



**CSIS** *California School Information Services*

# Fallbrook Union High School District

## Special Education and Organizational Review

October 17, 2012



**Joel D. Montero**  
Chief Executive Officer







## CSIS California School Information Services

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October 17, 2012

Dale Mitchell, Ed. D., Superintendent  
Fallbrook Union High School District  
2234 South Stagecoach Lane  
Fallbrook, CA. 92028

Dear Superintendent Mitchell:

In April 2012, the Fallbrook Union High School District and the Fiscal Crisis and Management Assistance Team (FCMAT) entered into an agreement for a special education review to perform the following:

1. Review the identification rate of special education students. Determine if over identification is taking place and make recommendations on how to reduce over identification of special education students.
2. Review staffing and caseloads for all special education programs including but not limited to: speech, psychologists and other related services.
3. Review the organizational structure of administration at central office and school site levels. Conduct comparisons of similar districts' administrative structure and make recommendations for effectiveness and efficiency.
4. Determine how the district can reduce deficit spending in special education and remain in compliance with meeting student needs.
5. Determine how the district can reduce deficit spending in regular education and meet student needs.
6. Examine school locations and configurations and provide input regarding efficiency/lack of efficiency.

This report contains the study team's findings and recommendations. We appreciate the opportunity to serve you and we extend our thanks to all the staff of the Fallbrook Union High School District for their cooperation and assistance during fieldwork.

Sincerely,

Joel D. Montero  
Chief Executive Officer

FCMAT

Joel D. Montero, Chief Executive Officer

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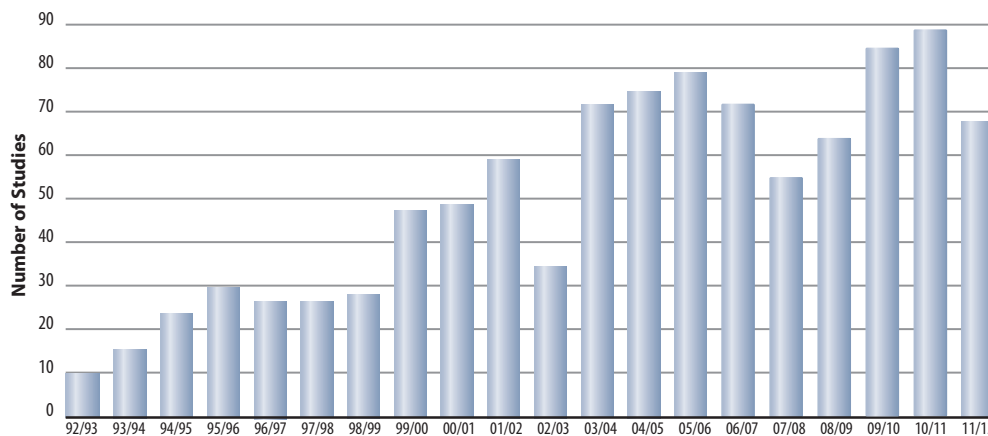
# About FCMAT

FCMAT's primary mission is to assist California's local K-14 educational agencies to identify, prevent, and resolve financial and data management challenges. FCMAT provides fiscal and data management assistance, professional development training, product development and other related school business and data services. FCMAT's fiscal and management assistance services are used not just to help avert fiscal crisis, but to promote sound financial practices and efficient operations. FCMAT's data management services are used to help local educational agencies (LEAs) meet state reporting responsibilities, improve data quality, and share information.

FCMAT may be requested to provide fiscal crisis or management assistance by a school district, charter school, community college, county office of education, the state Superintendent of Public Instruction, or the Legislature.

When a request or assignment is received, FCMAT assembles a study team that works closely with the local education agency to define the scope of work, conduct on-site fieldwork and provide a written report with findings and recommendations to help resolve issues, overcome challenges and plan for the future.

**Studies by Fiscal Year**



FCMAT also develops and provides numerous publications, software tools, workshops and professional development opportunities to help local educational agencies operate more effectively and fulfill their fiscal oversight and data management responsibilities. The California School Information Services (CSIS) arm of FCMAT assists the California Department of Education with the implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) and also maintains DataGate, the FCMAT/CSIS software LEAs use for CSIS services. FCMAT was created by Assembly Bill 1200 in 1992 to assist LEAs to meet and sustain their financial obligations. Assembly Bill 107 in 1997 charged FCMAT with responsibility for CSIS and its statewide data management work. Assembly Bill 1115 in 1999 codified CSIS' mission.

AB 1200 is also a statewide plan for county office of education and school districts to work together locally to improve fiscal procedures and accountability standards. Assembly Bill 2756 (2004) provides specific responsibilities to FCMAT with regard to districts that have received emergency state loans.

In January 2006, SB 430 (charter schools) and AB 1366 (community colleges) became law and expanded FCMAT's services to those types of LEAs.

Since 1992, FCMAT has been engaged to perform nearly 850 reviews for LEAs, including school districts, county offices of education, charter schools and community colleges. The Kern County Superintendent of Schools is the administrative agent for FCMAT. The team is led by Joel D. Montero, Chief Executive Officer, with funding derived through appropriations in the state budget and a modest fee schedule for charges to requesting agencies.



# Introduction

## Background

With an enrollment of 2,867, the Fallbrook Union High School District provides programs and services to 338 students with disabilities at Fallbrook High School (Source: Data Quest, California Department of Education 2011-12). Fourteen students are served in placements outside the district in nonpublic schools or juvenile court and community schools.

The district requested that FCMAT explore options for reducing a \$1 million structural deficit and requested that the review include all staffing and caseloads in special education and the efficiency of the current administrative structure, class locations' and configurations. The study agreement specifies that FCMAT will perform the following:

1. Review the identification rate of special education students. Determine if over identification is taking place and make recommendations on how to reduce over identification of special education students.
2. Review staffing and caseloads for all special education programs including but not limited to: speech, psychologists and other related services.
3. Review the organizational structure of administration at central office and school site levels. Conduct comparisons of similar districts' administrative structure and make recommendations for effectiveness and efficiency.
4. Determine how the district can reduce deficit spending in special education and remain in compliance with meeting student needs.
5. Determine how the district can reduce deficit spending in regular education and meet student needs.
6. Examine school locations and configurations and provide input regarding efficiency/lack of efficiency.

## Study Team

The study team was composed of the following members:

William P. Gillaspie, Ed.D.  
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\*As a member of this study team, this consultant was not representing her respective employer but was working solely as an independent contractor for FCMAT.

# Study Guidelines

FCMAT visited the district on September 12 -14, 2012 to conduct interviews, collect data and review documents. This report is the result of those activities and is divided into the following sections:

- I. Executive Summary
- II. Identification Rate
- III. Staffing and Caseloads
- IV. Organizational Structure
- IV. Fiscal Efficiency
- V. School Locations and Configurations
- VI. Appendix

# Executive Summary

In an effort to reduce a \$1 million structural deficit, the Fallbrook Union High School District has requested an overall review of efficiency in staffing, the organizational structure, class locations and configurations. Upon completion of the review, FCMAT identified savings of approximately \$1.2 million that the district may realize by implementing the team's recommendations. This amount does not include any potential savings from the relocation of some programs and/or district services.

The district identification rate for students with disabilities is 11%, exceeding the statewide average of 10%.

All the district caseloads for special education programs and services are within industry standards or Education Code requirements. The psychologist caseloads are also within statewide practice as reported by CalEdFacts.

