

Recommendations by the Orinda Community Steering Committee for Creating ONE Orinda

The ONE vision is centered on our students. We want our children to experience an exceptional TK-12 educational journey in Orinda public schools that will prepare them for college, career and life. Orinda students have inspiring teachers, exciting in-classroom and out-of-classroom learning opportunities, and a full complement of support services to ensure our students are equipped with the necessary life skills and are infused with a love of learning.

The funds provided by the State of California to Orinda schools are not nearly sufficient to provide for this vision. Nearly 1/3 of Orinda school budgets are supplemented by local revenue streams including parent and community donations as well as parcel taxes. Over the years, Orinda parents and residents have generously donated to support the shortfall and maintain the high standards of quality education that we enjoy in Orinda.

Yet, the future reality for Orinda schools is that education expenses are increasing while state revenues continue to remain flat. While the Orinda community has historically been tremendously generous in supporting our schools, much more will be asked of our parents and community in the future in order to maintain our quality schools.

Between the Parents Clubs and the Educational Foundation of Orinda, philanthropic giving by the parents and the Orinda community averages about \$4.5 million a year.

While the current Orinda fundraising model has been successful, it is inefficient, fragmented and school-centric. Fundraising by parents clubs is typically only intended for individual school site needs and has resulted in large pools of reserve funds at most of the school sites. These funds act as safety nets for economic downturns or restricted funds for special site specific projects. Yet these funds are not invested in a strategic way - during the 2018-2019 school year, Orinda schools held nearly \$4.5 million dollars in reserve funds but earned less than \$15,000 in interest on this money. In addition, parent's clubs fundraising efforts are often confused with the efforts of EFO and oftentimes can compete against fundraising efforts made by EFO. EFO has been constrained in its ability to develop large donors, cultivate alumni, and pursue grants to support beacon programs across the district. Unfortunately, the current model of fundraising falls short of the needs and aspirations of Orinda's schools.

Therefore, in order to sustain and expand the financial support needed to maintain the high quality public schools that we currently have, it is recommended that a new central fundraising organization, ONE Orinda, be created.

After three months of research, discussion and meetings with community members, parents and school site leaders, and acting within the authority and parameters of a Memorandum of Understanding among the Parents' Clubs and EFO, the following recommendations are put

forth by the Steering Committee regarding the bylaws, operations, administration and marketing of ONE Orinda.

Bylaws Subcommittee Recommendations

We begin the transformation of EFO to ONE Orinda with a first step of changing the by-laws of the organization to create a new governing Board of Directors empowered with new roles and responsibilities.

It is therefore recommended that:

1. EFO amend its articles of incorporation and bylaws to become Orinda Network for Education (ONE). This is in lieu of creating a new organization and winding down EFO.
2. The new entity will have a new board of directors made up of representatives chosen by the leadership of each of the six PCs, plus at least three community representatives (who will initially be chosen by the six PC board members and later by the full sitting board when appointments are made). PC board members will serve staggered two-year terms. Community board members will serve staggered three-year terms.
3. The board of directors will be a true governing board rather than a board of members that also have organizational titles and operational roles, (like the way PCs are currently organized). This dovetails with the Administrative Subcommittee recommendations and acknowledges that PC board members are volunteers performing operational roles for their PCs and cannot be expected to do the same for ONE.
4. The bylaws will contain governance protections - for example a clause that will not allow the ONE board to make any decision that reduces the rights of any PC without that PC's affirmative vote -- to protect any one school from the others.
5. There will be an operating agreement between the PCs and ONE that details the fund flows, rights to reserve funds, etc. The board and ONE will be bound by the operating agreement until and unless all 6 PCs and ONE agree to amend it.
6. There will be a Board of Advisors that will be recruited to advise the ONE board and provide connections to city civic and business leadership. This is where OUSD and AUHSD may have a role in ONE. Other examples would be city council members, business leaders, alumni and residence with specialized skills and leadership from the larger service clubs.
7. The Board of Directors will be empowered to hire, review the performance of, set the compensation for and, if necessary, terminate the Executive Director. The Executive Director will report solely to the Board of Directors.

