



**Riverside County  
Board of Education**

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**DATE:** September 13, 2019

**TO:** Mr. Tim Ritter, District Superintendent  
Dr. Kristi Rutz-Robbins, Board President  
Mrs. Lori Ordway-Peck, Assistant Superintendent  
Ms. Jodi McClay, Assistant Superintendent  
Temecula Valley Unified School District

**FROM:** Judy D. White, Ed.D., Riverside County Superintendent of Schools

**BY:** Tina Daigneault *TD* Chief Business Official (951) 826-6790  
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**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.

Temecula Valley 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	Green	Yellow	Yellow	Green	Green	Blue	Green	Yellow	Yellow	Yellow	Yellow
Dashboard: Academic Indicator for Mathematics	Green	Orange	Yellow	Yellow	Green	Green	Yellow	Yellow	Yellow	Red	Yellow
Dashboard: Chronic Absenteeism	Orange	Orange	Orange	Orange	Orange	Orange	Orange	Yellow	Orange	Red	Red
Dashboard: High School Cohort Graduation	Green	Blue	*	Green	Green	Blue	Green	Red	Green	*	Orange
Dashboard: Suspension	Yellow	Orange	Orange	Orange	Green	Green	Yellow	Green	Orange	Orange	Yellow
Dashboard: Prepared for College and Career	Green	Green	*	Green	Green	Blue	Green	Yellow	Yellow	*	Red
Cohort A-G Completion Rate	76.1%	64.4%	58.3%	71.7%	78.6%	83.0%	67.8%	39.6%	36.3%	*	37.5%
English Learner Reclassification Rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.6%	N/A	N/A	N/A
Cohort High School Dropout Rate	2.7%	1.0%	14.3%	3.6%	2.4%	1.7%	4.2%	18.5%	2.9%	*	13.6%
Expulsion Rate	0.17%	0.46%	0.98%	0.19%	0.13%	0.16%	0.30%	0.34%	0.33%	1.24%	0.45%
* – 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 commended for identifying English Learner (EL)/Reclassified Fluent English Proficient (RFEP) students most at-risk, and appointing a mentor to continuously monitor their growth in behavior, attendance, and/or academics. They should also be commended for their focus on literacy and prioritization of support for students and staff, including the increase to 15 Literacy Specialists. The fact that no student groups are at “red” or “orange” and all student groups increased in English language arts is highly commendable. Additionally, four out of five student groups have moved from “orange” to “yellow” in mathematics.

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 the district utilize existing resources to support the Foster Youth and African American student groups who did not show an increase in mathematics?
- What further investigation regarding factors contributing to the English Learner student group graduation rates might be helpful as the district continues work in this area?

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

The district is commended for their focus on instruction (coaching and professional development) and providing additional student support (specialized instruction, additional counseling services, and strategic behavior intervention). They are also commended for the implementation of an extended/adjusted day (Grades 6-8) schedule for mathematically at-risk target students.

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:

- How might programs be redesigned to provide increased access to a broad course of study in alternative settings?

### **Pupil Engagement and School Climate**

The district is commended for their K12 Insight online program documenting, evaluating, and responding to 100 percent of entries. The district should also be commended for their LCAP support, including translators, bilingual clerks, Information Management Systems (IMS) and safety staff members, college field trips, and transportational services. Also commendable is the district’s 94.2 percent graduation rate, including 99 percent for the African American student group.

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:

- How might the district determine and address contributing factors for individual students not achieving district goals, particularly in the area of chronic absenteeism and 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.

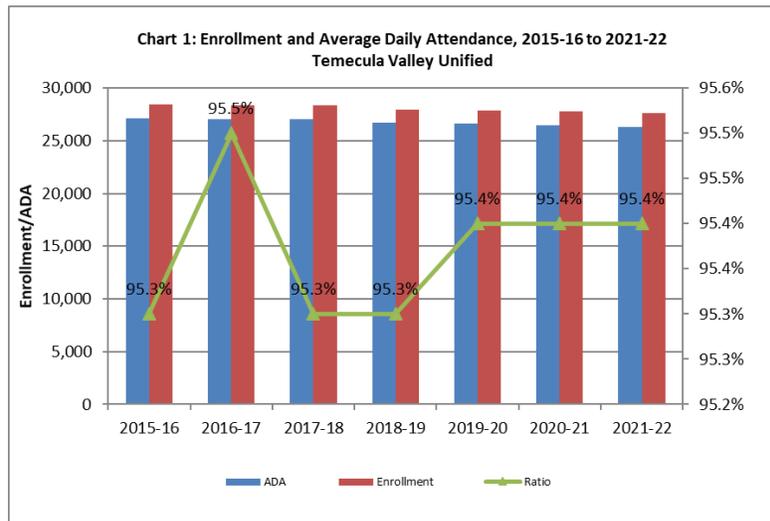
Based on our analysis of the information submitted, we approve the district's budget, but note the following concerns:

- *Operating Deficits* – Multi-year financial projections indicate unrestricted General Fund operating deficits for the 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.

