

School Board Briefing/Proposed Action Report

Informational (no action required by Board) **Action Report** (Board will be required to take action)



DATE: May 3, 2012
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I. TITLE

Amending Board Policy 4237 to permit some advertising on the annual calendar, fields, stadiums and scoreboards **For Introduction:** May 16, 2012
For Action: June 20, 2012

II. WHY BOARD ACTION IS NECESSARY

This action will amend Board adopted Policy No. 4237. Because this is a Board approved policy, the Board must take action to change it.

III. FISCAL IMPACT/REVENUE SOURCE

Fiscal impact to this action is unknown at this time. It is expected that permitting advertising on fields, scoreboards, stadiums and the annual calendar will bring in revenue for the district and schools; however, the amount is unknown at this time. Additionally, it will cost the district some amount to promote these areas as open for advertising, as well as to process any revenue that does come in.

It is recommended that this policy be formally reevaluated in June, 2013. The point of the evaluation would be to determine how much revenue and from what sources came in during the first year of implementation, and to finalize the distribution of revenues between schools, ASB accounts, and the district.

The revenue source for this motion is unknown at this time. It is possible that the revenue generated through advertising will cover the operating costs of overseeing the advertising process. If not, the general operating fund would cover the costs of this endeavor.

Expenditure: One-time Annual Other Source

IV. POLICY IMPLICATION

Board Policy No. 4237 currently does not permit advertising on district property. This policy, in combination with our nutrition policy, has resulted in a substantial decline of ASB funds, especially in our high schools, that were generated through food sales and advertising on vending machines.

By amending this policy to allow limited advertising on our annual calendar, fields, stadiums and scoreboards, it is hoped that some revenue can be generated to offset that loss in the schools.

V. RECOMMENDED MOTION

I move that Board Policy No. 4237 be amended to permit some advertising on the annual calendar and on fields, stadiums, scoreboards, and some school signage, such as at Memorial Stadium.

VI. BOARD COMMITTEE RECOMMENDATION

The concept of amending this policy was discussed at the March 15, 2012, meeting of the Operations Committee. At that meeting, the Committee gave input on moving to allow advertising, and directed staff to propose an amended policy. At the April 26, 2012 meeting of the Operations Committee, staff proposed an amended policy that permitted advertising on the annual calendar, and on fields, stadiums and scoreboards. The Directors in attendance offered additional suggestions on the policy, and with those edits, on April 26, the Operations Committee recommended that the policy move forward to the full Board for consideration.

VII. BACKGROUND INFORMATION

Seattle's high schools have been dependent on revenue generated by food sales and by advertising on vending machines. After the current advertising policy was implemented, schools saw their ASB revenues drop substantially—upwards of tens of thousands per school.

As a result of increasing shortfalls in their ASB funds, schools have had to find alternative ways to fund ASB activities, including transportation to/from athletic activities. In many cases this results in asking students to contribute more towards these activities. The district has also instituted “pay for play”, charging students for their participation in athletic activities. Fees for the 2011-12 school year are \$100.00 for one sport; \$50.00 for a second sport; \$150.00 cap for the full year.

By permitting some advertising, especially on fields, stadiums and scoreboards, it is hoped that revenue can be generate to share between the schools and the district to offset the revenue losses that occurred previously.

At this point, because the amount of revenue from fields, etc, is unknown, it is recommended that for the first year of the policy all revenue generated from advertising on fields, stadiums and scoreboards be placed in a line item in the general fund budget, and that all revenue be tracked by what type of advertising it is and where it is located. In June of 2013, after a year of implementation of the policy, it is recommended that staff bring to the Audit & Finance Committee a recommendation about revenue sharing between schools and the district. The Audit & Finance Committee could also request more frequent reviews of the revenue; this would permit early revenue sharing if sufficient revenue is generated.

Revenue generated from advertising on the annual calendar would go to support the creation of the annual calendar, thus freeing up general operating dollars from that activity.

It is not recommended that the revenue sharing process from fields, stadiums, scoreboards and possible school signage be developed now, as until we know what type of advertising revenues are generated and from where, any process would be simply speculative.

There is a related Superintendent's Procedure for this policy; it too has been amended to reflect the permitted advertising. It is attached for reference.

VIII. STATEMENT OF ISSUE

Schools have lost substantial ASB revenue over the past few years with a reduction in advertising. The goal of these policy changes is to clarify that some advertising—specifically on the annual calendar and on stadiums, fields, scoreboards, and some school signage (such as at Memorial Stadium) is permitted, within certain parameters as outlined by policy.

Allowing advertising on the calendar would generate revenue to fund the calendar, which would free up dollars in the general operating fund.

IX. ALTERNATIVES

1. Do not amend this policy to allow limited advertising. This is not recommended because permitting limited advertising is a way to bring additional revenue to schools to offset the losses their ASB funds suffered when advertising was banned. Schools use the ASB revenue to provide activities for students; loss of ASB revenues means that students are forced to pick up the difference. Continuing to prohibit advertising in the calendar is not recommended because advertising could completely fund the calendar, allowing a nicer calendar than we currently produce and freeing up general operating funds that currently fund the calendar.

X. RESEARCH AND DATA SOURCES / BENCHMARKS

Input was taken from students, who are very concerned about the loss of ASB revenue. Additionally, policies from other districts, including Bellevue, Portland and Minneapolis were reviewed. Calendars that include advertising from other, nearby school districts were also reviewed.

XI. TIMELINE FOR IMPLEMENTATION / COMMUNITY ENGAGEMENT

Upon approval of this motion, staff will begin to seek out advertising opportunities for the calendar and for our fields, stadiums and scoreboards. There has already been some interest from companies. It is recommended that the Audit & Finance committee receive quarterly reports on the type of advertising in play and the revenue being generated.

XII. ATTACHMENTS

- [Board Policy No. 4237 clean version](#) (for approval)
- [Board Policy No. 4237 red-line version](#) (for reference) (highlights indicate edits since introduction)
- [Superintendent's Procedure No 4237SP clean version](#) (for reference)
- [Superintendent's Procedure No 4237SP red-line version](#) (for reference) (highlights indicate edits since introduction)