

## Performance Targets – 2008 – 2018

We intend to monitor these performance targets annually and report on them in our newsletter, *Community Connections*, and in our annual budget reports.

### Visionary Goal: Become a National Lighthouse District by 2018

#### Visionary Targets

Not one child will be left behind; we will educate each child to their full potential.

Zero achievement gaps will exist between majority students and minority students.

Our graduates will become societal leaders.

#### Objective # 1: Build a Superior Partnership with Our Community

- We will receive an “A” or “B” from 90% of our community on achieving our mission.
- Our district will become a key point of civic pride for local, regional, state elected officials and business and social sector leaders.
- Our district will be chosen by the parents of approximately 90% of all eligible school-aged children living in the district as their main educational resource.

#### Objective # 2: Build on Strengths to Create and Implement a National Lighthouse Curriculum

- 99% of our students will graduate.
- We will be in the top 5% nationwide in ACT composite scores.
- We will have an exceptional number of teachers with advanced degrees in their content area.
- We will receive superior assessments regarding our curriculum from regional and national partners.
- We will receive exceptional feedback about our graduates from the colleges to which they apply/attend.

#### Objective # 3: Sustain our Financial Success in a Downturn

- We will stabilize our enrollment at 4,200 resident students by 2018.
- We will consistently maintain our General Fund Reserve between 15% and 20%.
- The BHS endowment, capitalized with voluntary contributions, will exceed \$40 million by 2018.

#### Objective # 4: Build and Maintain Lighthouse Facilities

- Measured by a periodic survey, our facilities will be the pride of our community.
- Measured by a new resident survey, our facilities will draw new families into our community.
- The integration of our unique assets (e.g. the Farm, the Nature Center, the Stone Schoolhouse) for educational use will contribute to a national reputation for educational innovation.

## Implementation Approach

We will use a project management approach for implementing this strategic plan. Project management is the discipline of planning, organizing and managing resources to bring about the successful completion of specific project goals and objectives. A project is a finite endeavor—having specific start and completion dates—undertaken to create a unique product or service which brings about beneficial change or added value. The finite characteristic of this project stands in sharp contrast to processes or operations, which are permanent or semi-permanent functional work to repetitively produce the same product or service. The primary challenge of project management is to achieve all of the project goals and objectives while adhering to classic project constraints—usually scope, quality, time and budget. Given this challenge, we intend to implement this plan as shown below:

1. By September 2008, establish a National Lighthouse Project Management Office within the district's administrative offices.
2. To this office, assign an internal project manager (or contract with an external project manager) and part time administrative support. The project manager will have the following characteristics:
  - Thorough understanding of the Strategic Plan
  - Passionate belief in the plan and in the BHS Mission
  - Ability to lead a diverse cross functional team
  - Proven capability in planning, managing and monitoring large scale projects
  - Facilitation/conflict management skills
  - Experience with school district / educational systems
  - Strong oral/written communication skills
3. The project manager will become a member of the Superintendent's Cabinet.
4. The project manager will build a National Lighthouse cross functional team comprised of staff from the Communications and Community Relations, Human Resources and Labor Relations (including union representation), Physical and Plant Services, Finance, Purchasing and Budget, Instruction (including principals of district schools) and Technology groups. These team members will have dotted line responsibility to the project manager.
5. The project manager, with support from the team, will develop a Performance Target system as follows:
  - a. Identify an appropriate measurement process for each target.
  - b. Identify current status of each target.
  - c. Set targets for 2009-2011.
  - d. By December 2008, obtain Superintendent's Cabinet and Board approval of 2009-2011 targets.
6. The project manager, with support from the team, will develop a proposed schedule for the first three years, 2009-2011. This schedule will identify desired tasks by month for each strategic initiative and will include estimated time, resources and budget requirements for all tasks. Additionally, the project manager will:
  - a. Prioritize the tasks for 2009-2011 in collaboration with the Cabinet
  - b. Present the 2009 – 2011 performance targets to the Board for approval by February 2009

7. The project manager, with support from the team, will present the plan to community and staff by March 2009.



## **Visionary Goal: Become a National Lighthouse District by 2018**

### **Visionary Targets**

Not one child will be left behind; we educate our children to their full potential.

Zero achievement gaps will exist between majority students and minority students.

Our graduates will become societal leaders.

### **Supporting Rationale**

In the process of developing this strategic plan, we contracted with Project Innovations Inc., a Michigan based management consulting firm, to both facilitate the community involvement portion of the process and to assemble and lead a team of reputable experts to assess our district and to draft a strategic plan. Effective strategic planning is based on an unvarnished understanding of one's current situation. To quote Jim Collins, noted management consultant and author of *Good to Great*, "When you start with an honest and diligent effort to determine the truth of your situation, the right decisions often become self-evident".

Anderson Economic Group, LLC (AEG), a member of the Project Innovations team, conducted an assessment of the economic, demographic and market trends most likely to impact our district between 2008 and 2018. Patrick L. Anderson, founder of AEG, was the deputy budget director for the State of Michigan under Governor John Engler and Chief of Staff for the Michigan Department of State. AEG has offices throughout the United States and its work is commonly used in legislative hearings, legal proceedings and executive strategy discussions. In a report submitted in February 2008, AEG identified many of our competitive strengths:

- *BHS has excellent programs at the pre-kindergarten and kindergarten level that make it distinctive from other districts and competitive with top tier private schools.*
- *Bloomfield Hills Elementary students are among the highest achievers in the state in all areas of the MEAP test (based on 2006-2007 scores).*
- *Among comparable districts, BHS yields the greatest percentage of students meeting or exceeding Michigan standards in all subject areas at the middle school level.*
- *Andover and Lahser High Schools each received a 10/10 "Great Schools" rating based on overall test scores . . . on the ACT and BHS students have the highest average score of any comparative public school districts – Birmingham, Troy, Grosse Pointe, and West Bloomfield.*
- *One element that sets BHS apart from similar school systems is its relatively small class sizes. The average student to teacher ratio is significantly lower than its public school competitors.*
- *Overall BHS compares very favorably to the other top school districts in the region . . . student performance is second to none in most categories.*
- *BHS also compares favorably in terms of co-curricular offerings and its education environment, which despite older buildings, offers access to a district managed farm and nature center as well as excellent human services and community relations.*

Two nationally recognized educators from Michigan State University, Dr. Suzanne Wilson and Dr. Philip Cusick joined the Project Innovations team. Dr. Wilson is currently Chair and Professor in the Department of Teacher Education and Director of the Center for the Scholarship of Teaching at Michigan State University. While at Michigan State, she has collaborated on several large-scale research projects, including the National Center for Research on Teacher Education, the Educational Policy and Practice Study and the National Partnership for Excellence and Accountability in Teaching.

Dr. Cusick is a professor of K-12 educational administration. His research interests include organizational theory, secondary schools and issues of social class as they relate to schools. He is the author of *A Passion for Learning, The Education of Seven Eminent Americans*, in which he examines the educational experiences of —Benjamin Franklin, Abraham Lincoln, Jane Addams, W.E.B. Du Bois, Eleanor Roosevelt, J. Robert Oppenheimer and Dorothy Day.

On February 2, 2008 during a workshop attended by over one hundred stakeholders, Dr. Cusick and Dr. Wilson summarized their assessment of the district, asserting, “*BHS is an exemplar of a high quality instructional system that attends to both state and national mandates/standards*”. In outlining their reasoning for their assessment, they reinforced the conviction that BHS is a ***high quality educational system***,

- *With a balanced, focused curriculum driven by an understanding of what students are learning (or not),*
- *Aligned with and informed by continuous assessment (as opposed to testing panic),*
- *Aligned with state and national visions of high quality,*
- *With teachers and principals focused on student learning,*
- *With professional development for all staff aligned with curriculum and assessment,*
- *And with principals and other leaders who know content and how to lead teachers and other adults.*

Certainly, the confirmation of our district’s strengths by reputable sources provided the necessary foundation for us to, paraphrasing Collins see the truth of our situation. Many organizations approach strategic planning as a hunt for weaknesses and a search for hidden flaws. Project Innovations encouraged us to build on strengths while squarely facing the difficult challenges ahead as outlined below:

1. A most pressing challenge is funding, which is rooted in demographic change and our stagnant population, exacerbated by increasing costs of employee benefits (health and retirement) and routine operations and maintenance. Over a period of years, Bloomfield Hills has benefited from a high level of funding and with those funds has created an expansive and generous curriculum and a wide range of facilities and staff. Now we are facing a future of declining enrollments and a state funding process that continues to under fund our system. Even if we retained our current enrollment of 5,202 resident students for the next ten years, we would still run a cumulative deficit of close to \$100 million due to inflationary increases in salaries, benefits and energy.

2. A second challenge is measuring performance. However much we in Bloomfield Hills struggle against the standardized nature of testing, test scores have become, like dollars, a medium of exchange. Our parents want us to educate the whole child and for that whole child to be test-wise among the “top performers”. Although our district has been among the top performers in standardized tests, detractors can find niche results to fit their claim that we are in decline. We must ensure that our curriculum continues to deliver top test scores and that we communicate those results to our community.
3. A third challenge is more complicated. Our visionary targets are to educate our children to their full potential, close all gaps between majority students and minority students, and give our students the education that helps them become societal leaders. This challenge has been well stated by two recent reports, the first is Michigan’s Cherry Commission, chaired by Lt. Governor John Cherry, and the second, that of The Millennium Project, chaired by James Duderstadt, former president of the University of Michigan. The critical findings of these reports are as follows:
  - Michigan’s manufacturing economy is collapsing and will continue to decline.
  - The damage to the state can be seen in fewer jobs, the number of college graduates leaving the state, the increase in high school dropouts, inadequate preparation among those that do graduate from high school, lower educational funding at all levels and declining state income levels and property values.
  - Both reports claim that education is the answer to our economic ills. In the words of the Millennium project, the task is “to develop a learning and knowledge infrastructure for a regional area such as the State of Michigan”. The reports suggest our state should take the lead from countries with high levels of education but formerly depressed economies that due to their populations’ high skill levels have become economic powerhouses. (Ireland would be a prime example.) The suggested plan includes increased educational funding, increased state educational expectations, a curriculum concentrated on science, mathematics and on skills applicable to the emerging economy. The message is that education is the individual’s and the state’s economic driver and its salvation. As everyone knows, our state has responded by making our high school graduation requirements some of the toughest in the nation.
4. A fourth challenge is that we have been embroiled in a conflict between the school board/district administration and some of our citizens for several years. While the seeds of the conflict were sown by failed attempts to gain the community’s support for building new high schools, the conflict has grown beyond the issue of new schools. This conflict is damaging our reputation, distracting our Board and management team and is discouraging to our community.

In considering a response to these challenges, the Project Innovations team encouraged us to avoid a path of cutting our way to success. They encouraged us to remain confident in our ability to respond to our challenges without sacrificing our tradition of educational excellence and innovation. And most importantly, they encouraged us to think about the lighthouse, a symbol that has energized our district for many years.

The lighthouse is a symbol of rising consciousness, the core of the educational process. A lighthouse rises from the water towards the sky, connecting us from darkness of our ignorance to the light of knowledge. It allows travelers to find safe harbor. We know that our district has been a lighthouse for metropolitan Detroit for many years, but Project Innovations asked us a simple yet bold question “Could you become a lighthouse for the nation?”

The question inspired and intrigued us. In general, a lighthouse district with its plethora of possibilities exemplifies, in one sense, liberal education, which is thought to expand the intellect, free the mind, and stretch the spirit. It's an education that prepares one to handle the exigencies of life whatever they may be. Over the years, our district has provided those broad education opportunities, we have over 200 class offerings at the secondary level alone. So, we asked ourselves could we become a lighthouse for the nation, one committed to an ambitious vision of education, one that resists a narrow view of what it means to be educated and an equally narrow view of what it means to demonstrate accomplishment?

Through the winter and spring of 2008, we listened to our community in a daylong retreat and an extensive series of focus groups, interviews and workshops. We became convinced that our community - conflicted and not - wanted us to stretch our vision. We decided to commit ourselves to achieving a national reputation of excellence. But, achieving this vision will not be easy.

We will have to improve our already robust curriculum while reducing the cost of our operations. We will have to expand our outreach into the community and the nation even as our enrollment declines. We will have to improve our facilities as the state continues to reduce our funding vis-à-vis inflation. We will have to deliver excellent test scores even as we continue to educate the whole child. We will have to maintain small class sizes as we reduce staff. And finally, we will have to strengthen our partnership with our community even as we undertake a host of difficult tasks, such as closing schools. **By 2018, we intend to be a National Lighthouse District, a district to which policymakers, parents, and concerned citizens turn when looking for innovative curricula and assessments, creative partnerships and innovative strategies for the use of human, material, financial and social resources.**



## **Objective # 1: Build a Superior Partnership with Our Community**

### **Performance Targets**

1. We will receive an “A” or “B” from 90% of our community on achieving our mission.
2. Measured by a periodic survey, our district will become a key point of civic pride for local, regional, state elected officials and business and social sector leaders.
3. Our district will be chosen by the parents of approximately 90% of all eligible school-aged children living in the district as their main educational resource. Note: We will identify a more precise target with input from a network of national peer districts that we intend to build (see Strategy 2.2, Adopt an Inside-Outside Mindset).