8. The bylaws include an Investment Committee that will focus on maximizing and managing the investments of ONE.

Financial/Database Subcommittee

Next, in order to increase fundraising for Orinda schools, ONE Orinda will require enough internal capacity (personnel) to create efficient systems and increase fundraising. (Please see the Administrative Subcommittee personnel recommendations below). ONE Orinda will require an operational budget to cover the expenses of the administration of the ONE Orinda organization. School sites have requested that these expenses not be taken from parents club resources. Therefore, it is recommended that financial support for ONE Orinda administrative expenses will be created from 1) investment returns from parents clubs pooled reserve funds 2) efficiencies created by sharing a centralized bookkeeper position 3) a reduction in OUSD/AUHSD fees in exchange for a bi-annual grant based reimbursement from ONE Orinda 4) increased fundraising for ONE ORINDA by the Executive Director and 5) other cost saving efficiencies (ie. reductions in credit card fees).

It is therefore recommended that:

1. Parents clubs at each school site determine a suggested annual fundraising ask that bundles their current parents club asks and the current EFO ask into "ONE Ask".
2. All elementary school sites agree to request the same ONE Ask amount from parents in the 2020 - 2021 year. In order to maintain the same level of fundraising as in the 2019-2020 school year, the minimum ask per student should be at least \$2,200.
3. All Parent's Clubs agree to direct all "annual fundraising" to ONE Orinda. All donations will be tracked to the individual school from which they are received and directed to separate school accounts. Funds in each school account will be restricted to expenses incurred by each school site and will be accounted for separately from any other school/ONE Orinda funds.

"Annual fundraising" consists of the "asks" that each school makes in order to fund its parent's clubs school site budgets and the OUSD/AUHSD personnel expenses/class size reduction at each school site, but does not include other "operating income" such as lunch programs or after school care. "Operation income" will continue to be managed by the Parents Clubs through Membership Toolkit and Revtrack and will stay on the books of the Parents Clubs.

4. Once funds are collected by ONE Orinda, all agreed upon school site specific budget funds (not OUSD/AUHSD invoiced funds) will be dispersed to each parent's club for annual parents club's expenses. OUSD/AUHSD personnel funds will be held by ONE Orinda.
5. ONE Orinda will work with OUSD/AUHSD to set up a grant process that will happen twice a year in order to pay for personnel/class size reduction costs that have been incurred at the school sites. ONE Orinda and OUSD/AUHSD will negotiate an appropriate fee for the cost of tracking and accounting for these expenses.
6. All Parent's Clubs "bank" their reserve funds with ONE Orinda to be invested as a part of ONE Orinda's FFE (Funds Functioning as Endowment) in line with ONE's FFE Investment Policies and by the ONE Orinda Investment Committee. Parents Clubs will have rights to use this money at any time, but if funds are not used for a current year project, ONE Orinda will be allowed to create investment returns from these pooled funds in order to cover administrative expenses.
7. All Parents Clubs use their current budgeted bookkeeper/accountant/tax prep expenses to fund a central bookkeeping/accounting position at ONE Orinda. This position also will also help Parents Clubs, OUSD and AUHSD track personnel expenses (and defer some district accounting costs).
8. ONE Orinda will build more efficient systems to move money, collect invoices and distribute reimbursements for the Parents Clubs.
9. ONE will explore ways to help schools cut down on credit card fees - VENMO, Paypal options for donations - these savings could go toward funding ONE administration expenses.
10. All checking accounts of Parents Clubs should be held at one financial institution.
11. The current Endowment Fund at EFO and any investment returns from this fund will be able to be used to make up for any ONE Orinda operating loss and will also act as a safety fund if any of the parents clubs have an operating deficit and insufficient reserve funds.

Administrative Subcommittee

Once we have created an operating budget, we can now begin to better identify the specific personnel and capacities that will be needed to catalyze the fundraising activities of ONE.

1. It is recommended that ONE Orinda employ a full-time Executive Director to direct its fundraising operations and serve as a strong leader in the community. The ED will be tasked with raising \$5MM and beyond as ONE builds its Endowment and plans for the future. The primary responsibilities of the ONE Executive Director include:

- a. Raise funds through corporate, foundation, and community sources in accordance with a plan for long term financial sustainability;
- b. Grow an endowment for Orinda public schools by maintaining current parent support and developing new sources of funding, including alumni, large individual donors, corporate donors and grants;
- c. Recruit, coach, and motivate volunteers to support fundraising efforts;
- d. Lead effective systems to track scaling progress and regularly evaluate program components to measure successes that will be communicated to the Board, funders, and other constituents;
- e. Oversee the execution of the “ONE brand”, ensuring consistent messaging across all platforms;
- f. Attend Board meetings and work with Board President to create and implement a fundraising plan that engages community Board representatives;
- g. Demonstrate and communicate passion for the mission of the foundation

2. To support the Executive Director, it is recommended that ONE Orinda employ the following support positions: (part-time initially, and as an operating budget allows, with intentions of extending to full-time), a bookkeeper, a database administrator, a finance administrator, and communications manager. The ONE Orinda board should develop a volunteer program structure to support the paid staff.

