

2014-15 Plan Implementation

In a review of the *Stakeholder Engagement* section, we noted the plan provided a very clear description of stakeholder engagement and impact on the *Annual Update*. The *Annual Update* used data in the *Identified Need* which was differentiated by subgroup for various metrics for 2013-14. In the analysis portion, summary statements indicating number of *Expected Annual Measurable Outcomes* (EAMOs) were provided for each goal. Specific data was provided for each EAMO (including subgroup data for certain metrics) and effectiveness statements were included within the description of *Actual Actions/Services* for each *Planned Action/Service* to indicate if the LEA was effective at implementing particular actions/services or meeting particular targets. Finally, changes in actions, services, and expenditures were indicated after each goal and strengthened by outcome statements and results of stakeholder input.

Student Achievement

Once baseline scores have been identified, consider setting differentiated improvement targets on the California Assessment of Student Performance and Progress (CAASPP) results for those significant subgroups who have consistently struggled based on Val Verde's historic Standardized Testing and Reporting (STAR) data. Closing the achievement gap and ensuring all students are prepared for college and career is a priority under the Local Control Funding Formula (LCFF).

In addition, the plan would be strengthened by **differentiating outcomes and actions for significant subgroups** who are underperforming academically or overrepresented in suspension and expulsion data when significant gaps exist. Most of the outcomes were for all students based upon the district's aggregated performance. Most of the subgroup actions were for all subgroups. We also recommend setting aspirational and challenging targets for all outcomes and for all subgroups. In addition, we encourage you to consider differentiating actions to accelerate underperforming subgroups based on data and priorities. For example,

- The 2015-16 LCAP Goal 1 states, "College and Career Ready: Students graduating from the Val Verde Unified School District will possess the academic and technical skills required to pursue college and career options of their choosing." In the *Expected Annual Measurable Outcomes* section, the metrics generally focus only on all students, and only a few include any subgroup targets. When subgroup targets are included, they are not differentiated by subgroup, nor are they likely to close the achievement gap. By including subgroup targets, the district will be able to show they are closing the achievement gap for all students.
- While the enrollment in A-G coursework is typically high in Val Verde, the completion rate for this course sequence is significantly below the state average for English Learners and Students with Disabilities. Other subgroups perform close to the state average, but an achievement gap is apparent between those subgroups and the White subgroup. Overall percent completing UC/CSU required course sequence has increased (36.7 percent to 41.2 percent) as did African American (35.3 percent to 40.2 percent), Hispanic (36 percent to 39.7 percent), Low Income (35 percent to 41.1 percent), and Students with Disabilities (1.7 percent to 4.8 percent). English Learners have decreased (6.7 percent to 4.5 percent) and significantly trail behind other subgroups.
- College readiness as measured by EAP is 14.2 percent in English Language Arts (ELA) and 2.6 percent in Math for the districtwide average. Overall, the district and each subgroup perform significantly below the state average in both ELA and Math, with significant subgroups at 0 percent. The EAMO in Goal 1 for EAP is to increase by .5 percent for all and by 1 percent for each subgroup over 100. When targets are not aspirational nor differentiated greatly for subgroups, they are unlikely to close the achievement gap.

- In Goal 3, Val Verde set a very clear target to reduce suspensions for all students by 2 percent and for African American students by 5 percent. We recommend that a similar outcome with specific actions be added for Students with Disabilities.

In reviewing district data we noticed these achievement rates for your subgroups compared to the state average.

Metric	State Average	White	African American	Hispanic	English Learner	Low Income	Students w/ Disabilities
% of Val Verde USD		5.7	14.5	73.6	22.9	81.5	9.6
<i>Goal 1</i>							
% UC A-G Enrollment		90.1	92.7	95.0	85.2	94.6	61.4
% UC A-G Completion	41.9	45.1	40.2	39.7	4.5	41.1	4.8
% EAP – ELA/Math	24.8 / 10.5	22.1 / 0.0	10.3 / 0.0	13.2 / 2.8	0.0 / 0.0	12.1 / 2.4	0.0 /
% CAHSEE – ELA/Math	83 / 85	86 / 82	86 / 85	82 / 86	36 / 55	82 / 85	32 / 35
<i>Goal 3</i>							
% Suspension	4.36	5.64	13.54	5.39	5.55	7.00	13.74
*Please note that while the CAHSEE is currently suspended, the data illustrate the persistent achievement gap for English Learners and Students with Disabilities.							

