



**Riverside County  
Board of Education**

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**DATE:** September 14, 2017

**TO:** Mr. Grant Bennett, District Superintendent  
Dr. Jose Luis Araux, Board President  
Ms. Candace Reines, Deputy Superintendent of Business Services  
Dr. Marilyn Saucedo, Assistant Superintendent, Educational Services  
Perris Union High School District

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

**BY:** Teresa Hyden  Chief Business Official (951) 826-6790  
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**SUBJECT: 2017-18 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 2017-18 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 2017-18 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 2017-18 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 local educational agencies closely monitor the metrics listed in the data table below for all student groups.

Perris Union High School District								
Metric	Year	State Average	White	African American	Hispanic	English Learner (EL)*	Low Income (LI)	Students w/ Disabilities (SWD)
% of Enrollment	2017		15.4	6.0	71.3	18.6	76.6	9.8
% UC A-G Enrollment	2017		96.6	93.9	93.8	87.3	94.0	81.2
% UC A-G Completion	2016	45.4	36.2	26.4	37.3	8.8	35.7	7.3
EAP – % ELA College Ready	2016	26	26.1	13.2	12.0	0.0	13.0	1.5
EAP – % Math College Ready	2016	13	8.1	1.5	3.1	0.0	3.0	1.4
CAASPP – ELA % Met/Exceeded	2016	49	56.0	32.6	33.4	2.4	32.9	3.3
CAASPP – Math % Met/Exceeded	2016	37	32.7	12.4	15.0	1.1	14.9	1.9
CAASPP Distance from Level 3 – ELA	2016							
CAASPP Distance from Level 3 – Math	2016							
% Suspension	2016	N/A	6.4	14.6	8.1	11.6	9.2	16.8
% Chronic Absenteeism		N/A						
% EL Progress to English Proficiency	2016					13.8		
% Completing One or More CTE Pathways	2015		9.0	8.6	12.5	12.3	0.0	0.0
Graduation Rate	2016	83.2	90.6	86.8	90.3	84.2	89.3	65.0
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.

We offer the following commendations and inquiry questions to consider for the implementation of the 2017-18 Local Control and Accountability Plan and the refinement of the plan in the years 2018-19 and 2019-20.

The district is to be commended for providing evidence of a strong connection between goals, data analysis, and actions and services throughout the plan. Additionally, there is clear evidence of a district focus on college and career readiness, increasing graduation rate, course access, and a process for continuous improvement. We also commend the district for utilizing a Positive Behavioral Interventions & Supports (PBIS) Framework to ensure a comprehensive system for the behavioral success of all students and utilizing innovative practices including use of social media, dual enrollment, Next Generation Science Standards (NGSS) anchor tasks, college and career intervention specialist, and business advisory committee to address identified needs.

As your district continues to refine the actions and services to support students in academic achievement, course access, and pupil engagement, please consider the following questions:

- How might the district create an ongoing monitoring system for key actions and goals for effectiveness throughout the year?
- How might a refinement of the math program impact English learners and their ability to score college ready on the EAP math assessment?
- How might the district coordinate interventions and resources based on frequent monitoring and response to student data?

### **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**

Supplemental and Concentration grant funding is included in the Local Control Funding Formula to increase and/or improve services to targeted student populations. Failure to provide evidence in the district's LCAP that adequately demonstrates how supplemental and concentration grant funding is being used to increase and/or improve services may result in an LCAP that cannot be approved, and may trigger technical assistance from the County Office of Education. The district should closely monitor this requirement.

During our review of the district's LCAP, we noted the following:

- Total Funds Budgeted for Planned Actions/Services to Meet the Goals in the LCAP year listed in the *LCAP Budget Summary* did not total all expenditures listed in the LCAP. We recommended that the total be updated to tie to all dollars listed in the LCAP year. The district implemented our recommendation.

- Certain goals, actions, and services listed within the district’s LCAP did not contain a budgeted expenditure dollar amount or budget reference. We recommended that all goals, actions, and services contain all required items in accordance with the LCAP template. The district implemented our recommendation.

**Adopted Budget**

In accordance with California Education Code (EC) Section 42127, our office has completed its review of the district’s 2017-18 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 2017-18 fiscal year, as well as satisfy its multi-year financial commitments.

