



Riverside County
Board of Education

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DATE: September 13, 2019

TO: Dr. Sandra Lyon, District Superintendent
Mr. Richard R. Clapp, Board President
Dr. Brian J. Murray, Assistant Superintendent of Business Services
Dr. Mike Swize, Assistant Superintendent of Educational Services
Palm Springs 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.

Palm Springs 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	Yellow	Orange	Yellow	Green	Orange	Yellow	Orange	Orange	Orange
Dashboard: Academic Indicator for Mathematics	Orange	Red	Yellow	Orange	Orange	Yellow	Orange	Orange	Red	Orange	Orange
Dashboard: Chronic Absenteeism	Orange	Red	Red	Orange	Red	Orange	Orange	Orange	Red	Red	Red
Dashboard: High School Cohort Graduation	Green	Green	*	Green	Green	*	Green	Green	Yellow	*	Green
Dashboard: Suspension	Orange	Red	Red	Orange	Orange	Red	Orange	Orange	Red	Red	Orange
Dashboard: Prepared for College and Career	Green	Orange	*	Green	Green	*	Green	Yellow	Red	*	Yellow
Cohort A-G Completion Rate	40.0%	37.6%	*	37.0%	50.3%	23.1%	37.6%	16.2%	4.9%	16.7%	26.6%
English Learner Reclassification Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12.1%	N/A	N/A	N/A
Cohort High School Dropout Rate	4.6%	4.3%	*	4.6%	4.2%	17.6%	4.9%	5.7%	9.8%	12.5%	9.5%
Expulsion Rate	0.19%	0.39%	0.00%	0.18%	0.15%	0.00%	0.20%	0.11%	0.22%	0.92%	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 the increase in academic performance for third grade students in English language arts and an increase in mathematics for the Foster Youth student group. Additionally, the district increased the English learner reclassification rates which exceeded the county average. The district is commended for continuing the focus on improving instructional strategies in the classroom by expanding the role of instructional coaches.

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:

- What monitoring and evaluation strategies could be utilized to ensure that the relaunch of the Multi-Tiered System of Supports (MTSS) leads to improved English language arts and mathematics academic outcomes for all students?
- How might the district demonstrate that the additional staff hired and the professional development provided are effective in improving outcomes for student groups (e.g., English Learners, Hispanic, African American, Foster Youth, Students with Disabilities, American Indian) that are underperforming in secondary schools?
- How might the district use early literacy data to inform primary instruction toward ongoing standards mastery?
- How might the district's focus on professional learning communities and short cycle assessments inform and influence secondary school day interventions?

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

The district is to be commended for the continued increase in graduation rates. Also noteworthy is the increase in graduating students prepared for college and career and for the improvement in the English Learner student group meeting A-G eligibility requirements. The district is also commended for the investment in earlier college and career readiness planning with the increase in school counselor access, CTE exploration field trips, and the addition of middle school counselors who will focus on post-secondary planning.

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 will additional targeted support for African American, Hispanic, English Learner, Homeless Youth, and Students with Disabilities student groups increase access and success in rigorous coursework (e.g., A-G, International Baccalaureate, Advanced Placement, college coursework, CTE pathways)?
- What systems might the district consider developing to best coordinate the additional college and career counseling services and the Multi-Tiered System of Supports (MTSS) goals?

Pupil Engagement and School Climate

The district is to be commended for the increased counseling and mental health support at all school levels and the 24/7 technology take-home program to address the access barriers students and families face. The district is to be commended on the emphasis and importance of parent involvement through the substance abuse parenting program, the creation of the African American Parent Advisory Council, and the addition of a Parent Engagement Teacher on Special Assignment (TOSA).

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:

- What practices or frameworks might the district consider as the district continues to refine best first instruction?
- How might instructional coaches and mental health/school counselors coordinate their efforts in order to reduce chronic absenteeism and suspensions?
- What accountability measures could the district put in place to continuously monitor the implementation and impact of Positive Behavioral Interventions and Supports (PBIS) on disciplinary data outcomes or suspension rates?

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 concerns:

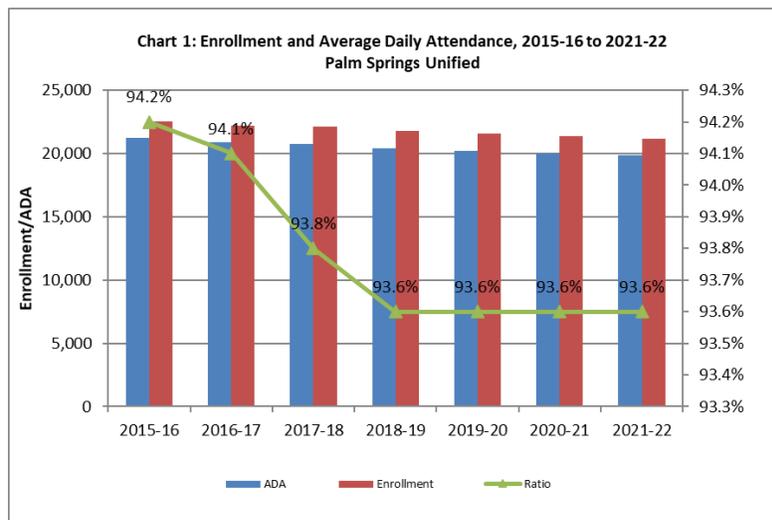
- *Operating Deficits* – Multi-year financial projections indicate unrestricted General Fund operating deficits for the current and two subsequent fiscal years.

- *Declining Enrollment* – The district’s projections indicate declining 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 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.