### **Supporting Rationale**

Our district has always taken pride in our warm partnership with our community. Of course this relationship extends beyond our school system, as we provide community recreation services to our district, including adult, youth, summer school and summer programs for students with disabilities. Also, outside our school walls children experience the intrinsic rewards of community service. Elementary and middle school students are encouraged to be involved in their community and high school students must perform community service to meet their graduation requirements. In its assessment report, AEG noted the positive results of our partnership with our community:

*On the Michigan Education Yes! Report Card the district’s high schools received “A’s” for Indicators of School Performance. Specifically, Andover earned a score of 92.8/100 and Lahser earned 90.5/100. For School and Community Relations, Lahser High School was noted as having exemplary involvement of parents in decision-making processes and Andover High School was noted as having exemplary collaboration with community agencies.*

Based on input from the twelve focus groups conducted during the development of this strategic plan, Project Innovations summarized the input regarding our relationship with our community:

*Parents in the focus group sessions repeatedly identified the district’s unwavering commitment to educating the whole child as a strong aspect of a school/family partnership. The majority of the participants indicated they trust that the district is providing the right curriculum and applauded the district’s willingness to invite the entire community into the strategic planning process. They viewed this as a positive step toward building a stronger partnership between the school and the community.*

Despite the broad based partnership we have with our community, we must acknowledge the truth of our situation. As noted previously, we have been embroiled in a conflict between the school board/district administration and some citizens. Conflicts occur frequently and can be found in any community. Fundamentally, they are about relationship. The question hangs in balance in every conflict: how do we want or not want to continue this relationship? Conflict resolution requires the aggrieved parties to assess the meaning of the relationship, to examine themselves, to identify what they are doing or not doing to prolong the conflict and to change their behavior. Another way of saying this is conflicts don't get resolved if one side has to do all the changing. To this end, we intend to take positive steps forward to lessen the impact of this conflict and to build a superior partnership with our community.

The first steps to resolution should focus on building trust. Management guru Peter Drucker affirmed that organizations are no longer built on force, but on trust. In his recent book, *The Speed of Trust*, Stephen M. R. Covey wrote, "Trust in almost every societal institution (government, media, business, health care, churches, political parties, etc.) is significantly lower than a generation ago, and in many cases, sits at historic lows."

In the long run, the district can't accomplish its mission without a trusting relationship with its community. Trust is so vital to achieving our visionary goal that we will change our mission statement to confirm the duality of our challenge – to educate our children while sustaining trust with our entire community. The new mission statement with the change noted in italics:

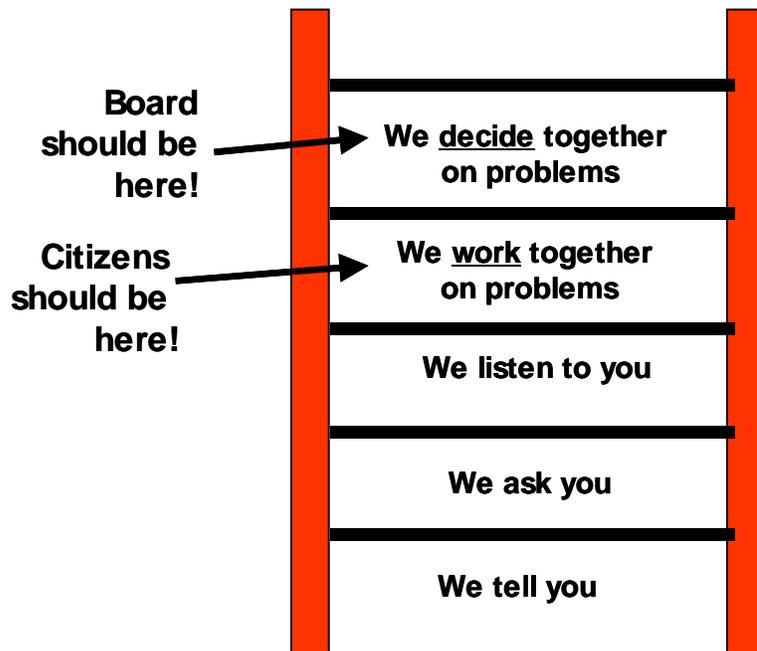
**The mission of Bloomfield Hills Schools is to enable learners to become architects of their futures, building on a foundation of scholarship, citizenship, service, and integrity *in an atmosphere of trust in our community.***

### **Strategy 1.1: Establish a Community Partnership Committee**

We will formalize our commitment to a superior partnership by creating a Community Partnership Committee. Why create another committee? Many venues exist for parents of BHS children to interact with the school system, like the PTO structure, booster clubs or informal and formal meetings with teachers and principals. While collecting input for this strategic plan, we found that parents with children in BHS schools generally have a trusted relationship with our district. To some extent, we correlate this partnership to increased communication and shared goals.

We found that we need to shore up our relationship with citizens without children or whose children have graduated from BHS and citizens whose children don't attend BHS. These citizens don't have as many informal opportunities to interact with our staff and our school officials. Although they may believe in our mission, quite naturally it won't be top of mind or in the center of their hearts.

Obviously, concerned citizens can always attend and participate in Board meetings, but they don't offer an opportunity for partnering with the community. By design, Board meetings are official gatherings and lack the flexibility required for dialogue and creative discussion. We need a venue that allows our citizens an opportunity to communicate with neighbors, to express concerns, to get issues addressed and to partner with us in executing this plan. Most importantly, we seek to empower our citizens to solve problems with us as shown in the "Ladder of Empowerment" image on the next page.



## Ladder of Empowerment

We will model this new partnering structure after one used by a local water authority to build a partnership with its 86 wholesale water customers. Project Innovations, professional designer and facilitator of numerous partnering processes brought this model to us. Like our district, the agency was embroiled in conflict. With a more formal partnering process, it was able to significantly improve trust and communications with its customers. With this model in mind, we intend to establish the Community Partnership Committee as follows:

1. In 2008, the Board will charter the Community Partnership Committee (the Committee).
2. In 2008, the Board will write and adopt a specific policy defining the roles and responsibilities of the Committee. We recommend using Board Policy 1203, Parent Teachers Organization, as a template and stating that the Committee *will create and sponsor a formal Community Partnership with the mission of helping BHS to implement its ten year strategic plan*. This policy will define important qualities of the Committee:
  - a. Any citizen of the district may apply for membership, except for Board members and the Superintendent.
  - b. The number of members will not be restricted, however in their applications prospective members will be asked to make a written commitment to faithfully participate in the partnering process.
  - c. The Committee will annually elect a set of co-chairs responsible for leading Committee meetings and making progress reports to the Board and District Administration.
  - d. The Committee may establish sub-committees upon Board approval to address specific issues. These sub-committees may invite participation from individuals who are not members of the Committee.

- e. The Committee will have a professional meeting facilitator to maximize its effectiveness.
  - f. The Committee will meet no less that twice a year and no more than six times a year.
3. The Committee will not become a board or try to move away from its role as an advising body. It should establish rules of cooperation including expected norms for communicating with the media and with each other outside of the partnering process. Some of these norms may include:
    - a. View everyone in positive terms
    - b. Develop a common language of healing and avoid language that hurts
    - c. Build strong relationships
    - d. Remember your shared humanity
    - e. Value both the process and its results
    - f. Look for guidance within as well as outside of the community
  4. The Board will annually establish goals for the Committee. This is not to say the Committee will not be involved in goal setting, but the Board must take the lead. The first goal the Board will ask the Committee to accomplish is to increase senior citizen involvement in our school system. For example, senior citizen involvement with our schools could be increased through a student-senior citizen-mentoring program. Senior mentors could become a vital part of our students' middle school and high school experience.
  5. The Board will support the Committee’s work, including facilitation and membership services like roster maintenance and communications.
  6. In the spring of 2009, after Board approval of the National Lighthouse Project Plan, the Board will issue an invitation to district citizens to join the Committee.
  7. Before June 2009, we will host a “Camp David” meeting to formally create the Community Partnership Committee. At this meeting, the Committee will establish an annual team building activity for its members, e.g. a progressive dinner.

**Strategy 1.2: Communicate Effectively with Taxpayers**

According to a recent education information report by the Committee for Economic Development, *tracking money for schools is not an easy task . . . educational dollars come from many sources (federal, state, and local governments, as well as nongovernmental sources), each with separate record-keeping requirements and accounting rules. Districts, therefore, maintain multiple accounting systems and often keep information on separate computer systems that cannot communicate with one another. Similarly, fragmented approaches characterize expenditure systems. Thus district personnel often cannot find out basic things about their spending, such as what particular central office services cost.*<sup>1</sup>

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<sup>1</sup> “Investing in Learning, School Funding Policies To Foster High Performance,” by the Research and Policy Committee of the Committee for Economic Development  
 Bloomfield Hills Schools Strategic Plan

Given the complexity of our financial tracking task, we must note that the Association of School Business Officials International (ASBOI) awarded our district the Meritorious Budget Award for excellence in the preparation and issuance for our 2007-2008 annual budget report. In 2007, ASBOI also recognized our commitment to the highest standards of financial reporting by awarding our district the prized Certificate of Excellence in Financial Reporting.

Yet, despite our best efforts at financial reporting in this last year, a group of concerned taxpayers has challenged us to provide more communication about the district's financial decisions. We cannot say it strongly enough: Our taxpayers should continue to receive full disclosure of the district's true costs as long as these disclosures are not unnecessarily burdensome to the district's performance of its mission.

In the spirit of our commitment to building a superior partnership with our community, we intend to ask the Community Partnership Committee to help us communicate effectively with our taxpayers. The first task will be to identify what kind of financial reports the community wants to receive. Based on our stakeholder feedback, we will focus on creating a set of reports that communicate our revenue sources and cost parameters in a simple easy to understand way. We would expect these reports to address cost and revenue per student, cost and revenue per program and similar related reports.

### **Strategy 1.3: Continue and Expand our Enrollment Communications Programs**

In our 2006-2007 Draft Strategic Plan (the precursor to this effort), we established an objective to “engage in mutually beneficial, reciprocal communication with all audiences on whom the district's success depends via every appropriate channel ...” Several initiatives were defined and launched to accomplish this objective and we will continue to execute them.

Additionally, we will put more emphasis on persuading residents who are sending their children to private schools to switch to our schools. We will position our school system as the hometown team for families and students who want to benefit from our quest to become a National Lighthouse District. This extra effort will be required to achieve our performance target, which aims to have approximately 90% of all eligible school-aged children living in the district attending our schools.

We will also continue our marketing program designed to recruit new resident and tuition-paying students, using our branding message of “Comprehensive education at its finest.” As identified in the AEG education market assessment, the demographic target for our district is young and growing families with annual incomes around \$200,000. As we compete against local private schools and neighboring districts for this demographic, we will also:

1. Strengthen relationships with area realtors and increase BHS presence in local real estate media/web-sites.
2. Strengthen relationships with local governing officials by seeking their collaboration and involvement on the Community Partnership Committee. In particular, we will seek to enhance our already strong partnership with Bloomfield Township.
3. Make it easier for young families to transition into our district. More families mean more children and increased enrollment for our schools.
4. Strengthen relationships with homeowner associations.

5. Identify regional groups with a high percentage of affluent, young professionals and establish an outreach campaign to these groups, such as the Detroit Regional Chamber of Commerce.

#### **Strategy 1.4: Build a High Performing Team with the Board and Superintendent's Cabinet**

We, the Board and the Superintendent's Cabinet, will set an example to the community by becoming a high performing team. Though it is difficult for most elected bodies to build high performing teams due to divergent goals and the part-time voluntary aspect of board member service, we desire to present a leadership example to the community. A high performing team has the following characteristics:

1. Agreement on a super ordinate purpose that transcends individual ambitions.
2. Understanding and acceptance of each other's strengths and weaknesses.
3. Agreed upon roles and responsibilities for leading and following.
4. Defined processes and rules for managing disagreements and preventing conflicts.
5. Agreed upon goals and strategies, including an annual work plan.

To establish and maintain our high performing team, we will conduct an annual two-day team building retreat. Each retreat will have a different theme for the next five years as follows:

1. Spring 2009: Defining Ourselves as a High Performing Team
2. Spring 2010: Teamwork in Action
3. Spring 2011: Collaboration is our Mantra
4. Spring 2012: Update of 2018 Strategic Plan
5. Spring 2013: Summit on Collaboration with Neighboring District Leaders



## **Objective #2: Build on Strengths to Create and Implement a National Lighthouse Curriculum**

### **Performance Targets**

1. 99% of our students will graduate.
2. We will be in the top 5% nationwide in ACT Composite scores.
3. We will have an exceptional number of teachers with advanced degrees in their content area because based on research, advanced degrees in content area is a factor in improved teacher performance.
4. We will receive superior assessments regarding our curriculum from regional and national partners.
5. We will receive exceptional feedback about our graduates from the colleges to which they apply/attends. We intend to develop baseline assessments for targets 3, 4, and 5 with our network of national peer districts (see Strategy 2.2, Adopt an Inside-Outside Mindset).

### **Supporting Rationale**

The centerpiece of our schools is a commitment to a liberal arts education – a well-rounded knowledge and engagement with the humanities, mathematics, sciences, the fine arts and the performing arts. A National Lighthouse Curriculum, consisting of superior content, instruction, and assessment will enable our graduates to understand their lives and control their future, as well as prepare all students for the rigors of competitive colleges in a diverse world that knows no economic, cultural, or geographic boundaries. This curriculum will serve as the foundation for an education that fosters a well-grounded intellectual resilience, a disposition toward lifelong learning, and an acceptance of responsibility for the ethical consequences of ideas and actions.

In particular, this curriculum represents our continuing commitment to providing a comprehensive education to our students.

In the recent past, we have rigorously examined our curriculum in light of both state and national mandates, including the alignment of curriculum with state tests and testing periods. This has not been a trivial task, requiring years of planning and implementation by the three Executive Directors of Instruction. The process has also shed light on the strengths and weaknesses of our curriculum, providing clear guidance to district leaders, school principals and teachers for areas of improvement.

Many citizens in the strategic planning focus groups expressed concern about our efforts to comply with state and federal law, in particular they were concerned that such alignment might sacrifice creativity, independence and to some extent, our mantra of “educating the whole child.”

Although some have complained about “falling test scores in the District<sup>2</sup>,” the overwhelming majority of the focus group participants expressed strong support for the district’s curriculum with its emphasis on educating the whole child through a balance of robust academic programs and a broad array of extra-curricular offerings. They want us to focus on educating the whole child – not on becoming the highest scoring district in the state.

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<sup>2</sup> As mentioned previously, this notion was refuted by AEG.  
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They told us to maintain our unique and strong emphasis on the full range of forms of human expression rather than the contemporary “laser-like” focus on limited standardized test scores in reading and mathematics.

