**
Length of Financial Obligation	No future financial obligation	Usually a multiyear agreement for 5 to 10 years.	Usually a long-term obligation (10 to 20 years). Make payments of principal and interest.	Usually a long-term obligation (10 to 20 years). Make payments of principal and interest.
Fund Availability	Purchasing entity must accumulate cash for purchase over time. Requires a trust or authority to handle accumulated funds.	Funds come from operating funds. Appropriated annually.	Funds come from operating funds. Appropriated annually.	Funds are deposited when bond is sold. Bond is paid back from future funds through debt service.
Time to Market	Slow	Fast if appropriated	Moderate to fast. A lease-purchase can be implemented in 60 days.	Slow. Bonds must be planned and most G.O. bonds require voter approval.
Ownership	Immediate ownership	No ownership	Ownership accrues with each payment	Ownership at time of occupancy
Investor Tax Advantage	None	Yes – Lessor/landlord has depreciation advantage.	Yes – Depending on type of lease, lessor can deduct depreciation or investor interest earnings are tax-exempt.	Yes – Interest earnings on G.O. bonds are tax-exempt.
Escalation of Payments	None	Flat payment but escalation is possible.	Flat payment but escalation is possible.	Variable payments, but payments are planned and known for term of bond.
Budget Planning	Funds allocated to a trust fund	Annual operating budget	Annual operating budget	Debt service fund

[8] Benefits of pay-as-you-use financing include: (1) intergenerational equity - future generation helps fund; (2) flexibility in financing, and; (3) new residents pay for use.

Table 2 (cont.)	Pay as you go	Pay as you use		
	Outright Purchase	Operating Lease or True Lease	Lease-Purchase/COP	Bond
Investor Risk	None	Low	Moderate – Legally they are year to year based on appropriations. Carry non-appropriation risk.	Low – Bonds have the pledge of the government's full faith and credit, or taxing power.
Interest Rate	None	None	Slightly higher interest rate. Usually COPs are 10 to 20 basis points higher than GO bonds.	Lower interest rate than COPs. Usually bonds are 10 to 20 basis points lower than COPs.
Input on Construction and Bidding Process	Significant Input	Usually significant input on remodel.	Varies from turnkey to issuer-managed projects conforming to traditional construction contracting practices.	Significant input
Political Obstacles	Saving money for the future when state has needs now.	Few. Quick response to space needs.	Usually do not require referendum or vote by electorate. Flexible means to meet asset needs.	Require public hearing and vote.
Transaction Cost or Issuance Cost	Low	Low	Higher than G.O. Bonds	Lower than COPs.
Financing Negotiated or Bid	N/A	Negotiate or bid	Negotiate or bid	Negotiate or bid
Rated	No	No	Yes	Yes
Finance Insurance Available (added cost)	N/A	Not determined	Yes	Yes
Source: OPB analysis using various financial references.				

Jointly financed facilities

Further along the privatization continuum would be jointly (public/private) financed facilities. It is unclear at this point if and how this option is used.

Fully privatized facilities – construction and operations

Last on the privatization continuum are facilities that are privately constructed, owned, and perhaps even operated. For instance, there has been a movement toward privatization of housing at public colleges and universities in the past five years. According to an industry source, almost $500-million in privatized college housing contracts was expected to be signed nationally in 1999.[9]

The opportunities for reduced costs through privatization must, however, be evaluated and considered together with the potential negatives that partnerships entail. As described in the section on shared facility use and in Findings, a variety of items and concerns will need to be identified "up front" with solutions incorporated into the original contract between the school and its private partner.

More effective facility utilization and sharing

Increasing facility utilization can involve increasing shared facility use with other entities and/or more effective utilization through schedule changes. Both approaches have merit, and are discussed in more detail below.

Increasing shared facility use

Increased sharing of facilities can involve public/private partnerships for joint use, or more likely, sharing of facilities among public organizations – either between educational organizations or between educational and community (public or private non-profit) organizations. There are a variety issues or challenges, sometimes complex, that must be addressed when different organizations share facilities. These include:

- Cost sharing – Who will cover the costs, maintenance for the buildings?

A variety of issues require consideration as part of the agreements between the partners. For example, the agreements need to clearly identify who is responsible for the building's maintenance and operation costs. If these costs are to be shared, the agreement needs to identify the party that is authorized to make the decision to undertake a financial expenditure. (Generally, it is practical to identify a single party as having full and total responsibility for maintenance and operating tasks.)

- Liability and Financial Reporting – Especially when private agencies are involved, how does one monitor finances and the program? What liability issues will be involved?

If the facility will be owned jointly by two or more organizations, it will be necessary to establish clearly the expectations for joint reporting of "pooled" financial responsibilities. Likewise, it will be necessary to include in the contract explicit language regarding how each party will jointly indemnify each other (if appropriate), or how they will respond to a cause of liability charged against the facility (e.g. slip and fall accident on a wet corridor in a common area).

[9] The Chronicle of Higher Education, *Money & Management*, June 11, 1999.

- Access – What happens if there are overlapping activities?

It is likely that scheduling needs of the facility's partners will change over time and, as a result, conflicts for the use of space may arise. The contract will need to address how such competing needs for use of the facility will be adjudicated and clearly identify the priority order in which the building will be made available when a schedule conflict occurs.

- Multi-user facilities – Increased savings can result if more users are invited into the partnership. Is it practical to anticipate a facility that is shared by three or more owners?

Cost savings are, in many ways, proportional to the number of hours per day and days per week that the building is used. For example, the initial cost of land and construction can be spread among multiple users; maintenance and operation costs can be shared to reduce the cost per individual owner, etc. However, at some point the complexities associated with a multi-owner facility are likely to outweigh the benefits. It is necessary early in the buildings concept design phase to consider the long-term relationships and potential for conflict among users and to identify the number and type of partners that should be accepted into the ownership portfolio.

- What happens if an owner/partner wants out of the partnership or decides to sell ownership equity in a building?

If the building owner/partner that desires to liquidate assets is a private partner, the original contract should provide guidance regarding the type and nature of private uses allowed in the facility, e.g. professional offices, service organizations, etc. The nature and type of use is the important criterion, not particularly the named partner firm. If, however, the partner is another governmental agency, an agency agreement should be developed to allow the continued public-benefit uses of the building and the "leaving" partner agency may be tasked with identifying another acceptable user agency.

