



Riverside County  
Board of Education

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**DATE:** September 14, 2018

**TO:** Mr. Terrence Davis, District Superintendent  
Mr. David Sanchez, Board President  
Ms. Penni Harbauer, Assistant Superintendent of Business Services  
Mr. Tony Knapp, Assistant Superintendent of Instructional Support Services  
Beaumont Unified 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: 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.

Beaumont Unified 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			30.9	6.4	52.8	10.9	58.7	10.7
% UC A-G Completion	2017	46.8	49.1	48.2	34.9	47.0	6.5	43.5	
EAP – % ELA College Ready	2017	27.7	23.9	29.1	18.2	17.8	0.0	17.1	6.6
EAP – % Math College Ready	2017	12.9	4.1	4.7	4.5	2.6	1.9	3.1	0.0
CAASPP – Grade 3 ELA % Met/Exceeded	2017	43.9	45.1	51.8	32.6	37.9	21.1	34.2	14.3
CAASPP – ELA % Met/Exceeded	2017	48.6	47.6	54.9	34.3	41.5	13.8	39.1	12.3
CAASPP – Math % Met/Exceeded	2017	37.6	33.9	41.3	19.4	27.2	11.5	25.5	12.4
CAASPP Distance from Level 3 – ELA	2017								
CAASPP Distance from Level 3 – Math	2017								
% Suspension ♦	2017	3.6	3.8	4.1	7.0	3.6	2.9	4.8	5.9
% Chronic Absenteeism ♦	2017	10.8	10.1	9.9	11.4	10.8	8.5	12.5	14.6
% EL Progress to English Proficiency**	2017						76.4		
Graduation Rate	2017	82.7	90.8	92.2	95.3	89.0	80.0	89.7	63.9
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:

### **LCAP Plan Development**

The district is to be commended for conducting a “root cause analysis” with SELPA based on dashboard data for Students with Disabilities. As a result, several actions and services address the needs of Students with Disabilities, inclusive of Students with Disabilities that are unduplicated pupils. A strong connection between stakeholder engagement, data analysis alignment, and planned implementation of actions and services is evident.

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

The district is to be commended for maintaining instructional coaches to facilitate new teacher support and effective instruction of state standards through the district-adopted curriculum and supplemental materials, including instructional technology. Furthermore, the district is to be commended for providing each school site a supplemental/concentration funding allocation for site-identified needs tied to School Plans for Student Achievement. The district’s continued support for schools with a targeted Early Literacy program is also to be commended.

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 a defined, systematic approach to professional development further inform ongoing professional learning needs and impacts?
- How might consideration be given to ensure site supplemental/concentration funds specifically impact ELA and math student achievement for English Learner, Homeless Youth, and Foster Youth student groups?
- What factors might be considered in determining the cause of the decrease in math CAASPP proficiency for African American, Homeless Youth, and Foster Youth student groups in Grades 3-8?
- What would it look like to apply a root cause analysis to student groups, in addition to Students with Disabilities, to better understand the impact of your systemic approach to improving student academic achievement?

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

The district is to be commended for removing financial barriers to participation by providing the full suite of PSAT and SAT assessments, including the fall PSAT for all students in Grades 8-11. Further commendation should be noted for assisting Low Income and Foster Youth students having difficulty affording college entrance assessments. The district should be further commended for enhancing their 1:1 Chromebook deployment by providing wireless internet hotspots and Chromebooks for students who do not have internet at home.

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 you increase the number of students enrolled in courses aligned to an approved CTE pathway?
- How might the College and Career Symposium and College and Career Signing Day raise student awareness and energize opportunities for new and unduplicated students?

- In what ways might you maximize the use of tools to monitor implementation of district programs and measure equal access to effective instruction for Foster Youth, Homeless, English Learner, and Low Income student groups?
- How might you close the gap in A-G completion among student groups, particularly English Learners and Students with Disabilities?

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

The district is to be commended for positive trending attendance and graduation rates. The expansion of equity initiatives, including ongoing professional development in equitable discipline and instructional practices, such as Restorative Justice, is commendable. A commitment to meeting the socio-emotional needs of all students is reflected in the development of a comprehensive mental health and STEP counseling program. Bilingual services for beginning English Learners and their parents is also commendable.