Indeed, the breadth and expansiveness of our curriculum is our center and our major selling point, a perspective confirmed by Dr. Wilson and Dr. Cusick, who said that our curriculum contained the following strengths

- *A broad number of opportunities for student learning*
- *Extensive community service and engagement*
- *Global and international perspectives, including foreign language learning and IB program*
- *A balanced curriculum driven by attention to students*
- *Cutting edge instructional materials and strategies*
- *And an educational value system focused on the whole student*

But Dr. Wilson and Dr. Cusick suggested that we could not be satisfied with top ranking in this region. We could and should develop a national reach. According to Wilson and Cusick, the truly successful adults of the next twenty years will leverage their ability to collaborate across the globe, not **only** their ability to compete. In view of these perspectives, we will engage in the following strategies to build on our strengths to create a National Lighthouse Curriculum.



**Bowers Farm**

## Strategy 2.1: Preserve and Advance our Comprehensive Curriculum

1. We will complete our alignment to national and state testing and graduation requirements. These efforts will ensure that we do the following:
  - Provide, teach, and communicate a curriculum that ensures consistency across grade levels and provides for smooth and seamless transitions between grades and levels (see Curriculum Development Schedule on next page).
  - Focus human, fiscal and programmatic resources to maximize student learning.
  - Design and implement systematic professional development that supports student learning.
  - Encourage, enable and embrace innovative instructional opportunities that offer a broad range of learning choices and experiences.
  - Provide students and staff access to well-maintained, current and relevant technologies that extend and enhance learning.
  - Maximize mutual respect, professionalism, collaboration and a student-first mentality throughout the community.
  - Address achievement gaps in the district. For example, the writing scores of 7th grade boys may be significantly lower than those of 7th grade girls. This data would be used to improve instruction. This effort requires continuous analysis, disaggregated by gender, English language learners, race and ethnicity, socioeconomic status indicators and special education needs.



| <b>Curriculum Development Schedule, Part 1 - 2008</b><br>(to be revised annually) |                      |                      |                |                      |                   |
|---|----------------------|----------------------|----------------|----------------------|-------------------|
| <b>Curriculum</b>   | <b>2007-08</b>       | <b>2008-09</b>       | <b>2009-10</b> | <b>2010-11</b>       | <b>2011-2012</b>  |
| <b>Math K-7</b>   | Development          | Implement            | Implement      | Implement            | Evaluation        |
| <b>Math 8-12</b>  | Development          | Development          | Implement      | Implement            | Implement         |
| <b>Science K-7</b>  | Evaluate /<br>Review | Development          | Development    | Implement            | Implement         |
| <b>Science 8-12</b>   | Development          | Development          | Implement      | Implement            | Implement         |
| <b>Social Studies</b>   | Development          | Implement            | Implement      | Implement            | Evaluate / Review |
| <b>English<br/>Language Arts</b>  | Evaluate /<br>Review | Evaluate /<br>Review | Development    | Development          | Implement         |
| <b>Physical<br/>Education K-5</b>   | Development          | Development          | Implement      | Implement            | Implement         |
| <b>Physical<br/>Education 6-12</b>  | Implement            | Evaluate /<br>Review | Development    | Development          | Implement         |
| <b>Health K-12</b>  | Implement            | Evaluate /<br>Review | Development    | Implement            | Implement         |
| <b>Art</b>  | Evaluate /<br>Review | Development          | Development    | Implement            | Implement         |
| <b>Music</b>  | Implement            | Evaluate /<br>Review | Development    | Development          | Implement         |
| <b>World<br/>Languages</b>  | Implement            | Implement            | Implement      | Evaluate /<br>Review | Development       |

Note: Secondary curricular areas not listed above, including course offerings and content, will be reviewed on an annual basis as a part of the secondary course selection process.



**Curriculum Development Schedule, Part 2 - 2008**  
(to be revised annually)

| <b><u>Instructional Support</u></b> | <b><u>Instructional Programs</u></b> | <b><u>School Imp Initiatives</u></b> | <b><u>Local, State, Fed. Mandates</u></b> |
|-------------------------------------|--------------------------------------|--------------------------------------|---|
| Special Education                   | Wing Lake Development Center         | North Central Accreditation (NCA)    | NCLB/Ed Yes!                              |
| General Education Support           | Deaf/Hard of Hearing Program         | Middle Years Program (MYP)           | HS Graduation Requirements                |
| English Language Learners (ELL)     | Model High School                    | Primary Years Program (PYP)          | Career Focused Education                  |
| Maximizing Academic Potential (MAP) | Bowers Academy                       | University Partnerships              | Consolidated Grants                       |
| Title I Programs                    | International Academy                | Visible Thinking                     | Safe & Drug Free Schools                  |
| Summer Programs                     | Bloomin' Tots and Kids Preschools    |                                      | Technology Plan                           |
| Reading Recovery                    | Johnson Nature Center                |                                      |   |
| Counseling Services                 | Bowers Farm/Historical District      |                                      |   |
|                                     | Wing Lake Stone School               |                                      |   |



2. We will continue to expand our innovative programming at the Model High School (MHS) while maintaining it “off-site” from our core high schools.

Currently located in a wing at the West Hills Middle School, the history of the MHS is compelling. In 1989, our Board of Education accepted the recommendations of a study committee and released three teachers from their classrooms for one year so that they could create a school of choice. The MHS design team spent the year researching and visiting a variety of innovative programs throughout the country. The faculty worked all summer to prepare for the fall of 1990 opening for 9-12th graders. The MHS design included a flattened organizational structure which placed the students at its center surrounded by a set of feedback loops that involved facilitators (teachers), parents and community - all stakeholders who had a say in how the program evolved. Students and facilitators formed a relationship based on each student's need to grow and be challenged intellectually.

“Students at the center” remains a core philosophy at MHS. Most schools, because of their size and the demands placed upon them, begin with a curriculum that is then placed over the students. MHS differentiates its curriculum by starting with the students’ needs and passions and then developing curriculum around these. MHS has served over 2100 individual students and currently, now serves over 10% of our high school population.

3. We will implement our partnership with the Oakland University School of Education.
4. We will implement our partnership on sustainable education with Lawrence Technological University.
5. We will achieve International Baccalaureate, Primary Years Program, Middle Years Program and Diploma Program authorization at selected schools.
6. We will implement working with Harvard’s Project Zero – Visible Thinking Initiative that focuses on creating communities of reflective, independent learners to enhance deep understanding within and across disciplines; and to promote critical and creative thinking.  
(Source: [Http://www.pz.harvard.edu/Research/Research.htm](http://www.pz.harvard.edu/Research/Research.htm))
7. Similar to our commitment to MHS, we remain committed to maintaining our alternative high school program, the Bowers Academy, while keeping it “off-site” at the Charles Bowers Farm. Bowers Academy originated in the back of the farm school building with two classrooms. Since this inauspicious beginning, it has graduated over 80 students, many of whom would not have received their high school diploma without this customized program. Bowers Academy has a college attendance rate that is among the highest in the nation.

## **Strategy 2.2: Adopt an Inside-Out Mindset**

Progressive districts throughout the nation are using partnerships, international assessments, and feedback from outside experts to guide curriculum improvements. Although we have a strong internal team dedicated to keeping our curriculum current and strong, we want more input from external sources – thus our **Inside-Out** theme. We need to position our offerings in light of where experts say the country is going. BHS is well positioned to offer itself as a partnering district in those efforts. One way to guarantee our curriculum and instruction is ahead of the rest of the country is to partner with those organizations pushing for new visions.

We will take on the following tasks:

**1. We will establish partnerships with national and regional organizations to provide continuous feedback on our curriculum and its standards.**

- a. We will seek national organizations with experience in helping school districts shape curriculum, including but not limited to:
  - Association for Supervision and Curriculum Development (ASCD) - Founded in 1943, the ASCD is a non-profit, non-partisan organization that represents more than 175,000 educators from 119 countries. Its members span the entire profession of educators—superintendents, supervisors, principals, teachers, professors of education and school board members.
  - International Baccalaureate Organization (IBO) – Works with schools, governments and international organizations to develop challenging programs of international education and rigorous, meaningful assessments.
  - The College Board - The College Board is a not-for-profit membership association whose mission is to connect students to college success and opportunity. Founded in 1900, the association is composed of more than 5,400 schools, colleges, universities and other educational organizations. Each year, the College Board serves seven million students and their parents, 23,000 high schools and 3,500 colleges through major programs and services in college admissions, guidance, assessment, financial aid, enrollment and teaching and learning.
  - The Pathways to College Network – This is a national alliance of 38 organizations and funders committed to advancing college access and success for underserved students, including those who are first generation in their families to go to college, low-income students, underrepresented minorities and students with disabilities.
  - TIMMS National Research Center - Located at Michigan State University, TIMSS (Trends in International Mathematics and Science Study) is dedicated to using its research to improve mathematics and science education in the United States by partnering with districts across the country.
- b. We will seek out regional businesses and non-profit organizations that can provide input on what the graduates of the future need to learn:
  - Automation Alley - Automation Alley® drives the growth and image of Southeast Michigan’s technology economy through a collaborative culture that focuses on workforce and business development initiatives.
  - Local employers like Beaumont Hospital, Henry Ford Hospital West Bloomfield, Chrysler, Oakland County and Plante Moran.

- The Center for Michigan - The Center for Michigan is a "think-and-do tank" founded by Phil Power, a regional business and social leader.. A 501(c) 3 non-profit organization, the Center's objective is to assist Michigan through its current period of wrenching economic trouble and to lay the foundation of informed hope for a better future Michigan. It will help develop and execute comprehensive, long-range and, in some cases, radical policy solutions to transform Michigan's business, economic, political and cultural climate.
- Local and regional museums and cultural centers, including the DIA, Cranbrook Institute of Science, Henry Ford Museum, Holocaust Center, Muslim Unity Center, etc. Like the Urban Advantage program in New York City, there is the potential for collaborative efforts between these cultural institutions and the school district to educate students, teachers and families and to extend the learning opportunities for students beyond classroom walls.

## **2. We will create a network of top-shelf national school districts.**

With this network, we will share ideas in an annual symposium that would be hosted in the fall of 2009 in Bloomfield Hills. Candidate districts include: Bellevue, Washington; Oak Park, Illinois; Newton, Massachusetts, and Montgomery County, Maryland. Our reference group, if we are to be a National Lighthouse District, must be districts across the country, not simply in Michigan. We will forge a network with these nationally recognized districts to support the development of our performance targets, to measure ourselves against districts that take pride in rising to the current accountability challenges without abandoning their commitment to educating the whole child.

Our annual symposium could showcase instructional, curricular and leadership innovations used in other districts. It could also serve an important public education function, as we will invite parents and community members to presentations concerning recent innovations and thinking in education. Such a conference will position us as a leading voice of innovation and change in the country.

## **3. Identify and actively collaborate with an advisor for each curricular area to push us to both innovate and prune our curriculum. We will seek these advisors from across the country and offer to be a test bed for the development of new curriculum and professional development programs. Indeed, the National Research Council (NRC) has argued for the development of strategic research partnerships that would yield stable, long-term relationships between schools and research universities. The NRC believes that the ability to produce useful educational research depends on such relationships.**

While our district must look nationally, we are fortunate enough to be in a state with three top flight research-oriented institutions internationally renowned for their curriculum work: Michigan State University, University of Michigan and Wayne State University. The strong reputations of these institutions holds true across all subject matter areas (academic and performing arts), special education and assessment. Our future collaborators from these institutions will be conceptualized as "critical friends," colleagues who understand the history and goals of our district who also feel comfortable providing the kind of critical feedback that will push us to the national level of superiority.

### **Strategy 2.3: Integrate Additional Collaboration and Technology into our Curriculum**

A global world requires that we all reframe our thinking from one of competition to one of collaboration. With a regional model we tend to worry about being *better* than our local competitors. But in our international world, one succeeds by being the *best collaborator*. Our nation's intellectual and economic welfare depends on our ability to build new collaborative enterprises. Using this logic, we need to change our mental model from competing with, being better than surrounding school districts, to a collaborative frame of mind. How can we become the most attractive collaborator/school district in the country? One that attracts students, parents, business partners, educational researchers and curriculum reformers?

**We start by preparing our *students to be the best collaborators*.** Our curriculum should demand authentic joint work, identifying and solving real problems with multi- or interdisciplinary teams, opening students' minds to the world around them. This curriculum also requires a pedagogy of collaboration, instruction that forces students to take on new roles, to develop abilities to listen to and learn from others. Teaching students to be collaborators necessitates working on four levels:

1. The individual and his/her self-knowledge
2. How groups work and are open or closed to collaboration
3. Awareness of the global world and our evolving place in this brave new world
4. The tools of collaboration, including the language that supports collaboration versus competition and the technologies of collaboration

Focusing on an ethic of collaboration will require work on our culture and the models we offer to students. Obviously, students will need to collaborate with one another and we are already driving that dynamic into our classroom. At Model High School, collaboration with teachers is a core value. However, we intend to take collaboration to a higher level. Our teachers will need to collaborate with fellow teachers, administrators, researchers, partners, parents, school administrators and district leaders. And we will need to accelerate our collaboration with other school districts.

As for the "technologies of collaboration," we know that access to current and relevant technologies that extend and enhance learning are in place in the district today. If we are to prepare our students for success in the 21<sup>st</sup> century, we must assume that access is not enough. Too often, parents and others presume that because a child is able to use a computer or other media, that they are technically proficient. The district will continue its efforts to integrate technology use in instruction, using the Michigan Educational Technology Standards (METS) and the ISTE National Standards, to help children become literate in the use of technology.

## **Objective # 3: Sustain our Financial Success in a Downturn**

### **Performance Targets**

1. We will stabilize our enrollment at 4,200 resident students by 2018.
2. We will consistently maintain our General Fund Reserve between 15% and 20%.
3. The BHS endowment, capitalized with voluntary contributions, will exceed \$40 million by 2018.

### **Supporting Rationale**

According to the SEMCOG's "Region in Turbulence Report" (2007), Southeast Michigan's economy will continue to contract during the next decade:

- Regional population will drop from 4.9 million to 4.82 million. This drop is due to net out migration from the state and fewer births than deaths in the region. Up until 2012 net out migration is forecasted at 25,000 people per year, centered largely on younger workers.
- Overall employment will decline from 2.85 million workers to 2.82 million workers in 2018.
- Job losses in manufacturing will continue, declining at 4.3% annually until 2012 and then 1.1% annually until 2035.

