



Riverside County
Board of Education

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DATE: September 13, 2019

TO: Mr. Terrence Davis, District Superintendent
Mr. Steve Hovey, 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: Tina Daigneault *TD* Chief Business Official (951) 826-6790
Cynthia Glover Woods *CW* Chief Academic Officer (951) 826-6648

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.

Beaumont 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	Green	Orange	Yellow	Red	Orange	Orange
Dashboard: Academic Indicator for Mathematics	Orange	Orange	Orange	Orange	Yellow	Orange	Orange	Orange	Red	Orange	Yellow
Dashboard: Chronic Absenteeism	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Red
Dashboard: High School Cohort Graduation	Green	Yellow	*	Green	Green	*	Green	Green	Yellow	*	Orange
Dashboard: Suspension	Green	Yellow	Orange	Green	Green	Green	Green	Green	Yellow	Red	Green
Dashboard: Prepared for College and Career	Green	Green	*	Green	Green	*	Green	Yellow	Yellow	*	Yellow
Cohort A-G Completion Rate	49.4%	52.5%	*	44.0%	51.8%	60.0%	45.3%	31.0%	25.5%	28.6%	21.1%
English Learner Reclassification Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10.3%	N/A	N/A	N/A
Cohort High School Dropout Rate	4.1%	4.5%	*	3.9%	5.0%	0.0%	5.8%	5.6%	10.0%	33.3%	28.6%
Expulsion Rate	0.10%	0.40%	0.00%	0.09%	0.09%	0.00%	0.15%	0.16%	0.00%	0.41%	0.00%
* – 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 showing a commitment to early literacy and mathematics by providing intervention teachers and instructional coaches at the TK-2 level.

Additional dialogue related to the question below may support the achievement of the expected annual measurable outcomes and goals aligned to student achievement in English language arts and mathematics:

- Considering the district’s commitment to increased amounts of professional development, what types of monitoring and evaluation strategies can be used to measure the impact of those actions on English language arts and mathematics outcomes for all students?

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

The district is to be commended for maintaining a high graduation rate of 94.2 percent.

Additional dialogue related to the question 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:

- Considering the promise of the district’s new Be Ready Beaumont movement to better prepare students for college and careers, how might the district monitor the implementation and impact of this program?

Pupil Engagement and School Climate

The district is to be commended for decreasing the overall suspension rate to 2.4 percent with multiple student groups at the green and blue indicator levels.

Additional dialogue related to the question below may support the achievement of the expected annual measurable outcomes and goals aligned to pupil engagement and school climate:

- Considering the identified need in chronic absenteeism for student groups in the red and orange indicator levels, how might the district explore factors that may be contributing to the rise in absenteeism rates for the highest need 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/>.

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.

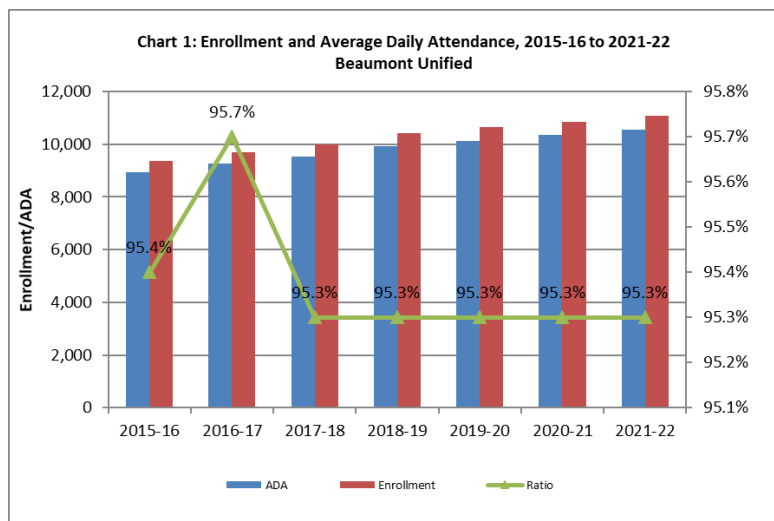
Based on our analysis of the information submitted, we approve the district’s budget, but note the following concern:

- *Operating Deficits* – Multi-year financial projections indicate substantial unrestricted 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 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.

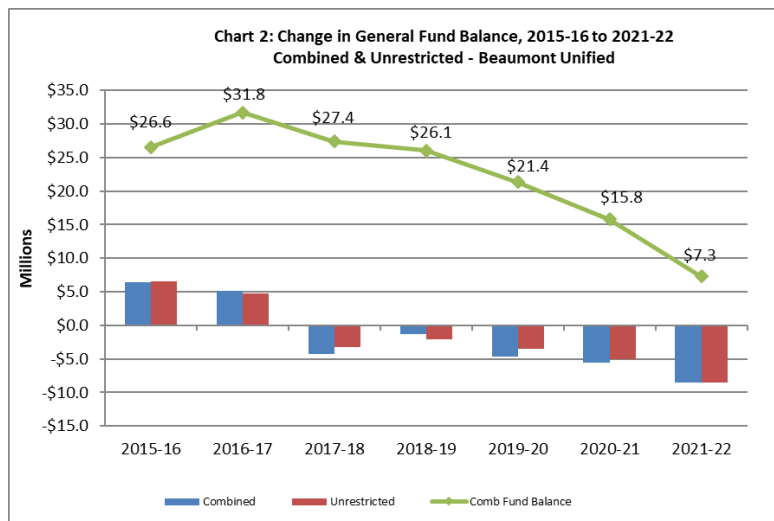
Enrollment and Average Daily Attendance (ADA) – The district’s projected ADA to enrollment ratio (capture rate) for 2019-20 is 95.3 percent, which is within the historical average ratio for the three prior fiscal years. The district estimates 10,134 ADA for the current fiscal year, or a 2.0 percent increase from the 2018-19 P-2 ADA. For 2020-21 and 2021-22, the district projects a 2.0 percent increase in each year.