It is clear that careful evaluation of the liabilities associated with partnering with another agency or agencies should be completed prior to undertaking any agreements for facility sharing. In addition, the agreed-upon method of resolving disputes should be incorporated into the operating agreement. For example, when considering public-private partnerships, it is important to note that all of the involved parties will not necessarily have the same program objectives. Thus, time must be allowed for the various representatives to meet, discuss options, and come to an agreement regarding a multitude of issues that can and will impact the project. Additionally, as a part of these considerations, it is also important to consider how each particular development scenario might be received in, or impact, the local community.

For example:

- Elementary and secondary schools are historically stand-alone, separate buildings. How will the community react to having a school constructed as part of a professional office or retail commercial development or having the school buildings designed for other "after school hours" uses, or the school operated as part of a larger "educational complex," or all of the above? Could such a combination of uses aid the economic development of the community?

- Would such a multi-use development impact the cultural fabric of the community—would social attitudes be affected? Typically, individual facilities are constructed for the young (traditional elementary and secondary schools), other specialized facilities are constructed for the older students (colleges, universities, continuing education facilities), and yet other specialized buildings are provided for other adult learners. A concept that incorporates an elementary or secondary school with a commercial enterprise and with continuing education or other form of community service operation may have the ancillary effect of bringing diverse members of the community together. Such a facility may, in fact, evolve to be a vital community resource and a hub of community activities.

An example of a successful arrangement for facility sharing is the public library that is part of the SAND Elementary School in the Clay Arsenal neighborhood of Hartford, Connecticut. This library opened in 1998 as part of the larger $17 million SAND Elementary complex, with the dual purpose of serving both the new elementary school and the general public. The library has 17,000 items in its collection, including CDs, videos, books, and magazines. There is a copier and PCs equipped with Microsoft Office Suite and Internet access. In addition, the library offers meeting and instructional space. The library has separate entrances for students and the general public, and is open until 10 p.m. Monday through Friday. At five p.m. every day a guard, a technology expert, and a student assistant join the staff (there are four staff members at all times) to serve the larger neighborhood's needs. Because of the community the library serves, the staff is bilingual. In addition to offering access to its 17,000 items, clearly separated into a children's and an adult section, the library has classes open free of charge to the community. Staff participates in a "neighborhood team" whose role it is to listen to the community and ensure that the library meets the community's needs. The library's higher than average number of patron visits testifies to the true community resource the library has become.[10]

Schedule changes

Alterations to the school schedule offer multiple opportunities for cost savings and more effective utilizations of schools. To increase the likelihood of success, any changes to the current schedule need to be fully and completely discussed with and accepted by the local school constituents.

[10] Anwar Ahmad, Branch Services Manager, Ropkins Branch, Hartford Public Library, Hartford, Connecticut. Phone Interview, August 17, 2000.

The current attendance/instruction requirement for K-12 students is 180 days per year at approximately six and one-half hours per day. Numerous ways have, and nationally are being, used to distribute the instructional period throughout the year. These scheduling options (including the option termed "year-round school") offer potential ways to increase the effectiveness of use of school facilities. A brief synopsis of several scheduling options follows:

Traditional schedule

The most prevalent and historic scheduling option can be referred to as the semester system, a concept that includes an instructional period from late summer ending in December and a second session starting in January and ending in late spring. In this option, instruction is not provided in the summer months, although some "special" summer sessions are offered. Under this option, scheduled instruction generally occurs between 8:00 a.m. and 3:30 p.m.

Double sessions, split sessions, and multiple-shift schooling

An alternative to the above is a scheduling concept referred to as double, split sessions, or multiple-shift schooling. In a double-session system, the student body is divided into two equal groups with different, non-overlapping start and end times. One group starts the instructional day earlier and generally leaves around noon, at which time a second group of students arrive to begin their day. This second session extends the use of the school buildings to 5:00 p.m. or so, thereby increasing the time that the school buildings are used and accommodating up to twice the student body served on a traditional schedule. Using separate teaching teams for the two periods of the school day can reduce the teaching time for individual teachers. However, such an arrangement would require twice the number of teachers.

Year-round schedules

Both of the two scheduling schemes described above utilize the semester concept: a fall semester of 90 days, a spring semester of 90 days, and a summer vacation period. Year-round schools, however defined, depart from this model. Under a true year-round schedule, there are regularly scheduled classes throughout the calendar year. There are two types of year-round programs: those in which all students share the same schedule (called single track) and breaks are used for remediation and enrichment purposes, and those in which students' schedules are staggered (called multi-track) to maximize the use of school facilities. Year-round schools often operate on a modified year-round schedule, using facilities more than a traditional schedule would, but not every day of the year.

- One type of year-round schedule includes a summer semester and schedules students in two of the three semesters. The advantage of this concept is that the school facilities are utilized more efficiently by including a programmed summer period of instruction and that the number of students can be increased (theoretically) by one-third.

- Another scheduling alternative is the quarter system wherein the school or academic year is divided into four quarters of approximately 45 days each. Students attending classes on the quarter system take three quarters, but the school day would have to be lengthened in order to retain an equivalent number of teaching hours. This option increases both the hours per day and the number of days that school facilities would be in use. The number of students served could be increased by 25 percent.

- By using existing facilities 240 days per year and organizing into instructional periods of 60 days for each session, a 25 percent increase can be achieved and still retain 180 days of instruction. The local school system would require each family to select three sequential 60-day periods followed by a 60 day period not in school. One-fourth of the students would have a vacation time during the summer, one-fourth in the fall, one-fourth in the winter, and the final one-fourth in the spring.

Extended school year

Another scheduling option would be to extend the academic year from 180 to a greater number of days, such as 240. Some other countries, such as Japan, currently use a longer academic year, a circumstance that has a variety of educational impacts but includes increasing the effective use of school buildings.

Saturday school

Another alternative in scheduling would be to include scheduled classes on Saturdays, an option that is available independently of or in combination with any of the previously discussed alternatives.

During the 1980's there were a number of efforts nationwide to promote year-round schools. The most publicized efforts were in Colorado, California, and Virginia. One report cited that 29 states had enabling legislation in 1988. In fact, when the Quality Based Education was passed in 1985, it included a section that not only allows year-round schools, but also encourages it. According to the Official Code of Georgia § 20-2-168 (e) (1), "It is declared to be the policy of this state that every effort be made to utilize currently available education facilities and equipment on a year-round basis. The State Board of Education shall certify that a local school system has a year-round operation for one or more grade levels for any instructional program as provided in Part 3 of this article which meets the following criteria:

(A) That the operation of the program is for 232 official attendance days or more, constituting four quarters or any plan for year-round operation approved by the state board;

(B) That for a student's first 176 or more days, constituting three quarters or an equivalent plan approved by the state board, attendance shall be on a tuition-free basis; and

(C) That the program is offered for all official attendance days in accordance with such standards, requirements, and criteria as may be prescribed by the state board...."