The district maintains a general education class size of 22.09:1, lower than the average for comparable districts of 27.04:1. By increasing class sizes to the average of comparable districts, Fallbrook Union may save an estimated \$340,000 per year.

The district has 2.1 full-time equivalent (FTE) more administrative positions at the district office than comparable districts. Eliminating at least one position may result in an annual savings of approximately \$121,000. In addition, the management/confidential staff exceed districts of comparable size by at least two positions. The elimination of two full-time equivalent (FTE) positions in the confidential/classified management group may provide an additional savings of \$140,000 per year.

FCMAT found that greater efficiencies can be achieved by improving the coordination of services between the district and school sites. Efficiencies can also be enhanced through direct support between education services, technology and maintenance and operations.

Clerical staff efficiency in many areas can be improved by providing staff training and professional development, which have not been available for some time due to budget restrictions.

The district has several options to consider in achieving potential-long term savings in the future. Those options include common administration, unification, or charter school conversion.

The district has worked diligently to support students with disabilities in district programs. With continued efforts the district could return three more students from nonpublic school placements to the district for an additional savings of \$71,745 per year.

The district reported carryover funds in Medi-Cal reimbursement. FCMAT reviewed ways to expend these funds without depleting the ability to continue to generate these funds in the future and reducing district costs for special education to the unrestricted general fund. The amount of that savings to the general fund is approximately \$554,911 per year.

FCMAT reviewed several options for relocating programs and district services. Because of the short time frame for this study, the amount of data collected, and the uncertain variables involved in relocation, it is difficult to determine an exact savings amount. However, FCMAT outlined specific plans that will ultimately lead to efficient and effective programming for students and services for staff.



# Findings and Recommendations

## Identification Rate

### Special Education in General

The Fallbrook Union High School District has requested recommendations for reducing deficit spending in special education while remaining in compliance with meeting student needs as identified in the individualized education program (IEP). The first area to consider is whether a district overidentifies students for special education. The district's identification rate for students in special education (high school) is 11%, which exceeds the statewide average of 10%.

Comparison of Identification Rates for Special Education in Comparable Size Districts

	<b>Fallbrook</b>	<b>San Benito</b>	<b>West Sonoma</b>	<b>Oroville</b>	<b>Galt</b>	<b>Lemoore</b>
Enrollment	2867	3,072	2,261	2,737	2,270	2,220
Special Ed. Enrollment	338	295	284	352	260	227
Percent Identified	11%	10%	13%	13%	11%	10%

*Source: Dataquest, California Department of Education 2011; California Special Education Management Information System December 2011*

According to district administrative staff members interviewed by FCMAT, the high identification rate is caused by the number of students who were already identified for special education when they transitioned from feeder elementary districts. However, no supporting data available was available to verify this.

The district assessed 18 students for special education during the 2011-12 school year and identified 15 for special education programs.

### Recommendation

*The district should:*

1. Gather data to track the identification rate of feeder elementary school districts, and meet with these districts at least once a year to solve any problems related to overidentification and any concerns related to the transition of students between districts.



# Staffing and Caseloads

## General Education

The average general education class size among comparison districts was 27.04:1 while Fallbrook Union has an average class size of 22.09:1. The district could save an estimated \$340,000 per year in teacher salaries and benefit compensation by increasing class sizes to the comparative district average of 27.04:1. However, the district has a substantially higher number of pupils per administrator and pupils per counselor than the average of the comparative districts and the statewide average. Pupils per teacher is a simple average of the number of pupils to the number of teachers in a district and is different than average class size, which is the average number of students in a classroom based on total classes and total students. Because of the demographics of certain classes requiring smaller student populations such as special education and grant funded programs or larger populations like physical education classes, the two averages will always be different. Fallbrook Union is low based on the average class size comparison and average in pupils per teacher.

### *Comparison of Average Class Size*

County	High School	Enrollment	Average Class Size
San Diego	Fallbrook	2976	22.09
Sacramento	Galt	2270	26.9
Kings	Lemoore	2220	26.0
Butte	Oroville	2737	26.1
San Benito	San Benito	3072	31.0
Sonoma	West Sonoma County	2261	25.2
<b>Average class size, not including Fallbrook</b>			<b>27.04</b>

### *Comparison of Students to Teachers, Administrators and Counselors*

	Pupils Per Teacher	Pupils Per Admin.	Pupils Per Counselor
Statewide Avg for HS	24.3	287.8	262.7
Fallbrook	23.4	330.7	372
Galt	23.2	270.2	378.3
Lemoore	21.1	241.3	288.3
Oroville	22.9	342.1	391
San Benito	27.3	217.9	281.8
West Sonoma	22.9	309.7	127.7
<b>Average, not including Fallbrook</b>	<b>23.48</b>	<b>276.24</b>	<b>293.42</b>

Source: [www.ed-data.k12.ca.us](http://www.ed-data.k12.ca.us)

## Recommendations

*The district should:*

1. Evaluate the options for increasing general education class size. The district should consider the financial benefit of increasing class size and any effect on the educational program to determine if increasing class sizes would be beneficial.

2. Consider realigning the staffing in site administration and counseling to reduce the number of pupils per administrator and pupils per counselor. Any increase in positions will offset any savings from reductions. The average cost of a counselor is estimated to be \$85,979, including 10 additional days, payroll costs, and health and welfare benefits. The cost of a counselor would reduce any savings projected in this report.

### Special Education Programs

The district has redefined its program delivery into two categories of classes: moderate to severe and mild to moderate. The average class size for moderate to severe is 11:1, and the average in mild to moderate is 28:1. Both are within standards established as statewide practice and reported by School Services of California, Inc.

The district also has an array of alternative program options along with additional instructional aide support, which has reduced the need for students to attend programs outside the district.

### Recommendation

*The district should:*

1. Continue to maintain its strong alternative programming to avoid sending students outside the district.

### Designated Instructional Services

District caseload data for staff members providing designated instructional services (DIS) was collected and analyzed to determine efficiency levels.

#### *Comparison of Designated Instruction Service Provider Caseloads to Industry Standards*

Provider	SSC Guideline or Education Code Ratio (FTE to Student Caseload)	Fallbrook Ratio
Adapted Physical Education	1:45-55	60% FTE:38
Occupational Therapy	1:70-80	20% FTE:11
Speech Therapist	1:55	1:89

*Source: School Services of California, Inc. (SSC), Education Code*

FCMAT found that district staffing ratios for adapted physical education are consistent with the guidelines established through industry standards in California. However, the speech caseload is high, particularly for high-school-age students, and the occupational therapy caseload is low.

### School Psychologist Caseloads

The California Department of Education (CDE) maintains data on caseloads for psychologists and other staffing through CalEdFacts. This information is compiled from enrollment and staffing information that is annually submitted to CDE. A review of this data found that the district psychologist's caseloads are within the ratio established in California and reported in CalEdFacts.



### *Comparison of District Psychologist Caseloads to Statewide Practice*

Provider	(FTE to General Education Students)	Fallbrook
School Psychologist	1:1466	1:1488

Source: CalEdFacts, 2010-11

### **Recommendation**

*The district should:*

1. Review speech and language caseloads to determine the reason for the high caseloads. The district should examine the exit rate and the degree to which the criteria for entrance and exit are followed.



# Organizational Structure

## Administrative Staffing

Before evaluating the district's organizational structure, FCMAT extracted comparative organizational data on similar school districts from Ed-Data, a partnership of educational agencies. Ed-Data compiles its reports from fiscal, demographic and student performance data collected by the California Department of Education.

