

2014-15 Plan Implementation

In the *Introduction*, Murrieta Valley provided a comprehensive and stakeholder friendly overview of the district and its focus for the future and the plan. In a review of the *Stakeholder Engagement* section, we noted the plan provided a very clear description of stakeholder engagement and impact on the plan and *Annual Update*. In a review of the *Annual Update*, we noted that while the plan comprehensively addresses what the district did concerning last year’s actions and clearly states the district’s next steps for a given action, it does not clearly include assessments of the **effectiveness** of a specific action. The effectiveness of a specific action should be judged on the evidence collected in order to help the district determine the next steps. During the process of evaluating an action the LCAP Committee will be able to determine next steps clearly and justify those next steps based on clear evidence. We recommend that Murrieta Valley include effectiveness statements which are reasonable, specific, transparent, and include metrics.

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 Murrieta Valley’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).

The district has set aspirational and challenging targets for all outcomes and for all subgroups. In addition, the plan would be strengthened by **differentiating actions for significant subgroups** who are underperforming academically or overrepresented in suspension and expulsion data. In most areas, the White subgroup (45.5 percent of the population) is the highest performing subgroup, consistently performing above the state average; however, in most cases the achievement gap target is the district average for all students. The gap between the White students and the remaining subgroups was noted and addressed by having a goal (2) specifically target prevention/intervention/acceleration. Most of the subgroup actions were checked for all subgroups. Consider strengthening actions by specific subgroup based on data and priorities.

The district has set specific and achievable goals for grade spans and for specific schools. The needs were clearly articulated and the outcomes and actions were aligned to meet the goals.

In reviewing district data we noticed these achievement rates for your subgroups compared to the performance of the White subgroup.

Metric	State Average	White	African American	Hispanic	English Learner	Low Income	Students w/ Disabilities
% of Murrieta Valley USD		45.5	5.3	34.3	5.7	33.0	11.6
% UC A-G Enrollment		97.6	97.7	98.0	97.6	98.0	87.5
% UC A-G Completion	41.9	55.0	39.5	42.6	13.3	43.5	8.9
% EAP – ELA/Math	24.8 / 10.5	39.5 / 7.9	23.3 / 3.2	25.7 / 8.0	0.0 /	24.4 / 6.7	5.2 / 4.3
% CAHSEE – ELA/Math	83 / 85	96 / 96	86 / 88	92 / 92	53 / 69	89 / 90	57 / 59
% Suspension	4.36	1.90	4.01	1.90	1.01	2.70	4.45
*Please note that while the CAHSEE is currently suspended, the data illustrate the achievement gap.							

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 Murrieta Valley for adding several of these metrics to its plan for 2015-16. We recommend that the district further disaggregate its data and 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. Murrieta Valley provided justification for districtwide and/or schoolwide use. However, 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:

- *Declining Enrollment* – The district's projections indicate declining enrollment for the current fiscal year.

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 the projected gap funding increase should it not materialize.

Unduplicated Pupil Percentage – The district reports an unduplicated pupil percentage of 33.82 percent for 2015-16, 32.94 percent for 2016-17 and 32.94 percent for 2017-18. The district's unduplicated pupil percentage included in the 2014-15 P2 certification by the California Department of Education is 34.32 percent.

Employee Negotiations – The district reports salary and benefit negotiations continue with the certificated and classified bargaining units 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:

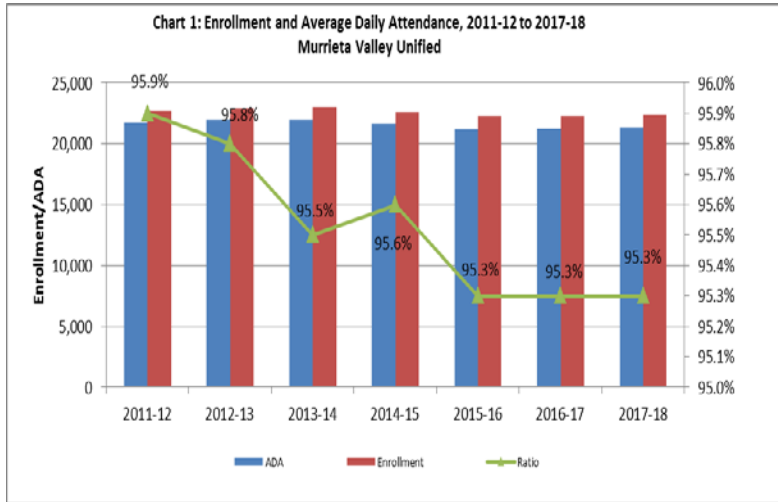
- The district's LCAP included *Section 4: Expenditure Summary* which is not part of the template adopted by the State Board of Education. We recommend that the section be removed from the district's posted LCAP and that it be disclosed to your board. In like manner, that section will not be included 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