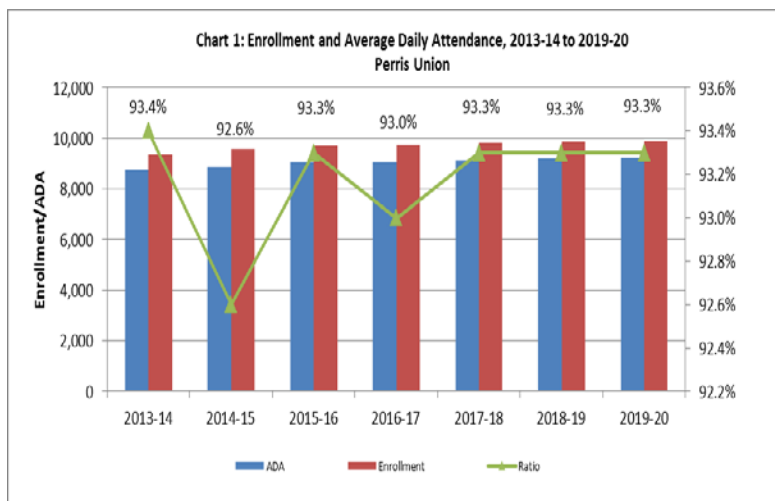
Based on our analysis of the information submitted, we approve the district’s budget, but note the following concern:

- *Operating Deficit* – Multi-year financial projections indicate a substantial General Fund operating deficit for the current fiscal year.

**Assumptions and Other Considerations**

The district’s Adopted Budget was developed prior to adoption of the 2017-18 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.

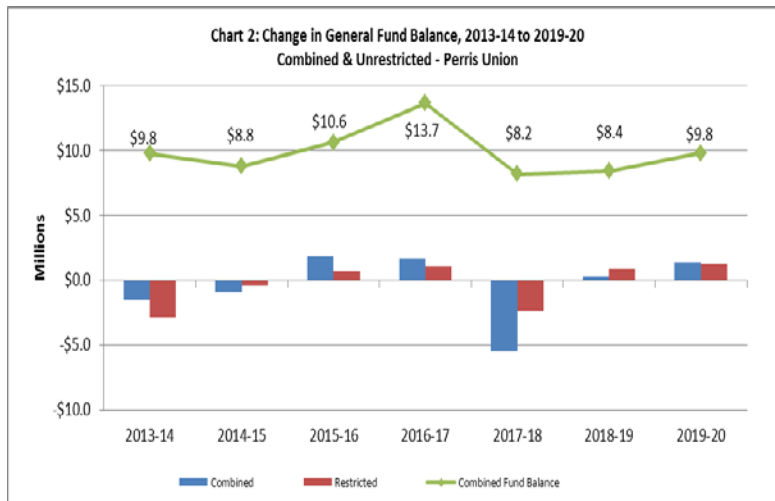
*Enrollment and Average Daily Attendance (ADA)* – The district’s projected ADA to enrollment ratio (capture rate) for 2017-18 is 93.3 percent, which is within the historical average ratio for the three prior fiscal years. The district estimates 9,148 ADA for the current fiscal year, or a 0.9 percent increase from the 2016-17 P-2 ADA. For 2018-19 and 2019-20, the district projects a 0.5 percent increase in ADA each year.



*Unduplicated Pupil Percentage* – The district reports an unduplicated pupil percentage of 74.0 percent for 2017-18, 73.88 percent for 2018-19, and 73.88 percent for 2019-20. The district’s unduplicated pupil percentage included in the 2016-17 P-2 certification by the California Department of Education was 73.59 percent.

**LCFF Gap Funding** – For purposes of determining the potential gap funding increase, the district has estimated 43.97 percent for the 2017-18 fiscal year, 52.98 percent for 2018-19, and 54.70 percent for 2019-20. The district is utilizing lower projected LCFF gap percentages as their contingency plan should gap funding increases not materialize.

**Fund Balance** – The district’s Adopted Budget indicates a positive ending balance for all funds in the 2017-18 fiscal year. However, for the General Fund, the district anticipates expenditures and uses will exceed revenues and sources by \$5.5 million in the 2017-18 fiscal year. Chart 2 shows the district’s deficit spending historical trends and projections.