Because districts are complex and may vary widely in demographics, resources and organizational structure, a critical evaluation is necessary when comparing them. Failure to consider circumstances specific to a district can result in generalizations based on one or two criteria; these can be misleading and should not be misconstrued as creating a new standard. The comparison data compiled in this report includes data provided by the comparison districts as well as from the Ed-Data website. The following criteria were considered during FCMAT's review:

1. Demographic and logistic characteristics beyond the district's sphere of influence, such as the effect on the Fallbrook Union population of the nearby military bases and other school-related and approved funding resources (EC 56365(a)).
2. District financial resources, including community contributions, parcel taxes and general obligation bonds.
3. Decisions made primarily by the governing board on resources to attract instructional staff, or maintain or reduce class size.

All these factors affect student learning. Therefore, comparing and evaluating staffing and organizational structure can be the most subjective part of making comparisons between districts.

FCMAT compared the Fallbrook Union High School District with three similar high school districts and one unified district. Average daily attendance (ADA) in the five districts ranges from 2,109 to 2,797.6, and expenditures per ADA range from \$7,814 to \$9,630. The student population is predominantly Hispanic in three of the four comparison districts. The percentage of students receiving free or reduced price meals ranges from 22.4% to 67.4%.

Because job titles vary between districts, the following tables are organized based on area of responsibility for district office management and confidential employees.

Based on the comparison data, Fallbrook Union has 2.1 FTE more certificated administrative positions at the district office than the comparison districts.

***District Office Administration: Certificated***

District	Fallbrook HS	West Sonoma County HS	Oroville HS	Galt HS	Newman-Crows Landing Unified
No. of Sites	3	4	5	3	7
2011/12 P-2 ADA	2797.64	2114	2369	2109	2700
Superintendent	1.0	1.0	1.0	1.0	1.0
Deputy Superintendent					
Ed Services					
Assistant Superintendent	1.0				1.0
Director	1.0 Special Education		1.0	Vacant	
Director(s)	10 (EL Coord.)				
Human Resources		1.0 HR Mgr		1.0 Coordinator	
<b>Total</b>	<b>3.1</b>	<b>2.0</b>	<b>2.0</b>	<b>3.0</b>	<b>2.0</b>

School districts make management staffing decisions and create positions based on numerous factors, including student needs and community expectations. Most classified management/confidential positions work in the district office under the superintendent and chief business official (CBO). Comparing classified management and confidential positions by title is difficult because of the various job titles in each district.

***Classified Management/Confidential Positions***

Position	Fallbrook HS	West Sonoma County HS	Oroville HS	Galt HS	Newman-Crows Landing Unified
CBO	1.0	1.0	1.0	1.0	1.0
Director Finance	1.0				
Technology	1.0 Director		2.0	1.0 Director	1.0 Data Specialist
Transportation, Maintenance & Operations, Facilities	1.0 MOT	1.0 Director M&O	2.0	1.0	1.0 M&O Director
Administrative Asst. to Supt/Board	1.0	1.0 Exec. Secty.	1.0	1.0	1.0
Admin. Asst. to Other Admin		1.4 Accountants			1.0
Food Services	1.0	1.0 Food Svc. Coord.	1.0	1.0	Part of Fiscal Svcs. Dir.
Totals	6.0	5.4	7.0	5.0	5.0

*Source: Surveys of Represented Districts*

**Recommendations**

*The district should:*

1. Continue to fund .10 FTE for an English-language learner coordinator if categorical funding is available.
2. Consider redistributing the duties of the assistant superintendent of educational services to principals and assistant principals to improve student support systems.

## Administrative Operations

The Fallbrook Union district office staffing is composed of the superintendent, who also serves as the human resources director, the chief business officer (CBO) and the business office staff, the assistant superintendent of educational services and the special education director. The Technology Department is not housed at the district office but is under the direct supervision of the superintendent. The Maintenance, Operations, and Transportation Department is under the direct supervision of the CBO.

FCMAT interviewed the superintendent, assistant superintendent, CBO, special education director, director of technology and director of maintenance, operations, and transportation to assess the effectiveness of the delivery of services to the educational program. The CBO and director of finance manage the Business Services Department and are responsible for overseeing staff, budget monitoring, position control, and indirectly, the functions of the warehouse. The assistant superintendent of educational services is responsible for the accountability and assessment programs, oversees the district categorical programs and supervises special education and student services. The director of special education oversees the special education delivery for all district sites, supports the career education center and supervises activities for local educational agency Medi-Cal and Medi-Cal administrative activities. The site staff members interviewed did not express concerns regarding district office effectiveness.

The workload for administrative positions is significant, which will make a potential reduction of .7 FTE difficult for the district to implement. The district should carefully evaluate the duties of each position to ensure that continuity of programs and services continue. The district could consider the combination of the superintendent and principal of Fallbrook High School positions as an option and method of achieving any necessary reductions.

The coordination of services between the district and the sites could work more efficiently. For instance, in trying to assess the work flow and responsibility for California Longitudinal Pupil Achievement Data System (CALPADS) reporting, FCMAT found that although the assistant superintendent of educational services oversees categorical programs, accountability and assessment, this position is not involved with the CALPADs data submission.

This longitudinal data system is used to maintain individual-level data including demographics, course data, discipline, assessments, staff assignments and other data for state and federal reporting. The district registrar and alternative site secretary each have some responsibility for entering and tagging student data in the Aeries student information system, but neither are assigned to upload or review data for the CALPADS. CALPADS uploads are the responsibility of the Technology Department, which is overseen by the superintendent. This lack of collaboration and direct oversight of data submissions could result in inaccurate data being reported in CALPADS, which could affect categorical program funding levels. Instead of CALPADS duties, the principal's secretary is responsible for updating the school website and social network sites.

In the Maintenance, Operations, and Transportation Department, the individual members of the maintenance staff are often directly called to perform tasks by various other staff members rather than through an automated work order system. This prevents the department manager from appropriately assigning tasks to monitor the scope and costs of projects and maintain a systematic method of reporting progress. The new director has implemented an electronic work order system, but has been with the district for only three weeks, so the efficiency of the system cannot yet be measured.

## Recommendations

*The district should:*

1. Support collaboration between district educational services, technology, and site services for efficiency and accuracy in reporting.
2. Consider the combination of duties for the superintendent to include the supervision of Fallbrook High School. This would allow the district to achieve the recommended reduction of .7 FTE to align with other districts of comparable size. A reduction of the principal position would yield a savings of \$121,000.
3. Evaluate the use of the Technology Department staff as well as the site staff involved in technology to ensure that all personnel involved with producing online information comply with district policy and practices.
4. Ensure that all staff members follow procedures for the electronic maintenance work order system and redirect phone orders to the electronic work order system.

## Organizational Chart

A school district's organizational structure should establish the framework for leadership and the delegation of specific duties and responsibilities to help district management make key decisions to facilitate student learning. As the district's enrollment increases or declines, the organizational structure and position responsibilities should adapt as necessary. The district should be staffed according to basic, generally accepted theories of organizational structure and the standards used in other school agencies of similar size and structure.

FCMAT's review of the district's organizational chart found that the district office has charts for the office of the superintendent and each of its site administrative offices but no chart depicting all the line authority positions and the personnel they report to for the entire district. The number of positions with line and staff authority is unclear from the organizational charts.

Line authority is the relationship between supervisors and subordinates and refers to the direct line in the chain of command. For example, the chief business official has direct line authority over the director of finance, and the director of finance has direct line authority over the Finance Department staff. Conversely, staff authority is advisory in nature. Staff personnel do not have the authority to make and implement decisions, but act in support roles to line personnel. The organizational structure of local educational agencies should contain both line and staff authority.