In April of this year, SEMCOG issued a revised forecast, which included Bloomfield Township. Key predictions were as follows:

- Township population will remain stable for the next seven years - from 42,308 in 2005 to 42,015 in 2015.
- Township households will see minimal increase (2%) from 16,987 in 2005 to 17,288 in 2015.
- Township employment will remain stable, from 23,954 in 2005 to 24,202 in 2015.

SEMCOG's study implies that Bloomfield Township will weather the regional economic storm better than most of Southeast Michigan, but other demographic factors will have a profound impact. According to SEMCOG, by 2018, 80% of our school district's households will not have children, a forecast which will lead to a significant decline in enrollment.

## **Enrollment will Decline**

In 2007, our district engaged Education Services, Inc. to develop a ten-year enrollment forecast. The leader of the study, Dr. Bruce D. Van Deusen, predicted resident student enrollment would decline from 5,202 in 2007-08 to 3,868 in 2017-18. Similarly, AEG forecasted a year 2018 enrollment of 4,100 in their report. Fewer children moving in the district than children leaving the district will cause the enrollment decline. A loss of 140 students this year and a projected loss of 180 students next year would seem to validate the above predictions.

Although our district (like many districts in Michigan) has strived to recruit students, the effort has slowed in the face of the current recession. Automotive companies, once a primary source of new students due to executive transfers, are contracting. The sub-prime mortgage crisis has made it more difficult for people to buy houses, especially ones over \$400,000 that are common in our district. According to a recent report in the Detroit Free Press entitled, "Metro Detroit's Staggering Backlog," Bloomfield Township currently a backlog of houses in excess of two years.

Currently, we operate on a foundation allowance of \$12,388 per child (as of fiscal year 2007-08). We are one of the highest funded districts in the state and we've invested those funds in small-scale delivery of instructional and co-curricular programs. Smallness exists in the form of small schools at every level - elementary, middle, and high schools. Smallness also exists in the form of low class sizes, low student to teacher ratios and expansive offerings of advanced placement, world language and arts classes relative to the number of enrolled students. And we mustn't forget the expansive opportunities for after school athletics and clubs. Finally, smallness takes the form of our staff having more contact time with students.

## **Revenue Shortfalls Ahead**

Though smallness creates opportunities for children, it carries a high fixed cost of operations. We operate 561 acres and 1.3 million square feet of building space for our 5,800 students, roughly the same number of square feet operated by districts with 13,000 to 16,000 students.

Due to declining enrollments and increasing benefit costs, we will face revenue shortfalls for the first time in its history. Through 2018, we will probably lose more than a million dollars a year in state and local funding. Additional revenue losses will occur because we will use some of our reserves to fund deficits and will not collect the \$1 million plus a year in interest revenue that we have become accustomed to, due to depressed interest rates.

Making the situation tougher, state funding has not historically and will not keep pace with inflation. In fiscal year 2017-18, we will need \$16,648 per child (assuming an inflation rate of 3%), but we can only count on having fewer dollars for each student in 2018 in real terms compared with today's dollars. There are some economic and public policy reasons for this assertion.

First, we have the compelling history of Proposal A, the current mechanism for school funding in Michigan. Proposal A was instituted with the 1994-95 school year and is in its fourteenth year of operation. This funding system closes the gap between lowest and highest funded districts. The strategy stalls funding growth for districts at the top of the range and accelerates funding for districts at the bottom. Under Proposal A our annual funding increase has been one-half the rate of inflation, resulting in approximately 86 cents on the dollar compared with 1995.

This declining rate of funding growth will continue over the next ten years. Recent public policy approaches to funding throughout the United States have focused on equalizing resources for affluent and less affluent areas, then supplementing these resources to address disadvantages such as poverty, limited English proficiency and handicapped children in special education. Given the wealth of our district, we will qualify in the bottom decile for these supplemental resources.

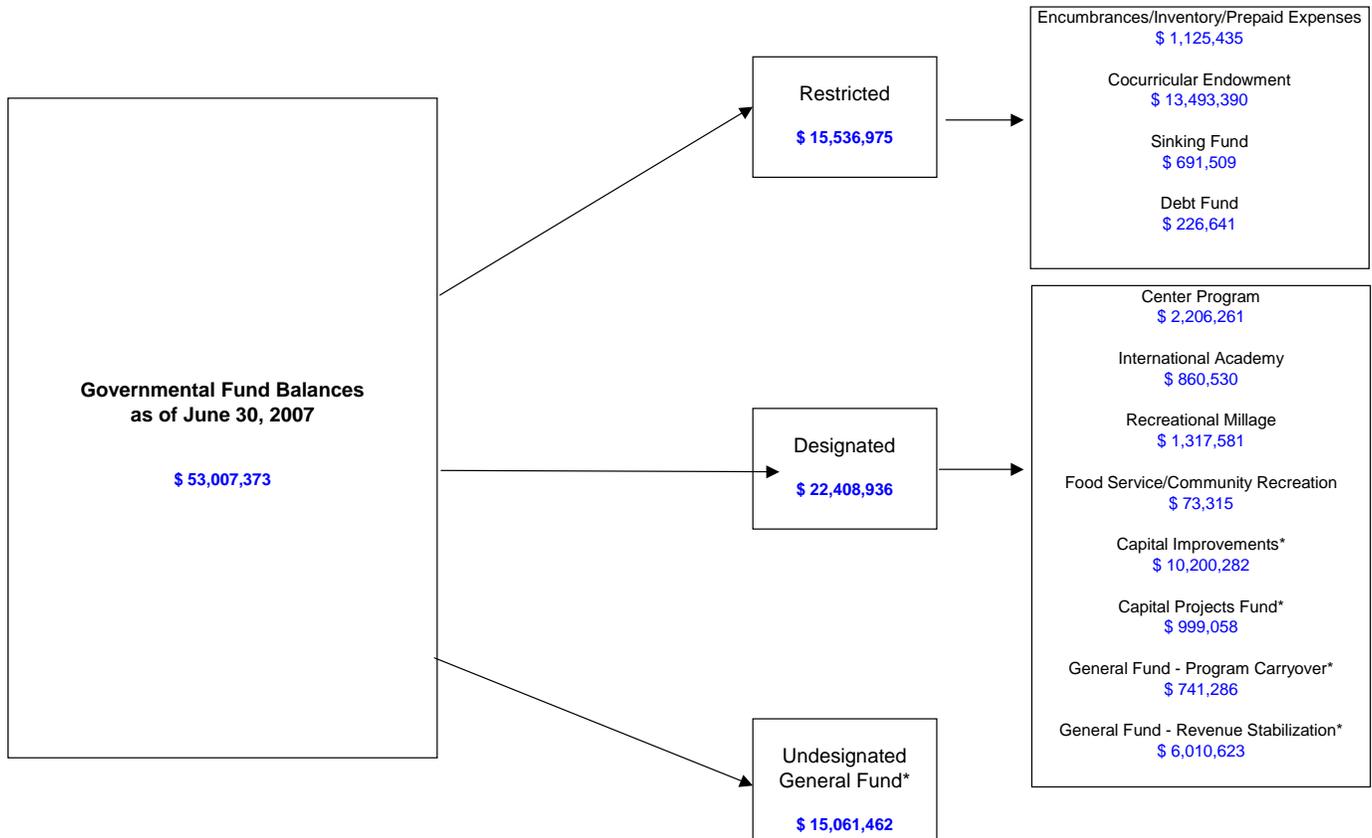
### **Expenses are Increasing, Too**

The situation is no brighter on the expense side of the balance sheet. 82% of our current costs are for salary and benefits. Health care costs (\$8.2 million in 2007) are projected to increase 10% a year for the next five years. Retirement costs (\$10.2 million in 2007) are projected to increase at 4% a year for the next ten years and we cannot control these costs as they are regulated by the state. Costs will also increase due to contract increases for cost of living expenses and step salary increases as our work force gains more years of experience. Assuming no changes in staffing or reductions in supplies/operations and maintenance, costs will increase by millions of dollars and will leave a cumulative deficit of more than \$160 million by 2018.



### **Reserves are in Good Shape**

Fortunately, we have a healthy general fund reserve balance – over \$22 million – that can and will be used to cover revenue shortfalls. In addition, we have other reserve funds (currently designated/restricted). BHS fund balances as of June 2007 are shown on the next page.



According to the Michigan School Business Officials (MSBO) web site, a district should aim to have a general fund balance (before reserves and designations) that is 15% to 20% of the district’s general fund annual operating expenses. BHS is currently well above this benchmark—2005-06 current operating expenses were \$78.2m and the general fund balance was \$22.7M or 29% of general fund operating expenses. Given our oncoming financial challenges, we have set our target at 15% giving us some degrees of freedom to use our abundant reserves to support our district until conditions stabilize.

We asked AEG to prepare a financial analysis of our reserves, focusing specifically on our ending fund balance, accumulated reserves and our annual revenue to expenditure levels. AEG relied on Michigan Department of Education Bulletin 1011 reports for this data. These were collected for 2003-04, 2004-05, and 2005-06, and reported for the general fund, as well as capital, debt, and other school funds. This information was then compared alongside the same data points for comparable districts throughout the state, on a per-pupil basis, providing a benchmark for us, which we can use to measure our past performance and use in planning for future years.

AEG found no other district in the comparison group that was even above 20% in general fund reserves. And on average the other districts in the state that are of similar size to BHS (the class D districts) were at 12.5%. Also, from 2003-04 to 2005-06, we saw our ratio increase, while the other class D districts on average saw a decline. **According to AEG, we are in a much better position than most state districts, and even more so when the additional non-general fund reserves are factored into the equation.**

## The Project Innovations Ten-Year Forecasts

Managing our financial challenge will require proactive financial management that assesses long-term consequences of potential decisions. To this end, Project Innovations developed a series of forecasts based on two enrollment scenarios – 3,868 resident students in 2018 (provided by ESI), and 4,200 resident students in 2018 (our enrollment performance target).

Note: These forecasts are restricted to the general fund portion of our balance sheet. In 2007, this fund comprised \$86 million (more than 70% of our district’s revenues) and included almost the entire state, local, federal and inter-district funding related to educating our 5,202 resident students, our 150 tuition students and 50 children of non-resident employees. The general fund is most impacted by enrollment declines and funding shortfalls. Major revenue sources/expenditures not addressed in the forecasts include:

- Center Program - \$10.7 million for Special Education Services for Oakland County students
- General Fund Self Supporting Activities - \$8.1 million for International Academy, Preschools, Extended Day Kindergarten, Latchkey, and Infant Care Programs
- Sinking Fund - \$6.5 million for capital projects
- Food Service Fund - \$2.1 million
- Community Service Fund - \$1.2 million
- Recreation Millage Fund

The implications from the Project Innovations forecasts are directional and should not be taken as absolute predictions. Many future changes could have a dramatic impact on our district, including an economic recovery or changes in how the state finances schools. The Project Innovations forecast assumptions addressed the following factors:

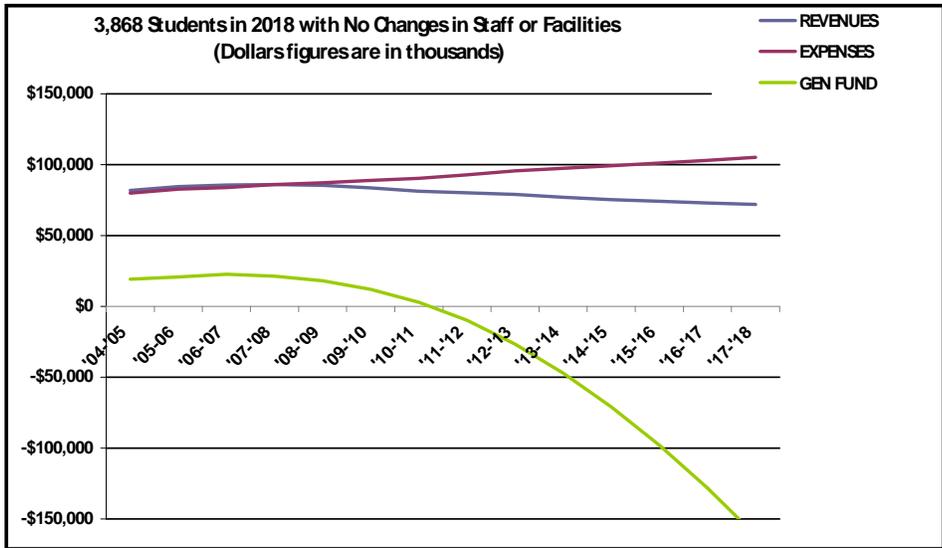
1. Estimated Revenue from Local Sources
2. Estimated Revenue from State Sources
3. Estimated Revenue from Inter-district Sources
4. Estimated Revenue from Federal Sources
5. Estimated General Fund Interest Revenue
6. Impact of School Closures (in noted forecasts)
7. Estimated Salaries
8. Estimated Fringe Benefits (Health, Retirement, Miscellaneous)
9. Estimated Purchased Services