Val Verde’s LCAP Goal 1 includes metrics for the percentage of English Learners attaining the English proficient level on the CELDT exam (related to AMAO 2a and 2b), and English Learner reclassification rate. The education code language under 52060(a)(4) states,

- (D) The percentage of **English learner pupils who make progress toward English proficiency** as measured by the California English Language Development Test (CELDT) or any subsequent assessment of English proficiency, as certified by the state board.
- (E) The English learner reclassification rate.

“Progress toward English proficiency” is measured via the Title III Accountability Report by AMAO 1, which is the measure of annual progress. AMAO 2a and 2b are the indicators that measure achieving proficiency in English, which assists in identifying students for reclassification. For the 2016-17 LCAP, goals and EAMOs in the plan must include targets for AMAO 1. In order to ensure that pupils are ready for reclassification, we recommend that the plan include AMAO 2a and 2b in the measureable outcomes.

Although the 2014-15 Title III accountability data was published after the LCAP was approved by your local school board, we reviewed AMAO data according to the 2014-15 Title III Accountability Report as well as historic AMAO data. (See table below.) The data reveal the performance of students in AMAO 2a have exceeded the target. Val Verde has not met AMAO 2b (5 Years or More) for the last three years, and the 2014 and 2015 results were significantly below the target.

In reviewing the data, we observed that AMAO 1 has been decreasing each year and that target has not been met for the last two years. Also, while meeting/exceeding the targets, the results data for AMAO 2a have been generally flat.

Title III Annual Measurable Achievement Objectives (AMAO) Trends									
	AMAO 1			AMAO 2a (Less Than 5 Years Cohort)			AMAO 2b (5 Years or More Cohort)		
	VVUSD	Target	Met?	VVUSD	Target	Met?	VVUSD	Target	Met?
2014-2015	56.3%	60.5%	No	29.7%	24.2%	Yes	42.9%	50.9%	No
2013-2014	57.9%	59.0%	No	29.6%	22.8%	Yes	40.9%	49.0%	No
2012-2013	58.3%	57.5%	Yes	31.3%	21.4%	Yes	44.6%	47.0%	No

The evidence of the most recent data for AMAO 2b does not demonstrate the impact from previous actions that will ensure success for these students. We recommend the district plan include specific, research-based actions targeted to accelerate growth for students as reflected by these data. In addition, particularly for English Learners, the district should identify formative measures of progress and intervene immediately if actions are not producing expected results. Finally, the district should review historic data to determine which strategies were implemented fully and produced the desired results so that these may be replicated to ensure success for all English Learners.

Monitoring Progress

In order to be responsive to those actions that are working or not working, consider developing a process to frequently assess the progress of each planned action and adjust as needed to ensure all goals are met. Identifying leading indicators for progress on goals that can be shared with stakeholders on a regular basis will increase the community commitment to the plan.

Additional Metrics to Consider

The purpose of the LCAP is to ensure that all students graduate from high school with the skills to be successful in both college and career. This work cannot wait until high school, nor can it be successful without more specific focus by grade level and by subgroup.

A focus group was convened by the Riverside County Office of Education in 2014-15 to review research on K – 12 college readiness indicators and identify those that would align with the LCAP and have greatest impact. As a result of the focus group research, we recommend that LEAs consider additional college readiness indicators for various grades including but not limited to:

- Score of Level 3 or Level 4, “Standard Met” or “Standard Exceeded,” as indicated on the Smarter Balanced Summative Assessment in Reading and Mathematics at grades 3, 5, 8, and 11 by subgroup; (State Priority 4)
- Chronic absentee rates by grade level and subgroup at the following grades – Kindergarten, 1, 2; last grade of elementary (5 or 6); first grade of middle school (6 or 7); first grade of high school (9 or 10); (State Priority 5)
- Percent of students earning passing grades – C or better – in English and Mathematics at the exit grades from elementary (5 or 6) and middle school (8 or 9) by subgroup and gender; (State Priority 8)
- Suspension and expulsion rates by subgroup and gender for “disproportionality”; (State Priority 6)
- Percent of students failing two or more classes at grade 9 by subgroup and gender; (State Priority 8)

We commend Val Verde for adding early literacy metrics to its plan for 2015-16. We recommend that the district add the additional indicators that are not already included and further disaggregate its data to monitor progress as appropriate.