While many of the scheduling options discussed above would increase the time that school buildings are in use, and thus increase their effectiveness and efficiency, some of these options would require additional teachers, thus resulting in a financial impact to the district or state. Additionally, changes in the days and times in which students attend classes will impact both the students and their families. Child care, before and after programs, holiday and vacation schedules, and numerous other activities would be affected. Several systems that implemented year-round programs in order to reduce overcrowding have recently discontinued them. For example, Fairfax County, Virginia, Jefferson County, Colorado, returned to more traditional calendars after five and ten years of year-round programs, respectively. This past fall, Los Angeles Schools (the second largest system in the U.S.) voted to begin year-round education. However, the next week the plan was dropped due to public pressure. This just stresses the need for careful consultation with the community in the planning and development stages before a schedule change is implemented.

Technology

Modern electronic technologies are in use and benefiting K-12 schools. Desktop computers, incorporated into local area networks and connected to the Internet, are in use at schools throughout the state. Currently and for the near future, it should be expected that computers continue to serve primarily as an enhancement to the "in-class" academic programs rather than as a replacement or alternative for them. This is particularly true for the elementary schools.

Another contribution that computing technology is making and will expand upon is service to the atypical student. Electronic technology is an excellent reinforcement tool for those students requiring remedial educational experiences. Likewise, students taking advanced programs can benefit from the vast knowledge provided through the Internet and similar capabilities.

However, progressive programs could be developed and implemented that could migrate computer technology into a more effective teaching and learning mechanism. For example, it would be possible to create a course of study that would allow high school students to spend two weeks in classes at their school, followed by two weeks of "directed study" at home or other location learning through computer lessons. Interactive programs would allow students to receive instant feedback as a means of reinforcing their learning processes. This would be followed by another two-week stint at the school, and the process would repeat throughout the school term. One of the practical benefits associated with this concept is that the effective capacity of the school buildings would be doubled. And, while faculty increases would be necessary, the increase would not necessarily have to be a two-fold increase in personnel.

Modern computer technology offers a variety of benefits to the administrative side of school operations. For example, student attendance records, staff and faculty salary information, building equipment data, and other information can be maintained centrally and, thus, reduce the need for data/record keeping at the individual school. Many school districts are utilizing modern computing technologies for these and other purposes and it would appear that the continued reliance on computing capabilities offers great and ever-increasing opportunities in these areas.

Any discussion regarding computing technology must be accompanied by the recognition of a support requirement: equipment, connectivity, and software. A computer must be connected to provide a two-way educational value. Likewise, the computer must be served by a software capability that is tailored to the particular needs of the user. And, the hardware components of the computing system require regular maintenance and repair. The personnel and maintenance costs associated with these needs are significant and must not be ignored.

One of the most critical hardware components is the inter-site connectivity, a system of wires and fibers that connect the desktop to the world. The capacity of these connecting systems governs both the capacity and speed in which information can be passed and shared. Associated costs are significant and will impact decisions regarding the provision, installation, and upgrading of computing technology.

Finally, the cost associated with the construction of "smart" school buildings must be addressed. The initial cost associated with the provision of computing technology must be incorporated into a building's initial cost estimate and could add one dollar or more per square foot to the cost of school construction. However, the longer-term costs associated with maintenance of the computer system, upgrading it to stay current with modern technologies, and associated software maintenance and upgrades, will likely result in costs far beyond those associated with the system's initial installation. The contribution of the technologies to instruction and learning, especially in our growing digital economy, may be well worth the cost.

CURRENT CONDITIONS

The traditional elementary, middle, and high school is organized around a typical schedule in terms of when the day begins and when it ends, when vacations fall, the number of school days, and the number of sessions in a year (e.g. two semesters and summer school). In addition, its sole purpose for existence is to educate a certain age group of children. The traditional model effectively limits both the usage and the capacity of the school building. The school building sits empty much of the time, and an influx of students creates a demand for a new facility. Finally, most schools are housed in facilities built to serve as schools with a combination of local and state funds.

Most Georgia schools fit this model, with a few common variations. For instance, most school systems operate summer schools, extending the time the school is used. Often, schools play host to cooperative programs with other schools/systems, or designate a separate facility to serve multiple schools/systems. Or they house programs that include

another age group. Another common variation is for schools to allow the use of their facilities by other community entities.

Typically, budget constraints and/or a concern for the quality of education are used to justify changes to the traditional model. Budget constraints (potential cost savings) are often cited as a reason to increase building utilization, whether this is done by arrangements to share facilities or through schedule changes. The same argument is usually used to explain privatization efforts. Improving the quality and quantity of education, as well as access to a variety of learning opportunities, is used mostly as a reason for schedule changes, although some facility sharing also has that as a primary goal.

Most of the discussion below focuses on K-12 arrangements, with some comments about practices at our public postsecondary institutions.

Schools operating on a different schedule

Often "nontraditional" schedules occur as a last resort, as in the case of double sessions at Etowah High School in Cherokee County. Half the students at Etowah High attend morning sessions and half the students attend afternoon sessions because of a lack of space caused by a renovation project that was not completed in time for the new school year to start.[11] Another school in north Georgia is contemplating double sessions and other schedule changes as a more permanent solution. The school's student body currently exceeds the capacity of the existing high school facility, but enrollment has not yet increased to a number that will justify construction of another high school. Extending school hours into the evening and adopting double sessions will not only offer flexibility to students but also increase the school's capacity. The high school is also working on dual enrollment arrangements with a local college whereby students would be able to earn concurrently both high school and college credit.[12]

In other cases, schools embrace "nontraditional" schedules in order to keep students in school. For instance, a number of schools offer night school so that students who choose to work during the day still have an opportunity to get a GED or, in some cases, a high school diploma.

Few schools in Georgia deviate from the traditional calendar of two semesters and summer school. Deviations include the adoption of full-blown year-round schedules under which the academic program runs every single day of the year with the exception of holidays (rare) or the adoption of shorter terms and shorter (compared to the typical summer vacation), more frequent breaks. According to the National Association for

[11] Atlanta Journal-Constitution, August 15, 2000.
[12] Susan Dohrmann, Department of Education. E-mail message, August 17, 2000.

Year-Round Education, there were a total of eight Georgia (elementary) schools on a single-track year-round schedule during the 1999-2000 school year.[13]

College Park Elementary School, Fulton County, is an example of a school with a full-time year-round schedule that runs 12 months of the year with more than half of the student body in attendance at any time. The school implemented this schedule with community support with the objective to improve academic achievement.