10. Estimated Supplies

11. Estimated Capital Outlay

12. Estimated Transfers Out

**Forecast #1: 3,868 Students with No Changes in Staff or Facilities**



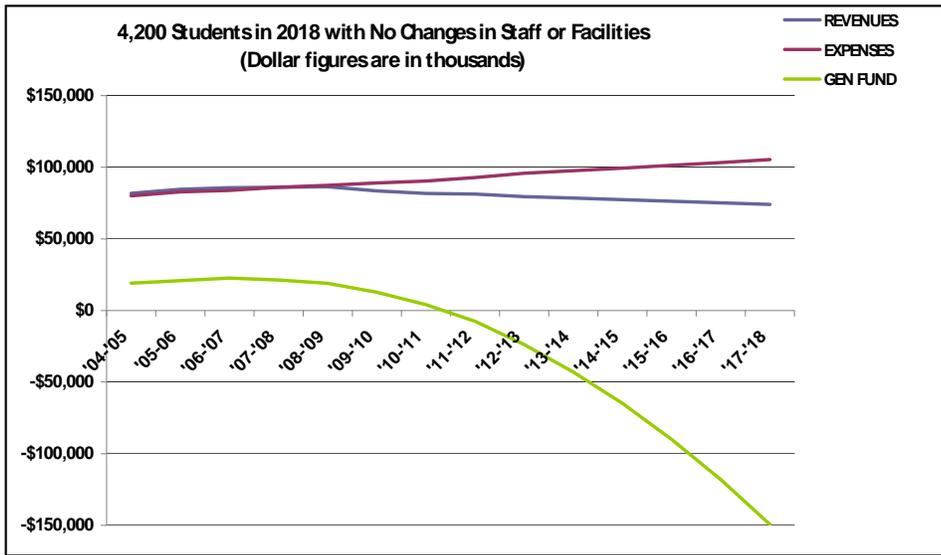
|         | REVENUES | EXPENSES  | GEN FUND   |
|---------|----------|-----------|------------|
| '04-'05 | \$81,902 | \$80,044  | \$19,077   |
| '05-'06 | \$84,548 | \$82,780  | \$20,845   |
| '06-'07 | \$85,657 | \$83,865  | \$22,637   |
| '07-'08 | \$86,068 | \$86,062  | \$21,350   |
| '08-'09 | \$85,389 | \$87,307  | \$18,043   |
| '09-'10 | \$83,712 | \$88,930  | \$11,969   |
| '10-'11 | \$81,371 | \$90,315  | \$3,025    |
| '11-'12 | \$80,082 | \$92,873  | -\$9,767   |
| '12-'13 | \$79,011 | \$95,746  | -\$26,552  |
| '13-'14 | \$76,998 | \$97,482  | -\$47,036  |
| '14-'15 | \$75,414 | \$99,294  | -\$70,916  |
| '15-'16 | \$74,116 | \$101,185 | -\$97,985  |
| '16-'17 | \$72,928 | \$103,161 | -\$128,218 |
| '17-'18 | \$71,938 | \$105,225 | -\$161,504 |

**Driving Assumptions:**

- No changes in staff or facilities from 2008 levels.
- As enrollment declines, state, local and inter-district funding declines.
- Forecast includes assumptions/data regarding inflationary impacts on funding and expenses from district's five-year budget forecast presented to school board in February 2008.
- Forecast includes district's proposed staff reductions for 2008 to 2013.
- Fringes, \$21 million in 2008, increase to \$37 million in 2018. Retirement costs increase 4% per year for ten years; medical costs increase 10% per year for the first five years and 6% a year for the second five years.
- All general fund reserves, \$22 million, are exhausted to eliminate deficit.

**Major Conclusion:** Forecast #1 shows a \$161 million deficit in 2018. Structural changes are indicated.

**Forecast #2: 4,200 Students in 2018 with No Changes in Staff or Facilities**



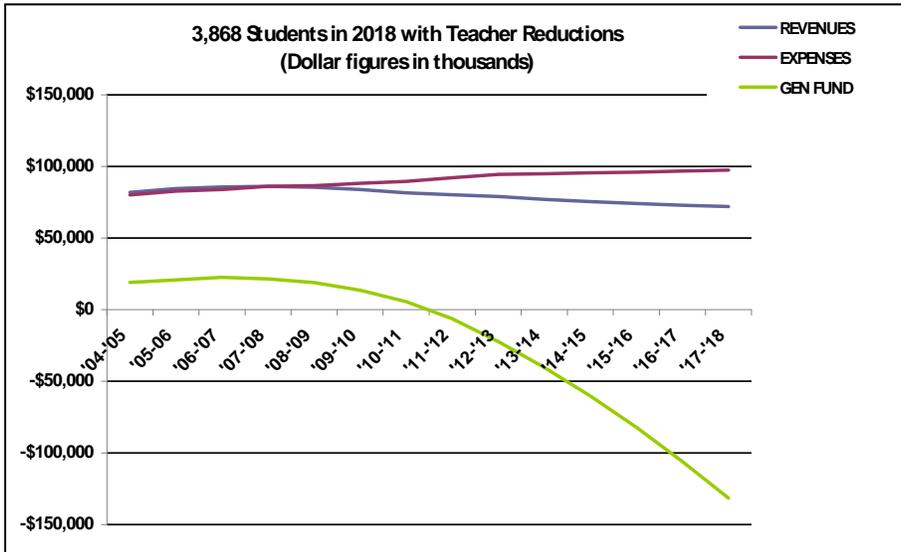
|         | REVENUES | EXPENSES  | GEN FUND   |
|---------|----------|-----------|------------|
| '04-'05 | \$81,902 | \$80,044  | \$19,077   |
| '05-'06 | \$84,548 | \$82,780  | \$20,845   |
| '06-'07 | \$85,657 | \$83,865  | \$22,637   |
| '07-'08 | \$86,068 | \$86,062  | \$21,350   |
| '08-'09 | \$86,315 | \$87,332  | \$18,944   |
| '09-'10 | \$83,532 | \$88,955  | \$12,685   |
| '10-'11 | \$81,727 | \$90,340  | \$4,071    |
| '11-'12 | \$81,229 | \$92,898  | -\$7,598   |
| '12-'13 | \$79,557 | \$95,771  | -\$23,863  |
| '13-'14 | \$78,454 | \$97,532  | -\$42,940  |
| '14-'15 | \$77,352 | \$99,370  | -\$64,958  |
| '15-'16 | \$76,250 | \$101,287 | -\$89,995  |
| '16-'17 | \$75,148 | \$103,289 | -\$118,136 |
| '17-'18 | \$74,046 | \$105,380 | -\$149,471 |

**Driving Assumptions:**

- By stabilizing enrollment at 4,200 students in 2018, the district achieves a performance target.
- No changes in staff or facilities from 2008 levels.
- As enrollment declines, state, local and inter-district funding declines.
- Forecast includes assumptions/data regarding inflationary impacts on funding and expenses from district’s five-year budget forecast presented to school board in February 2008.
- Forecast includes district’s proposed staff reductions for 2008 to 2013.
- Fringes, \$21 million in 2008, increase \$37 million in 2018: Retirement costs increase 4% per year for ten years; medical costs increase 10% per year for the first five years and 6% a year for the second five years.
- All general fund reserves, \$22 million, are exhausted to fund deficit.

**Major Conclusion:** This forecast shows a \$149 million deficit in 2018, a \$12 million improvement from Forecast #1 (3868 students). Stabilizing enrollment at 4,200 students will not resolve the deficit.

**Forecast #3: 3,868 Students in 2018 with Teacher Reductions**



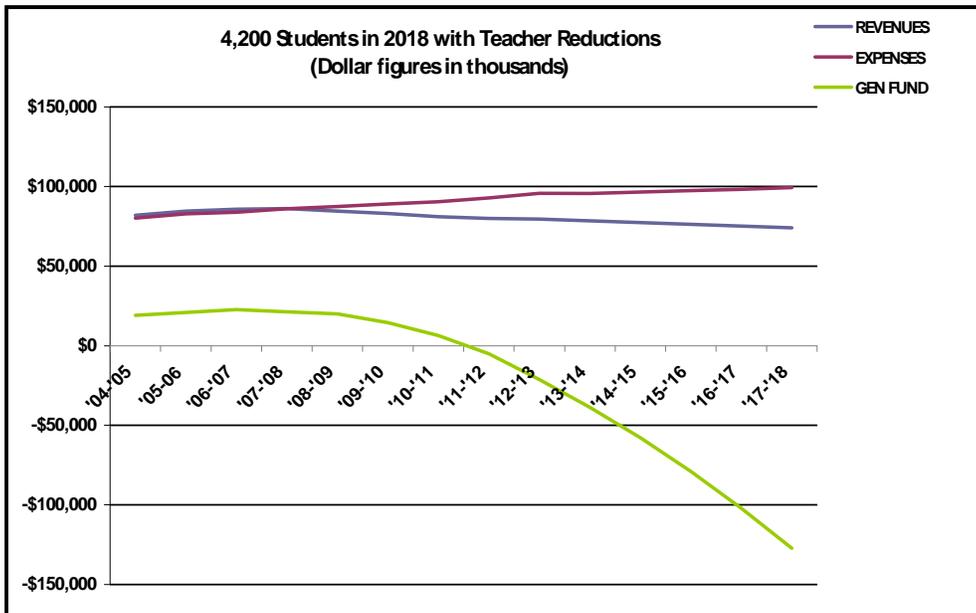
|         | REVENUES | EXPENSES | GEN FUND   |
|---------|----------|----------|------------|
| '04-'05 | \$81,902 | \$80,044 | \$19,077   |
| '05-'06 | \$84,548 | \$82,780 | \$20,845   |
| '06-'07 | \$85,657 | \$83,865 | \$22,637   |
| '07-'08 | \$86,068 | \$86,062 | \$21,350   |
| '08-'09 | \$85,489 | \$86,592 | \$18,858   |
| '09-'10 | \$83,787 | \$88,197 | \$13,592   |
| '10-'11 | \$81,571 | \$89,563 | \$5,600    |
| '11-'12 | \$80,232 | \$92,100 | -\$6,268   |
| '12-'13 | \$79,011 | \$94,498 | -\$22,255  |
| '13-'14 | \$76,998 | \$94,974 | -\$40,231  |
| '14-'15 | \$75,414 | \$95,451 | -\$60,269  |
| '15-'16 | \$74,116 | \$96,030 | -\$82,182  |
| '16-'17 | \$72,928 | \$96,712 | -\$105,967 |
| '17-'18 | \$71,938 | \$97,503 | -\$131,531 |

**Driving Assumptions:**

- As enrollment declines, state, local and inter-district funding declines.
- Forecast includes assumptions/data regarding inflationary impacts on funding and expenses from district’s five-year budget forecast presented to school board in February 2008.
- Fringes, \$21 million in 2008, increase \$37 million in 2018: Retirement costs increase 4% per year for ten years; medical costs increase 10% per year for the first five years and 6% a year for the second five years.
- All general fund reserves, \$22 million, are exhausted to fund deficit.
- In addition to the district’s proposed staff reductions for 2008 to 2013, the teaching staff was reduced by an additional 108 teachers in even annual increments over the ten-year planning period while maintaining the district’s current 14:1 student to teacher ratio.

**Major Conclusion:** With a forecasted enrollment of 3,868 students, the reductions in teaching staff reduce the Forecast #1 deficit of \$161 million to \$131 million. Reducing teachers alone will not resolve the deficit.

## Forecast #4: 4,200 Students in 2018 with Teacher Reductions



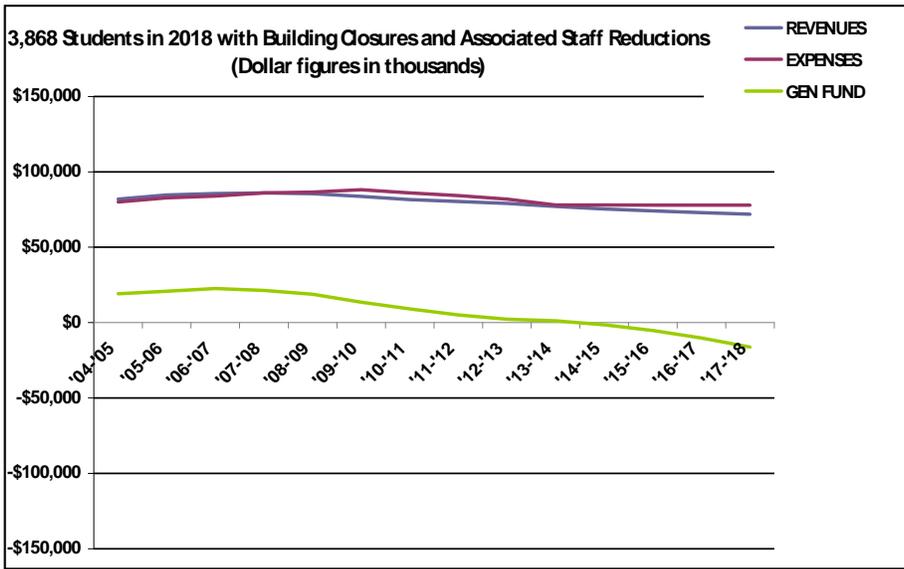
|         | REVENUES | EXPENSES | GEN FUND   |
|---------|----------|----------|------------|
| '04-'05 | \$81,902 | \$80,044 | \$19,077   |
| '05-'06 | \$84,548 | \$82,780 | \$20,845   |
| '06-'07 | \$85,657 | \$83,865 | \$22,637   |
| '07-'08 | \$86,068 | \$86,062 | \$21,350   |
| '08-'09 | \$84,489 | \$87,332 | \$19,944   |
| '09-'10 | \$82,962 | \$88,955 | \$14,510   |
| '10-'11 | \$81,071 | \$90,340 | \$6,396    |
| '11-'12 | \$80,032 | \$92,898 | -\$5,073   |
| '12-'13 | \$79,557 | \$95,771 | -\$21,338  |
| '13-'14 | \$78,454 | \$95,582 | -\$38,735  |
| '14-'15 | \$77,352 | \$96,551 | -\$57,933  |
| '15-'16 | \$76,250 | \$97,343 | -\$79,027  |
| '16-'17 | \$75,148 | \$98,233 | -\$102,112 |
| '17-'18 | \$74,046 | \$99,224 | -\$127,291 |

### Driving Assumptions:

- As enrollment declines, state, local and inter-district funding declines.
- Forecast includes assumptions/data regarding inflationary impacts on funding and expenses from district's five-year budget forecast presented to school board in February 2008.
- Fringes, \$21 million in 2008, increase \$37 million in 2018: Retirement costs increase 4% per year for ten years; medical costs increase 10% per year for the first five years and 6% a year for the second five years.
- All general fund reserves, \$22 million, are exhausted to fund deficit.
- In addition to the district's proposed staff reductions for 2008 to 2013, the teaching staff was reduced by an additional 80 teachers in even annual increments over the ten-year planning period while maintaining our current 14:1 student to teacher ratio.

**Major Conclusion:** Stabilizing the enrollment at 4,200 students reduces the deficit in Forecast #3 by \$4 million. Further changes are required to resolve the deficit.

