



**Riverside County
Board of Education**

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DATE: September 14, 2018

TO: Mr. Patrick Kelley, District Superintendent
Mr. Paul Diffley, Board President
Mr. Stacy Coleman, Assistant Superintendent, Business Services
Ms. Mary Walters, Assistant Superintendent, Educational Services
Murrieta Valley 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.

| Murrieta Valley 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 | | | 41.9 | 5.3 | 36.5 | 5.8 | 35.8 | 14.1 |
| % UC A-G Completion | 2017 | 46.8 | 58.9 | 61.7 | 45.6 | 52.7 | 20.6 | 48.4 | |
| EAP – % ELA College Ready | 2017 | 27.7 | 37.6 | 43.7 | 27.7 | 27.8 | 2.1 | 25.7 | 5.8 |
| EAP – % Math College Ready | 2017 | 12.9 | 11.6 | 15.2 | 3.1 | 5.6 | 2.1 | 6.4 | 0.6 |
| CAASPP – Grade 3 ELA % Met/Exceeded | 2017 | 43.9 | 57.2 | 66.2 | 45.0 | 48.4 | 29.7 | 42.3 | 27.2 |
| CAASPP – ELA % Met/Exceeded | 2017 | 48.6 | 61.6 | 67.5 | 48.7 | 53.5 | 22.9 | 48.8 | 21.2 |
| CAASPP – Math % Met/Exceeded | 2017 | 37.6 | 46.6 | 53.1 | 29.6 | 38.0 | 20.0 | 34.9 | 15.9 |
| CAASPP Distance from Level 3 – ELA | 2017 | | | | | | | | |
| CAASPP Distance from Level 3 – Math | 2017 | | | | | | | | |
| % Suspension ♦ | 2017 | 3.6 | 1.5 | 1.5 | 2.9 | 1.4 | 1.1 | 2.2 | 2.7 |
| % Chronic Absenteeism ♦ | 2017 | 10.8 | 8.9 | 9.2 | 9.6 | 9.5 | 7.8 | 11.6 | 14.1 |
| % EL Progress to English Proficiency** | 2017 | | | | | | 69.7 | | |
| Graduation Rate | 2017 | 82.7 | 96.2 | 95.6 | 96.1 | 96.8 | 86 | 95.4 | 80.3 |
| 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 a detailed description in the *Stakeholder Engagement* section of the LCAP that addresses themes discussed during stakeholder engagement sessions. The narrative demonstrates that the district's stakeholders have a strong, solid impact on the development of the LCAP.

Standards Met or Exceeded in English Language Arts and Mathematics

The district is to be commended for the significant increases in English Language Arts CAASPP scores for Foster Youth, African American, and Pacific Islander student groups, and increases in math CAASPP scores for Foster Youth, Low Income, African American, and Hispanic student groups. The district continues to maintain a commitment to high-quality systems, training, resources, and support, promoting growth in achievement for all student groups. 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 you continue your exploration of strategies to achieve a more accelerated rate of growth in student achievement, especially for Foster Youth, English Learner, Low Income, Students with Disabilities, African American, and Hispanic student groups?
- Considering the various initiatives that you are implementing to improve student achievement, how might you determine which programs are providing the best results, determine what factors make them effective, and use that knowledge to focus your efforts on key practices that produce the most effective student outcomes?
- How might you follow up on professional learning opportunities with coaching, monitoring, and other forms of capacity building for teachers, students, parents, and administrators to ensure implementation of the learning to achieve the highest levels of student learning for all student groups, especially Foster Youth, English Learner, Low Income, Students with Disabilities, African American, and Hispanic?
- What key data points might you monitor regularly in order to adjust strategies and systems to achieve stated goals?

Course Access and Student Enrollment in Rigorous Coursework and CTE Pathways

The district is to be commended for the increases in Advanced Placement participation and the A-G completion rate. The district is also to be commended for continued commitment to supporting a Counselor on Assignment to assist with design and completion rates as well as the maintenance and addition of one additional counselor at each comprehensive high school. The district is also to be commended for the increase in enrollment for CTE programs with a three-course sequence, leading to industry certification. Many of the CTE courses are also helping students meet the A-G course requirements. 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 continue your exploration of strategies to achieve a more accelerated rate of growth in course access and CTE pathways, especially for Foster Youth, English Learner, Low Income, Students with Disabilities, African American, and Hispanic student groups?
- For student groups who experienced a decline in graduation rate, what would it look like if interventions were differentiated for the unique needs of each student group?
- How might you continue your exploration of strategies to accelerate progress toward meeting district and state targets for the reduction of the dropout rate and the rate of students failing two or more classes, especially for Foster Youth, English Learner, Low Income, Students with Disabilities, African American, and Hispanic student groups?

