GROSSMONT UNION HIGH SCHOOL DISTRICT

BLUE RIBBON COMMISSION

Report

Grossmont Union

High School District

COMMITTED TO EXCELLENCE
SINCE 1920

July 29th, 2003

I. Mission Statement

The Blue Ribbon Commission will review the Grossmont Union High School District's financial budget process, resulting in action oriented recommendations to the Governing Board regarding the utilization of limited resources as efficiently as possible, while maximizing the budget to support the district's educational purpose.

GOALS

- Form subcommittees for specific duties and research areas resulting in suggestions to the full commission.
- Identify needs for capital improvements with the “worst first” being the focus.
- Emphasize ways to translate the efficiency of the district into increasing the trust of the citizenry.
- Investigate viable options and suggestions from the public for capital improvements and savings.
- Communicate with the public on the findings and ongoing progress of the commission.
- Utilize management and financial techniques from the private sector as a basis for final recommendations to the governing board.
- Make recommendations in the form of a final report to the governing board and public.

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III. Executive Summary

Introduction, Background and Process

Public Schools in California are facing the beginning of an unprecedented and possibly sustained fiscal crisis, expected to continue over the next few years.

Early this year, the Grossmont Union High School District Governing Board, while anticipating the State of California budget cuts that would impact education significantly, wanted to plan for this fiscal emergency to protect the integrity of its educational mission. The board also believed it important to build trust with all the citizens of the district.

Board President Jim Kelly, writing in *The San Diego Union-Tribune* and *East County Californian* in January, indicated that the "goal is to proactively anticipate and respond to state actions in a way that keep the cuts as far away from the classrooms and students as possible – by squeezing every dollar from our budget. We must do everything feasibly possible to lessen the impact of those cuts, while ensuring the public that the district is maximizing its budget to support our educational purpose**.**

"We do not have the luxury of a growing economy. One of the dilemmas of public education is that the best school administrators are often versed in managing budgets that trend upwards over the years, yet they usually do not have the experience of dealing with the economic ups and downs found regularly in the private sector. So often, we hear that 'government should run more like a business and less like a bureaucracy,' but it is not very often that the public sector carries out such change."

As a result, the GUHSD Governing Board created and appointed a "Blue Ribbon Commission" of business and community leaders, directed to review the existing and future financial needs and resources of the district. The commission would also analyze the district's fiscal health, recommend efficiency and cost-saving measures, and report its findings and recommendations back to the board for action.

Additionally, the board hired a consultant to assist in coordinating a comprehensive effort for the selection of Blue Ribbon Commission (BRC) members, facilitate the meetings and work of the commission, and draft and finalize the BRC's report of findings and recommendations.

From a large pool of BRC applicants, nineteen voting commissioners and one ex-officio member were selected with expertise in diverse subject areas, so as to represent a broad cross section of the general public and interests within the district. From mid-March to mid-July the commission met regularly. Also holding meetings were six subcommittees, established by the BRC to address the various aspects of GUHSD finances.

The GUHSD is a very large and complex organization; in fact one of the largest high school districts in the State of California. It consists of eleven comprehensive high schools and eight schools dedicated to specific needs, such as adult night school, continuation, learning disabled, work training, etc. The district is staffed by 3,400 total employees, of which 1,200 are teachers. The staff also includes accountants, administrators, audio-visual producers, bus drivers, carpenters, classroom aides, clerks, coaches, computer programmers, cooks, custodians, electricians, gardeners, mechanics, nurses, psychologists, security officers, secretaries, warehouse workers, and more.

This staff serves 24,000 students, the teen-age portion of the community population of approximately 550,000 citizens.

To address the many and varying aspects of such an "educational community," the BRC divided itself into six subcommittees to independently study specific areas of the district's operations. It should be noted that the BRC operated independently of district direction. Each subcommittee worked independently of the whole commission, which monitored subcommittee work by means of regular progress reports to the entire BRC. A timeline and outlined format of the final report was adopted in May. The BRC also incorporated the use of Council of Subcommittee Chairmen, especially in the final weeks, to coordinate activities of the separate subcommittees. The BRC adopted a consent process in discussing and voting on each subcommittee's final reports. Additionally, any items that commissioners wanted to discuss in greater detail were separated out for debate.

The organization of the BRC report is divided into sections reflecting the diverse make-up of the subcommittee structure: Expenditures, Revenue, "Outside the Box", Extended/Co-curricular Programs, Facilities and Compensation. In order to present a clear, complete and thorough exposition of the subject matter, it was necessary to vary the format slightly between the various sections. Each, however, presents findings and recommendations that are in a structure that allows the district to consider for implementation.

The report contains a myriad of recommendations that range from small to large and from short- to long-range. Very briefly, they can be summarized as focusing in the following areas:

- Preparing for projected decrease in revenues.
- Identify other potential sources of added income and expense offsets.
- Develop strategies to increase existing revenues.
- The need to protect the district's capital assets.
- Streamlining budget management and accountability.
- Maximizing economies of scale.
- The need to maintain and improve the educational program for students.
- The decentralization and standardization applications of the "one school concept" should be thoroughly studied.