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 you consider the intended outcomes and allocated resources to determine the impact of middle school athletic programs on student engagement and attendance?
- How might you sustain and strengthen attendance incentives, particularly for Students with Disabilities, Homeless Youth, and Foster Youth student groups?
- How might you effectively meet the needs of the new 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 correction was incorporated into the district's LCAP:

- In the *Annual Update* section, the district added missing dollar amounts or sources to certain Estimated Actual Expenditures.

### **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.

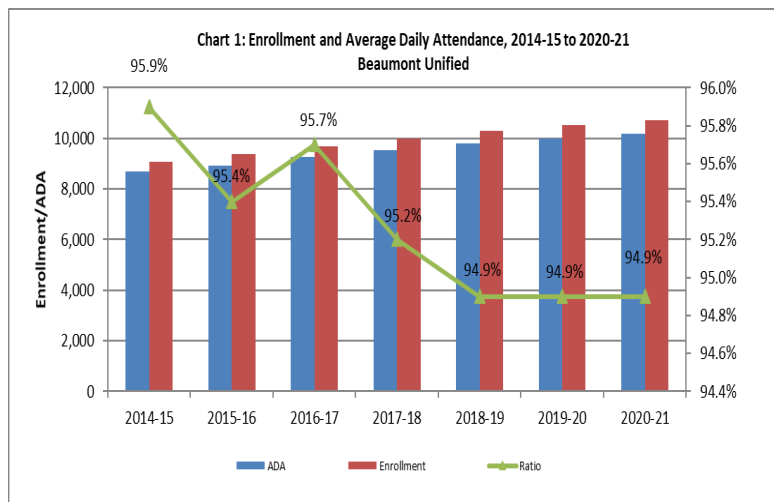
Based on our analysis of the information submitted, we approve the district’s budget, but note the following concern:

- *Operating Deficit* – Multi-year financial projections indicate substantial General Fund operating deficits 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.

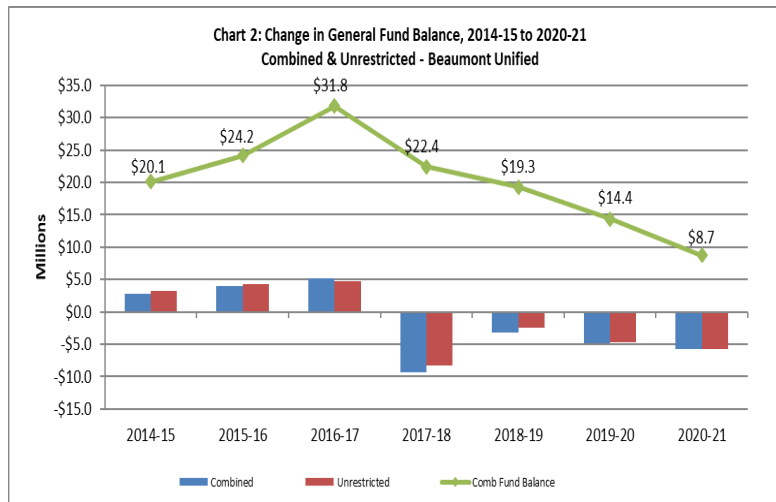
*Enrollment and Average Daily Attendance (ADA)* – The district’s projected ADA to enrollment ratio (capture rate) for 2018-19 is 94.9 percent, which is within the historical average ratio for the three prior fiscal years. The district estimates 9,788 ADA for the current fiscal year, or a 2.8 percent increase from the 2017-18 P-2 ADA. For 2019-20 and 2020-21, the district projects a 2.0 percent ADA increase in each year.



*Unduplicated Pupil Percentage* – The district reports an unduplicated pupil percentage of 59.56 percent for 2018-19, 59.44 percent for 2019-20, and 58.61 percent for 2020-21. The district’s unduplicated pupil percentage included in the 2017-18 P-2 certification by the California Department of Education was 59.83 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.

