

School District Levy Project
Citizens Advisory Committee
2004-2005 Project Assignment

School levies occur on an infrequent basis. In addition, the community is not generally very well informed on the distinction between the different types of levy structures and types such as operating levies, capital improvement project levies, etc. School systems in Northeast Ohio, especially North Olmsted and Fairview Park, have experienced considerable voter resistance to school levies. Voter concern with how the State is managing the school funding process is also growing and is expected to make it even tougher for local school districts to win voter approval.

The purpose of this assignment is to propose best practices that might increase community support and voter approval, when needed. Focus is on two key areas: Communication and Campaign Funding.

Communication:

Many of the factors that influence voters are based on perceptions of the School Board, the Administration, staff, etc. Because these perceptions are so critical and that they are so prone to rumor and speculation, having clear, pertinent and effective communication is the foundation garnering voter support.

Communication specific to levy issues should be part of an overall, system-wide communication effort. It cannot be a stand-alone effort.

The following questions were the basis for our analysis of the communication best practices as part of School District Levies. Each question is followed by a summary of our findings and recommendations as applicable.

- When should the decision be made to move forward with a levy?
 - o Summary: Consensus among other school districts is that “the earlier, the better” as long as the school board has adequately investigated the situation and exhausted available options. If the Board has “done everything that it can” then the decision to pursue a levy should be launched quickly to allow the campaign team to organize and mobilize. The lack of time is the most critical element that constrains a campaign (with enough time, a team can overcome the lack of funds but even with ample funds, the lack of time can severely limit a campaign’s success).

- How early should the communication get started?
 - o Summary: At the time, this question seemed reasonable, but based on our investigation, it's flawed. Communication should not start and stop; it should be part of an ongoing program aimed at informing the voters/community. As a levy vote nears, the communications should increasing focus on the related issues. But even during the "non-levy" times, communications should be steady and educational. In addition, the Board should continue to use community-wide surveys to gauge the effectiveness of current and past communications as well as to find the emerging issues as defined by the voters (survey participants).

- What should be the timeline/sequencing of the communication, and to whom?
 - o Summary: See comments above. It's not a start/stop, but a continuous effort to communicate. The target is the overall community, but more focused on the voters within the community as the levy decision gets closer. Also, hiring an outside consultant with expertise in communications would strongly enhance the planning and implementation of an ongoing communication program. This consultant should work closely with the internal resources of the District.

- How do we deal with voter perceptions that Crocker Park will provide significant funding to the schools?
 - o Summary: The subcommittee did not find many communities who have faced a similar situation so we recommend that this be one of the focus areas if this topic remains as a CAC project. Legacy Village and South Park Mall are two examples that should be studied. In regard to any levy effort, communications about Crocker Park, or any other potential revenue-producing asset in the community, should focus on the financial impact on operating revenues. How much money is anticipated and the timing of the receipt (by the school) of that money are important issues to be communicated to the voters. At times malls do not bring the funds into the communities that proponents and voters had anticipated. Operators may try to get tax assessments lowered. Mall workers are often paid at lower rates than workers in other industries, so dollars going into the city's coffers may be less than hoped.

- How do we emphasize that the schools have been good stewards of tax dollars?
 - o Summary: It was clear that this is an important, but tricky part of the communication process. Most voter opposition is based on challenging the school board to "make due with what we've given you." Thus, it is vital to communicate fiscal responsibility for what you've spent and what you plan to spend. One best practice is to constantly include the "good stewards" message as part of all communications. Also, it is not enough to publicize the District's earning some state award for financial soundness. Most "No Voters" are extremely skeptical so our communications must not assume that an award is detail enough that the Board is being a good steward. We should show it in many different ways,

through as many different channels (TV, newspapers, prominent citizens, community group leadership, etc) as possible.

- How is the communication process organized? And who oversees the process?
 - o Summary: The best practice for this area is to have all communication organized and managed through a single source. In our case, it should be Kim Bonvissuto, Westlake School District's Communication Coordinator. In addition, a member of the School Board should serve as the "advocate" to ensure that on a regular and routine basis, every Board action includes the "good steward" message as part of any external communication. In addition, as campaign teams are formed, a specific person should be designated as the communication lead to work closely with the District's PR team. Finally, someone from the CAC's Communication team ought to be kept in the loop about levy communications so that in between levy campaigns, communications are continued.
- What are the compelling messages that should be included in the communication to gain favorable support?
 - o Summary: As challenging as it may be, the Board needs to continually communicate that they are being "good stewards." The Board should also enlist outside parties (non-school district people such as community leaders, etc) to deliver a similar message about the Board's success at being fiscally responsible.

Campaign Funding:

Campaign funds are used to pay for political strategists/consultants, advertising, promotions and communications – many of the essential elements to the successful passage of school levies. Many schools levy campaigns fail due to lack of funding. It takes money to create and implement an effective campaign. Raising adequate campaign funds prior to the campaign kick-off is critical but very difficult.

The following questions were the basis for our analysis of the campaign funding best practices as part of School District Levies.

- What funding process can be implemented to raise funds in support of the Westlake City Schools levy campaigns?
 - o Summary: Again the best practice is clearly to solicit funds on an ongoing and continuous basis, not just when you need them. It is also clear that most communities depend on key donors who are strong local supporters. In addition, a well-organized approach begins with clearly defined structure (incorporated as a non-profit or the like) so the fundraising is not derailed with questions about tax deductibility, etc. The Board ought to encourage its administrative staff to collect

and manage supplier data (e.g., names, addresses and phone numbers of companies who do business with the District).

