



Riverside County
Board of Education

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DATE: September 13, 2019

TO: Dr. Douglas Kimberly, District Superintendent
Mr. Stan Crippen, Board President
Mrs. Arleen Sanchez, Chief Business Official
Dr. Alain Guevara, Assistant Superintendent
Dr. Kip Meyer, Assistant Superintendent
Lake Elsinore Unified School District

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

BY: Tina Daigneault *TD* Chief Business Official (951) 826-6790
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SUBJECT: 2019-20 LCAP and ADOPTED BUDGET – 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 2019-20 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 2019-20 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 2019-20 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.

Lake Elsinore Unified School District											
Indicator	District	African American	American Indian or Alaska Native	Hispanic or Latino	White	Two or more Races	Socioeconomically Disadvantaged	English Learners	Students with Disabilities	Foster Youth	Homeless Youth
Dashboard: Academic Indicator for English Language Arts	Orange	Orange	*	Orange	Orange	Yellow	Orange	Orange	Red	Orange	Orange
Dashboard: Academic Indicator for Mathematics	Orange	Orange	*	Orange	Orange	Orange	Orange	Orange	Red	Red	Orange
Dashboard: Chronic Absenteeism	Orange	Orange	Yellow	Orange	Orange	Orange	Orange	Yellow	Yellow	Yellow	Yellow
Dashboard: High School Cohort Graduation	Green	Green	*	Green	Blue	Blue	Green	Yellow	Green	*	Green
Dashboard: Suspension	Green	Yellow	Red	Green	Green	Orange	Green	Green	Yellow	Yellow	Yellow
Dashboard: Prepared for College and Career	Green	Green	*	Yellow	Green	Blue	Green	Yellow	Yellow	*	Orange
Cohort A-G Completion Rate	39.6%	39.3%	*	33.0%	45.7%	60.5%	34.5%	12.6%	9.0%	18.2%	22.7%
English Learner Reclassification Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	32.4%	N/A	N/A	N/A
Cohort High School Dropout Rate	3.3%	2.7%	*	3.8%	2.6%	0.0%	4.2%	11.2%	3.9%	7.7%	3.9%
Expulsion Rate	0.24%	0.54%	0.00%	0.28%	0.18%	0.08%	0.30%	0.11%	0.22%	0.45%	0.24%
* – To protect student privacy, data are suppressed when student population (cohort students) is 10 or less.											

To access additional data information, please go to <https://www.caschooldashboard.org/>.

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

Student Success in English Language Arts and Mathematics

The district is to be commended for providing extended learning opportunities including Summer Literacy, Saturday School, Extended Day Kinder, and PK/K Summer Camp. Furthermore, the district is to be commended for utilizing common assessments to guide instruction and increase student achievement. The district has also increased English language arts proficiency for the Foster Youth student group on the California Assessment of Student Performance and Progress (CAASPP).

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:

- How might the district ensure that refinement of the Professional Learning Community (PLC) process and the use of common assessments impacts the academic achievement of the Students with Disabilities student group and unduplicated pupils?
- What might a root cause analysis of the decrease of CAASPP proficiency for African American and Students with Disabilities student groups look like?

Course Access and Student Enrollment in Rigorous Coursework and Career Technical Education (CTE) Pathways

The district is to be commended for implementing systems that monitor progress towards A-G and CTE completion. The district is also to be commended for increasing CTE completion rates by 99 students (50 percent increase). Additionally, the district has expanded its dual immersion program.

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 new monitoring system be leveraged to close the gap between student groups in A-G completion?
- How might the district leverage current success with CTE completion rates to continue gains in future years?

Pupil Engagement and School Climate

The district is to be commended for implementing a plan to monitor student attendance on a weekly basis to improve average daily attendance (ADA). Also, the district is to be commended for decreasing the overall chronic absenteeism rate as well as decreasing the suspension rates of Foster Youth, African American, and Students with Disabilities student groups. In addition, the district is to be commended for the continued use of Positive Behavioral Interventions and Supports (PBIS) and Positive Behavioral Instruction (PBI) programs at all sites. Commendations are also noted for the implementation of family engagement activities (one per quarter) and the initiation of the first African American Parent Advisory Council (AAPAC) in 2018-19 with plans to develop site AAPACs in 2019-20.

