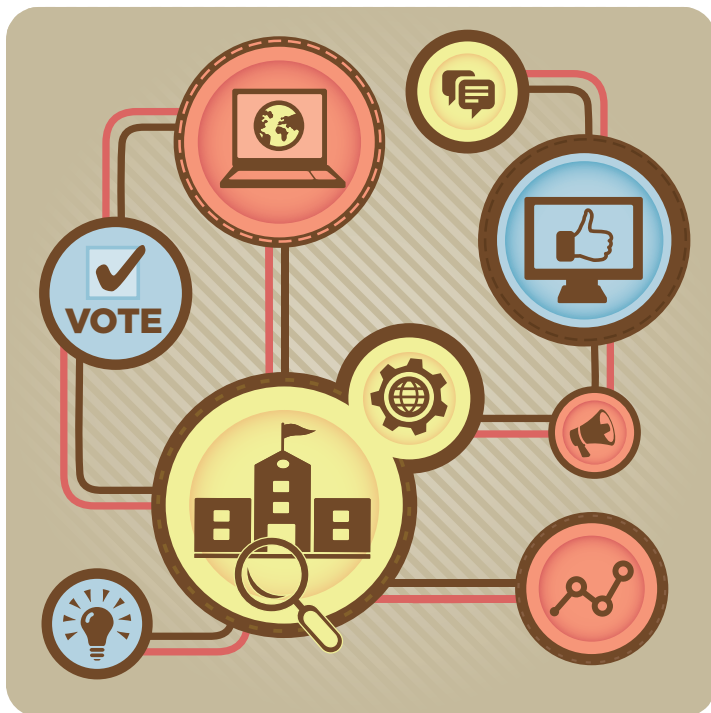


TECH BONDS



Accelerating the Journey to 21st Century Learning

by **Lynn Davis**, *Trustee*,
Tustin Unified School District, Orange County, California
with **Tom Clifford and Bonnie Moss**, *Principals*,
CliffordMoss, Oakland, California

CliffordMoss.

How technology bond planning and campaigns differ from traditional bond efforts

CHALLENGE: Our world is changing rapidly.
OPPORTUNITY: Advancing technology is creating whole new horizons for those who are ready. As educators, we must ask: How can we ensure that all children moving through our schools today graduate and thrive as citizens of the Digital Age? Two changes are essential as public school districts make the transition:

- 1) Create a culture committed to 21st Century Learning, *and*
- 2) Secure adequate funding for current and emerging educational technology.

Enter the “Tech Bond”—an emerging funding tool for California public school districts.

The idea is simple: Bring technology—much more and better educational technology—into our schools. Tech Bonds in their very best form are not about teaching kids to use technology. *They are about using technology to teach kids.* Tech bonds provide a strategic tool to leverage available educational technology in a much more robust and comprehensive way to *systematically accelerate student achievement.*

Tech Bonds are rooted in California’s Proposition 39 (passed in 2000). In exchange for lowering the threshold for passing school bonds from 66.7% to 55%, Proposition 39 imposed several conditions including that there be “*certification that the school district board ... has evaluated safety, class size reduction, and information technology needs in developing that list.*”



The next decade brought hundreds of successful local school bond measures that raised billions in funding, mostly used for traditional facilities. Pre-election polling research often demonstrated the popularity of science and technology projects as part of the bond plan. Thus, districts included some technology among the projects to be funded by new school bond measures intended primarily to fund other facilities needs.

Over this same decade, rapid advances in both educational technology and the expectation of technology on the part of K-12 students have created a compelling case for the integrated use of educational technology to help schools meet the ever increasing demands to teach more and more to students with no increase in the length of the school year or the instructional day.

Fast-forward to 2012, in Tustin, California and the Measure S story: On November 6, 2012, Orange County's Tustin Unified School District (with political services provided by another firm, not CliffordMoss) won, with over 60% voter approval in a solidly conservative community, a new kind of Proposition 39 bond election. **Measure S featured a project list devoted entirely to educational technology.** Here technology moved from one component of the project list to the single driver of the \$135 million bond authorization. Passage of Measure S assures that Tech Bonds will almost certainly capture the attention of a growing number of education leaders committed to creating 21st Century learning communities.

Many who advise local school districts on preparing for school bonds will be adding "Tech Bonds" to their skill lists. But take it from those who have played a part in pioneering this trail: The process needed to successfully pass a Tech Bond is

substantially different and often more intense than the path required to secure approval of a more traditional facilities bond. School districts would do well to consult advisors and seek out qualified professional development assistance to help them navigate these challenges customized to the uniqueness of their own individual communities.

Tech Bond Challenges

Challenge #1

Meticulous Effort Required to Develop Defensible Technology Plan

School districts are accustomed to ongoing facility planning for safe, secure, modern, functional school facilities. But Tech Bonds take the "technology planning" component to a whole new level. At the start, your planning process will likely uncover a wide variety of products, services and systems—all fully in use at the same time! Creating a more unified education technology strategy worthy of taxpayer support will take a meticulous investment of time, resources and effort. When you get to your final Tech Bond "package", you will need the evidence to defend your proposal, including assumptions about need, hard costs, infrastructure verses "devices", installation, orientation, training, maintenance, funding periodic "refreshes", financing, etc. The specific and defensible evidence you provide—including a "Technology Needs Assessment & Plan" - will show your community that you did your homework and your schools are worthy of the investment you are seeking. Voters want to fund comprehensive education technology systems and programs *that will systematically improve student achievement in the Digital Age.* You cannot wing it here and still expect to win a Tech Bond.