An interesting result occurred that is worth noting, which the commission believes speaks to the value of its recommendations. The BRC found that although each subcommittee worked independently on different aspects of district operations, in several cases they generated the same or similar recommendations. Rather than combine these "duplications" into a single item in each case, they have been left as reported for two reasons. First, because each recommendation was related to different sources, it should be considered as potentially impacting different aspects of the program. Second, the fact that the same item surfaces from different sources gives added stature to the recommendation. Thus, the reader is presented with a better understanding of the element and is in a better position to evaluate it against alternative choices. It should also be noted that differing views and perspectives existed within the BRC, thus enhancing the overall process and the final document.

The GUHSD Blue Ribbon Commission is pleased to present this report to the governing board. The BRC looks forward to seeing it utilized as a comprehensive and significant tool in the implementation of its many aspects and suggestions. The desire of the BRC is that the report will assist in making *our* high school district's reputation one of the *best* in public accountability, while striving to deliver each student's academic success in a safe, clean, and state of the art environment**.**

District Expense and Expenditures

Several aspects of the district's expenses were analyzed, and potential changes were considered from both an impact and feasibility standpoint. The focus is on eight areas the district could pursue to positively impact expenses: 1) District Mission, Goals and Objectives; 2) Centralization and Standardization of the District; 3) Review of GUHSD Organization District-Wide; 4) Employee Suggestion Plan; 5) Customer Service and Attrition; 6) Student Attendance Review Board, Expulsion, Referrals, and Suspension; 7) Charter School Expenses; and 8) "Friends of the District" – Donations and Wish List.

The report identifies several variances from one school site to the next, with some of the most significant being the lack of uniformity in full-time equivalent (FTE) staffing and organizational charts. *"Measurable goals are difficult to achieve when systems and processes vary from school to school,"* the report indicates.

By implementing a 'One School Concept,' with all schools having certain commonalities, the district would have more measurable goals and the different sites' objectives would be in concert with each other on a district-wide basis.

Significant recommendations include:

- The district should embark on an effort to achieve a 'One School Concept.'
- Every main budget item should be scrutinized to simplify the processes, with an overall recommendation to form a Total Quality Team to pursue process improvements and standardization in the identified areas.

- Every job in the district must be defined and given a productivity measurement and/or load amount.
- Discussion should begin regarding implementation of an incentive-based Employee Suggestion Program.
- Approve appropriate research to analyze how a Student Retention or Customer Service Center could positively impact the district.
- The district should correctly charge for services and bid for the services that Helix purchases from other entities.
- Temporary centralized district management of all site budgets for a two-year period.

Additional recommendations in the area of budgeting include the development, implementation, and monitoring of:

- A five-year strategic plan that would include those BRC recommendations adopted by the governing board for implementation.
- Multi-year budgeting.
- An annual assessment of prioritized needs.
- Quantified objectives, such as benchmarks, measurable goals and objectives.
- A more meaningful, descriptive annual budget document that includes workload indicators, impact statements, and performance indicators with measurements of efficiency and effectiveness.

Revenue

The BRC's subcommittee on Revenue refers to an adage that sets the tone for the balance of the Revenue report – *"Money doesn't grow on trees."*

The overwhelming percentage of any district's direct revenues is beyond its ability to control. What is under control is how the district applies and utilizes revenue. Nothing can be truer when it is noted that the state contributes about 80% of any given district's budget. Some special interest groups try to position the educational revenue issue as one that can be resolved within local school districts. This position does not reflect fiscal reality with 4/5ths of a school district's budget being dependent on the generosity of Sacramento.

Premises and assumptions used and/or sought in the research process for this report include evidence of on-going reliable revenue sources and an entrepreneurial attitude to meet the total educational mission of the district, as well as an expense process and fiscal discipline that recognizes current fiscal reality.

The Revenue subcommittee also sought out evidence confirming or supporting that the district's goals and financial responsibilities can be achieved within the new financial paradigm, and that current district employment level strategies are justified via a traditional process that the district has in place and is based upon current revenue levels.

While indicating *"Don't count your chickens before they hatch,"* the report's conclusions and findings include the following:

- This year will see a decrease in ADA funding from the state, which also seems a likely trend for the future.
- Contingency reserve accounts should not to be considered sources for budget overruns.
- The revenue from a bond issue is the only way to appropriately address the deteriorating condition of the district's facilities, equipment and furnishings, as well as reallocating precious revenue towards facilities needs as opposed to the current funding of high interest debt (i.e. Certificates of Participation).

The BRC has <u>one</u> overall recommendation in the area of revenue:

- Publicly address each and all of the issues raised in the detailed report and establish timelines, processes, and procedures for required reports from staff and to the public.

Recommendations found in the detailed report include the following:

- One fiscal year's revenue should not be susceptible to expense claims or budget projections over more than one year unless the revenue claimant accepts the realities that revenue assumptions may fail to materialize.
- Serious discussion and implementation be given to a "get REAL" disciplined focus: ***REAL = Revenue Expense Algorithmic Limitation.***
- A new bond measure must go forward, including provisions to retire current Certificates of Participation as part of the bond financing.
- Delay future salary and benefit negotiations until after the state budget is adopted and site census counts for purposes of actual ADA potential are determined.
- Lease and in some cases sell any excess district property in order to generate a cash flow.

"Outside the Box" Strategies

The commission could have started down the wrong path from day one by adopting a "cautious" approach of "the way it's always been done" or "the way it's done in the educational world." The specific goal here was to look at strategies that could be implemented if true "thinking outside the box" were rightfully considered.

Four major concepts have been addressed in this report, including 1) Decentralization: The Economics of Organizational Matters; 2) Improving ADA Income; 3) Addressing the Economics of Student Failure; and 4) Certificates of Participation. Because of the detail in each of the four subjects, a list of recommendations is included at the end of each topic.

