



Riverside County  
Board of Education

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**DATE:** September 14, 2018

**TO:** Mrs. Jean Marie Fréy, District Superintendent  
Ms. Natalie Vasquez, Board President  
Ms. Francine M. Story, Chief Business Official  
Dr. Jason Angle, Assistant Superintendent  
Perris Elementary School District

**FROM:** Judy D. White, Ed. D., Riverside County Superintendent of Schools

**BY:** Teresa Hyden  Chief Business Official (951) 826-6790  
Cynthia Glover Woods  Chief Academic Officer (951) 826-6648

**SUBJECT: 2018-19 ADOPTED BUDGET and LCAP – APPROVAL**

The County Superintendent of Schools is required to review and approve the district's Local Control and Accountability Plan or the annual update to an existing Local Control and Accountability Plan prior to the approval of the district's Adopted Budget [Education Code Section 42127(d)(2)].

**Adopted Local Control and Accountability Plan**

In accordance with California Education Code (EC) Section 52070, our office has completed its review of the district's 2018-19 Local Control and Accountability Plan (LCAP) to determine whether it adheres to the guidelines adopted by the State Board of Education (SBE).

The district's adopted LCAP has been analyzed to determine whether:

- The plan adheres to the template adopted by the State Board of Education;
- The budget includes sufficient expenditures to implement the actions and strategies included in the plan, based on the projected costs included in the plan; and
- The plan adheres to the expenditure requirements for funds apportioned on the basis of the number and concentration of unduplicated pupils.

The district's adopted LCAP has been analyzed in the context of the guidance provided by the California County Superintendents Educational Services Association (CCSESA) and the California Department of Education (CDE). Based on our analysis, the district's Local Control and Accountability Plan for the 2018-19 fiscal year has been approved by the Riverside County Superintendent of Schools. Our goal is to further enhance the performance of students by providing feedback and inquiry questions that will support your refinement of the 2018-19 Local Control and Accountability Plan to close the achievement gap in metrics that impact student preparedness for college and career.

**Student Achievement**

The purpose of the LCAP is to ensure that all students graduate from high school with the skills needed to be successful in both college and career. Riverside County Office of Education conducted a review of research on K-12 college readiness indicators to identify those that would align with the LCAP purpose and have greatest impact. As a result of this research, we recommend that LEAs closely monitor the metrics listed in the data table below for all student groups.

Perris Elementary School District									
Metric	Year	State Average	District Average	White	African American	Hispanic	English Learner (EL)*	Low Income (LI)	Students w/ Disabilities (SWD)
% of Enrollment	2018			3.4	7.2	88.0	48.2	7.8	89.6
CAASPP – Grade 3 ELA % Met/Exceeded	2017	43.9	25.9	22.7	19.4	26.6	22.3	25.7	11.1
CAASPP – ELA % Met/Exceeded	2017	48.6	33.5	34.6	32.1	33.3	19.4	32.4	9.1
CAASPP – Math % Met/Exceeded	2017	37.6	22.6	37.6	12.7	22.7	13.6	21.8	6.4
CAASPP Distance from Level 3 – ELA	2017								
CAASPP Distance from Level 3 – Math	2017								
% Suspension ♦	2017	3.6	2.5	2.4	5.4	2.2	1.6	2.5	6.2
% Chronic Absenteeism ♦	2017	10.8	12.8	14.4	21.2	12.1	10.1	13.5	17.1
% EL Progress to English Proficiency**	2017						63.4		
CAASPP – California Assessment of Student Performance and Progress CTE – Career Technical Education EAP – Early Assessment Program ELA – English Language Arts UC – University of California									
*CAASPP Distance from Level 3 English Learner Student Group includes Four-Year Reclassified Fluent English Proficient (RFEP) students. ♦ Suspension / Chronic Absenteeism - District data excludes charter schools. Statewide data includes both charters and non-charters. **% EL Progress to English Proficiency is calculated by taking the number of ELs meeting their annual growth target and dividing by the number of ELs with the required prior CELDT scores. This data represents the final year of CELDT assessment results.									