Murrieta Valley Unified School District

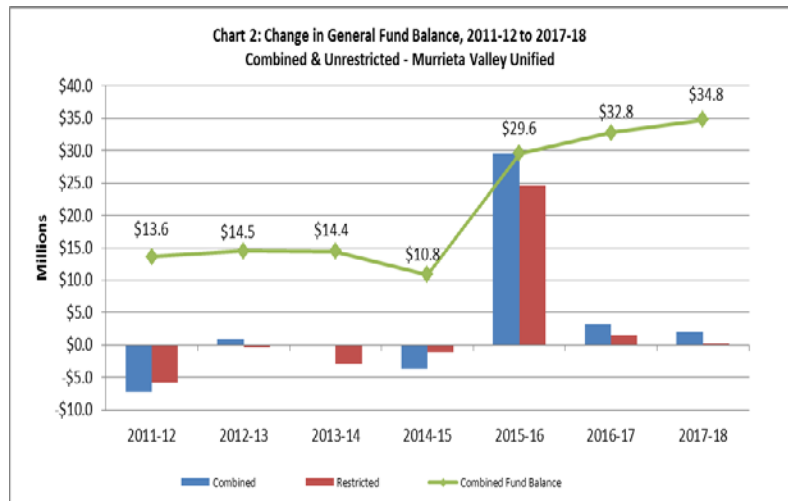
Enrollment and Average Daily Attendance (ADA)



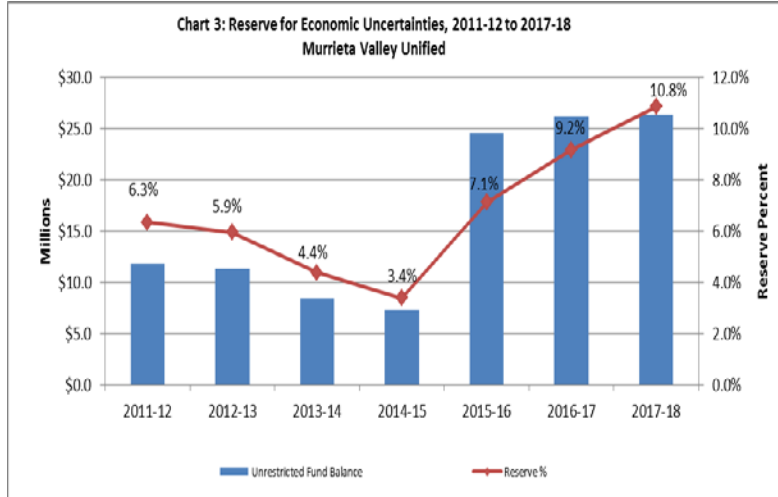
The district's projected ADA to enrollment ratio (capture rate) for 2015-16 is 95.3 percent, which is lower than the historical average ratio for the three prior fiscal years. The district estimates 21,208 ADA for the current, or a 1.8 percent decrease from the 2014-15 P-2 ADA. For 2016-17 and 2017-18, the district projects a 0.2 percent and 0.5 percent increase in each year respectively.

Fund Balance

The district's Adopted Budget indicates a positive ending balance for all funds in the 2015-16 fiscal year. Chart 2 shows the district's deficit spending historical trends and projections.



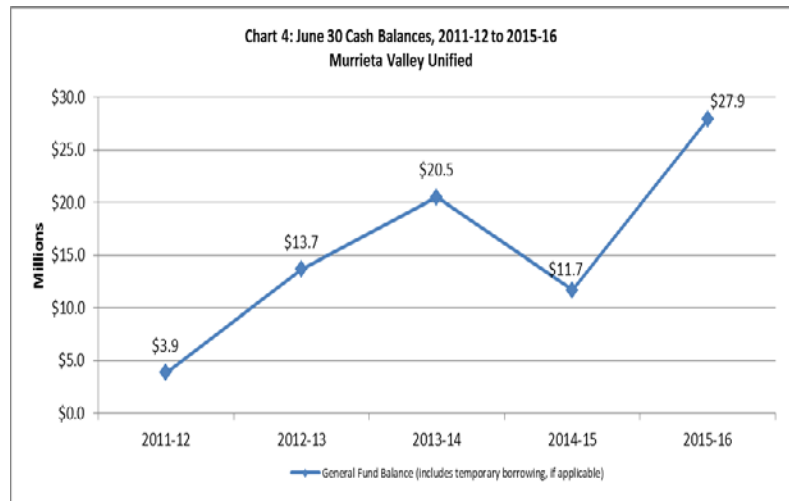
Reserve for Economic Uncertainties



The minimum state-required reserve for a district of Murrieta Valley 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 two subsequent fiscal years.

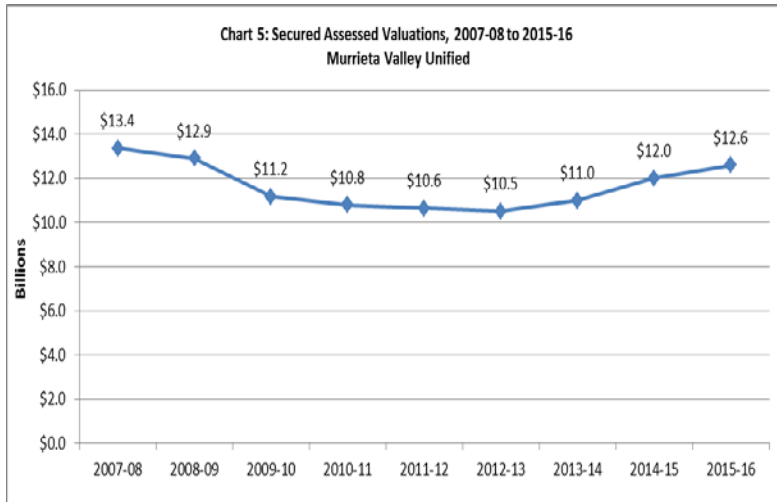
Cash Management

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 \$27.9 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.