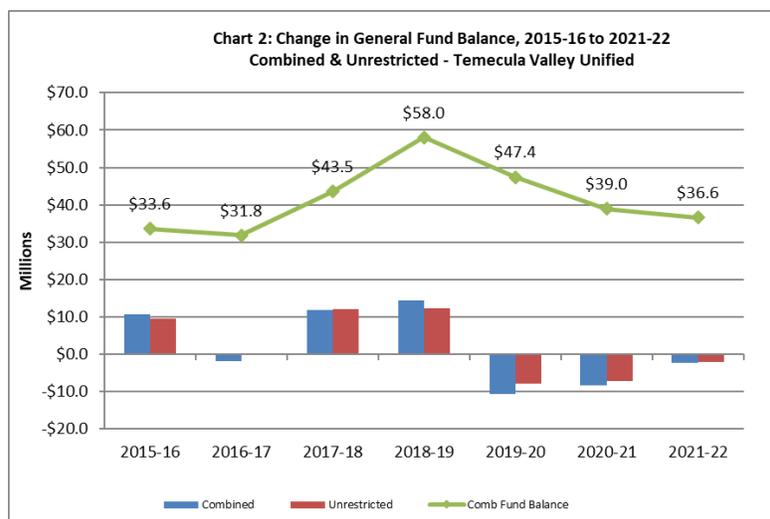
*Enrollment and Average Daily Attendance (ADA)* – The district's projected ADA to enrollment ratio (capture rate) for 2019-20 is 95.4 percent, which is within the historical average ratio for the three prior fiscal years. The district estimates 26,607 ADA for the current fiscal year, or a 0.3 percent decrease from the 2018-19 P-2 ADA. For 2020-21 and 2021-22, the district projects a 0.5 percent decrease in each year.



**Unduplicated Pupil Percentage** – The district reports an unduplicated pupil percentage of 30.37 percent for 2019-20, and 30.39 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 28.94 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.

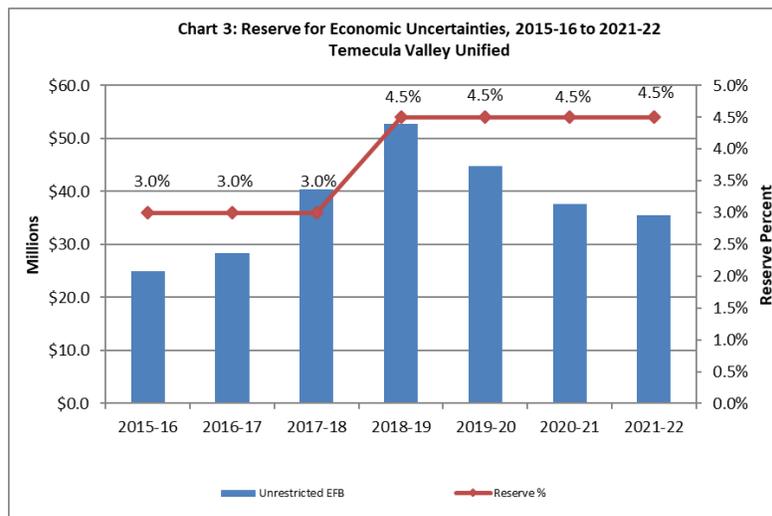
**Fund Balance** – The district’s Adopted Budget indicates a positive ending balance for all funds in the 2019-20 fiscal year. However, for the General Fund, the district anticipates expenditures and uses will exceed revenues and sources by \$10.6 million in 2019-20, \$8.5 million in 2020-21, and \$2.4 million in 2021-22. Chart 2 shows the district’s deficit spending historical trends and projections.



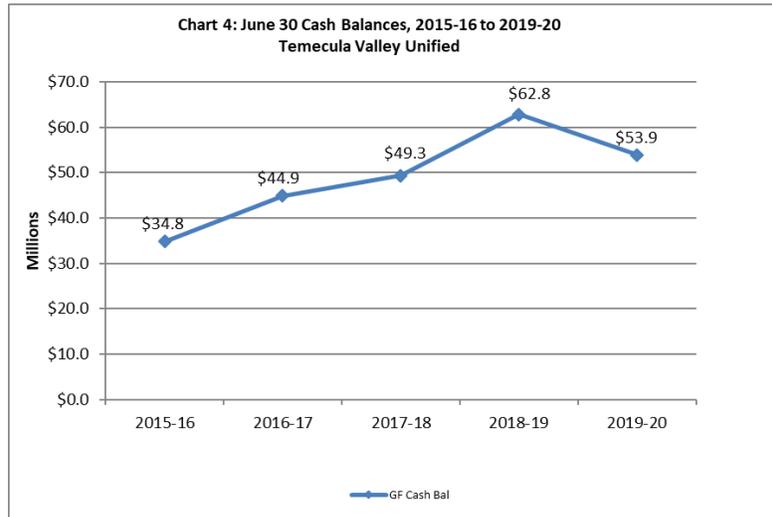
*Employee Negotiations* – As of the board date, June 25, 2019, the district reports salary and benefit negotiations are complete with both the certificated and classified bargaining units for the 2019-20 fiscal year. The certificated agreement provided for a 2.0 percent one time, off-schedule payment based on the employee’s 2018-19 salary at the time of ratification. In addition, the agreement provided for a 2.3 percent salary schedule increase, beginning July 1, 2019. The agreement provided an additional 2.0 percent salary schedule increase for Speech Language Pathologists, for a total 4.3 percent increase. Other language included a 0.60 percent increase to longevity steps (from 3.25 percent to 3.85 percent), and additional restructuring to existing salary schedules.

The classified agreement provided for a 2.0 percent one time, off-schedule payment based on the employee’s 2018-19 salary at the time of ratification. In addition, the agreement provided for a 3.0 percent salary schedule increase, beginning July 1, 2019. The agreement also provided for a health and welfare benefit cap increase of \$184 per employee (from \$10,287 to \$10,471) effective October 1, 2019.

*Reserve for Economic Uncertainties* – The minimum state-required reserve for a district of Temecula 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 30<sup>th</sup> General Fund cash balance. Based on the budget’s cash flow analysis, the district projects a positive General Fund cash balance of \$53.9 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.