Describing Use of Supplemental and Concentration Grant Funds and Proportionality

The purpose of the LCAP *Section 3* is to ensure that all unduplicated and underperforming students receive increased or improved services in proportion to the increased funding received to serve those identified students in order for them to graduate from high school with the skills to be successful in both college and career.

In *Section 3A*, the justification for using funds districtwide and/or schoolwide should include a description of why this use of funds is most effective and why it is more effective than using the funds to target the students by subgroup in order to meet the district goals. Having a high population of unduplicated students is not in and of itself a justification for districtwide and/or schoolwide use. In addition, when funding is allocated to schools for schoolwide use, a description of how the district will ensure that the schools are implementing actions and that those actions are effective in meeting the district's goals in the eight state priority areas is necessary.

In *Section 3A*, the description noted above is for the dollars received for the 2015-16 school year and should reference the actions that are being implemented for the 2015-16 LCAP year in addition to those implemented in the previous year.

In *Section 3B*, the district is asked to describe how services for the unduplicated students have increased or improved as compared to services provided to all students in proportion to the increase in funding received to serve those students. This is a cumulative process of increasing services until the district is fully funded.

We recommend in *Section 3B* that the district broadly describe the services identified in the previous year(s) LCAP, and then describe those services being added in the current LCAP year, which is 2015-16. This demonstrates that the district is maintaining and building its support for unduplicated students proportionally each year and increases the transparency of the plan for the stakeholders. This will be important as, by 2020-21, this section will need to demonstrate that the district has increased or improved services to reflect 100 percent of its supplemental and concentration funds at full implementation.

Adopted Budget

In accordance with California Education Code (EC) Section 42127, our office has completed its review of the district's 2015-16 Adopted Budget to determine whether it complies with the criteria and standards adopted by the State Board of Education (SBE) and whether it allows the district to meet its financial obligations for the 2015-16 fiscal year, as well as satisfy its multi-year financial commitments.

The district's adopted budget has been analyzed in the context of guidance provided by our office, based on the Governor's 2015-16 May Budget Revision. 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 substantial General Fund operating deficit for the two subsequent fiscal years.
- *Flat Enrollment* – The district's projections indicate flat enrollment for the current year and two subsequent fiscal years.

The following pages provide further details on the district's 2015-16 Adopted Budget. In addition to this analysis, current law as enacted through AB 2756 (Chapter 52, Statutes of 2004) also 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.

LCFF Gap Funding – For purposes of determining the potential gap funding increase, the district has estimated 53.08 percent for the 2015-16 fiscal year, 37.40 percent for 2016-17 and 36.70 percent for 2017-18. The district has unassigned funds each year in the unrestricted ending General Fund balance that will cover a portion of the projected gap funding increase should it not materialize.

Unduplicated Pupil Percentage – The district reports an unduplicated pupil percentage of 83.01 percent for 2015-16, 82.38 percent for 2016-17 and 82.38 percent for 2017-18. The district's unduplicated pupil percentage included in the 2014-15 P2 certification by the California Department of Education is 83.42 percent.

Employee Negotiations – The district reports salary and benefit negotiations are complete with the classified bargaining unit for the 2015-16 fiscal year. The agreement provided for a one-time off-schedule payment equivalent to 4.0 percent of the unit member's base salary for the 2014-15 fiscal year. Effective July 1, 2015, the agreement increased salary schedules by 2.0 percent. In addition, unit members received a \$527 health and welfare benefit cap increase (from \$9,048 to \$9,575) beginning the 2015-16 fiscal year.

The district reports salary and benefit negotiations continue with the certificated bargaining unit for the 2015-16 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.

The district's adopted budget was developed prior to adoption of the 2015-16 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.