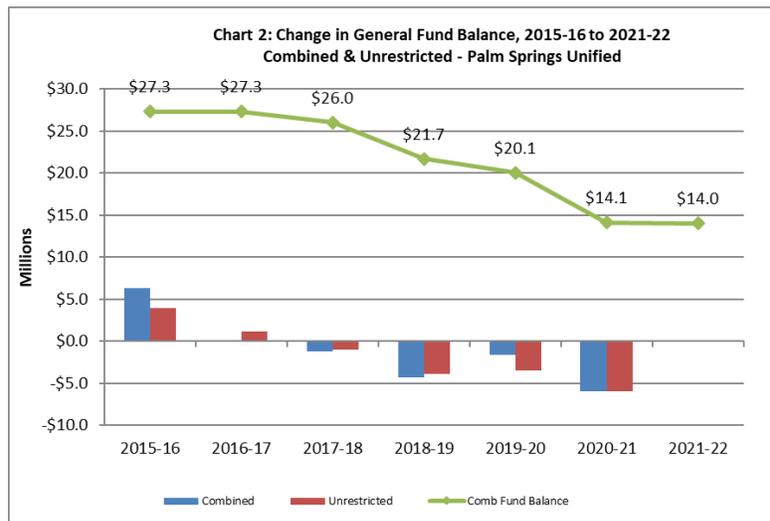
Enrollment and Average Daily Attendance (ADA) – The district’s projected ADA to enrollment ratio (capture rate) for 2019-20 is 93.6 percent, which is within the historical average ratio for the three prior fiscal years. The district estimates 20,216 ADA for the current fiscal year, or a 0.8 percent decrease from the 2018-19 P-2 ADA. For 2020-21 and 2021-22, the district projects a 0.9 percent decrease in each year.



Unduplicated Pupil Percentage – The district reports an unduplicated pupil percentage of 89.21 percent for 2019-20, and 89.43 percent for 2020-21 and 2021-22. The district’s unduplicated pupil percentage included in the 2018-19 P-2 certification by the California Department of Education was 88.17 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 3.46 percent, 2.86 percent, and 2.92 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.

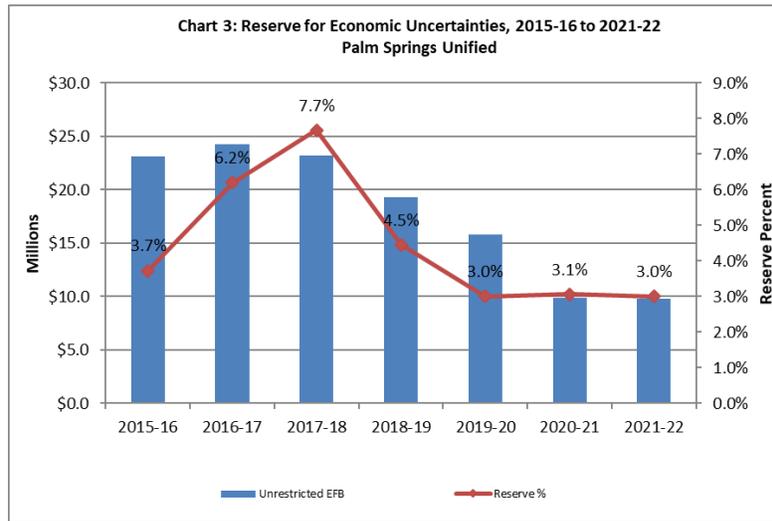
Fund Balance – The district’s Adopted Budget indicates a positive ending balance for all funds in the 2019-20 fiscal year. However, for the General Fund, the district anticipates expenditures and uses will exceed revenues and sources by \$1.7 million in 2019-20, \$5.9 million in 2020-21, and \$0.1 million in 2021-22. Chart 2 shows the district’s deficit spending historical trends and projections. If the multi-year projections associated with the First Interim Financial Report identify the need for budget reductions, the district must provide the County Superintendent with its plan to implement the reductions.



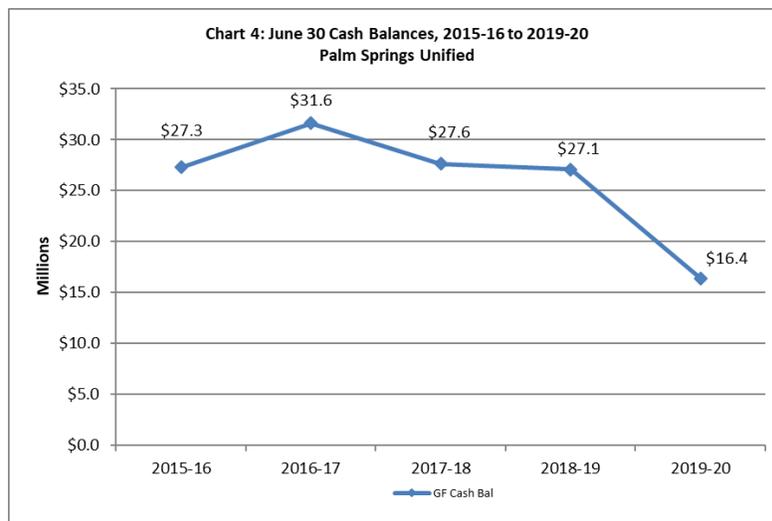
Employee Negotiations – As of the board date, June 25, 2019, the district reports salary and benefit negotiations are complete with the certificated bargaining unit for the 2019-20 fiscal year. The agreement provided for a 2.375 percent increase to the salary schedule, effective July 1, 2019. The agreement also provided for a \$495 health and welfare benefit cap increase (from \$14,520 to \$15,015), beginning October 1, 2019. In addition, the stipends were increased for dual immersion teachers, speech language pathologists, and school nurses.

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 Palm Springs 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 \$16.4 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.

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.