## Recommendations

*The district should:*

1. Create a districtwide organizational chart that clearly depicts all levels of line and staff authority.
2. Ensure that the organizational chart defines the flow of authority.

## Program Efficiency at District Sites

In interviews with staff at the school sites, FCMAT found that the assistant principals lack the time to accomplish some tasks because of their heavy workloads. Staff members also indicated that a counseling position was recently reduced, and the impact on the remaining counselors was significant. With difficult financial times, declining enrollment, and the district's level of deficit spending, it may not be feasible to add staff members to reduce ratios to a level that is comparable to other districts. However, it may be necessary to evaluate and redistribute workloads or discontinue practices that are not directly related to student support. The table of comparisons of students to teachers, administration, and counselors presented earlier in the report indicates that Fallbrook Union is near (within 1.0) of the state average for pupils to teachers, but higher than the state average for both pupils to administration (330.7:1 versus 287.8:1) and pupils to counselors (372:1 versus 262.7:1).

Interviews with staff members also found that many classified staff members have compartmentalized their work, reducing efficiency among the offices. When discussing the efficiency and compatibility of the offices at the comprehensive school site, the staff was unable to articulate the contributions made by other offices. This is typical of compartmentalization among several offices. For instance, the attendance office handles only student attendance, and will not assist students with other needs. FCMAT observed staff members from one office sending students to another office without explanation, even after students questioned this. This is confusing for students and counterproductive in an educational environment.

While each office cannot handle every task, an approach that focuses on students and facilitates their ability to maneuver in a large school system would be beneficial. The physical environment of the school offices contributes greatly to the lack of participation of all offices in student issues since each department is located in a separate building.

Classified staff members overwhelmingly indicated that they have not received staff training for some time. Clerical staff efficiencies in many areas could be improved by providing training in commonly used software programs. As funding diminishes, the level of efficiency required of all personnel increases while the number of staff members typically decreases. Cross-training and staff development would improve clerical efficiencies.

## Recommendations

*The district should:*

1. Develop a systematic approach to respond to a student's need for information and support in maneuvering through a large high school. All front office staff members should be cross-trained in the work of other departments, and the district should ensure student needs are met.
2. Consider the physical location of school offices and determine whether collaboration between offices is feasible.

3. Consider providing the clerical and site staff with staff development and cross-training.

### **Consolidation/Unification/Common Administration or Charter School Conversion**

The district asked FCMAT to provide an overview of consolidation, unification, common administration, or conversion to an all-charter district as a potential long-term future savings.

#### **Common Administration**

A common administration is the easiest structure to develop because it requires only a simple agreement between two or more districts to share services such as those of the superintendent, personnel, business and/or technology or other areas. Most often, each district retains its own board, and each board approves the contract, which will define the district that will provide the services and the services provided. Savings will be determined by sharing administrative costs in many district operations.

#### **School District Consolidation and/or Unification**

A school consolidation occurs when two districts with the same structure combine into one (nonunified) district. A school consolidation process is governed by the county committee on school district organization and is similar to unification. A link to the CDE reorganization handbook follows this section for reference. A high school district is required to consolidate with another high school district since any merger with an elementary district would be a unification.

In May 2011, the Legislative Analyst's Office (LAO) issued a report on school district consolidation to determine if there was sufficient cause to pursue the consolidation of small school districts at the state level.

The 24-page report analyzed the services, funding structure, and potential cost or savings of consolidating small districts and found that overhead costs were higher for small districts and student achievement was slightly (but not significantly) lower. The major findings and disincentives are outlined below:

#### **Summary of Major Findings**

- Small districts find ways to economize, but still face fiscal and personnel challenges.
- District size has some effect on student performance, but very small districts are difficult to monitor.
- Small districts have substantial funding advantages.
- Disincentives keep school districts from consolidating.
- Very small schools also are enabled by extra funding and lack accountability.
- Fiscal Disadvantages of Consolidation



- Loss of special fiscal allowances: Consolidated districts may become too large to qualify for necessary small school supplements, categorical program minimum grants, federal small rural schools achievement fund grants, or funded direct services from the county office.
- Loss of excess property tax funding: The newly aligned district's jurisdiction might not benefit from as much, or any, "excess" local property tax funds.
- Loss of parcel tax revenue: When districts consolidate, any existing parcel taxes for component districts are nullified unless or until the newly formed district's electorate reauthorizes them.
- Lower base revenue limit (RL) rate: A newly consolidated district's RL rate is the weighted average of component districts' RL rates. This means a district with a higher RL rate could see its rate reduced.
- Cost pressure to level-up salaries and benefits: Employees typically expect the consolidated district to adopt the most generous compensation package of the component districts. While the state generally gives the consolidated district a RL "bump" to address this issue, it often is not sufficient to fully meet local cost pressures.
- Costs of consolidation process: Administrative costs associated with consolidation include California Environmental Quality Act studies, conducting analyses and compiling documentation for the application, holding hearings and elections, and the start-up costs associated with running a new district.
- Inability to realize savings from potential efficiencies: Current law prohibits newly formed districts from laying off or reducing the salaries of classified employees from component districts until two years post consolidation.

The full report can be accessed at:

[http://lao.ca.gov/reports/2011/edu/district\\_consolidation/district\\_consolidation\\_050211.pdf](http://lao.ca.gov/reports/2011/edu/district_consolidation/district_consolidation_050211.pdf)

School district consolidations and unifications are covered under the definition of a reorganization. There is a comprehensive process to unification and/or consolidation that involves the county committee on reorganization and several statutes. If the district decides on this option, it would benefit from obtaining a copy of the reorganization handbook published by CDE at <http://www.cde.ca.gov/re/lr/do/>, as well as contacting the county superintendent of schools for timelines to commission the county committee on school reorganization to be involved.

An "action to reorganize districts" means either of the following:

- a. An action to form a new school district, which is accomplished through any of, or any combination of, the following:
  1. Dissolving two or more existing school districts of the same kind and forming one or more new school districts of that same kind from the entire territory of the original districts.
  2. Forming one or more new school districts of the same kind from all or parts of one or more existing school districts of that same kind.
  3. Unifying school districts, including the consolidation of all or part of one or more high school districts with all or part of one or more component school districts into one or more new unified school districts.

4. Deunifying a school district, including the conversion of all or part of a unified school district into one or more new high school districts, each with two or more new component districts.
- b. An action to transfer territory, including the transfer of all or part of an existing school district to another existing school district. (EC 35511).

In most cases, state law requires district reorganizations to be voted on by the residents of the districts affected with some exceptions for “uninhabited areas.” Education Code Section 35753 requires the county committee on school district reorganization to evaluate the proposal for consolidation or unification according to the following 10 criteria:

1. The reorganized districts will be adequate in terms of number of pupils enrolled.
2. The districts are each organized on the basis of a substantial community identity.
3. The proposal will result in an equitable division of property and facilities of the original district or districts.
4. The reorganization of the districts will preserve each affected district’s ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.
5. Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
6. The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the districts affected by the proposed reorganization.
7. Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
8. The proposed reorganization is primarily designed for purposes other than to significantly increase property values.
9. The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district or any existing district affected by the proposed reorganization.
10. Any other criteria as the board may, by regulation, prescribe.