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 the district sustain and strengthen attendance incentives to meet the average daily attendance (ADA) goal?
- What might it look like to examine student attendance for each student group to further inform strategies to enhance engagement?

- How might the continued exploration of community engagement strategies positively impact stakeholder participation?

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. After board adoption, the district revised certain items, which had no material impact on the implementation of the district's plan.

Adopted Budget

In accordance with California Education Code (EC) Section 42127, our office has completed its review of the district's 2019-20 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 2019-20 fiscal year, as well as satisfy its multi-year financial commitments.

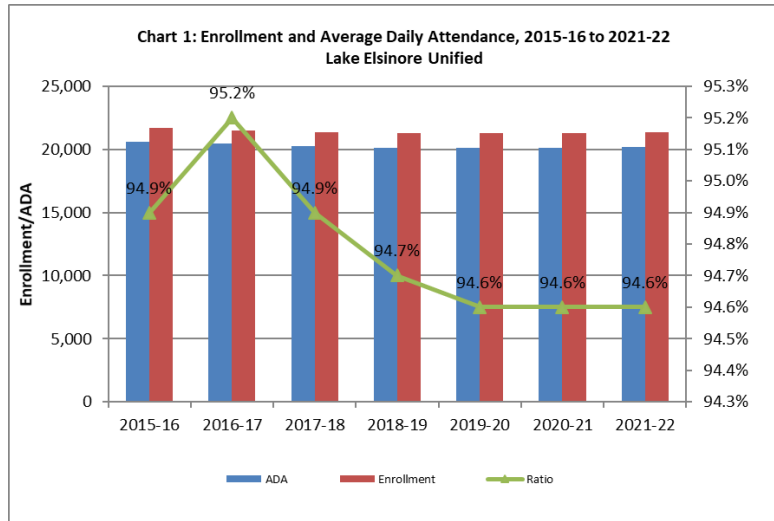
Based on our analysis of the information submitted, we approve the district's budget, but note the following concern:

- *Operating Deficits* – Multi-year financial projections indicate unrestricted General Fund operating deficits for the current and first subsequent fiscal years.

Assumptions and Other Considerations

The district's Adopted Budget was developed prior to adoption of the 2019-20 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.

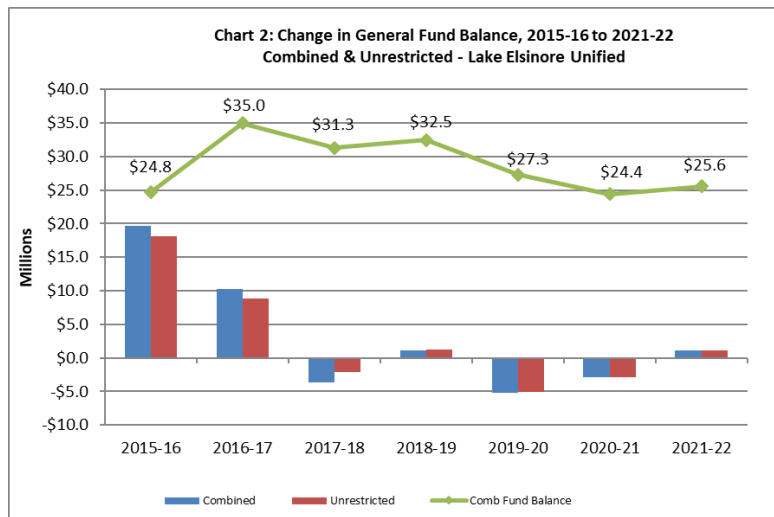
Enrollment and Average Daily Attendance (ADA) – The district's projected ADA to enrollment ratio (capture rate) for 2019-20 is 94.6 percent, which is lower than the historical average ratio for the three prior fiscal years. The district estimates 20,116 ADA for the current fiscal year, or a 0.1 percent decrease from the 2018-19 P-2 ADA. The district projects ADA to increase 0.1 percent in 2020-21 and 0.3 percent in 2021-22. The district's ADA projections appear optimistic using historical ADA and enrollment trends.



Unduplicated Pupil Percentage – The district reports an unduplicated pupil percentage of 67.74 percent for 2019-20, and 67.57 percent for 2020-21, and 67.47 percent 2021-22. The district’s unduplicated pupil percentage included in the 2018-19 P-2 certification by the California Department of Education was 67.28 percent.