During our review of the district's Local Control and Accountability Plan, we noted the following:

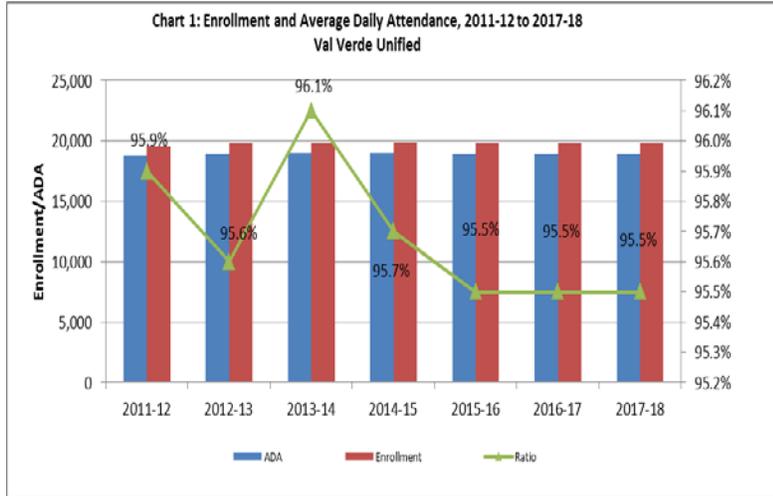
- The district's LCAP included *Section 4: Expenditure Summary* which is not part of the template adopted by the State Board of Education. We recommend that the section be removed from the district's posted LCAP and that it be disclosed to your board. In like manner, that section will not be included on the County's posting of the district's LCAP.
- Supplemental and Concentration (S&C) grant funding is included in the Local Control Funding Formula to increase and/or improve services to targeted student populations. It may be difficult for the district to meet the Minimum Proportionality Percentage at full implementation if S&C grant dollars have not been expended in each fiscal year to serve the targeted students who generated the funding.

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.

2015-16 Adopted Budget Report

Val Verde Unified School District

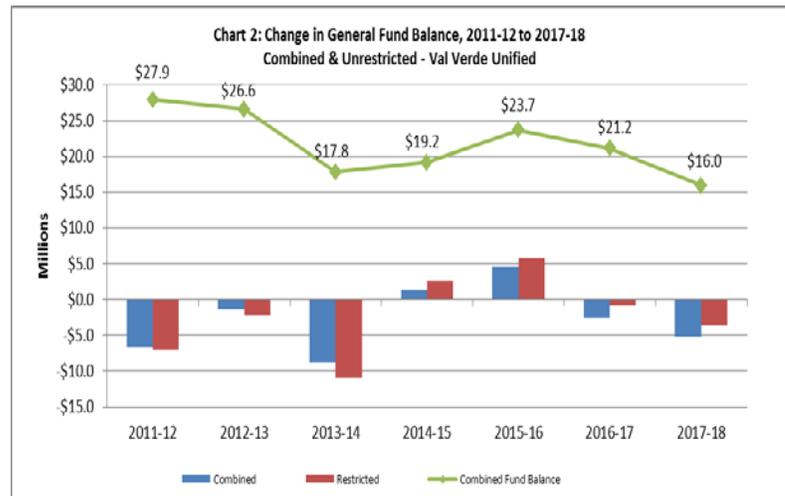
Enrollment and Average Daily Attendance (ADA)



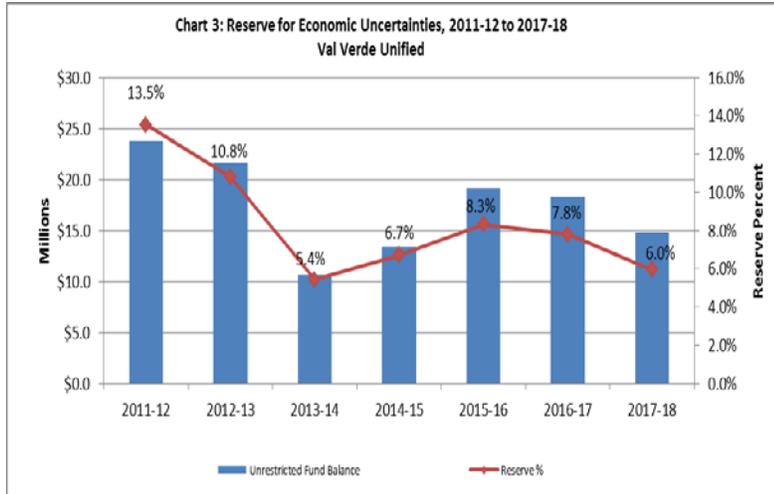
The district's projected ADA to enrollment ratio (capture rate) for 2015-16 is 95.5 percent, which is lower than the historical average ratio for the three prior fiscal years. The district estimates 18,941 ADA for the current fiscal year, or a 0.2 percent increase from the 2014-15 P-2 ADA. These projections appear reasonable based on the district's recent enrollment and ADA trends, as summarized in Chart 1.