3. The ONE Orinda board and the Executive Director should jointly set milestones by which to measure the Executive Director’s performance. It is recommended that the ONE Orinda board create an accountability structure and deliverables for the Executive Director to manage expectations and provide clarity to the community and stakeholders.

4. The administrative costs should be paid using proceeds from investment reserves (see Financial/Database Subcommittee Recommendation 4), as well as from a portion of the funds raised by ONE (independently of the PCs). To the extent the investment proceeds are insufficient to cover the administrative costs, the PCs agree to share the expenses on a per

student basis. Costs may be defrayed by savings realized from centralized bookkeeping. In keeping with nonprofit best practices, administrative costs should not exceed 5% of the total funds controlled by ONE Orinda. The worst case scenario— there are no investment proceeds, cost savings, or other funds generated by ONE to apply to the administrative costs— would result in an ask of approximately \$80 per student to cover administrative costs.

Marketing/Communications Subcommittee

To help educate and engage parents, teachers, staff and the broader community about the ONE Orinda concept, the Marketing and Communications Subcommittee has created and disseminated informational messaging. The goal of this messaging was to articulate the potential benefits of a more centralized fundraising model, the process for transitioning to a new model and to address common questions and concerns regarding the transition. To this end, the Subcommittee created basic talking points, answers to frequently asked questions, a presentation slide deck, an informational website at ONEOrinda.org, as well as regular updates for Parents' Clubs and EFO to distribute to their memberships. As part of this effort, the Subcommittee developed initial branding for ONE Orinda. Communication during the Steering Committee's development of recommendations was focused primarily on the parent and school community rather than the broader community. This focus on school stakeholder groups was intentional in order to build awareness and understanding of the ONE Orinda concept in anticipation of the need for consensus within the Parents' Clubs and EFO leadership and membership to take the next steps in transitioning to the ONE Orinda centralized fundraising model. All marketing collateral and assets developed to date are available to the ONE Orinda organization for future use.

In addition to developing and implementing early communication during the development of ONE Orinda, the Subcommittee has also spent time thinking about the marketing and communication program that will be needed to launch ONE Orinda once the Operating Agreement is approved, the Board of Directors is seated and the transition to ONE Orinda as the primary education fundraising entity occurs. Our Subcommittee believes that an aggressive marketing effort to build familiarity and confidence in ONE Orinda will be important to sustain current parent donations as the transition occurs. In addition, marketing to new audiences of donors will be important to help realize ONE Orinda's fundraising goals and potential.

Following is a summary of the Subcommittee's recommendations for key target audiences and potential strategies for reaching those audiences and maximizing donations.

Target Audiences

- Current parent donors with an aim to sustain current donation levels
- Current EFO donors with an aim to sustain current donation levels
- Alumni parent donors to sustain donations from parents of graduates of Orinda schools
- Alumni student donors to generate new donations from former students once they are established in their career and able to donate
- Parents of future OUSD and AUHSD students
- Private sector vendors who do business with Orinda Union School District and/or Acalanes Union High School District to generate new donations from each district's professional partners
- Corporate donors who may offer an employee donor matching program or other education-related philanthropy to sustain current donations and generate new sources
- Community donors including local businesses, high net worth donors and others to generate new sources of donations

Outreach and Fundraising Strategies

- Transition ONEOrinda.org to a new fundraising site to replace the current EFO site. The current ONEOrinda.org website was established as an information resource to help explain the rationale for a transition to a new centralized fundraising model. Once ONE Orinda is formed, the site will need to transition to become a fundraising vehicle that makes the case for donations, explains how funds are utilized and accepts donations and tracks progress toward established fundraising goals.
- Consistently branded ONE Orinda content and ONE Ask button for each Parents' Club website. Current parent donors are very familiar with Parents' Club website and will visit these sites first when considering donations and ways to support local schools. Accordingly, each of these sites will need consistent content explaining the transition to ONE Orinda and providing an easy link to ONEOrinda.org for making donations.
- ONE Orinda banners and signage at school sites and high profile community locations. EFO is visible throughout Orinda with signs and banners at school sites. These will need to be promptly replaced with ONE Orinda signage in coordination with the rollout.
- Direct email solicitations to current parents and EFO donors. Email is the primary communication vehicle for reaching parents, who comprise the vast majority of current donors to Orinda schools. Repeated and consistent email communication will be needed targeting this audience throughout the spring and summer in advance of the

initial fall ONE Orinda fundraising drive. These emails should start by introducing the centralized fundraising model and reinforcing the need for parent donations and transition to promoting donations through ONE Orinda.