The district's current "decentralized" organizational basis, with each school having a high degree of autonomy, is a common practice among school districts. While decentralization is ideal from an individual sites point of view, there are some drawbacks when considered from a district-wide perspective, including increased costs through inefficiencies, a loss of "economies of scale", a loss of accountability, and differing schedules and curricula among schools.

As the report states, *"This pattern of 'independence' is not unique to Grossmont; rather it is the generally accepted practice among all school districts. However, it is this pattern that interrupts reform efforts of any kind."*

In the area of Average Daily Attendance (ADA) – the main source of income to the district – if the discrepancy between student enrollment and ADA were narrowed, the result would be a significant increase in the income and the efficiency of the whole system. Attention should be given to determine the actual loss of ADA, and strategies developed for recapturing ADA.

It could be stated that the citizens of the Grossmont Union High School District and the State of California are investing $22,450 over a four-year period on behalf of each student in the district. On those occasions when a student fails or receives an incomplete in a course, there is an economic impact on the school system, the implications of which on a district-wide magnitude are staggering.

"If we are going to the expense of hiring extra teachers and providing additional classrooms to serve the students of the district," the report asks, *"is re-teaching the best way to spend the money?"* The BRC is seeking possible solutions to this dilemma without adding costs to the effort.

The use of Certificates of Participation (COPs) – now costing $2.5 million annually in principal and interest – puts a significant financial strain on the district, with the General Fund responsible for the debt, in turn creating a great burden on the *educational program*. Good financial management practices would dictate that the district attempt to refinance the COP debt to a <u>bond</u> debt.

Significant recommendations in this section include:

- A Management Procedure which employs a *decentralized* approach for those areas that are appropriate, and *centralizing* and *coordinating* those areas that allow the district to achieve efficiencies and better accountability.
- Set the highest priority on improving ADA, with attention on determining the actual loss, and strategies developed for recapture.
- Study the enrollment fall-off during the year from September to June to determine if over-hiring staff is taking place, and consider temporary hiring at the beginning of the year.

- Undertake a review of the instructional program with an eye on verifying that the course offerings conform to the needs and abilities of the students served, focusing on any under-served student needs.
- Institute an individual "student-tracking-system" as a performance base line, beginning with data from the feeder school districts and following the student through to graduation, and including an "early-warning-alert-and-intervention" system to assist students to get back on track.
- Include Certificates of Participation debt in any bond issue submitted to the voters.
- Utilize Funds from developer fees and redevelopment fees to support the capital projects done jointly with the State School Construction program.

Extended/Co-curricular Programs

The subcommittee reviewed and analyzed the cost/benefit of Extra Curricular (EC) programs offered by the GUHSD and its member schools. The scope of the report encompasses all facets of such programs, and thus provides some insight into the quantity and quality of programs offered, cost factors, and whether other revenue sources are available.

Extra Curricular includes Athletics and Cheer. Co-Curricular refers to Performing Arts and ASB. While Performing Arts and Athletics are often considered Extra Curricular, Performing Arts are better characterized as Co-Curricular because its programs are supported within the regular school day. To graduate, all students must take at least one year (10 credits) of coursework in either performing or visual arts.

Studies have shown that students who spend no time in EC activities are 57% more likely to drop out of school; 47% more likely to use drugs; 37% more likely to become teen parents; and 27% more likely to be arrested than those who spend one to four hours in EC activities. (Citing a study by Department of Health and Human Services).

There are no outside sport/athletic requirements for high school graduation. It is well understood, however, that acceptance into most colleges and universities mandates Extra Curricular participation in one or more areas of Athletics and/or Performing Arts. It is not unusual for outstanding students to receive EC scholarships.

To deal with the 2003-2004 budget crisis, the GUHSD Governing Board reduced the number of EC stipends from 48 to 46 annually. In addition, the board reduced the transportation services to support EC activities by $5,000. EC facilities are under-funded, inadequate and, in some instances, unsafe. Many grass fields are in poor condition and require significant revitalization or replacement.

District staff has been less than cooperative in providing opportunities for outside contributions to improve EC facilities. The culture within the district seems to be resistant to sports support groups that have offered to improve facilities.

The findings include the fact that GUHSD students participating in such activities have on the average 30% fewer absences, a .415 higher academic GPA, and 50% fewer disciplinary issues than their non-participating peers. The better attendance alone results in approximately $835,000 in additional ADA revenue to the district.

Among the EC subcommittee's conclusions:

- The EC programs provide a tangible monetary benefit/return and monetary/return to the district and schools.
- GUHSD EC programs are among the lowest funded of all such programs within San Diego County, and nationally.
- The lack of a public/private "partnership," prevents the district/schools' programs from capturing potentially "millions of dollars" in charitable donations, after-school program grants, etc.
- There is serious concern about the current and future health of our children. 77.4% of California ninth graders were unable to meet the minimum standards to be considered physically fit. 83% of GUHSD ninth graders were unable to meet the minimum standards—a differential of 19%.

Recommendations include:

- The governing board should consider a paradigm shift in looking at these programs.
- Revitalize the Grossmont Education Foundation or establish other committees that work within the GEF to support specific schools, or work with other independent foundations at other schools to increase funding from private sources for extended curricular activities.
- Hire an Executive Director for Foundation with marketing experience.
- Increase ticket prices for all athletic and performing arts.
- Co-Sponsor a Blue Ribbon commission for East County to expand and improve fields and facilities; and develop and fund programs for athletics and arts.
- Implement 7th period Physical Education.