### **Charter School Conversion**

Conversion to an all-charter school district requires the approval of the state board of education and the superintendent of public instruction (SPI). The process requires approval of the petition by the California Department of Education and the Advisory Commission on Charter Schools; the commission reviews the petition and recommends approval or denial to the SPI. If the petition is approved by the SPI, it is placed on the state board of education agenda for a vote, and if the board approves the petition, it is considered the authorizer of the petition.

According to Education Code Section 47606(a), a school district may convert all its schools to charter status if the petition meets the following conditions:

1. Fifty percent of the district teachers sign the charter petition.
2. The petition specifies the alternative attendance arrangements for pupils living in the district who choose not to attend charter schools.
3. The petition contains all the requirements included in Education Code Section 47605(b), (c), (d), (e), and (f).

District conversions must also address the requirement for both students and staff to have other options. This usually takes the form of a joint powers agreement or memorandum of understanding to permit inter-district transfers for students and the opportunity for staff members to leave for another school district. Once the charter district is established, it would be subject to the renewal criteria contained in Assembly Bill 1137. If the entire district were converted to a charter school district, the San Diego County Office of Education would retain fiscal oversight of the district.

### **Recommendation**

*The district should:*

1. Begin to explore opportunities to share resources with other local districts through consolidation or unification.



## Fiscal Efficiency

Other possible deficit reduction areas are nonpublic school placements, contracts with nonpublic agencies, related services which are not mandated or continued after they are no longer required, legal fees and settlements when a due process and/or complaint is filed, and special education extended school year.

### Nonpublic Schools

The Education Code defines a nonpublic school (NPS) as a “private, nonsectarian school that enrolls individuals with exceptional needs pursuant to an individualized education program and is certified by the department. It does not include an organization or agency that operates as a public agency or offers public service, including, but not limited to, a state or local agency, an affiliate of a state or local agency, including a private, nonprofit corporation established or operated by a state or local agency, or a public university or college. A nonpublic, nonsectarian school also shall meet standards as prescribed by the Superintendent and board.” (Education Code Section 56034). In addition, “... These services shall be provided pursuant to Section 56366, and in accordance with Section 300.146 of Title 34 of the Code of Federal Regulations, under contract with the local educational agency to provide the appropriate special educational facilities, special education, or designated instruction and services required by the individual with exceptional needs if no appropriate public education program is available.” (Education Code Section 56365(a)).

Three district students attend nonpublic schools, and they were in an NPS when they enrolled in the district. The district has a program designed as an alternative to NPS placements, and the staff indicated that it has enabled the district to maintain the number of NPS students at the current level. The special education director monitors all NPS placements, and with the student’s families, develops the Individualized Education Program (IEP) for them to attend the district’s alternative or transition programs.

### *NPS Contracts for 2012-13*

School	Contract Amount	Number School Year and Extended Year Days
Teri	\$53,112	180/46
Stein	\$42,575	180/42
Oak Grove (Residential)	\$33,300 (estimated)	Unknown at this time

The total tuition cost for the three students, including the extended year program, is estimated at \$128,987. This is an estimated cost because the contract for Oak Grove has not been finalized. Transportation costs are not included in this calculation and should be to determine actual costs. An additional \$31,774 funds two part-time bus aides, including benefits, increasing the NPS cost without transportation to \$160,761.

If all three students returned to a district program and required two part-time aides to benefit from the program, the cost would be approximately \$89,016 with benefits, and the district would reduce the special education deficit by approximately \$71,745. As discussed later in this section, a portion of those salaries could be offset by Medi-Cal reimbursements since at least four of these aide positions would be new.

## Recommendations

*The district should:*

1. Continue operating the program that functions as an alternative to nonpublic schools.
2. Continue monitoring all students in an NPS to ensure they are transferred to a district program as soon as possible.

## Nonpublic Agencies

The Education Code for nonpublic agencies is now the same as for nonpublic schools, requiring an NPA to “be under contract with the local educational agency to provide the appropriate special educational facilities, special education, or designated instruction and services required by the individual with exceptional needs if no appropriate public education program is available.” (Education Code Section EC 56365(a)).

The district has one contract with an NPA that provides mental health counseling to students. The contract is paid through specific mental health funds and does not affect the unrestricted general fund. Using funds this way enables the district to clearly track expenditures; however, this contract does not cover the full amount the district receives in this category. The remaining funds must also be designated for counseling/mental health services and are not to be carried over.

Information provided to FCMAT indicates that the district will receive either \$136,714 or \$170,992 in mental health funds, the difference being because \$34,278 was allocated to the SELPA Discovery Program. The district believes it will no longer be responsible for that funding, but the amount was included in the data provided.

The difference between the NPA contract of \$88,000 and the actual amount the district receives in mental health funds could be used to offset the school psychologists’ salaries because they provide counseling to special education students. This would enable the district to offset the cost of the school psychologists by either \$48,714 or \$82,992.

## Recommendation

*The district should:*

1. Calculate the actual difference between the mental health funds received and the amount for the NPA contract, and consider using those remaining funds to cover a portion of the school psychologist’s salary and benefits.

## Services Provided

A review of staffing and services to district students indicates that students do not receive more related services than mandated or additional related services after they are no longer required. Therefore, this is likely not an area of excess expenditures in special education.

## Recommendation

*The district should:*

1. Continue carefully monitoring services provided to special education students to ensure that the services are mandated and are discontinued when no longer required.

## Legal Fees and Settlement Agreements

Legal fees are usually incurred when a district is involved in a due process hearing. This is a hearing to resolve disagreements between a parent and a public agency regarding the proposal or refusal of a public agency to initiate or change the identification, assessment, educational placement, or the provision of special education and related services to the pupil. (CCR 60550(a)).

Legal fees can also be incurred when a district is involved in a California Department of Education (CDE) complaint. A complaint may be filed with the CDE when there is an allegation that a district has violated federal and state law and regulations pertaining to the education of a disabled student. In addition, through compliance monitoring, the state may determine that a district has noncompliant items that must be resolved. (34 CFR 300.151-153; 5 CCR 4600).

The district has been involved in one long-term due process case, but had no recent complaints filed with CDE, and it attributes this to successful programs. The single due process case is in settlement discussions, and the district indicates it may incur some significant costs although the actual amount is unknown. One other case is pending and will probably also be resolved through a settlement agreement, according to the district.

## Recommendation

*The district should:*

1. Consider using Medi-Cal funds to cover litigation and settlement costs.

## Extended School Year

Extended school year (ESY) is a program provided to students with IEPs during extended periods of time when school is not in session such as summer break. Extended school year (ESY) differs from general education summer school because its intent is to address regression and recoupment of students with special needs.

The district has no regression and recoupment standards established for ESY. Regression and recoupment refer to the likelihood of a child losing critical skills or failing to recover critical skills within a reasonable time of returning to school after a break. ESY is available to students with IEPs if they exhibit a need for these services; however, the need should be evaluated on an individual basis and from year to year. ESY services are costly and should be provided only when IEP teams have determined that they are necessary and appropriate. (20 U.S.C. 1412 Sec 300.106).

The district operates two general education three-week sessions of summer school for incoming ninth graders who are deemed at risk, some credit recovery classes, and some classes for other students who are in the Advancement Via Individual Determination (AVID) program. Staff members indicated that other high schools in the San Diego area do not offer summer school classes. If this is correct, the district may determine that it will significantly reduce or eliminate its summer school program. In that case, the ESY program can be reduced from 30 to 20 days including the July 4 holiday, a savings of 10 days of employee salaries/benefits, transportation, maintenance, and utilities.