**Forecast #5: 3,868 Students in 2018 with Building Closures and Associated Staff Reductions**



|         | REVENUES | EXPENSES | GEN FUND  |
|---------|----------|----------|-----------|
| '04-'05 | \$81,902 | \$80,044 | \$19,077  |
| '05-'06 | \$84,548 | \$82,780 | \$20,845  |
| '06-'07 | \$85,657 | \$83,865 | \$22,637  |
| '07-'08 | \$86,068 | \$86,062 | \$21,350  |
| '08-'09 | \$85,489 | \$86,592 | \$18,858  |
| '09-'10 | \$83,787 | \$88,197 | \$13,592  |
| '10-'11 | \$81,571 | \$86,047 | \$9,116   |
| '11-'12 | \$80,282 | \$84,234 | \$5,163   |
| '12-'13 | \$79,061 | \$81,843 | \$2,332   |
| '13-'14 | \$76,998 | \$78,132 | \$1,198   |
| '14-'15 | \$75,414 | \$78,025 | -\$1,414  |
| '15-'16 | \$74,116 | \$77,959 | -\$5,257  |
| '16-'17 | \$72,928 | \$77,933 | -\$10,262 |
| '17-'18 | \$71,938 | \$77,947 | -\$16,271 |

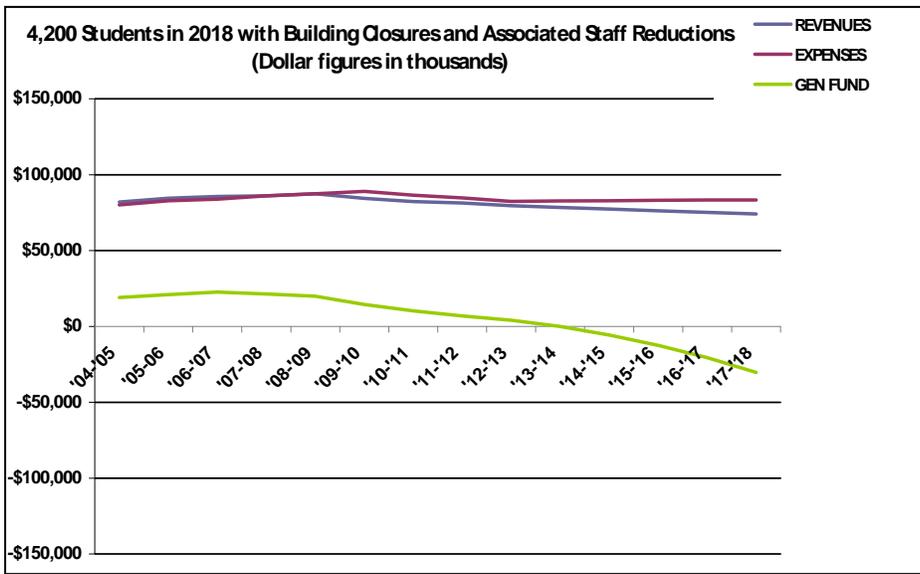
**Driving Assumptions:**

- As enrollment declines, state, local and inter-district funding declines.
- Forecast includes assumptions/data regarding inflationary impacts on funding and expenses from district’s five-year budget forecast presented to school board in February 2008.
- Fringes, \$21 million in 2008, increase \$37 million in 2018: Retirement costs increases 4% per year for ten years; medical costs increase 10% per year for the first five years and 6% a year for the second five years.
- In addition to the district’s proposed staff reductions for 2008 to 2013, the teaching staff was reduced by an additional 108 teachers in even annual increments over the ten-year planning period.
- All general fund reserves, \$22 million, are exhausted to fund deficit
- The following schools were closed:
  - An elementary school in 2010-11
  - A middle school in 2011-12
  - A high school in 2012-13
  - A second elementary school in 2013-14
- Operations and maintenance savings from school closures (includes non-teaching staff/facilities support) are assumed as follows:
  - Elementary school – \$600K/year
  - Middle school – \$800K/year
  - High school – \$1 Million/year

- District efficiencies, reductions in salaries and fringes from combining smaller classes which may result in higher student-teacher ratios (but not higher class size ratios) and fewer non-teacher support staff, are assumed as follows:
  - Elementary schools – 4%/year
  - Middle schools – 5%/year
  - High school – 6%/year

**Major Conclusion:** Only a significant downsizing of the district’s staff and facilities will reduce the projected deficit for 3,868 students to a manageable size - \$16 million.

**Forecast #6: 4,200 Students in 2018 with Building Closures and Associated Staff Reductions**



|         | REVENUES | EXPENSES | GEN FUND  |
|---------|----------|----------|-----------|
| '04-'05 | \$81,902 | \$80,044 | \$19,077  |
| '05-'06 | \$84,548 | \$82,780 | \$20,845  |
| '06-'07 | \$85,657 | \$83,865 | \$22,637  |
| '07-'08 | \$86,068 | \$86,062 | \$21,350  |
| '08-'09 | \$87,315 | \$87,332 | \$19,944  |
| '09-'10 | \$84,377 | \$88,955 | \$14,510  |
| '10-'11 | \$82,227 | \$86,541 | \$10,196  |
| '11-'12 | \$81,429 | \$84,729 | \$6,896   |
| '12-'13 | \$79,557 | \$82,335 | \$4,067   |
| '13-'14 | \$78,454 | \$82,628 | -\$107    |
| '14-'15 | \$77,352 | \$82,840 | -\$5,594  |
| '15-'16 | \$76,250 | \$83,094 | -\$12,439 |
| '16-'17 | \$75,148 | \$83,392 | -\$20,683 |
| '17-'18 | \$74,046 | \$83,375 | -\$30,372 |

**Driving Assumptions: (similar to Forecast #5, with only one elementary school closure)**

- As enrollment declines, state, local and inter-district funding declines.
- Forecast includes assumptions/data regarding inflationary impacts on funding and expenses from district’s five-year budget forecast presented to school board in February 2008.
- Fringes, \$21 million in 2008, increase \$37 million in 2018: Retirement costs increase 4% per year for ten years; medical costs increase 10% per year for the first five years and 6% a year for the second five years.
- In addition to the district’s proposed staff reductions for 2008 to 2013, the teaching staff was reduced by an additional 80 teachers in even annual increments over the ten-year planning period.
- All general fund reserves, \$22 million, are exhausted to fund deficit

- The following schools were closed:
  - An elementary school in 2010-11
  - A middle school in 2011-12
  - A high school in 2012-13
  
- Operations and maintenance savings from school closures (includes non teaching staff/facilities support) are assumed as follows:
  - Elementary school – \$600K/year
  - Middle school – \$800K/year
  - High school – \$1 Million/year
  
- District efficiencies, reductions in salaries and fringes from combining smaller classes, which may result in higher student-teacher ratios (but not higher class size ratios) and fewer non-teacher support staff, are assumed as follows:
  - Elementary schools – 4%/year
  - Middle schools – 5%/year
  - High school – 6%/year

**Major Conclusion:** This forecast assessed the impact of increasing enrollment on the deficit versus closing only one elementary school. The deficit increased from \$16 million in Forecast #5 to \$30 million. The conclusion indicates that closing two elementary schools will most likely be necessary.

### **Strategies for Sustaining our Financial Success in a Downturn**

We face a major financial challenge caused by enrollment declines, the failure of the state to keep our funding apace with inflation, and escalating benefit and operations costs. We will react quickly as we embark on managing our finances through this down cycle. We have a positive balance sheet, considerable reserves and very little debt – \$2.5 million a year, or less than 3% of general fund revenue. We also have a competent, awarding winning financial management team who has helped us identify a broad array of strategies required to sustain our financial position to provide the leverage we need to become a National Lighthouse District.

#### **Strategy 3.1: Tighten our Belts while Leveraging Revenue Opportunities**

We intend to consider a wide variety of belt-tightening options to reduce our cost of operations while leveraging opportunities to increase our revenue. Below are some of the options under consideration, many of them raised by stakeholders during the strategic planning process. (Note: we are already implementing many of these opportunities.)

1. Belting tightening opportunities:
  - a. Reduce vehicle fleets
  - b. Reduce bus routes as practical

- c. Increase consolidation of purchasing with neighboring districts to increase buying power
- d. Freeze budgets for all schools
- e. Freeze budgets for central support departments

2. Leveraging revenue opportunities:

- a. Increase tuition rates for non-resident students
- b. Increase rates for Farm and Nature Center usage
- c. Institute fees for co-curricular activities
- d. Increase BH Booster Family Pass fees
- e. Explore out-sourcing the management of facility rentals activity (to increase rental revenue)
- f. Explore opportunities for selling “excess capacity” in food services/transportation services to other districts

**Strategy 3.2: Consolidate and Close Schools**

Our district’s schools are currently underutilized based on enrollment. As enrollments decline (see chart on next page) it will be difficult to develop and sustain a National Lighthouse Curriculum without restructuring facilities. Programs will be stressed by too few students and will require excess transportation between schools to fill up classes. (Note: we transport 200 students daily between Andover and Lahser.) The enrollment tipping points for decisions on closing and consolidating schools are as follows:

- Less than 300 students in an elementary school
- Less than 100 students per grade in a middle school
- Less than 800 students in a high school

Based on preliminary estimates, we project fixed cost savings of \$600,000, \$800,000 and \$1,000,000 respectively for each elementary, middle or high school that is closed. We intend to develop a five-year plan for school closings, including a student assignment plan that will help us optimize transportation routes and class sizes. As we close or consolidate schools, we will attempt to hold on to our elementary schools at our district’s perimeters as these schools are simultaneously good defense and offense. They both attract new residents at the borders and keep current residents from moving.



## Current Enrollment and Forecasted Resident Student Enrollment (ESI 2007 Forecast)

| <i>School/Enrollment</i>        | <i>2008/09</i>         | <i>2013/14</i>   |
|---------------------------------|------------------------|--|
| <i>Conant Elementary</i>        | 330                    | 201  |
| <i>Eastover Elementary</i>      | 347                    | 361  |
| <i>Hickory Grove Elementary</i> | 352                    | 336  |
| <i>Lone Pine Elementary</i>     | 273                    | 230  |
| <i>Pine Lake Elementary</i>     | 263                    | 223  |
| <i>Way Elementary</i>           | 346                    | 247  |
| <i>Bloomfield Hills Middle</i>  | 476                    | 378  |
|                                 | <i>All grades 100+</i> | <i>6<sup>th</sup> Grade @ 89</i>                       |
| <i>East Hills Middle</i>        | 460                    | 380  |
|                                 | <i>All grades 100+</i> | <i>All grades 100+</i>                                 |
| <i>West Hills Middle</i>        | 366                    | 324  |
|                                 | <i>All grades 100+</i> | <i>6<sup>th</sup> / 7<sup>th</sup> Grades @98 each</i> |
| <i>Andover High School*</i>     | 895                    | 860  |
| <i>Lahser High School*</i>      | 946                    | 790  |

*\*Numbers are residents only, but they do include approximately 130 students attending the International Academy. Numbers do NOT include Deaf/Hard of Hearing students at Lahser, non-resident tuition students or children of employees, or the Academic Resource Program students at Andover. The net effect of the two groups at IA and those not included is a “wash”. Therefore, the numbers reflect a good estimate of the actual students that will be at Andover and Lahser.*

### **Strategy 3.3: Consolidate Administrative Staff at One Site**

Currently, our Executive/Administrative staff is scattered throughout the district in several offices, including the Administration Center at 4175 Andover Rd., the Business Office at 4200 Andover Rd., the Maintenance/Operations Office at 4220 Andover Rd., the Transportation Office at 2780 Kensington Rd. and the Gary M. Doyle Center of Professional Development at 7273 Wing Lake Rd.

We intend to co-locate the executive/administrative staff at one site. Co-location will not only offer cost savings due to facility closings, it will help the staff perform more effectively as a team, a significant step towards building a high-performing team culture needed to support our recommended community partnership strategies. In the past two years, we have received feedback from reputable sources, which support this idea. After touring our office spaces, Ms. Jennifer Tallman McLean, CEO of Diversified Property Services said:

*As you are currently utilizing your facilities, there are inefficiencies in terms of departmental adjacencies, utilization of staff, workstation effectiveness in terms of size and configurations, as well as overall usage and placement of your ancillary areas such as copy/fax areas, storage areas, conference rooms, etc. Additionally, there is lost time in the transitioning of your employees traveling from one facility to another for meetings, daily communication and day-to-day interaction with one another.*

In 2006, Berkshire Advisors, Inc. conducted a central office administrative staffing study, in which they stated:

*The District should consolidate most of its central office operations in one location. Excessive meetings are scheduled to address minor issues that could be addressed by a five-minute conversation if staff were located in the same facility. In addition, staff from the Doyle Center wastes significant time traveling to frequent meetings at the board office.*

### **Strategy 3.4: Implement Cost Saving Strategies in Non-Core Services such as Custodial (Janitorial/Grounds) and Transportation Services**

School districts in Southeast Michigan are making news by saving costs through outsourcing, as shown below in the excerpt from the March 27, 2008 article in the Observer-Eccentric by Jay M. Grossman.

*Bus drivers and custodial workers for Birmingham Schools will soon find out whether they have jobs next year. The school board will consider a recommendation to privatize those services at its first meeting in April. The discussions are based on a study, prepared by the district, indicating possible savings of more than \$3 million if those two areas are contracted out. But the savings will eliminate the jobs of 75 bus drivers and 61 custodians who currently work for Birmingham Schools. They are paid between \$16.20 and \$18.30 an hour. According to the study, a private company could replace those employees with contracted workers who would earn less than \$12 an hour. The district also saves through the elimination of health care and paid holidays, as the vendor would be responsible for those benefits.*

Outsourcing is controversial in any community and the stakeholder input received during the development of this reflected the same. In general, our school parents and teachers are against outsourcing, as they fear private companies will not be loyal to our district, in particular, they will not be as likely to form close and caring relationships with our students. Our parents do not want new bus drivers or janitors who will not have emotional stakes in their children or their facilities. On the other hand, other stakeholders support outsourcing as a legitimate and widely used cost savings strategy.