The report also includes a sub-report entitled "Extended Curricular: A Paradigm Shift" with additional recommendations.

Facilities

The task assigned was to research the school sites' needs in the Grossmont Union High School District on a "worst first" basis. When investigating the district's needs on that basis, many areas were discovered that could be considered "worst". The three most critical needs of many of the district's campuses are upgrading the 1) public address systems, 2) fire alarm systems, and 3) student restrooms. These three areas, however, were the proverbial tip of the iceberg, as the district has very extensive maintenance needs.

The tragedies at Santana and Granite Hills High Schools in the spring of 2001 have illustrated the necessity of making sure the alarm and PA systems are in proper working order.

The district's existing facilities Master Plan, dated March 2002, was reviewed. The district has made limited progress in fulfilling some goals in the plan through prudent use of district maintenance personnel and budgeting. Most of the older school sites were visited to get visual evidence and confirmation of the district's maintenance needs. It was found that the district makes good use of the limited funds it has to spend, but it is the State of California that often fails to come through on promised funds.

The district has completed over $3 million in Americans with Disabilities Act (ADA) improvements over the past decade, yet at least $7 million more in improvements are necessary to bring the district's sites into compliance. This is an area the public needs to better understand the magnitude of maintenance backlog the district is facing

The recommendations include:

- With the first priority being health and safety, the top district-wide site needs are the updating of the PA/Alarm systems, upgrading of the restrooms, and addressing energy system difficulties and efficiency.
- Conduct energy conservation/efficiency studies.
- The Facilities Master Plan should be updated semi-annually and quarterly.
- Competitive bid process for site projects and improvements.
- Better communication model between site management and district maintenance.
- Develop a Monthly, Quarterly, Annual, Five-Year Process and System Plan.
- Research and take action on ADA requirements and needs, (including funding from Federal and State resources).
- Attention should be given to the effect COPs have on facilities funding. Please reference Revenue, Expense and Outside the Box subcommittee reports.

Compensation

The focus of the BRC analysis in the area of compensation has been on the topics of early retirement and possible reductions in salary and pay.

Many employees desire early retirement, and resignations seem to increase in general when an early retirement offering is made. Recent years' budgets already provide for thirty teacher retirements. The concern among some is that the following year's retirees would be assimilated automatically into a present year early retirement program, thus causing long-term expectations amongst long time employees to continue the early retirement bonus for the district.

The issue of early retirement might very well deserve an additional analysis. A mid-year retirement program that encourages approximately 60 to 85 teachers could very well be worth pursuing (if it were in excess of a savings of $500,000 annually), with a unique key ingredient to maintaining staffing levels: The teachers stay in place on contract at a reduced dollar amount. Further research including a cash flow analysis would have to be completed, with several "what if" scenarios analyzed.

Additionally, alternatives to the current Public Agency Retirement System (PARS) could be analyzed from a cost savings standpoint. Keenan & Associates is capable of a comprehensive analysis in this regard, as the company specializes in retirement plans geared to the individual needs of school districts. In addition, a third entity, Fringe Benefit Consortium (FBC), also does such analyses and could be considered. Positive results could surpass the $500,000 in present expense reduction but would require further research and analysis.

With compensation making up such a significant bulk of the budget – 76% of the district's budget – significant savings could obviously be found by staff reductions, providing no backfill of vacant positions and/or reductions in pay. Certainly, each alternative is problematic, recognizing existing labor/union contracts. Such scenarios may sometimes seem like a quick solution, but are certainly not simple. It should be noted that district staff or the unions do not necessarily support options such as seeking district-wide salary reductions and putting a hold on step increases, except as a last resort.

Recommendations in the area of compensation include:

- Research the possibilities of increasing early retirement options through PARS, and/or utilize a multi-bid process to compare other alternatives (possibly in conjunction with the unions).
- Look elsewhere than salary reductions for savings at this time. (If pursued, only to be considered when appropriate, as part of labor negotiations.)

Conclusion

Following the subcommittee reports, a detailed summary of recommendations is included, categorized by each subcommittee.

Further actions by the governing board and Blue Ribbon Commission are then recommended for consideration to ensure this report's use is maximized to the fullest extent. The follow-up recommendations include:

- The governing board and district staff to hold a retreat within 30 to 60 days to discuss in further detail the BRC recommendations, courses of action, timelines, etc., as well as give any necessary direction to staff. Include the BRC chairman and subcommittee chairs in the retreat.
- Report the results of the retreat to the public during a board meeting.

- Convene the BRC within six months to report on the progress of chosen courses of action, as well as to brainstorm further with the commission members.
- The board and staff shall report no less than on a quarterly basis, regarding overall progress of BRC recommendations being pursued, perhaps in conjunction with or following the board's annual retreat.

Several attachments and exhibits complete this report, comprised of research and documentation referred to throughout the contents to follow.