We offer the following commendations and inquiry questions to consider for the implementation of the 2018-19 Local Control and Accountability Plan and the refinement of the plan in the years 2019-20 and 2020-21.

### **Standards Met or Exceeded in English Language Arts and Mathematics**

The district is to be commended for the increased achievement in English language arts for all student groups. Additionally, the district's establishment of committees focused on representing Foster Youth and African American student groups and the workshops/training provided is to be affirmed. Also, the district is to be commended for providing community-based English tutoring and training for parents of English Learners to assist their students at home. Additional dialogue related to the questions below may support the achievement of the expected annual measurable outcomes and goals aligned to student achievement in English language arts and mathematics:

- As the district implements alternative supports for students in English language arts and/or math, what system(s) can be developed to engage stakeholders in frequent and ongoing monitoring of results to allow for a timely response?
- How might the district engage in a process of data analysis and reflection to ascertain specific needs and accompanying supports to increase the achievement of Students with Disabilities?
- How might the district modify metrics, actions, and services to accelerate student outcomes to eliminate achievement gaps between student groups?

### **Course Access and Student Enrollment in Rigorous Coursework and CTE Pathways**

The district is to be commended for continuing to provide enrichment opportunities for Foster Youth and Low Income student groups as well as increasing access to Advancement Via Individual Determination (AVID) strategies, visual and performing arts, and physical education for all. Additional dialogue related to the questions below may support the achievement of the expected annual measurable outcomes and goals aligned to course access and student enrollment in rigorous coursework and CTE pathways:

- How might the district provide additional career pathway exploration that aligns with the local high school district and student interests?

### **Pupil Engagement and School Climate**

The district is to be commended for decreasing suspension rates and ensuring that all schools receive school counseling services to support students. Additionally, the district is to be commended for increasing parent respect, participation, and satisfaction rates as indicated on local surveys. The district is to be commended for the intentional efforts being made to ensure that Positive Behavioral Interventions and Supports (PBIS) and other support systems are integrated and coordinated to provide one comprehensive system of support for all students. Additional dialogue related to the questions below may support the achievement of the expected annual measurable outcomes and goals aligned to pupil engagement and school climate:

- How might comprehensive school counseling programs contribute to a decrease in suspension rates and chronic absenteeism rates through integrated tiers of support?
- How might the Multi-Tiered System of Supports (MTSS) and PBIS frameworks be used to support student groups who rated "high" in suspension rates, such as African American, Foster Youth, and Students with Disabilities?
- How might the school staff, including school counselors, collaborate across sites to examine uniformity in behavior expectations, reporting, and response to accelerate the decrease of suspension rates for African American students?

### **Monitoring Progress**

It is recommended that the district utilize a process that continually assesses the progress of each planned action and its effectiveness in achieving the expected annual measurable outcomes related to each goal specified in the Local Control and Accountability Plan (LCAP). Identifying leading indicators for progress on goals and developing a system to monitor those indicators throughout the year is encouraged. The information received from progress monitoring can support communication with stakeholders and provide information the district will need to clearly articulate, in the *Annual Update* section of the plan, the effectiveness of the planned actions/services.

To access resources and tools that will support future LCAP development, please go to <http://www.rcoe.us/educational-services/assessment-accountability-continuous-improvement/lcap-support/>.

### ***Fiscal Recommendations***

During our review we identified opportunities to improve data accuracy between the district's LCAP and fiscal documents. The following technical corrections were incorporated into the district's LCAP:

- In the *Annual Update* section, the district added a dollar amount or source to certain Estimated Actual Expenditures.
- In the *Goals, Actions, and Services* section, the district added a Budget Reference for certain goals, actions, and services.

### **Adopted Budget**

In accordance with California Education Code (EC) Section 42127, our office has completed its review of the district's 2018-19 Adopted Budget to determine whether it complies with the criteria and standards adopted by the SBE and whether it allows the district to meet its financial obligations for the 2018-19 fiscal year, as well as satisfy its multi-year financial commitments.