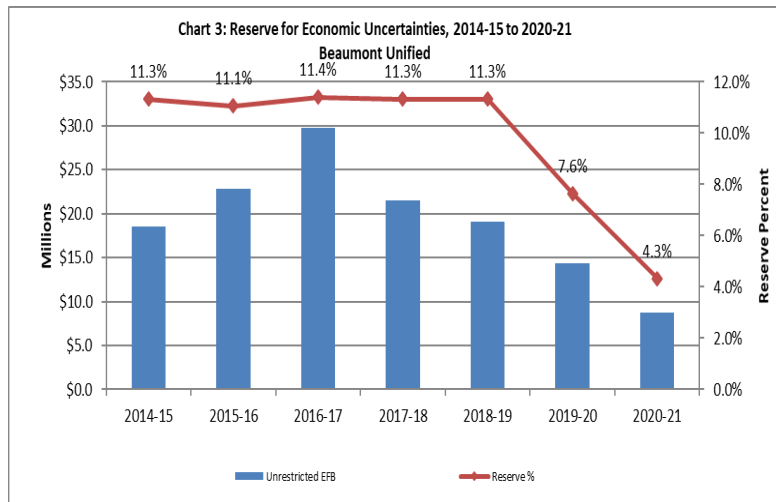
*Fund Balance* – The district’s Adopted Budget indicates a positive ending balance for all funds in the 2018-19 fiscal year. However, for the General Fund, the district anticipates expenditures and uses will exceed revenues and sources by \$3.1 million in 2018-19, \$4.9 million in 2019-20, and \$5.7 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.



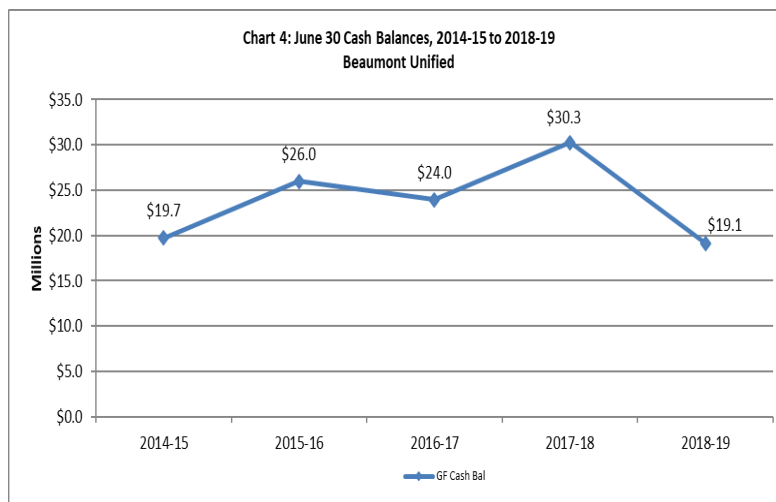
*Employee Negotiations* – As of the board date, June 26, 2018, the district reports salary and benefit negotiations are complete with the certificated bargaining unit for the 2018-19 fiscal year. The agreement provided for a 1.0 percent salary schedule increase, effective July 1, 2018. The MOU provided full-time release for the Association President from his/her regular duties in the district. BTA will pay \$20,000 of the cost of the President’s full release to the district, effective July 1, 2018.

The district reports salary and benefit negotiations continue with the classified bargaining unit for the 2017-18 and 2018-19 fiscal years. 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 Beaumont Unified School District’s size is 3.0 percent; however the governing board requires the district maintain a 3.0 percent plus one month’s operating expenditures in 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 in the current and two subsequent fiscal years. However, the district does not project to meet the board required reserve in the two subsequent fiscal years.

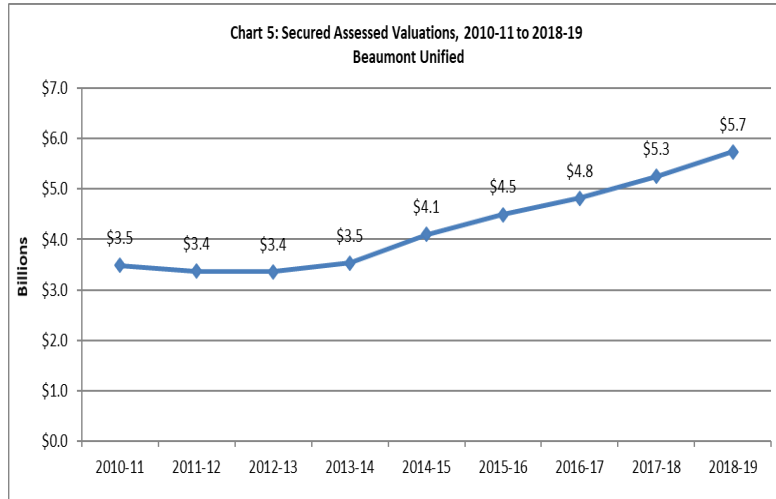


*Cash Management* – Chart 4 provides a historical summary of the district’s June 30<sup>th</sup> General Fund cash balance. Based on the budget’s cash flow analysis, the district projects a positive General Fund cash balance of \$19.1 million as of June 30, 2019. This balance does not include any temporary 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.