List of Commissioners

- **Mayan Avitable** - Former teacher La Mesa Spring Valley School District, Internet Strategist
- **Ron Carper** - Safe Schools Coordinator at Grossmont High School
- **Ernie Ewin** - La Mesa City Councilman
- **Paul Erhard** - Retired classroom teacher and school administrator. Coached for 25 years.
- **Steve Grooms** - Businessman and Parent of GUHSD Graduates
- **Lorraine Hamann*** - Current President of Foothills Secondary Council PTA and Parent of El Capitan Student
- **Al Haven, Ed.D** - Retired 27 Year Educator & administrator, Chartered Financial Consultant and Resident of Alpine
- **Harold Hilliker** – Lakeside School Board Member; Resident of Lakeside and Parent of El Capitan Graduate
- **C. Philip Jankola** - Former Budget Analyst for the County of San Diego, Parent
- **Mark Lewis** - Mayor of El Cajon and Graduate of Granite Hills High School
- **Colleen Link** - Executive Assistant-Torrey Pines Bank, Parent, Graduate of Grossmont
- **Ron Pennock**** - Businessman and El Capitan Graduate
- **Mark Price*** - Businessman and Resident of Alpine, Mount Miguel Alumni
- **Sam Rearic** - Teacher at Monte Vista High School, Parent and Mount Miguel Alumni
- **Warren Ruis** – Recent Graduate of Helix Charter High and Former Student Member of Governing Board
- **Ken Sobel** - Grossmont High Parent. Chair of La Mesa/Spring Valley Bond Oversight Committee, President of Grossmont Booster Club.
- **Dan Summers** - Business Owner, Firefighter/Paramedic, Football Coach at Santana, Ramona Resident
- **Nicki Summers** - Teacher at Valhalla High School & Parent
- **Jake Thorn** – Recent Graduate of Valhalla High School
- **Larry Urdahl** - Businessman and Parent

* Lorraine Hamann and Mark Price currently serve as Vice-Chairs of the commission.
** Ron Pennock currently serves as Chair of the commission.

BRC Processes and Procedures

I. Reason for Conception

   A. Facilities needs
   B. State Budget deficit
   C. Public trust

II. Formation

   A. Hiring of Consultant
   B. Commissioners selected with expertise in diverse subject areas to represent a broad cross section of the general public and interests within the GUHSD:

      - Seven Parents
      - Six District Alumni
      - Five Elected Officials
      - Nine from Private Sector
      - Five Current or Former Teachers
      - One Coach
      - Two Students
      - Three Budget Analysts – One with County of SD
      - Four Retirees
      - Three Alpine Residents
      - Four El Cajon Residents
      - Three Lakeside Residents
      - Three La Mesa Residents
      - One Ramona Resident
      - Two Santee Residents
      - Two Spring Valley Residents

III. Function

   A. Mission Statement and Goals
   B. Accountable to the governing board and superintendent; charged to work with the staff of the district for research needed to complete process.

IV. Organization

   A. BRC in Entirety

      1) Nineteen voting members and one ex-officio; meeting every other week.
      2) Meetings every other week – 6:30 p.m. Wednesdays at GUHSD office.
      3) Election of Chair and Vice Chairs – Nomination and majority vote.
      4) Governed by Robert's Rules of Order and the Brown Act.
      5) Average attendance per meeting was sixteen members.

BRC Processes and Procedures – Continued

B. Subcommittees

1) By subject area, to fully and efficiently research specific areas of information and report back to the BRC.
2) Members selected voluntarily based on areas of preference.
3) Chairs and vice chairs – By nomination.
4) Steering committee made up of all subcommittee chairs formed to assist with coordinating research, interaction with consultant and elimination of redundancies in reports.
5) Interaction with consultant and staff for required resources.
6) Scope of study area:
    a) Philosophy – New ways to deal with old problems; no more "band-aid" solutions; long-term vision.
    b) Research
    c) Findings
    d) Recommendations
7) Weekly reports to and dialogue with BRC, with suggestions and input from the entire commission.
8) Subcommittee cross interaction and public participation.
9) Mission Statement and Goals applied to all work in subcommittees.

V. Reports and Recommendations

1) Presentations and subcommittee reports submitted according to agreed upon timeline to the full commission.
2) Each subcommittee recommendation explained individually by the subcommittee.
3) Subcommittee recommendations voted upon by the BRC for inclusion in final report to the board.
4) BRC dictates report's content, size, and prioritization of recommendations. Steering committee to assist in final process.
5) Report compiled by consultant.
6) Final report approved by full commission.
7) BRC to present the final report on a date decided by the governing board.

Blue Ribbon Commission Milestones and Timeline – 2003

January 23:	Governing board approves formation of Blue Ribbon Commission.
February 28:	Initial deadline for individuals to submit applications to serve on the BRC.
March 3:	Interview process for BRC candidates concludes and the governing board selects commissioners.
March 12:	First meeting of the BRC. Ron Pennock elected chairman; Mark Price and Lorraine Hamann as vice-chairs.
March 17:	Formation of BRC Subcommittees into six areas: Revenue, Expense, Compensation, Facilities, Extra-Curricular and Outside the Box.
End of March:	All Subcommittees began to hold meetings.
April 16:	First Subcommittee presentations to BRC, with each subcommittee to present every third meeting.
April 28:	Extra-Curricular Subcommittee hosts public forum.
May-June:	Subcommittee research and ongoing meetings.
June 25:	BRC reviews First Subcommittee Drafts.
July 16:	Last general Meeting. Approval of Final Draft Report.
July 29:	Presentation and submission of the report to the governing board.