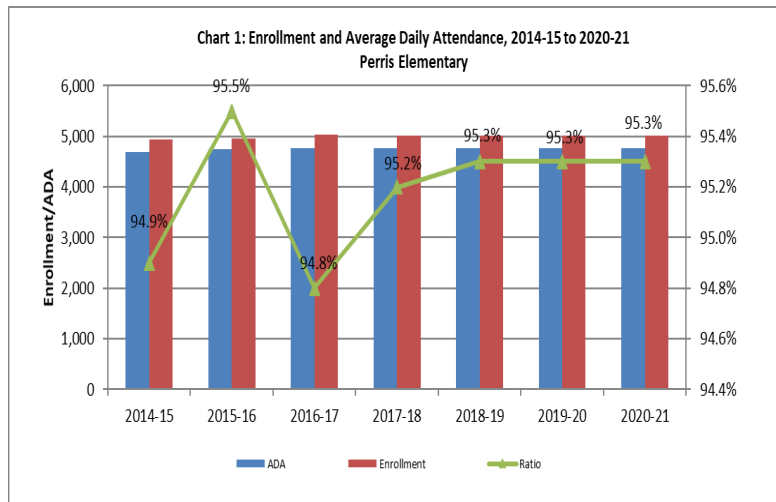
Based on our analysis of the information submitted, we approve the district's budget, but note the following concerns:

- *Operating Deficit* – Multi-year financial projections indicate a General Fund operating deficit for the two subsequent fiscal years.
- *Flat Enrollment* – The district's projections indicate flat enrollment for the current and two subsequent fiscal years.

### ***Assumptions and Other Considerations***

The district's Adopted Budget was developed prior to adoption of the 2018-19 Adopted State Budget. Actual state budget data should be reviewed and incorporated into the district operating budget and multi-year projections during the First Interim Reporting process.

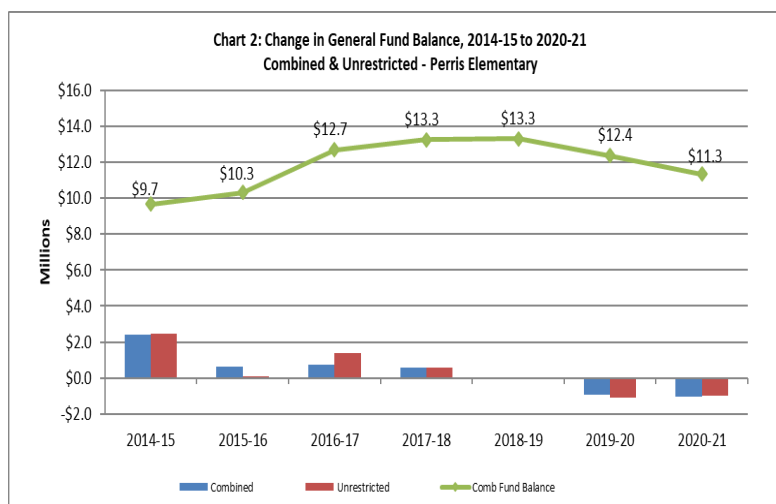
*Enrollment and Average Daily Attendance (ADA)* – The district's projected ADA to enrollment ratio (capture rate) for 2018-19 is 95.3 percent, which is within the historical average ratio for the three prior fiscal years. The district estimates 4,774 ADA for the current fiscal year, or no change from the 2017-18 P-2 ADA. For 2019-20 and 2020-21, the district projects ADA to remain flat.



**Unduplicated Pupil Percentage** – The district reports an unduplicated pupil percentage of 92.13 percent for 2018-19, 2019-20, and 2020-21. The district’s unduplicated pupil percentage included in the 2017-18 P-2 certification by the California Department of Education was 92.48 percent.