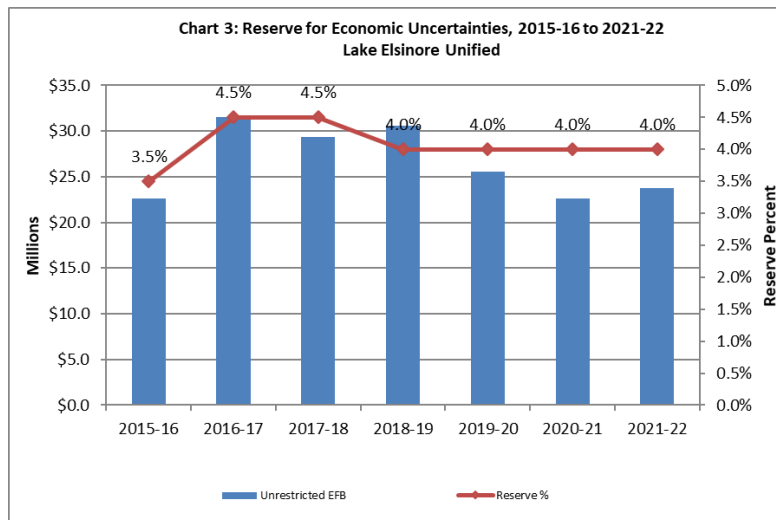
Local Control Funding Formula (LCFF) – The district has incorporated target funding as proposed in the Governor’s 2019-20 budget projections. Additionally, the district estimated COLAs of 3.26 percent, 3.00 percent, and 2.80 percent for the 2019-20, 2020-21, and 2021-22 fiscal years, respectively. Our office recommends a contingency plan should LCFF funding not materialize as projected in the Governor’s 2019-20 budget proposal.

Fund Balance – The district’s Adopted Budget indicates a positive ending balance for all funds in the 2019-20 fiscal year. However, for the General Fund, the district anticipates expenditures and uses will exceed revenues and sources by \$5.2 million in 2019-20 and \$2.8 million in 2020-21. Chart 2 shows the district’s deficit spending historical trends and projections. The district cannot sustain deficit spending into future fiscal years.

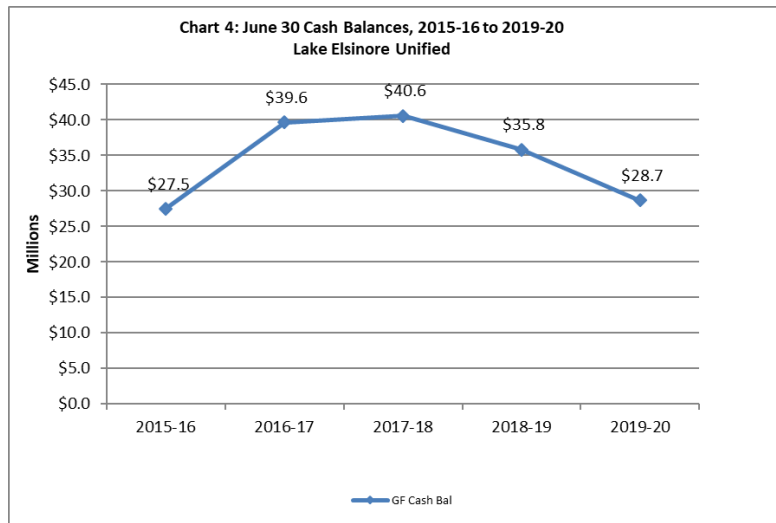


Employee Negotiations – As of the board date, June 27, 2019, the district reports salary and benefit negotiations continue with both the certificated and classified bargaining units for the 2019-20 fiscal year. Prior to entering into a written agreement, California Government Code (GC) Section 3547.5 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.

Reserve for Economic Uncertainties – The minimum state-required reserve for a district of Lake Elsinore Unified’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 30th General Fund cash balance. Based on the budget’s cash flow analysis, the district projects a positive General Fund cash balance \$28.7 million as of June 30, 2020. 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.

Conclusion

Our office commends the district for its efforts thus far to preserve its fiscal solvency and maintain a quality education program for its students. If we can be of further assistance, please do not hesitate to contact our office.