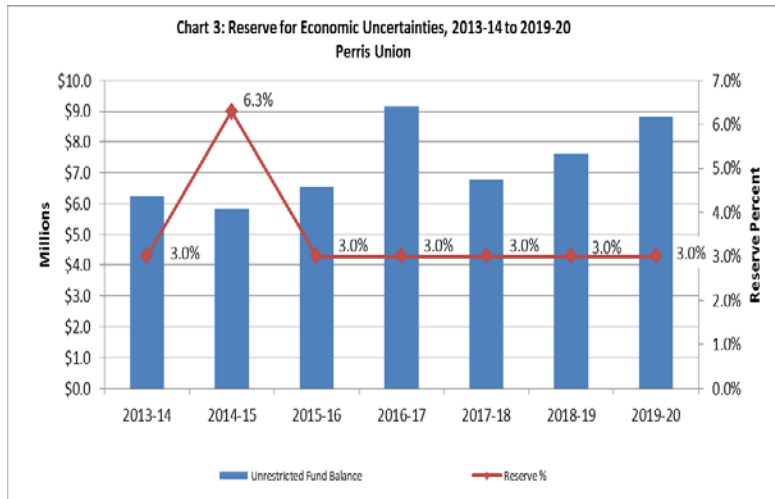


**Employee Negotiations** – As of the board date, June 21, 2017, the district reports salary and benefit negotiations are complete with both the certificated and classified bargaining units for the 2017-18 fiscal year. The certificated agreement provided for a 1.0 percent increase to the existing certificated salary schedule, for all unit members on paid status as of February 1, 2017, retroactive to July 1, 2016, and an additional 2.0 percent increase effective July 1, 2017. Additionally, any certificated unit member holding a Ph.D. or Ed.D. from a fully accredited institution or a J.D. from an ABA accredited law school shall receive an additional stipend of \$3,000 per year. Effective July 1, 2016, various stipends were increased for certificated staff. For the 2016-2017 and 2017-2018 school years only, a supplementary contract for Athletic Directors up to twenty days for high school and up to ten days for middle school, based upon the per diem placement on the salary schedule, shall be offered, based upon program needs.

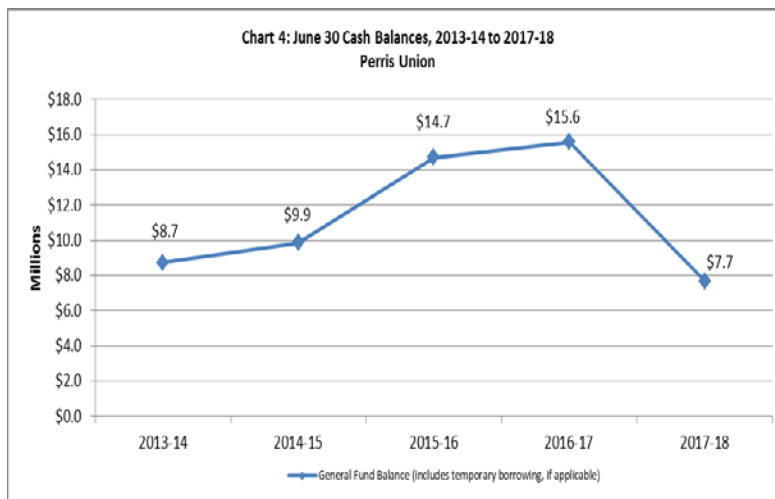
The classified agreement provided for a 1.0 percent increase to the existing salary schedule, for all unit members on paid status as of February 1, 2017, retroactive to July 1, 2016, and an additional 2.0 percent increase effective July 1, 2017. The agreement also provided for a \$385 health and welfare benefit cap increase (from \$11,000 to \$11,385) for all unit members on paid status as of February 1, 2017. Additionally, commencing with 10 years of continuous district service, at 5 year intervals (15, 20, 25, 30), an additional 2.5 percent of the regular rate of pay shall be increased over the four increments mentioned above.

**Reserve for Economic Uncertainties** – The minimum state-required reserve for a district of Perris Union’s size is 3.0 percent. 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 in the current and subsequent fiscal years.

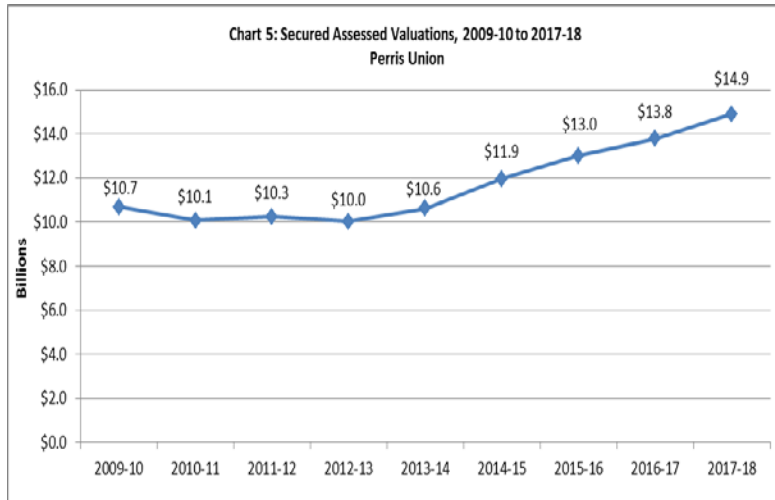


**Cash Management** – Chart 4 provides a historical summary of the district’s June 30<sup>th</sup> General Fund cash balance. Based on the budget’s cash flow analysis, the district projects a positive General Fund cash balance of \$7.7 million as of June 30, 2018. This balance does not include any temporary 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 5.53 percent countywide in 2017-18. Chart 5 displays a historical summary of the district’s secured property tax assessed valuations.



**Conclusion**

As the State rapidly approaches full implementation of the LCFF, it is vital that districts exercise sound fiscal judgement and remain cognizant of the rapidly changing environment in which we currently operate. Districts should maintain cautious regard when planning future programs and preparing multi-year financial projections. 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.