**Local Control Funding Formula (LCFF)** – The district has incorporated target funding as proposed in the Governor’s 2018-19 budget projections. Additionally, the district estimated COLAs of 3.00 percent, 2.57 percent, and 2.67 percent for the 2018-19, 2019-20, and 2020-21 fiscal years, respectively. Our office recommends a contingency plan should LCFF funding not materialize as projected in the Governor’s 2018-19 budget proposal.

**Fund Balance** – The district’s Adopted Budget indicates a positive ending balance for all funds in the 2018-19 fiscal year. However, for the General Fund, the district anticipates expenditures and uses will exceed revenues and sources by \$0.9 million in 2019-20 and \$1.0 million in 2020-21. Chart 2 shows the district’s deficit spending historical trends and projections.

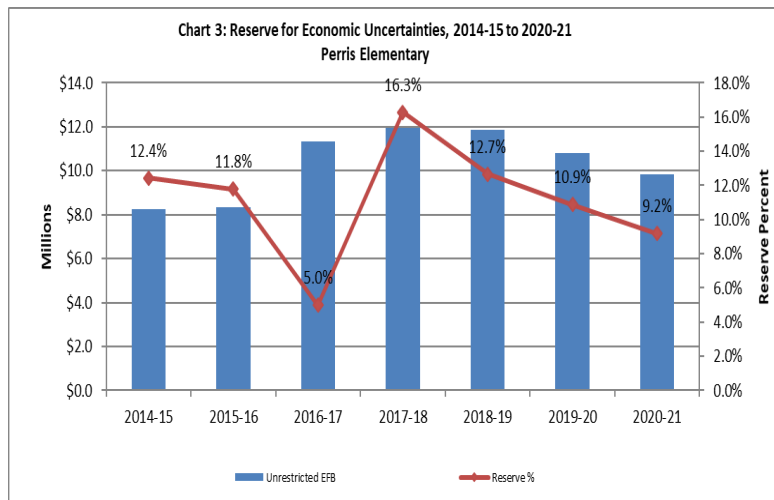


**Employee Negotiations** – As of the board date, June 14, 2018, the district reports salary and benefit negotiations continue with the classified bargaining unit for the 2018-19 fiscal year. Prior to entering into a written agreement, California Government Code (GC) Section 3547.5 requires a

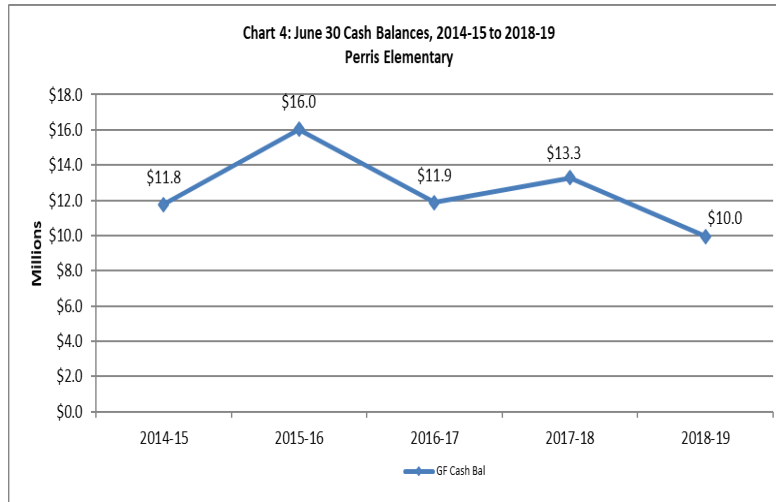
public school employer to publicly disclose the major provisions of a collective bargaining agreement, including but not limited to, the costs incurred in the current and subsequent fiscal years. The disclosure must include a written certification signed by the district superintendent and chief business official that the district can meet the costs incurred by the district during the term of the agreement. Therefore, please make available to the public and submit a disclosure to our office at least ten (10) working days prior to the date on which the governing board is to take action on a proposed agreement.