Centennial Place Elementary School is one of Atlanta City Schools' two pilots for a year-round schedule with shorter terms. The school is now in its third year of a year-round schedule, also adopted with the goal of improving student performance. The school year is based on nine weeks on and three weeks off, with two weeks of "intersession" during the off weeks. Intersessions offer enrichment and remediation opportunities, with the former being voluntary and open to any student who wishes to attend and the latter obligatory for students who need extra help. On the average, 30-35 percent of the student body takes advantage of the intersessions. The calendar ensures that students never fall too far behind to catch up. The results have been measurable—Centennial Place was only one of two out of 69 schools in the system that met all of the superintendent's nine targets, most of which have to do with improving student performance. Dr. Cynthia Kuhlman, the school's principal, credits the year-round schedule with much of this success. Through a combination of the mandated 180 days and 25 possible remediation/enrichment days, Centennial Park offers instruction for a total of 205 school days.[14]

Some of the factors to consider in operating on a nontraditional schedule include staffing, community support, child care, and funding. Centennial Place initially got the support of faculty and went on to put the vote to the parents who overwhelmingly supported the effort. So as not to disrupt parents' schedules and not create latchkey children, the school enlisted the support of two of its community partners: Centennial Place Family YMCA and Families United Now. These organizations provide child care during intersessions free of charge to any family that needs it. In order to staff the intersessions, 30-50 percent of faculty members have to work – for extra pay. In addition, the school uses outside faculty, with the result that some classes have even been taught by college professors.[15]

As for public postsecondary institutions, their facilities are more likely to be used longer hours and more days of the week. Space availability, student demand, and instructor availability influence scheduling. Night classes are common to accommodate working adults and more students, and Saturday classes are not unusual. However, space may still be available during low-usage hours/days that could be optimized through sharing agreements with other entities.

---

[13] National Association for Year-Round Education, Twenty-Sixth Reference Directory of Year-Round Programs for the 1999-2000 School Year.

[14] Dr. Cynthia Kuhlman, principal, Centennial Place Elementary School. Phone interview, August 17, 2000.

[15] Ibid.

Facility sharing by educational programs within or among systems (K-12)

Two "programs" that more or less fit this category are alternative schools (serving disruptive and/or students who do not function well in a traditional learning environment) and the Georgia Psychoeducational Network (serving severely emotionally disturbed children). Both programs serve smaller populations, which means not every school/system needs its own. For instance, students from Dodge, Dooly, and Pulaski Counties who have been suspended or expelled from their regular program all attend an alternative school in a phased-out old middle school in Pulaski County. Arrangements vary within and among systems, with approximately 20 schools systems purchasing services for the alternative program from adjoining systems during F.Y. 1999. School systems that administer an alternative school site are awarded funds through a competitive grant process; however, there is no allowance for state funding for capital outlay.[16]

Organized around main centers (24) and outposts, the state's psychoeducational network also bridges school systems. It is the responsibility of the participating systems to provide the necessary housing, and the centers are not eligible for state capital funding. Typically, the outposts are housed in newer or refurbished schools, while the main centers are housed in vacated or abandoned schools that were phased out of the local systems' capital outlay plans for economic reasons. As a result, many main centers are in facilities that are in bad shape.

Facility sharing by educational programs that serve different age groups

The most common, and perhaps least controversial, example of facilities being used for multiple age groups is the state's Pre-K program which frequently operates within elementary schools (as well as in private facilities). Currently, 43 percent of the state's prekindergarten students are served in public schools, with 83 percent of the state's public school systems offering the Pre-K program within their facilities.[17] Like the alternative schools and the Georgia Psychosocial Network, the Pre-K program does not receive capital outlay funding from the state. There is a concern that the Pre-K program will be discontinued at public schools when smaller class sizes create a need for more space by the regular school program. This would create a problem in those areas of the state where there is an insufficient number of qualified private providers or the distances that parents have to travel to private providers is too great. In those instances, many children would not be served without the provision of Pre-K programs in the public schools.

Mingling of high school students and adults occurs when postsecondary courses of instruction are offered in high schools. This past session, the Georgia General Assembly funded the renovation of an abandoned middle school in Coweta County to serve high school age students in grades 10 through 12 as well as students normally

[16] Resource and Information Sharing. Issue paper presented to the Governor's Education Reform Study Commission in September 1999.

[17] Office of School Readiness, August 2000. Data is based on the number of contracted prekindergarten slots for the 2000-2001 school year.

enrolled in programs housed in Department of Adult and Technical Education facilities. High school students will be able to earn both secondary and postsecondary credits, and some may even be able to graduate from high school with both a high school diploma and a technical certificate of credit or an associate degree. By blending secondary and postsecondary instruction, the school aims to increase the number of students who obtain postsecondary credentials, increasingly necessary for employment and advancement in the New Economy, either while in high school or following high school graduation. The Central Education Center will have extended hours for student convenience and to maximize the use of the facility. The school also deviates from the traditional public school model by serving multiple high schools. A pilot project for improved resource sharing and seamlessness between secondary and postsecondary educational institutions, the Central Educational Center is operational beginning this year.

Another group of stakeholders is proposing a technical career academy in northeast Georgia. It is proposed to be a charter school serving high school age (age 16+) and post high school students. Program offerings will be based on the availability of jobs in the local labor market, with the objective of making graduates employable immediately upon completing the training. Existing classrooms in such locations as Jackson County High School and the U.S. Navy Supply School in Athens will be used.

Increasingly DTAE and local school systems are developing agreements and plans for offering postsecondary instruction in high schools. This will reduce need on DTAE's part for more stand-alone technical colleges or satellites. In a typical high school the building is not used for instruction after 3:30 p.m. and DTAE's adult students often need night classes because of daytime jobs.

Facility sharing with community entities

Almost every school system in the state has an arrangement for the cooperative use of common facilities with some other entity in their common geopolitical districts. Most often, these relationships include recreational uses. The athletic fields and gymnasiums required in the public school systems are often unused many hours of the day and days of the year. Through cooperative agreements, the county recreation authority may sublet, rent, or allow shared use of its facilities by the citizenry at mutually agreed upon time. Most often there are official contracts signed that spell out the responsibilities of each entity in maintaining these facilities. Other arrangements are allowed in some systems where private enterprise may rent or lease existing public school facilities. In some situations, local boards of education will rent or lease to beginning churches, to individuals for special events, to civic agencies for fund raising activities, and almost any group that asks. Eight school systems, for instance, offer literacy programs (in conjunction with the Office of Adult Literacy of the Department of Technical and Adult Education). Some local boards may be less apt to allow outside entities the use of their facilities, often to avoid demands for equal access from politically controversial groups. The schools that increase the usage of school facilities through sharing arrangements typically still see a large portion of their facilities unused after school hours.