- As you review your processes, programs, and implementation of LCAP actions, how might you identify and address the root causes for the significant number of “Not Met” designations related to course access and student enrollment in rigorous coursework and CTE pathways, especially for Foster Youth, English Learner, Low Income, Students with Disabilities, African American, and Hispanic student groups?

Pupil Engagement and School Climate

The district is to be commended for employing a strategic approach to seeking the perspectives of parents, staff, and students and using those perspectives to develop clear goals and actions. The district is also to be commended for providing equity training for teachers, principals, key district staff, and parents, as well as using structured activities to facilitate equity discussions helping build a strong foundation for creating equitable school cultures. 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 continued exploration of strategies to improve attendance and reduce chronic absenteeism impact pupil engagement metrics?
- As you review your processes, programs, and implementation of LCAP actions, how might you identify and address the root causes for the significant number of “Not Met” designations related to pupil engagement and school climate, especially for Foster Youth, English Learner, Low Income, Students with Disabilities, African American, and Hispanic student groups?

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/>.

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.

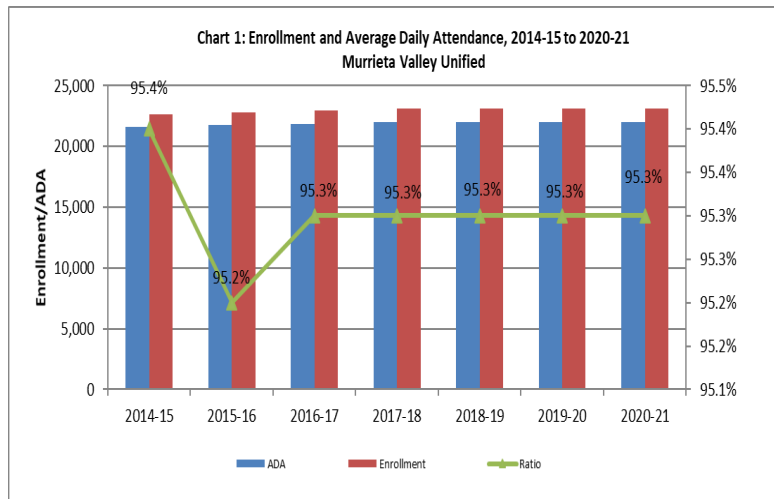
Based on our analysis of the information submitted, we approve the district’s budget, but note the following concern:

- *Flat Enrollment* – The district’s projections indicate flat enrollment 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.

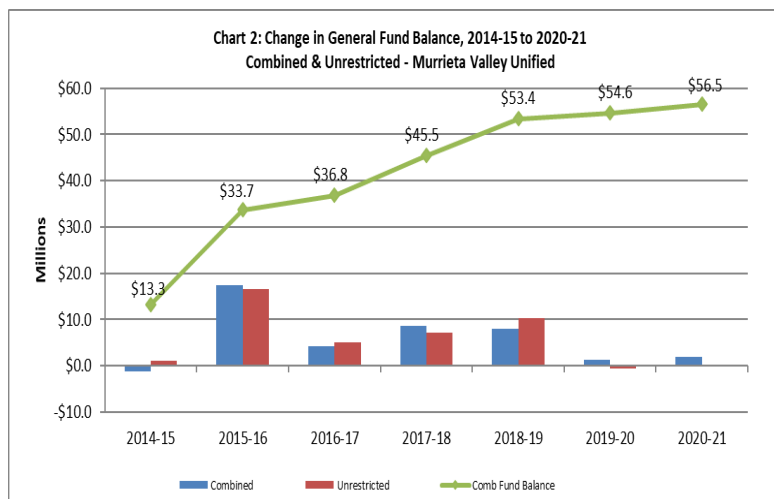
Enrollment and Average Daily Attendance (ADA) – The district’s projected ADA to enrollment ratio (capture rate) for 2018-19 is 95.3 percent, which is within the historical average ratio for the three prior fiscal years. The district estimates 22,036 ADA for the current fiscal year, or no change from the 2017-18 P-2 ADA. For 2019-20 and 2020-21, the district projects ADA to remain flat.



Unduplicated Pupil Percentage – The district reports an unduplicated pupil percentage of 35.76 percent for 2018-19, and 37.19 percent for 2019-20 and 2020-21. The district’s unduplicated pupil percentage included in the 2017-18 P-2 certification by the California Department of Education was 34.71 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.