The 2012 ESY program also operated two three-week sessions, the first with six teachers, five classes, and 24 aides. One class was for transition students; however, the district may not need to offer this class because these students likely would not meet the recoupment and regression requirement. Special education also provided one aide for general education. The district could decrease the ESY budget by approximately \$6,700 excluding benefits by discontinuing the transition class and reducing the special education aide in the general education program.

Reducing the ESY program to the minimum number of required days could result in an additional annual savings of approximately \$21,000, excluding benefits for teachers and aides.

Contracts for two nonpublic schools indicate an ESY program of 42 and 46 days, and the third contract has not yet been completed. Several districts in the North County SELPA negotiated with the nonpublic schools to reduce ESY to the level of a comparable district program. If the two students remain in the NPSs and the number of ESY days is reduced to either the current 29 days or the proposed 19 days, the special education deficit could be reduced by \$6,061 or \$10,329 per year, excluding transportation costs.

## Recommendations

*The district should:*

1. Develop and implement specific forms that address regression and recoupment to help determine whether a student should attend an ESY program.
2. Determine if the general education summer school will be eliminated. If so, the district should consider reducing the number of ESY days to the required minimum of 20, including the July 4 holiday.
3. Consider negotiating a reduction in days for the 2013 ESY for students in NPSs, so that they correlate with the number of days offered to district special education students.

## Transportation

The district has no board policy or procedure for determining the appropriateness of specialized transportation, a related service provided to students based on need that is not appropriate for all students with IEPs. Transportation is required if a student needs it to benefit from specialized academic instruction. Therefore, the need for specialized transportation should be determined based on the unique needs of each individual student.

The district also has no policy or procedure to help IEP teams determine the level of specialized transportation. As a result, “door-to-door” transportation is included in the IEPs of students who ride special education buses.

Staff members indicate that 91 students receive special education transportation. Approximately 10-12 of them ride the general education bus as designated on their IEP and therefore do not pay district bus fees. Using Medi-Cal money for these bus fees would save the district approximately \$2,100 per year.

About 80 students ride special education transportation at an annual cost of \$923,000. The district could increase savings by reducing the number of students receiving transportation, adjusting the service to include picking up students at regular education bus stops whenever possible, and evaluating current routes as well as the current provider.

## Recommendations

*The district should:*

1. Develop and implement forms that help IEP teams determine the following:
  - The requirement for a special education student to receive specialized transportation.



- The requirement for door-to-door transportation instead of transportation provided from curb to curb or at regular education bus stops.
2. Consider using Medi-Cal monies, as discussed later in this report, to offset the cost of special education students riding the general education buses as part of their IEPs and without purchasing bus passes.
  3. Consider performing a study of special education transportation to determine efficiencies and cost savings.

## Increased Revenue

FCMAT explored options to increase special education revenue using Medi-Cal and Medi-Cal administrative activities (MAA) billing. The information from the district's billing contractor, Practi-Cal, states that the district bills for initial, amended, annual, and triennial IEP assessments, treatments and therapies, and targeted case management.

The district reports that targeted case management is the primary revenue source, and it has \$489,529 in Medi-Cal carryover. FCMAT reviewed ways to expend these funds without depleting the district's ability to continue generating Medi-Cal funds. The California Department of Health website indicates that Medi-Cal funds are required to be used to provide health and other support services for school children and their families.

A staff committee provides advice on Medi-Cal expenditures and consists of the special education director, the speech therapist and a psychologist. These positions generate the funds although speech therapists reportedly do not generate any Medi-Cal funds in the district. In the past, the committee has recommended that the district use funds for equipment, testing materials, and supplies in special education, but these resources have also funded counseling for general education and special education students separate from the mental health funds.

### *Medi-Cal Expenditures 2011-12*

Service	Cost
Counseling	\$52,000
Counselor/Speech Therapist	\$57,354
Billing Agent	\$61,390
Materials/Supplies	\$44,285
Training	\$3,549
At risk counseling	\$11,280
Benefits	\$11,652
Travel	\$1,472
Total	242,982

### *Medi-Cal Income and Expenditures 2011-12*

#### Medi-Cal

Beginning balance	\$356,672
Income	\$375,818
Expenditures	\$242,982
2012-13 Initial Balance	\$489,508

The district will likely continue to generate at least the same revenue amount as in 2011-12.

The Medi-Cal committee has suggested that certain items be continued in the 2012-13 Medi-Cal budget, including the following:

Item	Approximate Amount
Counseling contract	\$52,000
At-risk counseling	\$14,000
New special education van	\$40,000
New equipment, supplies, testing materials and training	\$40,000
Travel	\$1,500
Billing agent	\$62,000

It is generally understood that Medi-Cal monies cannot be used to supplant (to substitute for funds or services that would otherwise be provided during the time in question) the district's current expenditures or for staff salaries during the portion of the day that they generate Medi-Cal funds. Specific questions about expending Medi-Cal funds should be addressed to the district's Medi-Cal and MAA billing agent. These restrictions were considered when developing suggestions for reducing the Medi-Cal carry over.

The district operates three regional classes funded by the North County Special Education Local Plan Area (SELPA). However, this funding stream has changed effective this school year, and the district will be fully responsible for funding these classes within three years. The district's financial obligation for these classes is new and therefore using Medi-Cal money would not be considered supplanting. A portion of the teachers' and aides' salaries and benefits could be paid through Medi-Cal, with the remainder paid through the special education and/or local contribution funds.

Students from outside the district can attend these classes, and the district is paid by the student's district of residence using a SELPA-determined amount. It is anticipated that one student from outside the district will attend one of these classes, and the district of residence will be billed. This will also reduce the special education deficit.

As stated earlier, the district could also use Medi-Cal money for a portion of any new aide position salaries/benefits, but not for replacement positions. The district has two new instructional aide 1 positions and nine instructional aides levels 2-4. Funding two instructional aide 1 positions through Medi-Cal could result in a yearly savings of \$27,111 including benefits. If a portion of the other aide positions were also funded by Medi-Cal, with the majority of the positions funded by special education to enable continued Medi-Cal billing, an additional savings of as much as \$40,000 annually could be realized.

One new special education student attends a nonpublic school at an estimated contract cost of \$33,300 per year, and a new special education student receives five hours per week of home/hospital instruction. The estimated cost for this service is \$5,000 excluding benefits. These two costs could be covered under Medi-Cal.

Medi-Cal money could also be used to cover the expenses of the 10 to 12 students who reportedly ride general education buses without paying the bus fees, increasing the general education transportation fund by about \$2,100 annually.

In addition, as discussed earlier, two potential settlement agreements could be costly and are not in the current fiscal year budget. The agreements, estimated at \$100,000, could be paid with Medi-Cal money, reducing any further deficit spending.

### ***Proposed 2012-13 Medi-Cal Expenditures to be Considered***

<b>Item</b>	<b>Cost</b>
Counseling	\$52,000
Regional Classes	\$120,000
New Aide positions	\$27,111
New aides that generate Medi-Cal	\$40,000
NPS	\$33,300
H/H	\$5,000
Settlements	\$100,000
Van	\$40,000
Equipment	\$40,000
Billing Contract	\$62,000
At risk counseling	\$14,000
Benefits	\$20,000
Travel	\$1,500
Total	\$554,911

Although the above table is directed at the 2012-13 school year, the majority of the items are those that the district will incur regardless of the funding source. By using Medi-Cal funds, the general fund contribution for 2013-14 will not be increased, addressing the district's structural deficit. The next step is to further analyze these items to determine which will help the district address the structural deficit in the following years.