Dalton City Public Schools and the Dalton Parks and Recreation Department have gone beyond typical arrangements for shared space by actually coming together to plan and construct joint facilities. In the late 70's, for example, these two entities came together to build a tennis complex. More recently, their strong spirit of cooperation was evidenced in a joint purchase of 300 acres of land for a new elementary school and a middle school (already completed), as well as for facilities that will provide recreational and educational opportunities for the entire citizenry. Specifically, the gym at the new Park Creek Elementary School has been oversized to allow recreation basketball after school hours. There is also an outdoor amphitheater that will be shared, and next to the new Dalton Middle School there will be a performing arts theater to complement the Northwest Georgia Trade and Convention Center. All these and others were jointly funded by the Dalton City Public Schools, the City of Dalton, and private enterprise (thus also an example of privatization).

Both University System of Georgia institutions and Department of Technical and Adult Education institutions frequently let community organizations use meeting spaces, including auditoriums. They also present cultural and general interest programs to the general public (e.g. concerts, dance performances, lectures, etc.). In addition, many institutions offer summer academic and recreational programs for youth, often targeting disadvantaged youth (e.g. the National Youth Summer Program offered at many college campuses).

Consolidated schools (K-12)

Cooperation among and between counties in serving students has been going on for many years. Beginning in 1970 there was a state-supported effort to consolidate school systems that were small, underfunded, and made economic sense to operate as one unit. Between 1970 and 1995, 187 school systems were reduced to 180. The first systems involved in a merger were West Point City and Troup County. This merger was followed by Ben Hill City with Fitzgerald County, then Thomaston City and Upson County. Hogansville City and LaGrange City joined Troup County. The last two systems to be merged were Americus City and Sumter County.

The Quality Basic Education Act of 1985 formalized the procedure for consolidation and provided incentives for capital outlay that were designed to further facilitate the consolidation of small schools and small school systems. As a result of cross-district capital outlay funding, a number of small schools were closed and new consolidated schools were constructed. The primary reasons for this type of alignment were to provide adequate staff and curriculum offerings for students. Tri-County High School opened in 1975 in Marion County to students from Marion, Webster, and Schley Counties. Originally there were 11 systems in five merged high schools; soon there will only be nine systems. Schley County just pulled its students home to a new high school this year and Taliaferro County is currently constructing a new high school and will separate from Greene County next year.

Two major reasons played a role in their decision to dissolve their contracts for participation in a consolidated high school: lack of community support and the promise

offered by technology. High schools often play a large role in a community, and the absence of one can create a void. Sometimes, the lack of a high school can cause a small community to lose its sense of identity. Further, it is often harder to obtain the necessary support from local taxpayers when students are educated at a consolidated high school in a different community. Also, from an economic development standpoint, the absence of a county-based high school may be perceived as a negative. However, as mentioned above, the primary motivation for consolidation was financial inability to provide adequate education to a smaller number of students. Community feelings aside, this reason would still hold were it not for technology. Advances in technology and technology applications should enable even the smallest school to offer a greater number and variety of courses with less financial investment.[18]

High school – postsecondary instructional agreements

Through over 400 local articulation agreements between high schools and technical institutes/colleges (DTAE), many high school students have the option to earn postsecondary credits while fulfilling high school graduation requirements.[19] Some students have even been able to earn a Technical Certificate of Credit from a technical institute before they graduate from high school. These arrangements include high school courses taught by DTAE staff (or high school teachers) and DTAE courses also taught by DTAE staff. Currently, DTAE provides instruction in the local high school facility. Then, the high school reimburses the department for the instruction according to the local agreement.

School system – postsecondary instructional arrangements

Sometimes school systems and postsecondary institutions jointly offer instruction. For example, the Fulton County Schools Center for Lifelong Learning, a partnership between Fulton County Schools and Clayton College and State University, offers classes at K-12 school facilities strategically located within Fulton County.

Sharing among University System of Georgia and the Department of Technical and Adult Education institutions

There are a number of agreements for shared facilities between the local University System of Georgia (USG) colleges and Department of Technical and Adult Education (DTAE) technical institutes/colleges. The most comprehensive agreements include the four colleges that house the DTAE technical programs for their regions: Coastal Georgia Community College (Brunswick), Dalton State College (Dalton), Clayton College and State University (Morrow), and Bainbridge College (Bainbridge).

As opposed to these locations where the technical programs were added to existing college programs, Brunswick Community College's Camden Center (Camden County),

[18] Jerry Rochelle, Georgia Department of Education, Personal Interview, August 17, 2000.
[19] 1999 Annual Report, Georgia Department of Technical and Adult Education.

on the University System's major construction list, was DTAE endorsed and jointly planned, and will provide technology enhanced instructional and laboratory space and support services to citizens in a single facility on land located next to the area high school.[20]

North Metro Technical Institute in Acworth hosts Floyd College (Rome) on its campus, providing space for the college to teach traditional academic courses as an extension of Floyd's Rome campus.[21] Less comprehensive agreements include those that allow DTAE students to use USG libraries, health services, recreational facilities, and the like. For instance, students at DeKalb Technical College use student services and the library at Georgia Perimeter College, students at Macon Technical College are able to use the library at Georgia College and State University, and so on. When cooperative agreements already exist, they are usually extended to include any new facilities coming on-line that meet the spirit of the original agreement.[22] This arrangement, however, is a far cry from jointly planning facilities to serve both populations.

Schools in facilities not originally intended as schools (partial privatization)

Not every school facility started out as a school. For instance, both DeKalb and Gwinnett Counties have purchased private facilities to operate as schools. Sometimes schools are integrated into the community, as in the Communities In Schools initiative to place schools in shopping centers. Communities In Schools is a nationwide organization set up "to champion the connection of needed community resources with schools to help young people learn, stay in school, and prepare for life."[23]

The first "shopping center" school was started in downtown Rich's in 1981 by Atlanta Public Schools in cooperation with Communities In Schools. This experience has led to a substantial initiative in placing schools in malls in cooperation with the Simon Property Group (the new owners of Phipps Plaza and Lenox Square), the largest mall owners in the United States.