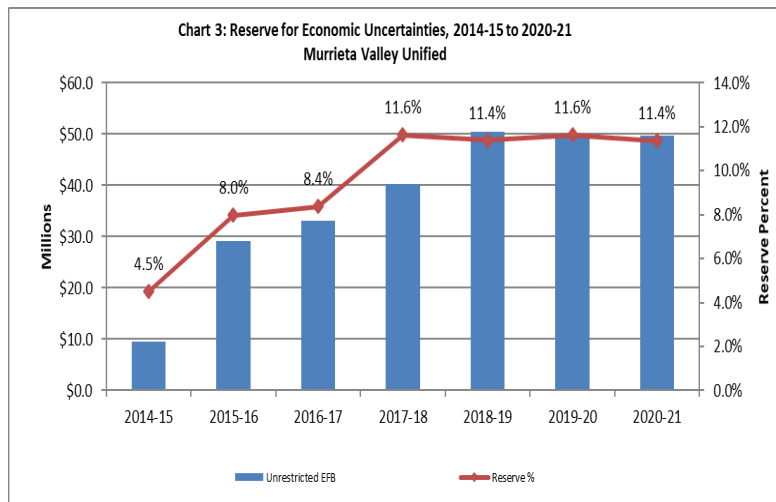
Fund Balance – The district’s Adopted Budget indicates a positive ending balance for all funds in the 2018-19 fiscal year. Chart 2 shows the district’s deficit spending historical trends and projections.



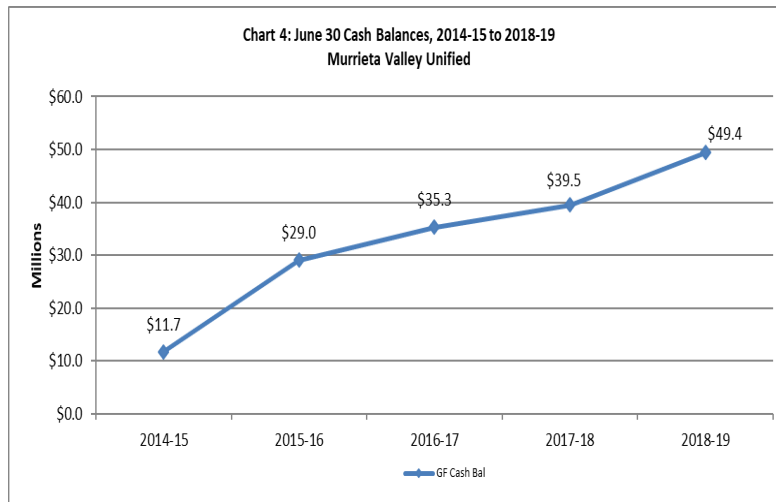
Employee Negotiations – As of the board date, June 21, 2018, the district reports salary and benefit negotiations are complete with the certificated bargaining unit for the 2018-19 fiscal year. The reopener agreement provided for a 1.0 percent increase to the certificated salary schedule, retroactive to July 1, 2017. The agreement also provided for a 5.0 percent off schedule, one-time payment based upon the employee’s annual base salary for the 2017-2018 fiscal year. The agreement provided for a 1.5 percent increase to the certificated salary schedule, effective July 1, 2018. The associated cost of the agreement was not included in the adopted budget projections.

As of the board date, June 21, 2018, the district reports salary and benefit negotiations continue with the classified bargaining unit for the 2018-19 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 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 subsequent fiscal years.

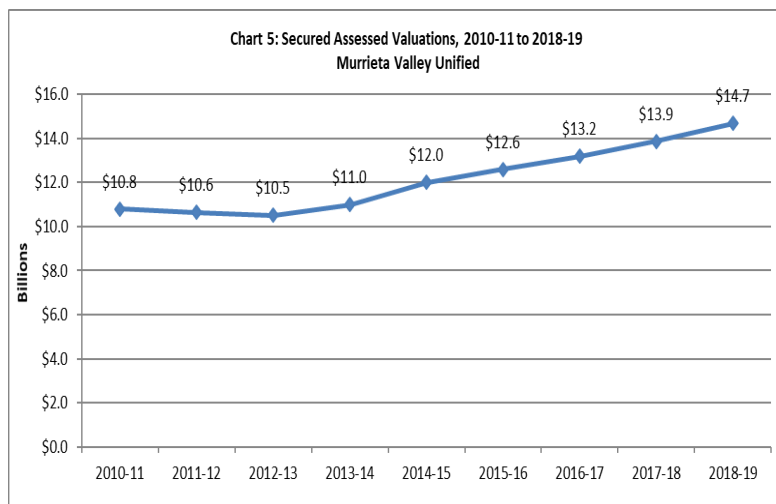


Cash Management – Chart 4 provides a historical summary of the district’s June 30th General Fund cash balance. Based on the budget’s cash flow analysis, the district projects a positive General Fund cash balance of \$49.4 million as of June 30, 2019. This balance does not include any temporary borrowings, 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.