Subsequent to the board date, June 14, 2018, salary and benefit negotiations were completed with the certificated bargaining unit for the 2018-19 fiscal year. The agreement provided for a 2.5 percent increase to the salary schedule, effective July 1, 2018. Additionally, the agreement increased the hourly extra duty rate from \$40 to \$48 for all certificated bargaining unit members. The associated cost of the agreement was not included in the adopted budget projections.

*Reserve for Economic Uncertainties* – The minimum state-required reserve for a district of Perris School District’s size is 3.0 percent; however the governing board requires the district maintain a 5.0 percent reserve for economic uncertainties. In light of the current fiscal environment, our office recommends districts maintain reserves higher than the minimum and commends the district’s board for this fiscally prudent practice. Chart 3 displays a summary of the district’s actual and projected unrestricted General Fund balance and reserves. The district projects to meet the minimum reserve requirement, and board-required 5.0 percent reserve, in the current and two subsequent fiscal years.

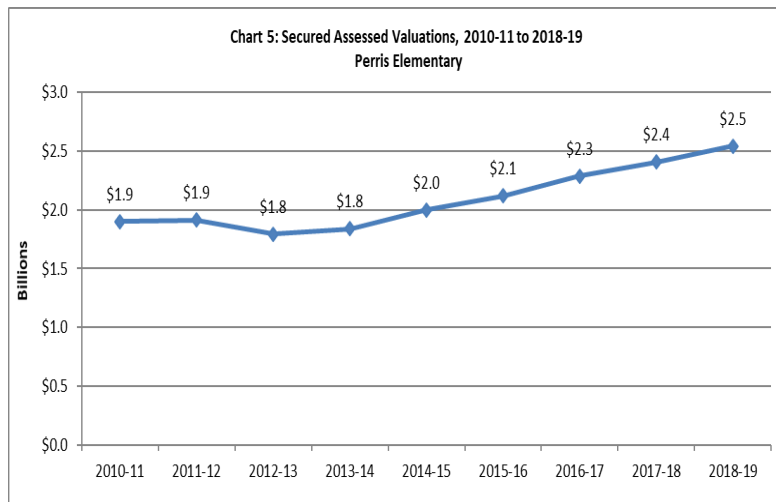


*Cash Management* – Chart 4 provides a historical summary of the district’s June 30<sup>th</sup> General Fund cash balance. Based on the budget’s cash flow analysis, the district projects a positive General Fund cash balance of \$10.0 million as of June 30, 2019. This balance does not include any temporary borrowings, and the district’s internal cash resources appear sufficient to address cash flow needs in the current year. Our office recommends the district continue to closely monitor cash in all funds to ensure sufficient resources are available. In addition, our office strongly advises districts to consult with legal counsel and independent auditors prior to using *Cafeteria Special Revenue Fund (Fund 13)* and *Building Fund (Fund 21)* for temporary interfund borrowing purposes to remedy cash shortfalls.



*AB 2756* – Current law, as enacted through AB 2756 (Chapter 52, Statutes of 2004), requires the County Superintendent to review and consider any studies, reports, evaluations, or audits that may contain evidence a district is showing fiscal distress. Our office did not receive any such reports for the district.

*Assessed Valuations* – The Riverside County Assessor’s Office has estimated secured assessed valuations will increase by 6.26 percent countywide in 2019-20. Chart 5 displays a historical summary of the district’s secured property tax assessed valuations.



**Conclusion**

As we enter a new era in California school finance, it is crucial that districts maintain prudent budget practices. Changes in State and Federal legislation, which remain uncertain, could lead to significant changes in future funding levels and compliance requirements. Additionally, there is increasing pressure for public agencies to provide additional layers of spending transparency. We encourage districts to begin assessing program contributions and reducing any structural deficits so that fiscal solvency can be preserved through changes in the operational landscape. Our office is committed to supporting districts in maintaining quality educational programs, while preserving fiscal solvency. If we can be of any further assistance, please do not hesitate to contact our office.