Challenge #2

Invisible Nature of the Tech Bond's Most Valuable Assets

Facilities projects have portions that are invisible to taxpayers and the community such as plumbing, sewer and electrical connections. Still, the most costly and valuable portions are visible to students, parents and community. With a Tech Bond, however, the bulk of initial funding will go to "backroom" infrastructure systems and support that make the visible devices work successfully. Furthermore, even where the assets acquired are visible, they may appear more like "shiny objects" than community assets. Helping your community - particularly skeptical taxpayers - visualize how a Tech Bond investment will create a strong ongoing asset for their children and community could be your most critical challenge. It is essential to allow ample time for this community conversation—and details will depend upon your local situation.



It's not about teaching kids to use technology.

It's about using technology to teach kids.

Challenge #3

Gaining Early Teacher & Staff Support is Critically Important

A Tech Bond will make a much more fundamental change in the individual jobs—what they do and how they do it—of your employees than does a traditional facilities bond. Teachers and staff will want to have specific answers and be critical of the Tech Bond if they fear that it will create unreasonable demands with inadequate time, support and resources to succeed. If teachers don't support the proposal strongly, it will not pass. Gaining their full support will take time and must be carefully navigated to assure that trust is built and that the unique needs of your district's educators are addressed. Start early. Engage, listen and respond. People support what they help create.

Challenge #4

Tech Bonds Break "The Rules" Voters Have In Their Minds

You don't want to be discussing the financial details of a bond during the campaign. Electoral success depends upon focusing on the benefits of this important public investment, not how it is funded. Tech Bonds break many of "the rules" that voters have in mind when "school bonds" come to mind. Many voters assume that "school bond" means long-term debt and may assume that your plan uses "long-term debt to purchase short-term assets." Federal law prohibits this, and short-term bonds in fact offer much lower costs, but voters are unaware. They may also assume that the district will quickly issue its full bond authorization. In contrast, Tustin Unified intends to issue less than 30% of the authorized bond amount in the first five years, saving the remaining authorization for later technology refreshes. Explaining this new paradigm to the

fiscally conservative, financially savvy and skeptical portions of the electorate without getting your entire campaign strategy taken off course is a tricky proposition.

Challenge #5

Political Fishbowl is Now More Intense

Taxpayers learned last year that \$105 million in Proposition 39 bonds issued in 2011 by Poway USD in San Diego County may cost local taxpayers nearly \$1 BILLION to retire due to use of Capital Appreciation Bonds or CABs. The revelation made international news. Financial scrutiny of any and all local school bonds has skyrocketed. Enter again the Tech Bond, a different animal than its cousin, the traditional facilities bond. Negative public response to the Poway bonds has raised the investigative bar in almost every venue—from local taxpayers associations, to county treasurers offices, to online media blogs, and conversations among neighbors in supermarket lines. Bottom line: Expect more scrutiny of future bond proposals from every direction, and prepare for *intense scrutiny* when a "new" bond endeavor, such as a Tech Bond, is involved.

Challenge #6

Technology Endowment Funds are Complex

Some districts have included a technology endowment fund as a portion of another measure intended primarily to fund traditional facilities improvements. Such endowment funds have legal and financial risk complexities not found in traditional "sell bonds to acquire assets" programs. With regulation of school bonds likely to grow more stringent given California's current legal and political trends, determining the specific type or mix of fund options that are in the best

interests of your school district and your local taxpayers can become quite complex. Not all advisors are equally prepared to address these complexities. We counsel all of our clients to get quality, experienced financial and legal advice to assure low-cost, prudent funding methods.

Challenge #7

Successfully Articulating the Return on Community Investment

Securing ongoing support for your program—usually involving multiple successful elections—requires clear ongoing communication of its community benefits. Here again, Tech Bonds require a different approach. There are no impressive new buildings for voters to see. Establishing the community's return on investment in a Tech Bond requires specific public actions to engage and educate all stakeholders. What these are will depend greatly upon the unique character of your community. School districts should be prepared to articulate the educational return generated from the new computers, tablets, smart boards and infrastructure purchased with a Tech Bond. The focus must be on the impact they have on the educational bottom line: student success, academic achievement, as well as college and career readiness.

Challenge #8

Ensuring An Adequate "Runway" Needed for Electoral Success

The challenges we have described above point to the need for time, your most valuable resource. Especially with Tech Bonds, school districts need to allow adequate TIME before placing a measure on the ballot and expecting it to pass. When we talk about adequate "runway" we mean the time it will take to:

- Conduct a quality Technology Needs Assessment.
- Build a detailed, specific and defensible Educational Technology Plan—including infrastructure installation, training and orientation.
- Engage teachers and staff EARLY (because people support what they help create).
- Secure and engage quality financial advice.
- Tell your "technology story"—Allow for EARLY quality public/community conversation.
- Engage key internal and external stakeholders EARLY and throughout the process.
- Allow for adjustments in process and packaging leading up to your optimal election date.

Conclusions

There are no alternatives to a Proposition 39 Tech Bond for sufficient funding of the investment needed to bring essential educational technology to your classrooms. Our view of the world: Simply taking out the old strategies and programs designed for traditional bond measures and slapping "Technology" and "21st Century Learning" labels on them is not a recipe for success. Providing what your teachers need and your students deserve will require thoughtful analysis and approaches customized to the many demanding stakeholders in your particular district.

Between them, the professionals of CliffordMoss have spent over three decades engaging champions of change in gaining the support of their communities to get public schools the resources they need to succeed. Contact us now to schedule a discussion of your district. We help tell your story—the story of your community's educational technology journey and needs.

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www.cliffordmoss.com

To contact us: email Bonnie, Tom or Lynn each @cliffordmoss.com or call us at (510) 847-7155.

5111 Telegraph Ave. #307, Oakland, CA 94609