- Direct mail solicitations to parent and community donors. Given that email volume can be overwhelming and open rates low, we also recommend sending several direct mail pieces to parents and potential community donors to announce the launch of ONE Orinda and solicit donations. Once ONE Orinda is established and known to the community, lower cost digital communication options can likely be utilized going forward.
- Video on ONE Orinda, school finance and importance of donations. As another mechanism to get the word out in a simple and succinct way, we recommend the creation of one or more informational videos that can be shown at school functions and distributed via email and social media channels.
- Presence at spring open houses and fall back to school nights. We feel that open houses in the spring will be a good opportunity to describe the ONE Orinda concept to parents and answer questions. Similarly, fall back to school nights will be a good opportunity to answer lingering questions about ONE Orinda and promote giving. In addition, we know that many Orinda schools utilize the “coffee connections” concept to promote and discuss various topics. A series of “coffees” at each school site where parents are invited to discuss ONE Orinda and ask questions should be considered.
- Kickoff party with press in Orinda News and LaMorinda Weekly. Our Subcommittee feels that a ONE Orinda community event in advance of the fall fundraising season could help raise the profile of the organization and build enthusiasm. A successful community event could also create earned media opportunities with the local community press.
- Direct outreach to all OUSD and AUHSD vendors with expected contribution amounts. As is common in other high performing school foundations, the professional partners doing business with OUSD and AUHSD should be approached to donate to ONE Orinda on an annual basis. Close coordination with the business office at each district will be important to reach the representative at each company with a relationship with Orinda schools.
- Phone-a-thon to current parents and EFO donors. While volunteer and labor intensive, a phone-a-thon could be valuable if initial donations to ONE Orinda fall short of past Parents’ Club and EFO donation and a more personalized appeal is required. We encourage the ONE Orinda Board to evaluate this opportunity by relying on the past experience of EFO and Parents’ Clubs utilizing this approach.

- Future fundraising opportunities. While we believe that the primary goal of ONE Orinda in the first year should be to raise the profile of the organization and sustain current donation levels. In future years, we believe that a centralized, community wide fundraising organization can tap into new fundraising opportunities. For example, high profile donor events like a winter gala, auction or golf tournament could draw additional donations from current donors and tap into new donor pools that be less inclined to donate to a single school site. Additionally, we feel ONE Orinda could become a valued information resource on local education topics by hosting regular community informational sessions with prominent speakers on school finance, the importance of investing in public schools and related topics.

The Subcommittee is available to the new ONE Orinda Board to discuss these ideas in more detail and assist with further development of a true marketing and communication plan for the launch of ONE Orinda.

FAQ for ONE Financial Model

1. Will Parents Clubs be responsible for collect funds?

YES! The new ONE Orinda will continue to depend on the Parents Clubs to continue to fundraise at each school site. While the goal will be to create a seamless customer portal with “One Ask” for each of the school sites, we do not know whether there will be enough time or resources available to do this work in the Spring of 2020. Therefore, the recommendation will be, if we cannot design a portal for the 2020-2021 registration cycle, to work with the current donation intake system at each school but have all funds collected be directed to ONE first, before heading back out to each parent club. Our hope is that each parent club will work to “bundle” all of their campus asks and the traditional EFO ask into One Ask for ONE Orinda.

How much would the annual “One Ask” be?

Our recommendation is that all of the elementary school parents clubs agree to ask for the same per student amount. Our recommendation is that the 2020 - 2021 minimum ask for elementary schools should be \$2,200. We are recommending \$1650 (no change) for OIS and \$1150 (no change) for Miramonte.

Would the entirety of the collected donations go directly into a ONE Orinda account or would parent clubs be collecting funds and distributing the amounts to ONE Orinda?

It is our recommendation that all annual fundraising funds (not after school or lunch “operational” programs) be directed to ONE Orinda. Each donation will be tracked by which school it came from and placed into a designated restricted fund at ONE for that school only.

Distributions, in the form of grants, would then be made back to the school sites for the parents clubs annual operating expenses at each site. Grants would also be made twice a year to OUSD and AUHSD in order to reimburse each of those districts for the personnel costs incurred at each school (including the expenses that had been traditionally covered by EFO). This collection method allows for ONE to pool as many resources as possible in order to get the hoped-for return to cover administration costs.