- Who is the target audience?
 - o Summary: Our PAC campaign set the standard for the diversity of donors. By having a range that included individuals, families, community groups, businesses (inside and outside of Westlake), we found that fundraising help galvanize support. The grass-roots approach also strengthened the support as the other audience groups were contacted. The next step is to do a better job of reaching all of the vendors who are supplying the school district and to reach those companies on a regular and systematic basis. Coordination with other fundraising groups within the school system should be a high priority.
- What is the compelling message for donors?
 - o Summary: The message should be a positive reflection of the value of our student's education. It must be positive because the focus is on bringing out the "yes" vote. It must talk about value since many voters believe that schools should and could merely do more with less. It must talk about the education of our kids because voters often separate buildings, technology, and operating costs from how those things influence the education of our children.
- Who/what group will be responsible for the communication/donor request process?
 - o Summary: This responsibility should rest within the structure of the Levy organization. When created, it should include a role for a fundraising lead who would be responsible for managing the request process. Naturally there would need to be close coordination with other fundraising efforts within the district.
- How will the funding process work? Who will manage the funds?
 - o Summary: These details need further analysis and discussion. With the increased interest and need for all district entities to seek funds, and with the emergence of a new organization (Council for the Arts), the community will be targeted by more requests for money than ever before. Most communities merely send out flyers or have small announcements in the local press, which is why historically they depend on a few strong local supporters as their source of funds. We can do the same, but have the opportunity to be more successful (and better our chances of getting voter approvals) if we are thoughtful about our fundraising approach.

Financial Structure:

For its Political Action Committee (P.A.C.), the Board should continue to use the name “Citizens FOR Westlake Schools” for all future campaigns. The name has worked successfully in the past and continues to gain increasingly strong recognition in the community.

The current P.A.C. is registered as a Ballot Issue PAC (as of August 29, 2002). A Ballot Issue PAC has worked well for the district in the past; however, this type of PAC should be terminated when its work is completed and all of its funds have been spent for its designated purpose or donated to an organization that is acceptable to the proper authorities. Basically such a PAC is formed to handle one issue and only that one issue. The PAC Treasurer handles the initial filings with the Board of Elections and remains responsible for reports, etc. until the PAC goes out of existence. It appears that PACs have been used for past levy efforts and have worked well for the district.

The Board should considered whether the following would possibly be more advantageous to the district: (1) having an organization with continuity of life that could fund all levies and possibly other programs in support of the Westlake Schools, (2) being able to manage more than one activity within a larger and more flexible format, and (3) accepting tax-deductible contributions for use in levy campaigns and in other appropriate activities in support of the schools. The only organization that appears to satisfy all three goals would be a tax-exempt corporation under Internal Revenue Code section 501 (c)(3). Incorporation under another Code section, probably 501(c)(4), would satisfy only goals (1) and (2). If levy funding were a primary goal of the entity’s budget, 501(c)(3) status would not be approved. It could be approved if levy support was only an insignificant portion of the total budget involved (no more than 15% per IRS).

If, after consultation with its advisors, the Board decided to pursue incorporation as a nonprofit or tax-exempt organization, it would follow the following steps:

- (1) Formation of a board and code of regulations
- (2) Incorporation in state of Ohio (fee required)
- (3) Filing Form 1023 or 1024 with the IRS to request recognition under either Code section 501(c)(3) or (c)(4). If approved, the new corporation would receive a determination letter (fee required). Note that tax filing might be required in some years depending on income.

While the District’s Chief Financial Officer is a source of good information and advice regarding levy funding decisions, there needs to be separation of the levy activity from the management of the district. See the Cuyahoga County Board of Elections (Andrienne Bliss, 216-443-3232) for more information. The District’s CFO would not probably handle the required filings.

The Board needs to consider the relative advantages and disadvantages of the PAC versus the incorporation as well as the labor and expense involved in each.

Miscellaneous Findings:

In the course of our research and discussions with other communities and school districts, we note the following:

Campaigns predominately follow a committee structure that includes:

- Treasurer
 - Literature Development & Design
 - Literature Distribution (Mailings and Drops)
 - Yard Signs
 - Fundraising
 - Phone & Letter canvassing
 - Publicity
 - Polling staffing
 - Absentee balloting
- There are many best practices for successful campaigns but they fundamentally revolve around three key tenets:
 - Well funded
 - Well staffed
 - Well managed
 - Costs of campaigns vary widely but generally range from \$10-18k for a basic campaign to \$30-40k for an aggressive campaign that includes use of outside, paid consultants and frequent mailings and advertisements.
 - Past campaign managers stressed the following: it's necessary to have a presence at many activities around the city and the schools. The emphasis has to be on recognizing the supporter base and building enthusiasm among those supporters, primarily parents and school and community organization membership. There are always those who are not interested in supporting the schools if it means paying more taxes. It was felt that such individuals are unlikely to change their minds. The third type of voter is the voter who will support the schools but may need to be convinced that there is a current need. For this type of voter the need is to get out the positive data on the District and its good stewardship of taxpayer dollars. Furthermore the District needs to continue explaining

how school funding works in Ohio and also the specific reasons for an upcoming budget shortfall if a levy is not passed. (See earlier discussions of stewardship and the Crocker Park issue.)

- Cost management best practices include soliciting “in-kind” donations that offset actual dollars spent. This effort requires significant pre-selling and relationship building and is not implemented as a last-minute endeavor. It also requires much more hands-on management to ensure items produced are professional looking and delivered on time.

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