Unduplicated Pupil Percentage – The district reports an unduplicated pupil percentage of 59.22 percent for 2019-20, 58.24 percent for 2020-21, and 57.10 percent for 2021-22. The district’s unduplicated pupil percentage included in the 2018-19 P-2 certification by the California Department of Education was 59.46 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 \$4.7 million in 2019-20, \$5.6 million in 2020-21, and \$8.5 million in 2021-22. Chart 2 shows the district’s deficit spending historical trends and projections.

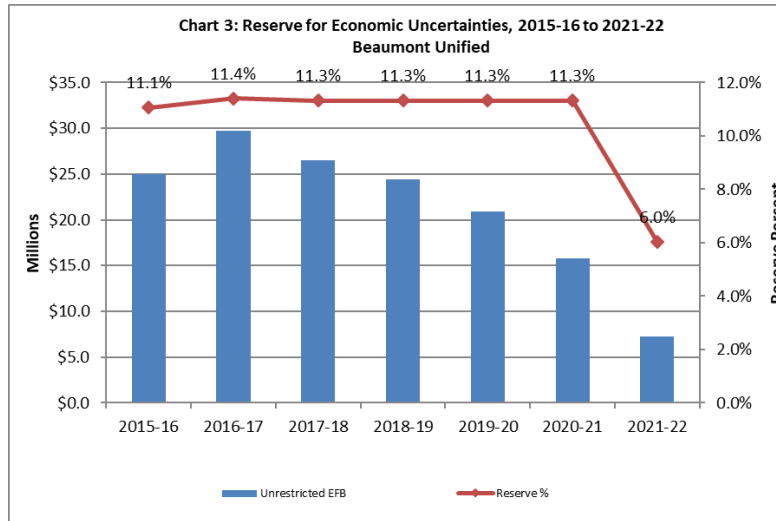


Employee Negotiations – As of the board date, June 25, 2019, the district reports salary and benefit negotiations are complete with the certificated bargaining unit for the 2019-20 fiscal year. The agreement provided for a 1.5 percent salary schedule increase, effective July 1, 2019. The agreement also provided for a \$200 health and welfare cap increase (from \$12,732 to \$12,932) for the 2019-20 fiscal year. The memorandum of understanding provided full-time release for the Association President from his/her regular duties in the district, effective July 1, 2019.

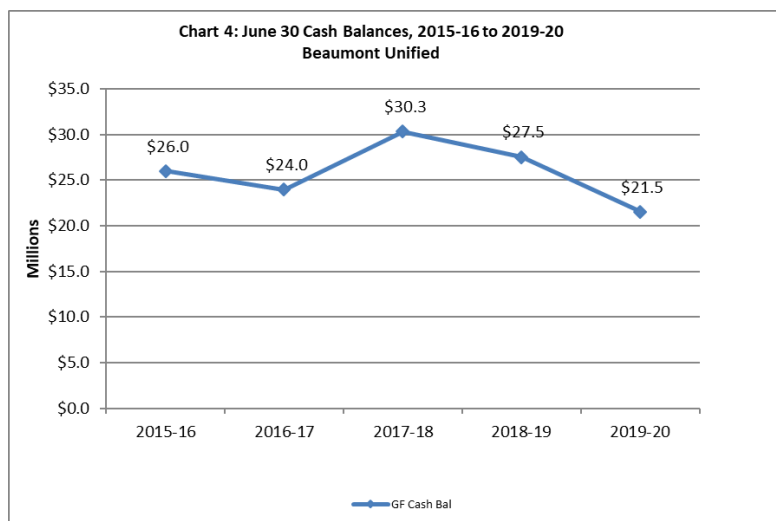
The district reports salary and benefit negotiations continue with the classified bargaining unit for the 2019-20 fiscal year. Prior to entering into a written agreement, California Government Code (GC) Section 3547.5 requires a public school employer to publicly disclose the major provisions of a collective 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 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. 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, however the district projects to meet the board-required reserve in the current and first subsequent fiscal years only. The district does not project to meet the board-required reserve in the 2021-22 fiscal year. However, the district maintains \$3.1 million in assignments in the 2021-22 fiscal year.



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 \$21.5 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.

Mission Vista Charter – On March 5, 2019, the governing board of Beaumont Unified School District approved a charter school petition for Mission Vista Charter. The charter petition noted an enrollment amount of 2,500 students with the submittal of the petition. The charter petition was approved for five years and the first year of operation is fiscal year 2019-20. As a reminder, EC Section 47604.32 identifies the minimum duties of a charter authorizing entity. The district is responsible for monitoring the fiscal condition of the school and ensuring that the school operates in compliance with all applicable laws, regulations, and the terms of its charter.

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.