IV. Subcommittee Reports

- ***District Expense and Expenditures***
- ***Revenue***
- ***"Outside the Box" Strategies***
- ***Extended/Co-curricular Programs***
- ***Facilities***
- ***Compensation***

Report of the Subcommittee on DISTRICT EXPENSE and EXPENDITURES

Members: Chairman Steve Grooms, Harold Hilliker, Philip Jankola

Research and Findings

The Blue Ribbon Commission analyzed several aspects of the district's expenses, and considered potential changes from both an impact and feasibility standpoint. Based on those factors, the focus included areas as wide-ranging and encompassing as "Centralization and Standardization of the District" to incentives such as an "Employee Suggestion Program." Following are eight recommended areas the district could pursue to positively impact expenses.

District Mission, Goals and Objectives

Building a budget that is comprehensive must include strategic goals and quantifiable measurements for the entire district organization. Measurable goals are difficult to achieve when systems and processes vary from school to school. Reducing the differences and thus increasing efficiencies can be pursuing through a "One School Concept," with all schools having commonality in certain areas, i.e. common scheduling, common curriculum, etc. The district would have more measurable goals and the different sites' objectives would be in concert with each other on a district-wide basis.

Once the clear-cut objectives and goals are defined, the budget process would be aligned and follow those goals, thus determining the process. Otherwise the district will attempt to be everything to everyone and fail with the budget process having little direction. In essence, the district can purse some chosen goals, but it can't do everything.

Additionally, strategic district-wide goals would assist in any fundraising efforts.

The last time the district defined any such goals was in 1997. The effort was combined with another district program and the final document lacked individual focused attention. These goals are now outdated and do not recognize the current board, staff, and district needs.

Centralization and Standardization of the District

Each school site was analyzed with as much detail as possible. What was found is that each school operates as its own business unit with independent goals, mission and objectives. Centralizing would undoubtedly be a significant task and may take a few years to design and implement, however the rewards could run into tremendous savings. By centralizing and standardizing processes, jobs, methods and procedures the minimum savings could be two percent ($4 million) in General Fund savings and could range as high as 10% ($20 million) annually.

The backbone of the centralization and standardization processes would include, but not be limited to, the development, implementation, and monitoring of: a five year strategic plan that would include those BRC recommendations adopted by the governing board for implementation, multi-year budgeting, an annual assessment of prioritized needs,

quantified objectives, and a more meaningful, descriptive annual budget document that includes workload indicators, impact statements, and performance indicators with measurements of efficiency and effectiveness.

District-wide variances include the following.

Scheduling:

- GUHSD has nine different scheduling systems and processes, thus impacting the required number of IT programs, support systems, upgrades and maintenance.
- The quarter system is ineffective with regard to education and causes expenses to increase at a higher rate than would normally be expected.
- The different schedules have resulted in multiple report cards, progress reports and programs produced for students, families, and other stakeholders. The budget for reports has increased to over $200,000.

Procurement:

- Overall procurement is site driven for the most part following district procurement policies.
- Decision making for procurement is site-, location- or program-specific.
- Volume discounts are not effectively used since purchasing is done remotely on site.
- Inventory of assets is at the site level. Centralizing textbook inventory was a BRC test and the savings are expected to be between $100,000 and $150,000.
- Different programs mean different books, etc.
- Too many stranded assets (books, chairs, etc.) exist in the district.
- The district must purchase based on the value added life cycle price and not apparent net cost.

Curriculum:

- Because of the individual schools uniqueness, students cannot fluidly move from one school to another without having to attend study hall or other remedies.
- Curriculum is not standard across the district. For instance, the district has eleven math programs.
- Elective courses are not transferable in all cases between district schools.
- Graduation requirements are different at each school, sometimes beyond state goals.

Full Time Equivalent (FTE) Study:

- The organization charts at each school include many different and unique titles and roles.
- No productivity measures or workload requirements seem to exist to justify FTEs.

- When new programs are added the FTEs increase and never seem to decrease, without any justification.
- Processes at each school are different.
- The district has increased FTEs by over 11% over a three-year period without the same enrollment increase. (Exhibit A5)
- Impact statements are not provided regarding changes.
- Centralization of some processes would have a positive impact on the organization, as overlaps are abundant. (Exhibit A7)

Technology:

- The district could potentially utilize advances in technology for completion of online courses for ADA, Saturday School and Independent Studies.
- Technology could be increased as an effective method for parents to communicate with the school and teachers more effectively, as well as assist in proving the efficiency of the district. (Exhibit A3)

Review of GUHSD Organization District-Wide

Research and Findings focused in the following areas.

School Sites:

- Full Time Equivalents have increased at a higher rate (11%) then enrollment, possibly due to certain programs.
- Some parents have complained that school site employees do not return calls or communicate in a timely fashion.
- Deficiency notices are too late to be as effective as possible.
- Communication with parents through the school sites is very expensive and could be centralized.
- No organization charts exist.
- Processes may or may not be documented.
- No apparent Customer Service Program with a true “Customer Satisfaction Index” (CSI) in place.

District Office:

- Organization charts exist. (Exhibit A7)
- No workload numbers to support the value of the jobs.
- The district office has grown in numbers that needs to be justified.
- No Customer Service Program in place.