Communities In Schools of Atlanta is developing plans for "mall learning centers" at Lenox Square and at Northlake Mall with Atlanta Public Schools and DeKalb County Schools, in cooperation with the Simon Youth Foundation. Communities in Schools of Savannah also created off-campus academies in the Savannah Mall and in the downtown Savannah shopping district on Broughton Street in cooperation with Chatham County Schools and the business community.[24]

Other locations for public schools include faith community-owned buildings. In 1976 Communities In Schools opened the first public school inside a church at St. Luke's Episcopal Church in cooperation with the Atlanta Public Schools. More such locations

[20] FY 2001 Budget Request, the Board of Regents of the University System of Georgia.
[21] Tony Bruehl, Facilities Management, Department of Technical and Adult Education. Personal Interview, August 17, 2000.
[22] Ibid.
[23] http://www.cisnet.org/ accessed August 17, 2000.
[24] Memorandum by Neil Shorthouse, Communities In Schools of Georgia, Inc., dated July 27, 2000.

have been added, both in Atlanta and in Griffin, Spalding County. Insurance for the program operated by Atlanta Public Schools has been provided through Communities In Schools of Atlanta's insurance policies for St. Luke's. Other school districts usually furnish liability coverage by adding the facility in question to its roster of insured locations during the time the location is actually serving as a school. Transportation is either the student's or the school district's responsibility. Atlanta Public Schools, for instance, furnishes two MARTA tokens per day, one for going home and one for returning to school the next day. Usually, however, students are responsible for their own transportation.[25]

At the postsecondary and adult education level it is more common to find "satellite" locations renting space in commercial and other facilities. Probably the most frequently occurring arrangement of this type involves the state's adult literacy program for which space and access are some of the biggest challenges. Especially in rural areas where availability of space is limited, sharing has become a necessity. In addition to normal operations at technical institute/college facilities, literacy learning centers also operate within local school systems and other city or county facilities. Dedicated class space can be found in libraries, churches, civic halls, or other spaces owned by community organizations. Often times, even local business and industries provide needed space. Classes range from literacy to GED programs to English literacy programs. Costs are always handled by local agreement and range from pro-rated cost sharing to virtually free.

Facilities built and operated by private entities

Georgia currently has one example of a privately built and privately operated dormitory on the campus of Southern Polytechnic State University. There are a dozen or so additional University System institutions in the process of setting up similar arrangements, on or in the vicinity of their campuses.

Other privatization practices

True leases are common in state government for office space. Preliminary research found no evidence of the state using lease-purchase/COP financing for any capital facilities. However, a couple of years ago Coweta County financed the construction of a middle school with a six-year lease-purchase agreement. The lease was funded by money from a special purpose local options sales tax (SPLOST).

Technology initiatives and infrastructure

K-12, DTAE, and the University System all have embraced the concept of virtual (distance) education through the Georgia Virtual High School, the Georgia Virtual Technical Institute, and through Georgia GLOBE (Global Learning Online for Business and Education), respectively. At the K-12 level, the Internet are currently used mainly as a remediation and enrichment tool, although it has tremendous potential for course

[25] Ibid.

offerings at smaller schools and at all schools in subjects for which there is a teacher shortage or low student demand. At the postsecondary level, it serves both as substitute and enrichment for traditionally-delivered instruction/course offerings. However, it will likely take a while before virtual education has a noticeable impact on facility demand.

A related issue is cost of the technology infrastructure. While there may be future savings, the upfront costs are significant. In addition, demand has already outpaced capacity in many instances (e.g. within the University System), thus affecting the infrastructure's performance and requiring additional substantial investments.

FINDINGS

The demands for capital expansion (whether new construction or building renewal) will increase with growth in population, and costs are likely to increase due to inflation. Moreover, additional cost increases will occur because of the need to incorporate modern technical features within school buildings, e.g., modern communications (voice, data, video, and other data services) infrastructure, enhanced building mechanical systems for heating and cooling, sophisticated energy management systems, and a variety of other features. It is obvious that the costs associated with providing the facilities needed to support a quality public education program will continue to increase and place extraordinary demands on the ability of states and local governments to finance them through taxes. With an ever-increasing competition for tax support for infrastructure and facilities in all governmental areas and with education already obtaining the majority of state capital spending, reliance on tax dollars should not be the only solution. The areas of privatization, facility utilization, and technology offer a number of points to consider:

Privatization

It appears that public/private partnership arrangements may present viable options for all of Georgia's public education sectors.[26] Public/private partnerships and cost sharing between or among multiple public entities for joint construction projects provide an opportunity to leverage tax dollars. However, for privatization efforts to be successful...

- Legal barriers need to be analyzed and, if practical, removed or modified.
- Governmental organizations and agencies must make a commitment to change their business practices. For instance, current Department of Education policy penalizes a school district that wants to lease. If a school district bonds a facility, the amount of the bond is deducted from its entitlement grant. However, the district is allowed to

[26] Op cit. Chronicle of Higher Education. For a variation on this "off-balance-sheet" type of financing, see Shades Of Gray by John C. Nelson and Thomas E. Calibeo, NACUBO Business Officer, October 1998.

add back the principal due that year into the entitlement grant. Under current policy only those districts that have exhausted all their entitlement grant funds would consider a lease-purchase/COP arrangement because they have nothing to lose.[27]

- Elected boards and school officials will need to determine that partnering with private industry will not result in a reduction in the quality or focus of the educational program.

- The state needs to consider developer risks. Lack of sufficient or required amenities including security, laboratories, open space, and food service could be obstacles to finding existing facilities suitable for primary and secondary education, and developers are hesitant to construct a facility for a school without some guarantee that the facility can be used for other purposes when the lease expires. Thus operating leases may only be an option in cases in which there is an urgent short-term need and readily available private space and facilities.

  (See the Background section for additional points on this subject.)

Facility utilization

Use rates of schools could be much higher. Approaches to improving use rates include increasing facility sharing and altering schedules, addressed separately below.

Facility sharing

Some observations:

- Facility sharing involves agreements between and among schools and systems, educational segments (e.g. high school–postsecondary), schools and community organizations, and schools and private partners.

- Currently, new facilities are hardly ever built with more than one purpose in mind.

- With the rare exception, joint planning and design to meet multiple needs does not occur.

- When new facilities are built, there is an opportunity to plan for multiple purposes and to include them from the design stage.

- Sometimes, an alternative to building a new school is renting/buying existing space.

- Sometimes, the best location for a school is in close proximity to other educational institutions (promotes seamlessness) or even mixed in with other activity centers (e.g. a shopping center).

- Increased usage can be expected to age buildings quicker.

[27] Jamie Wilson, Merchant's Capital, Atlanta, Georgia. Telephone interview, September 1, 2000.