The following three subsets in the expenditures are listed in the table:

- Those that could be considered one-time expenses.
- Those that would be automatic Medi-Cal expenditures.
- Those that could be considered ongoing expenditures funded through Medi-Cal that would continue to reduce or maintain the general fund contribution.

The first subset includes one-time expenditures such as the van, other equipment, and travel. When district budgets are severely affected, such purchases may not be possible, even with Medi-Cal funds. The second subset of automatic Medi-Cal expenditures would include the billing contract for the Medi-Cal billing provider. The third subset is ongoing expenditures and would include the increasing cost of operating what were considered the "regional classes." The amount the district will receive to operate these classes has been projected to decrease by approximately an additional \$120,000 in 2013-14, with the full responsibility for these classes falling on the district budget in 2014-15. By allocating Medi-Cal funds for these classes, the district is addressing the future structural deficit.

Additional ongoing expenditures, if Medi-Cal money was available, include new aide positions, NPS and/or NPA contracts, counseling, and settlements. The amount necessary to fund these items changes yearly. If Medi-Cal funds are not available for these items, the district will need to

determine if the item can be funded through either the special education or general fund budgets or must be discontinued. Once an item is funded under either the special education or general fund, the ability to return it to Medi-Cal funding will be significantly restricted.

If all the above were funded through Medi-Cal, a significant Medi-Cal reserve would still remain.

#### Medi-Cal

Current Balance	\$489,529
Projected income	\$375,818
Projected expenses	\$554,911
Projected balance	\$310,436

Additional Medi-Cal carryover funds could be expended for any additional positions that benefit Medi-Cal eligible students, additional costs for the regional classes, new out-of-district placements or settlement agreements. These suggestions leave a balance that could be considered to offset additional reduced SELPA revenues in 2013-14 and 2014-15.

The district receives approximately \$50,000 in MAA money. These funds are generated by special education, including speech therapists, and some general education staff. Some administrators also do not bill for MAA and/or complete MAA related activities during billing cycles.

With the limited staff participating in MAA, adding reporters and increasing MAA activities could significantly increase the revenue generated and therefore decrease the general education deficit. The California Department of Health website states that MAA activities include: Medi-Cal outreach, facilitating the Medi-Cal application, nonemergency and nonmedical transportation of Medi-Cal-eligible individuals to Medi-Cal covered services, contracting for Medi-Cal services, program planning and policy development, MAA coordination and claims administration, training, and general administration.

### Recommendations

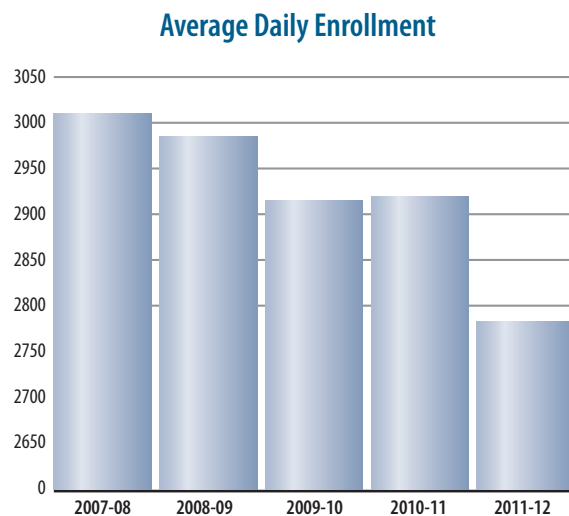
*The district should:*

1. Review all the recommendations for expending Medi-Cal carryover funds and determine which will be implemented as well as how best to use this carryover in the next two years.
2. Increase staff participation in MAA billing to increase the revenue generated and decrease the general education deficit.

# School Locations and Configurations

During the introductory meeting with FCMAT, the district indicated that it wanted a review of facility capacities and the possibilities of moving the continuation school, independent study program, and/or district office to the comprehensive school site. This would be to determine if the movement of facilities would increase overall efficiency.

Fallbrook Union has experienced severe declining enrollment compounded by a high rate of interdistrict transfers out of the district. It had 271 transfers from the district in the 2011-12 school year, and only 84 of these were renewed transfers. This trend has prompted consideration of options for consolidating services by housing programs in the same locations. Average daily attendance (ADA) calculations from the CDE for the last five years are shown in the bar graph below.



Each relocation scenario is discussed below.

## Ivy Continuation School

Ivy Continuation School houses six teachers, 2.5 FTE in clerical support and a shared principal (shared with the Oasis independent study program and district office English language coordinator) as well as a special education teacher for two periods. Ivy Continuation School, which has an ADA of 148, also has an additional location at the local Pala Indian Reservation. Students attend five 58-minute periods with the option of a sixth period and after school programs, and they have a food service kiosk where they can obtain hot food for breakfast and lunch. The continuation school operates on a trimester basis and not by semester like the comprehensive site, and no concurrent students are enrolled at Ivy and the comprehensive site. A few portable buildings at the Ivy campus have far exceeded their expected life cycle and are dilapidated, but the replacement cost (when other buildings are available on the comprehensive site or at the district office site) would be excessive.

Option #1: Move the continuation school to the portable classrooms at the comprehensive site in the area identified as the 400s. A portable building may need to be added to ensure there is sufficient room, and a stucco structure in the 400 area identified as the quad could be used. Each scenario may require the transfer of some comprehensive site teachers to a different room on campus, and use of the stucco building would displace the district Technology Department. All staff members interviewed expressed concern that mixing different programs on the same campus could result in a loss of program integrity.

Option #2: Move the continuation school to where the district office is located, and relocate the district office to the comprehensive site. This scenario would result in improved efficiency because the principal of the Ivy campus and the Oasis Independent Study program could more directly supervise both programs. No teachers would be displaced, but this option may require additional portable buildings for all students to be adequately housed.

Moving the district office to the comprehensive site could improve efficiency by consolidating services related to cash handling and teacher supervision. Because the associated student body (ASB) office collects transportation fees as well as various student monies each day, it could use the district office personnel who handle cash to help provide services to students and serve as additional support. At present, the ASB office is available to students for only an hour a day because of the need to count cash, balance accounts, prepare deposits, and other required paperwork. With a second person, all cash receipts for student body and district accounts could be handled in one place with business office oversight. A system of checks and balances would be available to reduce district risk. The superintendent and other district office certificated staff would be readily available to assist with teacher evaluations and supervision. However, staff members expressed concern about having sufficient personnel to handle all staff evaluations.

District staff members indicated that the best configuration for housing the district office at the comprehensive site would be moving it to the modular buildings that house the Counseling Department and relocating that department to the area leased by Palomar College. However, the district has a multiyear agreement with Palomar College for facility use, and Palomar is building a Fallbrook satellite campus and plans to vacate the area. Since both areas are occupied, no utility cost savings would result. The district office has 24 parking spaces adjacent to the office compound (22 regular and two handicapped) as well as overflow parking in a lower-level lot of 65 spaces (61 regular and four handicapped). Parking may be an issue at the comprehensive site, but staff members indicated that arrangements could be made to accommodate the move.

Closing the Ivy campus would require the purchase or lease of at least one but probably two portable buildings. The district has funds available in the restricted capital facility fund (25) that could be used for this purpose, and the balance is more than \$800,000. Some other districts may also have unused portables that could be purchased at a reduced rate. The annual utility cost savings of not operating the Ivy campus is estimated to be approximately \$40,000 per year. However, the addition of one or two portable buildings may offset that savings by as much as \$20,000 per year, leaving a net annual savings of about \$20,000.