The impact of centralizing and streamlining some processes and creating a Customer Service Organization, for the purpose of facilitating the relationship between the schools, the parents and the students, could achieve significant savings. Each site could provide up to one to three FTEs (total of thirty) for this goal. Such an organization would call parents with an absent student, monitor grades and test scores, etc. In addition, the group could be in place to help with escalations district-wide. The technology is in place to achieve this scenario. The positive impact on the budget would be in the following categories:

- Salaries – Reduced net FTE by approximately fifteen positions.
- Expenses – Postage, telephone, photocopies, on-site staff time, etc.
- Revenue/ADA and attrition – The center could call by 10:00 a.m., assisting in getting the student to school if possible.

ADA revenues of approximately one-half percent or $600,000, reduction in FTE of $500,000, and a reduction of expenses of another $250,000, for a total savings of $1.35 million could be achieved.

Employee Suggestion Plan

Corporations nationally have found an incentive driven suggestion plan has paid off handsomely. The district does not have any plan in place with or with out incentives that asks employees for their input. If the district began a plan the savings could run between two to four percent of the expense budget. The overall expense budget is approximately $35 million.

Many companies pay ten percent of the savings to the employee. A suggestion plan could work as follows:

Employees would submit a form with a suggestion via email and receive back an email with a tracking number. Each tracking number would be followed up to a reasonable completion. The savings would be leveraged across the district. The payment to the employee would be made so that the true savings could be calculated annually. In other words, payment is not made until the final savings are accomplished, but some award needs to be given to the employee.

Conservatively, an expected one percent savings of $350,000 with an “award” cost of $35,000 and a net savings of $315,000 could be expected. (Exhibit A5)

Customer Service and Attrition

Communication with parents at the school site is very expensive for the parents and the district, and could be handled differently.

A Student Retention or Customer Service Center in place with the sole intention of retaining students, would be of great benefit to the district, as a centralized point where all guardians, parents and students could call for information. Instead of calling each location and navigating through the process, this center would serve as an educational advocate that would ensure all issues are handled to a reasonable completion. The parents would like to have communication with the schools as they would with any other business.

The intent is that complaints about the school sites, teachers and counselors, being non-responsive would be reduced significantly. Some counseling and class changes could be handled over the phone, by Internet and via email. Because of centralization and standardizing, most questions could be handling by a call center, which would transfer calls to the school site as a second level of support. This would reduce the calls to the school site and may reduce overall FTEs by between fifteen and forty-five. Actual reductions are difficult to estimate without core process re-engineering throughout the district and all sites.

As well, the "hand off" or transfer from middle schools, the parents and other schools is not handled as well as possible nor as well as possible with current technology.

In addition to a call center, the need exists to incorporate an appropriate "feed" from the middle schools to ascertain the students' past history so as to establish a baseline. The baseline would show where the student normally operates and any deviation would be noticeable. The deviation could be attendance, by subject, overall performance, extra curricular activities, etc. This process is achievable today via Power School (with some enhancements).

The fiscal impact of this type of Customer Service solution could run into the millions of dollars in avoided cost and additional revenue through ADA. (Exhibits A4, A6)

Student Attendance Review Board, Expulsion, Referrals, and Suspension

The district loses approximately $500,000 annually to expulsions, referrals and suspension. There are other ways of handling this problem from both a fiscal and educational point of view. In addition, GUHSD has approximately 350 students in a county program called Student Attendance Review Board (SARB), which centralizes troubled students from other districts. An in-district program for these students would keep ADA within GUHSD.

Some costs need to be researched, but the $500,000 lost from expulsions, referrals, and suspensions can be reduced significantly. The 350 students in SARB equate to a $1,925,000 revenue stream back to the district. The overall costs need to be defined but the revenue could be approximately $2.5 million.

Charter School Expenses

Charter Schools should pay their pro-rata share of expenses and debt service. The current process in place to recoup costs provided to Helix Charter High School amounts to nine percent of the Fiscal Services and Human Resources Departments. This does not seem to be adequate to make up the real costs to the district. Many departments are affected by Charter Schools but are not able to recover the real costs, most notably IT and to some extent Human Resources.

For example, reporting to the state of test scores and other results has an expense but cannot be tied back to the Charter School. Analyzing debt load, as well, the Charter Schools are supposed to pay their fair share of debt. In many cases, a Charter School's increased independence does not remove the responsibility to the district.

Additional areas include non-recouped expenses such as data wiring paid for in previous years, as well as rental of facilities.

The amount is somewhere between $500,000 and $1 million in overall costs related to Helix that may not be recouped by the district. In addition, by bidding for the services, Helix purchases a revenue stream of $750, 000 and $1.25 million could be realized by the district. (Exhibit A4)

"Friends of the District" – Donations and Wish List

Such a campaign could include the inclusion of items the district and teachers need on the district website with specific quantities. For example, with math textbooks, the item could indicate the district needs 150 books at a cost of $35 dollars each. A citizen or a business could pay to offset the cost and have their name go on the book or be anonymous. Other items could be listed as well, i.e. number two pencils, paper, ink cartridges, etc.

Parents are asked for $150 in the Poway district and do pay if possible. Over time this could really be a boon for categories 4000 and 5000 in the General Budget. With a good public relations plan the results could be between $100,000 and $500,000 in avoided costs through donations and gifts.

Recommendations

District Mission, Goals and Objectives

Recommendations are as follows:

- The district embarks on an effort to achieve a "One School Concept."
- The board, superintendent and senior staff should hold a retreat in the next 30-60 days; through brainstorming and breakout sessions define the district's strategic goals and direction, with an emphasis on budgetary and fiscal areas.
- Develop short-term and long-term district goals.
- Update the goals semi-annually and hold an annual retreat.
- Develop a solid understandable document to be provided to the public and the media, so as to communicate the goals and objectives.