Fund Balance

The district's Adopted Budget indicates a positive ending balance for all funds in the 2015-16 fiscal year. However, for the General Fund, the district anticipates expenditures will exceed revenues by \$2.6 million in 2016-17 and \$5.2 million in 2017-18. Chart 2 shows the district's deficit spending historical trends and projections.



Reserve for Economic Uncertainties

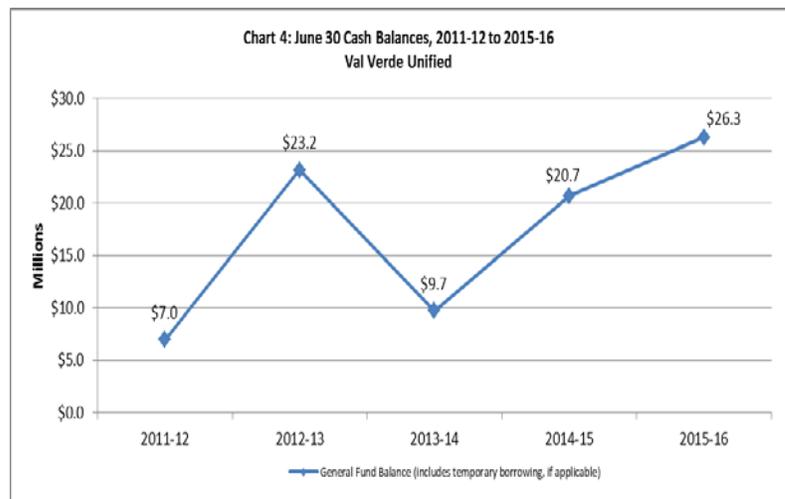


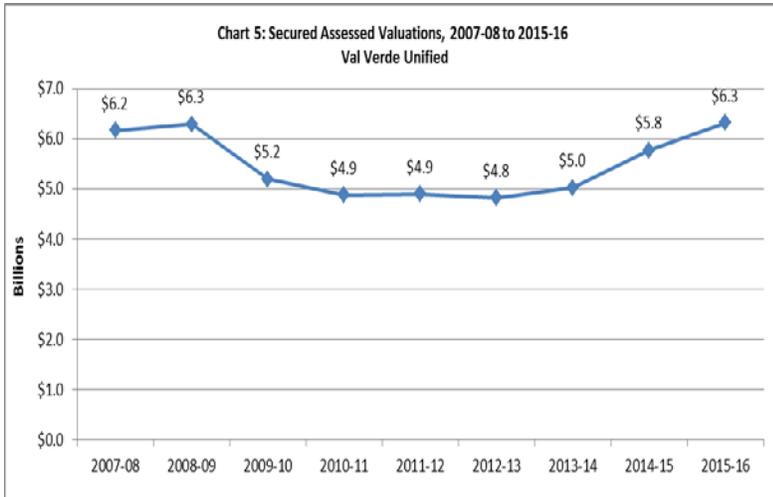
The minimum state-required reserve for a district of Val Verde Unified's size is 3.0 percent; however the governing board requires the district maintain a 4.25 percent reserve for economic uncertainties. In light of the current fiscal environment, our office recommends districts maintain reserves higher 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 4.25 percent reserve, in the current and two 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 of \$26.3 million as of June 30, 2016. 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.





Assessed Valuations

The Riverside County Assessor's Office has estimated secured assessed valuations will increase by 5.78 percent countywide in 2015-16. Chart 5 displays a historical summary of the district's secured property tax assessed valuations.