Altered schedules

Some observations:

- Scheduling/calendar changes include double sessions, year-round schools (or variations thereof), night schools, etc.
- The Georgia Code encourages year-round schedules.
- Typically, schedule and calendar changes are adopted to improve student performance, and they are still the exception to the norm in Georgia.
- Schedule and calendar changes would only save money if they increased the capacity of the school, while controlling energy costs.
- Advantages of split or double sessions include:[28]
    - The ability to increase enrollment up to 100 percent without the need for new facilities.*
    - An opportunity to decrease the student-teacher ratio.*
    - Cost efficient operations.*
    - Greater flexibility for students. For example, some students function better in the morning, others in the afternoon. A split session could allow them to optimize their learning time accordingly. In addition, the number of students who could participate in well-structured work experiences could increase since, on a split-session schedule, a participating employer could potentially handle two shifts of students. Set up to reinforce what students learn in class, such opportunities could prove very valuable.
- Disadvantages of split or double sessions include:[29]
    - Days beginning too early or ending too late for elementary school students (but could work well for others).*
    - Difficulties with child care.*
    - Too much unstructured and unsupervised time for many children.*
    - Disrupted family and community schedules and practices.*

[28] Advantages and disadvantages marked with an asterisk (*) were included in "Planning for Enrollment Growth: A Report from the Space Management Committee for the Henry County School System," published April 1, 1996.

[29] Henry County's Space Management Committee concluded that "split sessions should only be viewed as a temporary measure to be employed under emergency conditions" (p. 26).

- Less teaching time if typical split session schedules were adopted.* However, this problem should be avoidable.

- Logistical challenges for school personnel.*

- Increased cost for transportation.*

- Difficulty overcoming negative perceptions of double sessions,* typically viewed as last resorts.

- Advantages of a year-round education (multi-track calendar) include:

  - More use of equipment and facilities.*

  - A reduction in overcrowding of school and community facilities.*

  - An increase in enrollment capacity without the need for new facilities (25 to 50 percent increase possible, depending on the number of tracks).*

  - Cost effective. Studies indicate that the per-pupil cost for a multi-track calendar break even with the traditional calendars at 115 to 120 percent of the traditional calendar student capacity. The more students, the more cost effective. Capital costs are also reduced; for example multiple studies show that for every four schools that operate on a four-track year-round schedule, the school district can avoid building one new facility.*

  - Greater flexibility for families in scheduling vacations.*

  - More frequent opportunities for review and remediation (during intersessions), allowing students to catch up. Higher levels of achievement could result.*

  - More refreshed students and teachers.*

- Disadvantages of a year-round education include:

  - Shortened life expectancy of facilities and equipment due to constant use. No extensive vacation time available for preventive maintenance or renovations.* Year-round use is estimated to shorten a building's life by 10-12 years.[30] However, a study by the Visalia Unified School District in California indicates that the maintenance cost per square foot per day does not change with a year-round, multi-track calendar.[31]

  - Little time for further education of teachers at colleges/universities, since the latter are unlikely to be able to rearrange schedules to coincide with one

[30] Jerry Rochelle, Georgia Department of Education.
[31] Planning for Enrollment Growth, p. 34.

county's schedules.* However, with more courses offered on the web, this may not be as much of an issue.

- Difficult for families (especially if siblings were on different tracks) and the community to adjust to the new schedule.*
- Difficulties with child care.*
- Increased workload required by both administrative and teaching staffs due to additional record keeping and additional teaching days. *
- Major schedule overhaul required in all aspects of the school system – payroll, maintenance, transportation, nutrition planning & buying, teachers' working days, vacations, etc.
- Potential for massive attendance redistricting in order to accommodate the number of students served at different times in different locations and grade levels.*
- Cost increases of about 15-25 percent due to increased spending on utility, administration and transportation.[32] Not included in this is the percentage of the cost related to shortened lifespan of the building and materials. However, a number of studies show that many costs remain the same on a year-round schedule. Some costs that do increase, increase proportionately to the increase in the number of days of school operation.*
- Approximately one month lost time in instruction by having to review several times a year after students return from their three-week vacations. However, this assumes that no academic activity goes on during the vacation. Furthermore, proponents of year-round schools contend that there is less cumulative loss from these shorter breaks than from the longer traditional summer break.

Technology

- Computing technology is advancing at a rate faster than can be absorbed by schools.
- The importance of technology will continue to increase and develop in ways that cannot be predicted or appreciated at this time.
- It is likely that for the foreseeable future, computer technology will be used primarily to enhance the traditional study programs of the K-12 student.

[32] Information from Georgia Smart Schools indicates that operating costs during the summer are 35 percent higher than the rest of the year, because of higher energy costs. Jerry Rochelle, Department of Education, August 17, 2000.

- Technology infrastructure is expensive.

- Technology can improve efficiencies, expand educational opportunities, and potentially increase the number of students served without creating additional demand for more facilities.

ALTERNATIVES

An evaluation of alternative methods for responding to the ever-increasing need for more space and improvements to existing facilities resulted in two conclusions. First, traditional (i.e. tax supported) methods of financing school construction will have to be augmented by new and innovative methodologies, a subject that will be addressed in another issue paper. Second, the efficiency and effectiveness of school facilities must be increased to provide a greater cost-to-benefit ratio. This paper has discussed a number of strategies that can be used to reduce the reliance on tax dollars and reduce the need for more educational facilities. The Commission may want to encourage carefully planned implementation of any number of options, as appropriate. It is critical to keep in mind that the overall goal, while reducing cost, is to improve student achievement. Short-term cost savings must not come at the expense of achievement, because this will inevitably be more expensive to society in the long term.

The alternatives are organized into three sections: privatization, facility utilization and sharing, and technology. The division among the three sections is not totally clear-cut, with the result that several alternatives could quite logically be placed in more than one section. However, for purposes of brevity and clarity, each alternative appears only once.

1. Privatization

A. Construct school buildings that serve both a commercial profit-making purpose and a school purpose. The facilities could either serve both purposes at the same time or at different, non-conflicting, times. New and positive ideas and concepts regarding the relationship between business and public education will evolve if a receptive climate within the public education sector is established. The practice of joining private economic capital with public education's need for building expansion and improvement is a relatively new concept and one that may take many forms.

Many public schools are located on main roads or highways and frequently in areas near retail or other forms of small business enterprises. If one such school needed a new classroom building (or a district needed an entirely new school), it may be effective to partner with private enterprise wherein the private partner would build a two-story (rather than one-story) building, with the first floor being classrooms facing

a playing field or other school buildings. The second story could be constructed with a separate entrance as professional offices or retail space. The private partner would benefit because there would be no associated land costs and because of a convenient building location. The school would also attract potential customers. The school would benefit because the new classrooms would be constructed and maintained at less cost to the school district (local and state tax payers) especially on an annual basis. For such a concept to be successful, it would be necessary to establish contractual agreements regarding the types and nature of the retail establishments to assure that they are not incompatible with the school's educational purpose. Also, it is likely that a variety of other operational circumstances would have to be accommodated. After these issues are resolved, the bottom line is that both the public and private sectors could benefit from working together.