**Site: District Office/Oasis**

Energy Type	Unit	Use	Cost	Cost/Unit
Electricity	Kwh	101,819	\$22,799.26	\$0.224
Water	KGAL	65	\$1,170.14	\$18.002
<b>TOTAL COST</b>			<b>\$23,969.40</b>	

**Site: FHS - Fallbrook High**

Electricity	KWH	3,028,974	\$449,957.17	\$0.149
Natural Gas	THERM	63,323	\$41,741.88	\$0.659
Water	KGAL	12,419	\$48,217.94	\$3.883
Water & Sewer	KGAL	6,636	\$66,498.38	\$10.021
<b>TOTAL COST:</b>			<b>\$606,415.37</b>	

**Site: IVY - Ivy High**

Electricity	Kwh	149,954	\$34,074.13	
Natural Gas	THERM	6,051	\$4,891.56	\$0.808
Water	KGAL	298	\$2,011.27	\$6.749
<b>TOTAL COST:</b>			<b>\$40,976.96*</b>	

SOURCE: District provided data	Total Cost for all Sites	\$671,361.73
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*\*Approximate*

Other options considered were moving the Oasis campus to the comprehensive site, which would require the location to be in an area where parents can drop off and pick up students easily on the hour. This option included the possibility of moving both Ivy and Oasis to the 400 area, relocating the district office to the front of the campus, and closing the Ivy campus and the Oasis/district office areas. FCMAT does not recommend this option.

**Recommendations**

*The district should:*

1. Consider moving the Ivy campus to where the district office is located and moving the district office to the Fallbrook campus for improved efficiency and shared services.
2. Consider demolishing the dilapidated buildings on the Ivy campus. These buildings are not on a foundation and are eroding from exposure to the elements.
3. Continually evaluate student housing needs as enrollment changes to determine the most efficient use of space and resources.
4. Consider forming a committee to investigate and review why students are requesting transfers and develop a plan to retain more students annually.

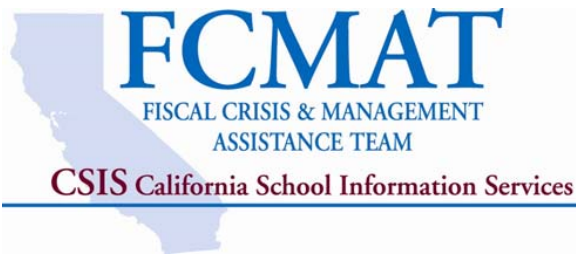




# Appendix

## A. Study Agreement





**FISCAL CRISIS & MANAGEMENT ASSISTANCE TEAM  
STUDY AGREEMENT  
April 23, 2012**

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team, and the Fallbrook Union High School District, hereinafter referred to as the District, mutually agree as follows:

**1. BASIS OF AGREEMENT**

The Team provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of the Fallbrook Union High School District operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

In keeping with the provisions of AB1200, the County Superintendent will be notified of this agreement between the District and FCMAT and will receive a copy of the final report. The final report will be published on the FCMAT website.

**2. SCOPE OF THE WORK**

**A. Scope and Objectives of the Study**

The scope and objectives of this study are to:

1. Review the identification rate of special education students. Determine if the district is over identifying students and make recommendations on how to reduce the over identification of special education students
2. Review staffing and caseloads for all special education programs, including but not limited to: speech, psychologists, and other related services.

3. Review the organizational structure for administration staff at central office and school site levels. Conduct comparisons of similar districts administrative structure and make recommendations for effectiveness and efficiency.
4. Determine how the district can reduce deficit spending in special education and remain in compliance with meeting student needs.
5. Determine how the district can reduce deficit spending in regular education and meet student needs.
6. Examine school locations and grade level configurations and provide input regarding efficiency/lack of efficiency

B. Services and Products to be Provided

Orientation Meeting - The Team will conduct an orientation session at the District to brief District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.

On-site Review - The Team will conduct an on-site review at the District office and at school sites if necessary.

1. Exit Report - The Team will hold an exit meeting at the conclusion of the on-site review to inform the District of significant findings and recommendations to that point.
2. Exit Letter - The Team will issue an exit letter approximately 10 days after the exit meeting detailing significant findings and recommendations to date and memorializing the topics discussed in the exit meeting.
3. Draft Reports - Electronic copies of a preliminary draft report will be delivered to the District administration for review and comment.
4. Final Report - Electronic copies of the final study report will be delivered to the District administration following completion of the review. Written copies are available by contacting the FCMAT office.
5. Follow-Up Support – Six months after the completion of the study, FCMAT will return to the District, if requested, to confirm the District's progress in implementing the recommendations included in the report, at no cost. Status of the recommendations will be documented to the District in a FCMAT Management Letter.

### 3. PROJECT PERSONNEL

The study team will be supervised by Anthony L. Bridges, CFE, Deputy Executive Officer, Fiscal Crisis and Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

- |                                 |  |
|---------------------------------|--|
| <i>A. Dr. William Gillaspie</i> | <i>FCMAT Deputy Administrative Officer</i> |
| <i>B. JoAnn Murphy</i>          | <i>FCMAT Consultant</i>                    |
| <i>C. Anne Stone</i>            | <i>FCMAT Consultant</i>                    |
| <i>D. Debbie Fry</i>            | <i>FCMAT Consultant</i>                    |

Other equally qualified consultants will be substituted in the event one of the above noted individuals is unable to participate in the study.

### 4. PROJECT COSTS

The cost for studies requested pursuant to E.C. 42127.8(d)(1) shall be:

- A. \$500.00 per day for each Team Member while on site, conducting fieldwork at other locations, preparing and presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc. The District will be invoiced at actual costs, with 50% of the estimated cost due following the completion of the on-site review and the remaining amount due upon acceptance of the final report by the District.

**Based on the elements noted in section 2 A, the total cost of the study is not to exceed \$14,400.**

- C. Any change to the scope will affect the estimate of total cost.

Payments for FCMAT services are payable to Kern County Superintendent of Schools - Administrative Agent.

### 5. RESPONSIBILITIES OF THE DISTRICT

- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
  - 1. A map of the local area
  - 2. Existing policies, regulations and prior reports addressing the study request

3. Current or proposed organizational charts
  4. Current and two (2) prior years' audit reports
  5. Any documents requested on a supplemental listing
  6. Any documents requested on the supplemental listing should be provided to FCMAT in electronic format when possible.
  7. Documents that are only available in hard copy should be scanned by the district and sent to FCMAT in an electronic format.
  8. All documents should be provided in advance of field work and any delay in the receipt of the requested documentation may affect the start date of the project.
- C. The District Administration will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

Pursuant to EC 45125.1(c), representatives of FCMAT will have limited contact with pupils. The District shall take appropriate steps to comply with EC 45125.1(c).

## 6. **PROJECT SCHEDULE**

The following schedule outlines the planned completion dates for key study milestones:

<b><i>Orientation:</i></b>	<b><i>May 21, 2012</i></b>
<b><i>Staff Interviews:</i></b>	<b><i>May 21-23, 2012</i></b>
<b><i>Exit Interviews:</i></b>	<b><i>May 23, 2012</i></b>
<b><i>Preliminary Report Submitted:</i></b>	<b><i>to be determined</i></b>
<b><i>Final Report Submitted:</i></b>	<b><i>to be determined</i></b>
<b><i>Board Presentation:</i></b>	<b><i>to be determined</i></b>
<b><i>Follow-Up Support:</i></b>	<b><i>If requested</i></b>