We spent \$3.5 million on transportation services in 2007 and about \$4.8 million on custodial services. Outsourcing could save our District substantial dollars (assuming the Birmingham model has validity). We must first gather all of the relevant data on our costs and management structure burden. After evaluating that information, we will lay out a reasonable set of achievable goals, paying special attention to the totality of costs, including a cost benefit analysis of current work rules. Yet, as measure of our commitment to our staff, we intend to begin our outsourcing study by addressing our staff's potential to reengineer operations and reduce costs to the level that outsourcing would not be in our best interest.

### **Strategy 3.5: Drive Down Benefit Cost Escalation**

Our district's health care costs are forecasted to increase between 6% and 10% a year for the next ten years. Similarly, retirement costs (which are established by the state of Michigan) are forecasted to increase at 4% a year. In 2007, fringes (benefits) were 43% of District General Fund salaries.

Without significant staff reductions, fringes will consume more and more of the District's revenues. For example, in Forecast #5, even with staff reductions, fringe benefits increase from present day \$21 million to \$30.5 million (not shown on graph or table).

Our stakeholders may not be aware of our efforts to control health care costs:

- Eighteen years ago, we began contracting directly with Blue Cross/Blue Shield for medical coverage instead of using the MEA affiliate MESSA to administer the medical benefits. Cost savings continue to be passed on to the district.
- Ten years ago, we instituted a self-funded health plan through Blue Cross/Blue Shield for medical benefits, instead of paying insurance premiums. Cost savings are realized through the elimination of up-front premiums and elimination of some of the carrying costs that commercial insurers pass on to their clients.
- We require eligible employees to annually enroll for health care coverage, which eliminates dependants who are no longer eligible for coverage.
- We emphasize employee wellness through preventative services and annual health risk assessments, which are expected to reduce long term health costs and increase employee productivity.

Although retirement contributions are controlled by the state, we can work with our union leadership to contain health care costs. The Human Resources department is currently involved in interest based contract bargaining with our unions. Given the impact of health care costs on the finances, we intend to work with our unions as partners to fight escalating health care costs.

### **Strategy 3.6: Sell Non-Contributing Assets**

We own over 500 acres of land, some of which could be sold for development. Although the current real estate market is depressed, it will eventually stabilize. We intend to evaluate potential sales of our acreage on Wabeek and other sites as they become available due to consolidation. These other sites might include:

- School sites
- Office sites
- Other assets or portions of them considered to be underutilized as enrollment declines.

### **Strategy 3.7: Consider and Make Necessary Staff Reductions**

Unfortunately, staff reductions in alignment with enrollment declines will be a mainstay in our approach to managing oncoming deficits. Although perhaps the strongest consensus achieved in the stakeholder interviews and focus groups was maintaining small class sizes in the district, class sizes may have to increase. We intend to develop a five-year plan to reduce staff in accordance with forecasted enrollment declines. As for the non-teaching staff, the district is participating in a benchmarking study with other Oakland County School Districts and will use the results to align itself, as appropriate with nearby districts in departmental expenditures as a percentage of total expenditures.

### **Strategy 3.8: Launch BHS Foundation**

We hired Community Counseling Service (CCS) to conduct a Feasibility and Planning Study in the spring/summer of 2006. The objective of the research was to gauge the community's attitudes toward privately funded K-12 co-curricular activities. Co-curricular activities fall outside of our core academics. Examples include: music, visual and performing arts, athletics, special interest clubs and before-school and after-school activities. CSC interviewed 91 people and found that 44% of those interviewed were very supportive of launching a fund raising campaign and 37% were supportive. 61% of those interviewed felt that a goal of \$40 million in the BHS foundation endowment was achievable within three-five years. In summary, CCS reported that Bloomfield Hills Schools that the key ingredients are present for a successful private fund raising campaign.

As this study was conducted in 2006, a year before significant real estate declines impacted Southeast Michigan, the results of the CSC Study might show a different result today. Indeed, there may be a better case in the current depressed economic environment for wealthy donor participation given the state's reluctance to keep district funding apace with inflation. We intend to hire a development director or a consultant to prepare a detailed plan to start the BHS foundation and build an endowment fund. A yearlong fund raising pilot will be launched to ascertain the probability of achieving a \$40 million target in the next ten years.

### **Strategy 3.9: Influence Changes in BHS State Funding**

From a state legislative reform perspective, there does not appear to be any movement toward dramatically changing the school financing laws in the near term. The current view of Proposal A is that it has been successful for its two primary purposes – controlling property taxes and reducing the gap between school districts. AEG has confirmed this perspective and holds that Proposal A will remain unchanged for the next five years. However, there are two trends that may open up the school-funding door to change in the next few years: the downturn in Michigan's economy and the belief that we need a highly-educated workforce.

If and when the state legislature addresses the funding formula to close the gaps between districts, BHS will need a strong lobbyist to look out for our best interests. Although it's not likely that we will be able to make a successful economic case that we should get a larger foundation grant, we should be ready to explore making the case based on our special role as a Lighthouse District. As such, we would be poised to operate as a demonstration site, willing to help train others, and possibly even offer on-line courses to students in other districts. Yes in the age of the Internet, Newberry students from the Upper Peninsula could take courses through BHS. We will explore retaining our own lobbyist to represent our interests in Lansing. (Note: we currently share a lobbyist with Oakland Intermediate School District.) A lobbyist could focus on informing key representatives in Lansing about the harmful impact of the increasing equity gap.



## Objective # 4: Build and Maintain Lighthouse Facilities

### Performance Targets

1. Measured by a periodic survey, our facilities will be the pride of our community.
2. Measured by a new resident survey, our facilities will draw new families into our community.
3. The integration of our unique assets (the Farm, the Nature Center and the Stone Schoolhouse) for educational use will contribute to a national reputation for educational innovation. Note: we intend to develop a baseline assessment for this target with our network of national peer districts (see Strategy 2.2, Adopt an Inside-Outside Mindset).

### Supporting Rationale

Of the four goals in our strategic plan, none has more power to create passion and conflict than the question of what to do with our facilities. In 2007, the community defeated a bond initiative to build two new high schools. The election was a hard fight and the results left bitter feelings in the hearts of both “winners” and “losers”. The result was a factor in our decision to seek a facilitator (Project Innovations) to engage the community in a strategic planning process, an effort focused on getting beyond some of the bitter feelings through a collaborative community outreach.

The Project Innovations’ team toured our facilities and spent many hours in several of our buildings conducting meetings and interviews. Although the engineering expert on their team, Dave Vago of Wade-Trim and Associates, did not conduct an engineering assessment of our facilities (outside the scope of this strategic plan), he met with our Director of Physical Plant Services, reviewed our annual capital improvement plans and the 2003 facility assessment conducted by George Auch and Associates, the planning foundation for our sinking fund improvement projects. Based on these interactions, Project Innovations had the following observations:

1. *The District has the typical array of instructional facilities as well as three unique facilities that set it apart from other public school districts.*
  - *Six elementary schools, three middle schools, two comprehensive high schools*
  - *A consortium high school serving twelve districts (International Academy)*
  - *A special educational facility (Wing Lake, under construction and due to open in the next school year)*
  - *An elementary school repurposed as a pre-kindergarten/day facility (Fox Hills)*
  - *An elementary school repurposed as an administrative office and a senior center (Doyle Center)*
  - *An administrative/board of education office*
  - *An 87 acre farm that houses the Bowers Academy (unique facility)*
  - *The 32 acre E.L. Johnson Nature Center (unique facility)*
  - *Wing Lake Stone Schoolhouse (unique facility, opened in 1859)*

2. *The facilities and the grounds are well maintained and clean. Many elementary and middle school facilities have freshened exteriors due to sinking fund work. We did not see any broken windows, doors, damaged rest room facilities, etc.*
  
3. *The new Wing Lake School will become a new jewel in the district's crown. It features many energy efficient technologies and a state of the art design envelope.*
  
4. *We are struck by the age of the district's facilities. The core instructional facilities were built between 1955 and 1967. The district's high schools in particular (Andover and Lahser) compare poorly with new or renovated high schools in neighboring districts (Birmingham, Novi, Walled Lake, etc.). In less than an hour in these schools combined, we saw the following signs of "comparative" decline:*
  - *Walking through the schools was like walking through labyrinths – lots of twist, turns, and shadows in the corners. One can only wonder how the school management could assure that all students and staff were evacuated during an emergency or how either school, especially Andover, could assure parents that the school is safe from unwanted visitors during school hours.*
  
  - *The high school classrooms seemed small, in fact, they looked smaller than the district's elementary school classrooms, especially when filled with students.*
  
  - *Both schools lacked spacious and airy places for collaboration and flexible instructional programming – hallmarks of new school buildings.*
  
  - *Aesthetically, the schools are a hodge-podge of old and new, including windows, doors, ceilings, large interactive white boards in cramped classrooms, etc.*
  
  - *Neither high school has an inviting exterior. Andover is spread out without a definable point of entrance, e.g. we had to ask the guard in the parking lot how and where to enter the school. The front entrance at Lahser is a cement landing with trees growing out of metal grates and could be mistaken for the front of a state or county correctional facility.*
  
  - *Both high schools would seem to be maintenance headaches as well as energy sinkholes. HVAC installations are scattered across the roof at Andover and we noticed many single pane windows in both facilities.*
  
5. *Although we haven't collected data on this assumption, we think efforts to increase student enrollment are hampered by the state of the district's high schools. We believe that school shopping parents find good instructional programs with excellent high school facilities in other communities and move there, thus threatening community property values and district budget stability.*

6. *The district's elementary and middle schools have been significantly upgraded during the last four years, including mechanical systems, ceilings, lighting and flooring. BHS sinking fund investments in these schools include:*
- *Conant Elementary - \$735K, including a roof replacement for \$452K*
  - *Eastover Elementary - \$676K, including \$252K for flooring and \$193 for roof replacement*
  - *Hickory Grove Elementary - \$868K, including \$282K for flooring and \$387 for roof replacement*
  - *Lone Pine Elementary - \$827K, including \$320 for flooring and \$299K for roof replacement*
  - *Pine Lake Elementary - \$699K, including \$264 for flooring and \$251 for roof replacement*
  - *Way Elementary - \$210K, including \$101K for concrete*
  - *Bloomfield Hills Middle - \$1.5M, including \$815K for roof replacement*
  - *East Hills Middle - \$1.3M, including \$502K for roof replacement*
  - *West Hills Middle - \$1.4M, including \$380K for roof replacement and \$160K for HVAC upgrades*
7. *The District's current facilities have no value as historical or architecturally significant sites, except for the Wing Lake Stone Schoolhouse. Note: there is a proposed community project to relocate the Benjamin-Barton House, built in the 1830's, to the Bowers Farm.*

### **Design Principles for Facilities of the Future**

Any discussion on facilities should begin with the learners. What will our future learners need from school facilities? What will teachers need? What will communities need? For some thought on the best and future “environment” for learners, we turn to William S. DeJong, CEO and founder of DeJONG, Inc., a nationally recognized educational facilities planning firm. In a 2007 press release, he said, “The debate over what constitutes an effective school facility will continue for the foreseeable future. However, we can agree upon one thing: planning future public schools should be based upon identifying global, societal and education trends.”

DeJong, whose firm is currently managing planning projects for the Portland Public Schools, Grand Rapids Schools and New Orleans Schools, outlined the top 10 trends in school facility planning. We believe these trends should be in the center of any conversation about the future of the facilities.

1. *Declining Enrollment - Americans have already experienced the Baby Boom, Baby Bust, Echo Boom and now the Echo Bust. The overall decline is currently working its way through elementary and middle schools and will move through high schools within the next 10 years. There is tough work ahead, including downsizing and rightsizing staff, budgets and facilities.*
2. *Life beyond No Child Left Behind - The past decade has been dominated by testing and meeting Adequate Yearly Progress guidelines, with a focus on augmenting English, math and science education. Unfortunately, the social sciences, arts and humanities have suffered. This does not mean testing and accountability aren't important. However, as we move into the future, we will realize our country's competitive edge in a global economy is creativity and innovation, which are derived, in part, from the arts.*
3. *Any Place, Any Time Learning - With advances in technology, learning can occur 24/7/365. High-speed access is available in the home, on the streets, in malls and even on school buses. Students have always learned outside of school buildings and new technological possibilities will challenge traditional school facilities even further.*

4. *Flexible Buildings - Multiple forms of program delivery are evolving: self-contained, project based, teaming, schools within schools, magnet/thematic schools and many others. School facility designs must allow for pedagogical changes, which means the concept of flexible buildings is moving to totally new definitions. With changing demographics, the advent of charter schools, an inability to make long-term decisions and uncertain futures, new forms of schools must emerge in which the same building (with minor alterations) can become an elementary school, middle school or even a small high school.*
5. *Global Focus - Jobs that have gone off shore are not coming back. China is beginning to require schools to teach English. More than 10% of all of construction cranes in the world are in Dubai. Now fast forward 20 years ... will the United States still be the center of the universe? Maybe, maybe not; it depends on how we address these challenges. We need to be globally focused.*
6. *Modernizing Democracy - New forms of community involvement, collaboration and decision-making are evolving though Web-based questionnaires, blogs and online community forums. A wide variety of independent school boards and/or committees are being considered as more schools become thematic or charter-based. Facility planning is becoming increasingly transparent as a result of new technologies and increased access to data.*
7. *Green Buildings/Sustainability - Green buildings are on the radar screen. Future schools design will incorporate energy efficiency and a greater concern about the environment. New laws and standards are on the horizon too. For example, the Leadership in Energy and Environmental Design (LEED) Green Building Rating System is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.*
8. *Geographical Information Systems (GIS) - GIS has evolved as the new software standard for facility planning and management. It provides new ways to visually display complex data so it is more understandable. GIS is increasingly used for demographic planning and for visualizing facility options, such as school closures or alternatives for redistricting.*
9. *Safety and Security - The tragedy at Virginia Tech reminds us how vitally important safety and security are. The way a building is laid out or how the program is organized have the biggest impact on safety and security. This is far more important than active security systems like motion detectors or surveillance cameras.*
10. *Renovations, Modernizations and Replacements - School buildings built in the 1950's and 60's during the post WWII baby boom era are aging. Unfortunately these were not our finest buildings. The process has begun to fully modernize or replace these facilities. This will continue for the next 15 years.*

## **Strategy 4.1: Develop a Facilities Master Plan**

Given the need to close and/or consolidate school buildings and to update our facilities, we intend to develop a twenty-year Facilities Master Plan (FMP). At this point, we are undecided about creating the plan in house or engaging a planning firm to lead the FMP development. If we do engage a planning firm, we will cast a wide net in our procurement process. Regardless of the team used to develop the FMP, we will involve the community in the planning process, including: parents, students, teachers and administrative staff, the Board, outside professionals, local municipal government and citizens. In particular, we will reach out to Bloomfield Township for support and feedback during this planning process.