Another example might be a school that needs a new gymnasium or athletic stadium. A variety of private business enterprises may be interested in constructing, or participating in the construction cost, of a gym or stadium facility if the school would allow the private firm to use it for commercial purposes (professional or semi-pro athletic events, exhibits, sales or promotional activities, etc.) when it was not used for scheduled instructional purposes. If the school were to "rent back" the facility when needed for school-sponsored athletics (inter-school sports competitions) that yielded gate receipts private financial interest may be increased. It might even be possible for the private firm to serve as the facility's "operator/scheduler" and, while vending and other forms of revenue would accrue to the private operator, the school would be relieved of the administrative costs associated with these activities and would not have to pay the cost of the facility's operations (e.g. custodial services, daily and routine maintenance, etc.). Again, both private industry and the tax-paying public would benefit.

The concepts outlined above are not limited to any single sector of the public education community; furthermore, they are intended to provide examples, rather than specific actions, of how public sector education could benefit from new ways of thinking about the relationship between education and business. It seems apparent that private industry is eager to partner with public agencies and that, under certain conditions, such relationships can benefit both the public and the private sides of the relationship (and there is no particular reason that would preclude one public agency from "partnering" with another public agency). Although the public/private partnership for building school facilities is a relatively new one, it is obvious that contract conditions specific to each particular project will need to be negotiated to assure both parties of a long-term, mutually beneficial relationship.

B. Take actions to facilitate the privatization efforts of public schools. There may be a variety of actions that the state and/or local governments can take to assist the public school in privatization efforts. These include:

- Reviewing existing laws, regulations and practices with the intent of eliminating needless legal roadblocks that may cause lengthy delays or actually prevent this form of privatization. While Georgia law does not appear to prohibit multi-year leases and lease-purchase agreements for education facilities, in some cases it

makes it harder. For instance, O.C.G.A. 20-2-506(g) stipulates a four-year waiting period for a project if a bond issue fails. During that period, a school system is prohibited from entering into any multiyear contract for the "lease, purchase, or lease purchase of any goods, materials, real or personal property, services, or supplies" that are the same as or similar to what had been proposed for bonded debt. The four-year waiting period requires a school district to decide if they want to risk losing a bond referendum and not get a school built or pursue a lease or lease-purchase option and find a way to pay for the facility out of annual operating funds.

- Establishing a clearinghouse or other organization that can assist both the public school and private business in getting together.

- Establishing criteria or guidelines to create a framework for the structure of this type of privatization.

This is a different and non-traditional way of approaching a problem that will place ever-increasing demands on state and local tax dollars, and it is not a solution for every facility or building need. But, if only ten or 20 percent of new construction could be absorbed by this form of privatization, the state and local taxpayers would have saved between $100,000,000 and $200,000,000 in the last three to five years. Small systems like Schley County and Taliaferro County may benefit from these approaches.

2. Facility Utilization and Sharing

A. Consider all current and future educational needs in an area when planning a new facility. It may, for instance, be practical to consider an "educational center" concept that could combine elementary, secondary, and postsecondary programs in one location—both initial design and construction costs and long-term operating costs (custodial, landscape maintenance, etc.), may be significantly reduced. The local facilities plans produced by local school systems and plans produced by our postsecondary institutions should be expanded to include these innovative ideas and the state could give greater priority to funding these projects.

B. Construct new school facilities with the intended purpose of serving both school and after-hour needs. For example, it may be possible and/or practical to construct school facilities to serve as public libraries, health centers or other community-service functions in the late afternoons and evening, times when the building is not needed for school purposes. Or consider allowing the facilities to be used by the school population and the general public at the same time, as long as appropriate safeguards are in place. The adoption of such concepts would reduce the construction cost associated with providing facilities for two or more agencies/entities and would reduce the time the facility sits vacant. Again, local systems can be encouraged in this effort through greater flexibility and support in the funding of such projects.

C. **Allow DTAE greater use of high school vocational laboratories when they are not in use by the high school.** Vocational laboratories exist in most high schools in the state. There has been a decreasing interest in traditional vocational education in high schools that has resulted in underutilized instructional spaces. These available spaces could be used in connection with existing DTAE programs. A partnership with DTAE and these high schools would increase a community's capacity to educate not only high school students but also high school graduates in need of vocational training targeted to local labor market demands. Cooperative agreements of this sort could reduce the need for personnel (the local high school may no longer need a full time vocational teacher) and extended hours would provide flexibility for both high school students and working adults.

D. **Develop three-party agreements involving two or more public organizations and a private partner.** For example, with proper planning and coordination, two library needs (school and community) could be accommodated in a single building and with separate entrances that could provide security to prevent after-hours entry to the school, specified parking for public library users, and other features needed to allow both the school library and public library to function simultaneously. The facility could be constructed on public property by a private developer who would incorporate "compatible" commercial uses to offset the construction costs and to provide a revenue stream. In this scenario, the school district receives a new school facility (a library) and the community receives a new library at no expense to the local school district or the state. The developer receives the free (one dollar/year) use of the land and the revenue from the commercial enterprises. At the end of a specified term (generally 20 or more years) all of the real property improvements accrue to the local school district and/or state.

E. **Facilitate the adoption of nontraditional schedules.** Options include:

- Split or double sessions – a concept that has the potential for doubling the student to classroom ratio;

- Trimester or three session per year – this is a concept that could increase the capacity of a school building by one-third;

- The quarter system – this concept could result in a 25 percent increase in the school's utilization rate;

- Extending the academic year – this concept would utilize the school buildings for more hours per year and increase the number of hours the student attends classes; and

- Extending the academic year together with split sessions – this concept would increase the student-teacher contact hours and increase the classroom capacity by 25 percent.

Any altered schedule would have to be carefully planned and have the community's support. Furthermore, since research appears inconclusive, academic achievement should be well documented to help make sound, evidence-based decisions in the future.

3. Technology

A. **Encourage integration of technology into instruction starting at the earliest grade level.**

B. **Encourage and facilitate increased use of technology for administrative purposes.** Technology (computing capability-data warehousing) can increase the efficiency and effectiveness of the school's administrative needs and provide a wider range of information with which to evaluate programs and programmatic needs.

C. **Establish a formal process to explore ways that technology can be used to offset the need for facility expansion.**

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

NOTICE

Reproduction Basis

[X] This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.

[ ] This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").