If the donations go directly into a ONE Orinda account, will the entirety of the contributions be placed in designated accounts?

The entirety of the donations from each school will go into the designated school account. Schools will be able to receive P&L reports, balance sheets and other financial reporting from ONE on request.

How do we explain what parent donations will support and why everything is directed to ONE instead of the school parent club?

The explanation of what the funds are paying for should remain the same. ONE would just be acting as “the bank” for all of the schools, but the donations would be going toward expenses at that school site only. Funds would be directed to ONE first in order to get a better return on investment and support a professional fundraising staff.

Will there be a “grant” process? If so what would it look like?

It is recommended that the parents clubs would be granted enough money at the beginning of the school year to pay for site level expenses that had been budgeted for. ONE would also make biannual grants to OUSD/AUHSD to cover school based personnel expenses (the same expenses that parent clubs and EFO pay for now). All other funds would remain banked at ONE. If schools sites identified more expenses throughout the year, another grant would be made to the parents club from the respective school account upon request.

What happens if there is a drop in contributions (either in % of participation, or \$ amount)?

It is recommended that any non-school affiliated community donations to ONE would be a shared risk pool to help cover any such deficit if a school were unable to use its own operating reserves. If more funds are necessary, any investment returns from the ONE FFE could be used or even the core FFE funds if drastic measures are needed.

How will ONE Orinda operate if these strategies don't return enough money to cover administrative expenses?

It will be the responsibility of the ONE Board of Directors to manage the organization so that it does not run a deficit. In the first few years, the recommendation would be that the current EFO FFE would be used to backfill any operating loss by ONE. Different return scenarios will be presented at the Coordinating Council and Parent's Club meetings in December. Our "best case" model scenario is that the pooled funds strategy will create similar returns to the EFO FFE return rate since inception (6.8% returns over 10 years). With nearly \$5.8 million in pooled reserve funds and EFO FFE, ONE could be earning average annual returns of \$394,000.

What will the ONE Orinda Fund cover apart from OUSD personnel expenses?

In the first year, it is recommended that the ONE Orinda fund cover all admin expenses – which will mostly be personnel. A further conversation will need to be had with the ONE Board of Directors about building out other budgets (marketing, financial systems, communications, database). These may require financial asks from the school sites as these systems will directly benefit the schools.

Will each site retain the ability to continue its site specific fundraisers? Will site specific fundraisers e.g. Signup Party donations remain at each school site?

Each school site will continue to have site specific fundraisers – this is highly encouraged! Yet, it is recommended that all fundraising be directed to the school's account at ONE Orinda. This way, cash flow can be more flexibly managed by ONE and school sites do not build up large pools of operating funds in the separate, non ONE affiliated parent club accounts. Again, the hope is to "pool" funds as much as possible at ONE – but keep the accounting of the funds separate so that schools still have access to all of their funds.

Will school sites maintain ownership of their contributed reserve funds once pooled?

The recommendation is that the reserve funds would be granted to ONE Orinda as restricted funds that could not be used for any other purpose than supporting the school that they came from. ONE Orinda would be required to release these funds back to the school, as a grant, when requested.

What happens if one site decides to pull their money from the reserve fund the following year?

That will be at the discretion of each school. This will happen when schools decide to use their funds for large purchases. The ONE board will have to adjust accordingly. But hopefully, after a few years, new income streams – a community-wide fundraising event, more solicitation of

major donors, and increased numbers of community and alumni donors should be available to support a small part of administrative expenses.

8. Who will select the ONE Orinda Board members?

Each Parents Club will designate a representative to sit on the ONE Orinda Board for a two year term. Board member job descriptions will be developed soon and each parent club will need to identify and recruit someone that has the specific experience, knowledge and skills needed for governing the organization. These six representatives from each school site will then nominate and select 3 at large community members who will serve three year terms.

9. Will EFO be renamed as ONE Orinda, or will an entirely new entity be formed?

Yes - EFO will transform into ONE ORINDA – it is a lot easier to rebrand and reconstruct EFO than starting a brand new organization. The EFO brand will be retired, the new ONE Organization will be launched through a community wide marketing campaign and the new governance structure will be put in place.

10. If a new entity is formed, who will determine the job description of the ONE Orinda staff?

The ONE Board will be responsible for putting together a job description for the Executive Director. They will also be responsible for hiring and will make any decisions about termination, if necessary. The ED will then create job descriptions for any other staff.