Although we do not currently have a formal FMP, our district has been proactive in facilities management. In the last decade (1997), after assessing our needs, we asked for and received voter approval on a bond issue that provided \$25 million for renovation of facilities, science rooms, technology and gymnasiums at the high schools. All of the projects associated with this bond issue have been completed. The current debt millage is 0.67 mill and will be fully repaid in 2015.

Current funding for capital projects is provided primarily by a sinking fund millage approved in 2004. This 1.5 millage levy generates more than \$5 million annually (\$5.6 million in 2006-2007) and is limited to construction and repair of school buildings. A ten-year plan exists for using the funds and our Board approves a list of projects each fall for the succeeding year. Given the enrollment and financial challenges we face, the time is ripe for us to extend the timeline of our planning process to a twenty-year horizon.

The FMP will outline the current status and future use of district facilities and will guide the development of future capital bonds or levies. Although we are about to develop a Mechanical Master Plan, this plan will be limited to assessing the mechanical condition of our facilities. A broader plan is needed to shape future facility decisions and should be based on current and projected enrollment, teaching trends, our student assignment plans, the building inventory and this strategic plan. The principles for these decisions and recommendations are as follows:

- Support the visionary goal of becoming a National Lighthouse District by 2018
- Observe best estimate(s) of future enrollment
- Keep schools as small as possible within instructional, programmatic and fiscal restraints
- Flexibility - leverage facilities for multiple educational and community uses
- “Any Place, Any Time Learning” is the wave of the future in education
- Maintain schools on our perimeter to the extent possible
- Support national and local policies and LEED initiatives related to the environment, indoor health and energy conservation
- For any new construction, minimize taxpayer burden by leveraging our reserve funds, renewals of current millages, and sinking fund revenues

## **Strategy 4.2: Prepare for a Single High School Future**

As a result of their assessment process, Project Innovations recommended that we replace our two high schools with one high school that would become an environmental showcase, as a gold certified LEED high school while providing the most flexible learning environment for our students. As noted by DeJong, LEED stands for Leadership in Environmental and Energy Design and is a certification bestowed by the United States Green Building Council. Currently, there are no gold certified high schools in Michigan. Project Innovations believes a LEED high school would not only become the pride of our community, it has the potential to save more than a million dollars in operating costs annually over twenty years. This would provide an improved and healthier environment for our staff and students. In addition, it would become a special jewel along side our other unique assets – the Farm, the Nature Center and our Stone Schoolhouse.

At a well-attended community meeting on May 19, 2008, Project Innovations presented a “strawman” concept for dealing with our current facilities, which included the rationale behind their suggestion for building a gold certified LEED high school. At this time, we can neither oppose nor support this “strawman.” In fact, we have serious reservations, including but not limited to:

- The proposed location (Bloomfield Hills Middle School/Conant Elementary School) is smaller than Andover
- The proposed location is a residential neighborhood and traffic may be problematic
- The proposed location has wet lands that will require an environmental study
- A detailed estimate of the costs of building new vs. renovation has not been accomplished (not in Project Innovations scope of work)

Despite the above reservations, we have included the Project Innovations Strawman in this document to prompt further exploration during the development of the FMP.

### **The Project Innovations Strawman**

1. Close Conant Elementary and Bloomfield Hills Middle School – according to the ESI 2007 forecasts, enrollments will decline at both schools and since the district needs to close schools, it should begin with centrally located facilities like Conant and Bloomfield Middle in order to preserve the perimeter schools.
2. Build a New High School at the Conant/Bloomfield Site (see BHS High School Build New vs. Renovate Chart)

- *One of the high schools needs to be closed for the following reasons:*
  - a. *Funding shortages*
  - b. *Enrollment declines will increase facility overhead costs*
  - c. *Enrollment declines will compromise curriculum, teaching, and learning*
  - d. *Learning communities will become too small*
- *Andover needs to be replaced and is not worth renovating.*
- *Renovating Lahser will cost more than \$60 million dollars and will cause years of disruption for students and staff. A rough estimate of this renovation cost, inserted in the chart on the following page, includes:*
  - a. *\$31.3. million for base needs, excluding work performed for sinking fund, (Source: 2006 Auch Study)*
  - b. *\$11.7 million, impact of inflation on above estimate, assuming 2013 dollars*
  - c. *\$18.0 million, adding 90,000 square feet at Lahser to accommodate Andover students per national guidelines of recommend square feet per student*
  - d. *\$1 million for demolishing Andover*
- *Building a LEED certified high school will cost more than renovating Lahser, but will save costs in the long run and be much less disruptive to students*
- *Building at Conant/Bloomfield would require successful outcomes to traffic and environmental studies*
- *If the community decides to renovate Lahser to save money, in thirty years, it will have one outdated school that is 71 years old. We don't believe this is a desired situation for the district.*

3. *Build a LEED Certified High School* - *a LEED certified high school would not only save the district energy, water and waste management costs, it would support the district's visionary goal to become a National Lighthouse District by 2018. It is a tipping point concept that simultaneously supports curriculum innovation and saves money. We also see curriculum synergies between a LEED certified high school, the Bowers Farm and the Nature Center in an intersection between sustainable farming, suburban habitat and "green" infrastructure.*

*Proven benefits from LEED schools include (Source: United States Green Building Council):*

- *Average direct energy savings of 33%*
- *Average water savings of 32%*
- *More than \$95,000 annual savings in water and energy per school*
- *3% increase in student productivity, learning and performance*

- 3% decrease in teacher turnover
- Assumed but unproven improvements in student and staff health due to increased natural lighting, improved air circulation, utilization of low-emitting materials

| <b>BHS High School – Build New vs. Renovate Chart</b><br><b>Estimates for Discussion Purposes Only</b><br><b>By Dave Vago, Wade-Trim and Associates</b> |  |  |   |
|---|--|--|---|
|   | <b>One New High School</b><br>(1,800 student capacity<br>Conventional<br>Construction at<br>BHMS/Conant)                   | <b>Same High School</b><br><b>LEED Gold</b><br>(1,800 student capacity<br>at BHMS/Conant)  | <b>Renovate Lahser /</b><br><b>Demolish Andover</b><br>(1,800 student capacity<br>at Lahser)      |
| Construction Cost   | \$71.0 million   | \$73.8 million   | Ranging to \$62 million   |
| Interest Cost - 20 years<br>@ 5.0%  | \$41.9 million   | \$43.1 million   | \$36.7 million  |
| <b>Construction Cost<br/>Estimated Total</b>  | <b>\$111.9 million</b>   | <b>\$116.9 million</b>   | <b>\$98.7 million</b>   |
| Build Time  | 3 years  | 3 years  | 4 years   |
| Annual Operating Cost<br>[’07 dollars])   | \$1.2 million/yr   | \$.9 million/yr  | \$1.6 million/yr  |
| 20 Year Operating<br>Cost   | <b>\$24 million</b>  | <b>\$18 million</b>  | <b>\$32 million</b>   |
| Disruption to Students  | None   | None   | High at Lahser  |
| Other Factors   | Limited site area, environmental and traffic issues, but making use of Andover athletic fields reduces overall site needs. | Same issues as noted for non-LEED school, but plus factors include national prestige, improved learning environment, and green building. | Renovation not aligned with current parental wants and may not have positive impact on enrollment |

**BHS High School - Build New vs. Renovate Chart Notes:**

1. Construction costs for renovation will vary widely depending on level of retrofitting and reconstruction (adding new facilities).
2. Operating costs for a renovated structure will also vary widely as noted above.
3. LEED construction estimates assume a 4% construction premium and 20% reduction in operating cost per Kats, Gregory; *Greening America's Schools – Cost and Benefits*; Capital E Consulting, 2006

4. *Demolish and/Renovate Andover High School for New Central Office Site - we believe it is critical to co-locate the District's administrative staff in one building to not only improve teamwork but to also gain efficiencies from closing and disposing of unneeded buildings, like the Doyle Center (at the site of the old Booth Elementary School). Thus, we would centralize the Business Office, Instructional Services, Student Services, Technology, Human Resources, Transportation (including the bus depot), the Superintendent's office and the Board's meeting offices at one site.*
5. *Retain Andover Athletic Facilities - we believe the Conant/Bloomfield site will be too small to contain the required athletic facilities for the new high school.*
6. *Sell the Wabeek Property – use the proceeds, estimated at \$4 to 5 million, to help fund the new high school.*
7. *Sell the Booth/Doyle Property - this property will not be needed after relocation of Instructional Services, Student Services, and Technology to the Andover site.*
8. *Sell the Lahser site – this property will not be needed when a new high school is opened.*
9. *Update Remaining Elementary/Middle Schools – consider updating middle schools with swimming pools and theaters.*
10. *Maintain the Farm and the Nature Center - these are unique facilities with long run educational and community value. We would not recommend selling any portion of these assets now to fund a deficit. In general, we do not believe in resolving structural financial problems with the sale of unique assets.*

## Community Recommendations on the Facilities of the Future

At the May 19, 2008 meeting in which the Project Innovations team presented its strawman, nine groups of community members considered future enrollment projections and created recommendations regarding the number and location of our school facilities. Each group received a large district map that identified the current location of the school's facilities. They were also given pictures of the current schools. The goal was for each group to create a recommended district facilities map for 2018. Note: the following recommendations, summarized below, were made before Project Innovations presented its "strawman."

### Group 1:

- Design our facilities to support the national lighthouse curriculum.
- We believe that neighborhood elementary schools attract families.
- Any plan should consider the needs of the International Academy and Bowers Academy.
- We would consolidate these elementary schools: Pine Lake/Lone Pine & Way/Conant.
- Place elementary schools in all four quadrants (north, south, east and west), which would lead to renovating the Booth facility as an elementary school.
- Close BHMS and create a straight-line feeder system, so students go from elementary, middle and high school with the same populations.
- Consolidate the Administration staff in one location – possibly Way elementary site.

### Group 2:

- We could not arrive at a definite consolidation plan.
- Any closing decision is painful, but we would start by consolidating and closing elementary schools at Conant/Way, then we would consider consolidating Andover and Lahser.

### Group 3:

- We would consolidate the elementary schools first, protecting the perimeters thus maintaining our northern border with the Hickory Grove School, our western border with at Pine Lake or Lone Pine, or eastern border with Eastover and buttress our southern border by reopening the Booth school.
- We would combine our high schools and build a single high school at the Conant/BHMS site.
- The Andover site would contain a new central administration building, transportation and athletic fields.
- West Hills and East Hills would remain as middle schools.
- We are very concerned about the pain caused by closing schools.
- The District needs to lay out a cost savings and investment plan for all facility moves.

### Group 4:

- In 2018, we see four elementary schools, two middle schools and one high school with the Model High School located close enough for students to walk between buildings.
- We should consider putting the Model High at Andover along with central administration.
- We should create a plan with flexible building use, to accommodate differing grade configurations, i.e. a pre K-2 building.

- This is non-negotiable: we must keep our small teacher/student ratio.
- Putting a new high school at a neutral site has benefits, but we need to appreciate the emotions involved in any changes to our schools.
- We were divided on what to do about Bowers Farm – either save it as a unique asset or sell it now.

#### Group 5:

- Our financial forecasts will force us to cut costs by consolidating facilities.
- We should sell assets as appropriate to reduce cost and gain funds.
- We would locate the high school at the Andover site and consider renovation or rebuilding.
- We would sell the East Hills Middle School and keep the middle schools at West Hills and Bloomfield Hills.
- We would consolidate the Pine Lake and Lone Pine elementary schools.
- Any consideration regarding the Farm and Nature Center needs to account for emotional factors involved in a decision.

#### Group 6:

- Build a new high school at the BHMS/Conant site, making sure our other elementary and middle schools can handle the displaced students.
- Go to a 4-2-1 configuration: four elementary schools, two middle schools, and one high school.
- We support the Project Innovations recommendation to maintain elementary schools on the perimeters.
- We should consider renovating Andover and Lahser as middle schools.
- If possible, we would establish new space for the International Academy. The school is dated.
- We are concerned with ideas to sell the land. If we need land in fifteen years, what will we do if the area is built out?

#### Group 7:

- Our group could not even agree on the questions asked by the facilitator.
- We are concerned about the Project Innovations deficit projections: where do they come from?
- We question whether the “curb appeal” of any school matters. We came to this school district because of its superior test scores.
- We should not build a new administration building. We need to cut administration staff, not reward them with a new building.
- Any plans to build a new high school at the Conant/BHMS site must consider traffic.
- We should cap the cost of running the District.

#### Group 8:

- We could not arrive at a consensus.
- We need to consider what our kids need and the appearance of our community.

Group 9:

- We support preserving the perimeters with our elementary schools.
- We are concerned if we close Conant Elementary School, it will be a long distance for elementary students to travel from the south end of the district.
- We would consolidate the administration offices at one site.
- As for funding, we would convert existing sinking fund and expiring millage to finance schools.
- Re-think grade configurations. It may be more functional to have grades set up as: pre-k – 2, 3-5, 7-9, and 10-12.

As can be seen from the above we face tough discussions and decisions regarding our facilities. Although many of the groups worked in concert to face our challenges, a few were split by passionate disagreement and were not able to work together effectively. This is normal in a community workshop dealing with a hot issue. However, its important for the development of our FMP to note that the majority of the groups achieved consensus on the need to close schools, the need to move to one high school, the need to maintain small class sizes and the need to involve the community in future problem solving.

The outcomes of this meeting illustrate our commitment to work together with our entire community. With this commitment in mind, it seems appropriate to close with a quote from Abraham Lincoln: “Upon the subject of education, not presuming to dictate any plan or system respecting it, I can only say that I view it as the most important subject which we as a people can be engaged in.”