Centralization and Standardization of the District

Recommendations are as follows (broken down by subject area).

Every main budget item should be looked at to simplify the processes. ***The overall recommendation to the GUHSD Board is to form a Total Quality Team to pursue process improvements and standardization*** in the following areas:

Scheduling:

- Remove the uniqueness in scheduling per site.
- Consider eliminating the quarter system.

Procurement:

- Temporary management and centralization of all site budgets for a two-year period.
- Centralizing of textbook inventory.
- Centralize all purchasing, purchase in bulk and utilize leveraging power and volume to achieve currently unrecognized discounts. (Exhibits A1, A2)
- Standardize products and services to reduce maintenance costs, such as parts, etc. (the district does some maintenance itself). (Exhibits A1, A2)
- Pursue centralized printing costs versus individual printing per site.
- Consider accounting codes for printers, faxes, copiers, and any other incremental costs.
- Every dollar spent should go through a complete review process.

Curriculum:

- Pursue standardization of curriculum, transferable courses and graduation requirements.

Full Time Equivalent (FTE) Study:

- Pursue centralization of some processes through a focus on overlaps.
- Each school should be given an agreed upon organization plan (i.e. one principal, two vice principals, four counselors, one teacher per thirty students, etc.), curriculum plan, and processes as a starting basis that supports the mission of GUHSD. The principals may then apply for and justify any additions, deletions or changes. The core objective here should be "what is reasonable, customary and effective."
- Each school should have an annual presentation of their education plan, education goals and business plan delivered in front of the superintendent that includes Readiness Levels, College Prep, Special Ed, Test Scores, Dropout Rate, Exit Exam, and Core Programs. These *must* be based on data.
- To accomplish such changes everyone must pull together as a team with a core covenant instilled that supports each other.

Technology:

- Analyze the impacts of using online courses for ADA.
- Use online courses as a Saturday School alternative for absences, etc.
- Use technology where possible for Independent Studies instead of making each teacher provide it as a customized package. (Exhibit A3)
- Use technology for parents to communicate with the school and teachers more effectively. (Exhibit A3)

Budgeting:

Development, implement, and monitor:

- A five-year strategic plan that would include those BRC recommendations adopted by the governing board for implementation.
- Multi-year budgeting.
- An annual assessment of prioritized needs.
- Quantified objectives, such as benchmarks, measurable goals and objectives.
- A more meaningful, descriptive annual budget document that includes workload indicators, impact statements, and performance indicators with measurements of efficiency and effectiveness.

Review of GUHSD Organization District-Wide

Recommendations are as follows:

- Prepare organization charts district-wide and begin to add workload and processes to them.
- Every job in the district must be defined and given a productivity measurement and or load amount.
- Using existing GUHSD talent, establish a Customer Service Organization designed to reduce expense, increase ADA and reduce attrition.
- Move as much as possible to electronic media, i.e. the Internet, email, etc. (Exhibit A3)

Employee Suggestion Plan

Recommendation: Discussion should begin with the unions regarding implementation of an Employee Suggestion Program.

Customer Service and Attrition

Recommendation: Approve appropriate research to analyze how a Student Retention or Customer Service Center could positively impact the district.

Student Attendance Review Board, Expulsion, Referrals, and Suspension

Recommendation: Significant opportunities exist here. Closely analyze the cost and revenue impacts on the district through current processes, compared to alternative ways of doing business.

Charter School Expenses

Recommendation: Review methods, procedures and actual processes that involve Helix and lock in the real costs. Correctly charge for services provided to Helix. Additionally, the district should bid for the services that Helix purchases from Lemon Grove and other organizations, as a possible new revenue stream. Overall, change or evaluate the following scenarios:

- Unit based pricing to Charter Schools.
- Use time and materials for interaction with Charter Schools.
- Charge on a per transaction basis.
- Fixed quotes to Charter Schools.

"Friends of the District" – Donations and Wish List

Recommendation: Look into how a donation program and related public relations campaign could be pursued by the district as well as very possibly at the school site level.

Report of the Subcommittee on REVENUE

Members: Chairman Ernie Ewin, Ken Sobel, Larry Urdahl

Introduction

"Money doesn't grow on trees."

The overwhelming percentage of any district's direct revenues is beyond each district's ability to control. What is under control is how the district applies and utilizes revenue.

The purpose of this subcommittee is to contribute to the overall working knowledge of the full commission and to make recommendations in the area of GUHSD's revenue. This is to be achieved by looking at the district's actual revenue sources, by asking questions, and by identifying and recommending a different perspective to the existing revenue processes and methodologies. This approach is designed to foster new results in more properly utilizing revenues and in finding ways to enhance revenues.

The BRC began this work under the storm clouds of the State of California's financial condition and its continuous escalation of debt. Months have passed since we began, and the state's fiscal condition has deteriorated even more significantly.

The state contributes in the area of 80% of any given district's budget. Some special interest groups try to position the educational revenue issue as one that can be resolved within local school districts. This position does not reflect fiscal reality with 4/5ths of a school district's budget being dependent on the largesse of Sacramento. The focus must be on Sacramento. The GUHSD, like all other districts, works within the revenue payouts of the state. We wonder if the State of California could be relied upon to keep its past pledges in fulfilling its commitment to public education, given its current disastrous fiscal condition.

The method this report utilizes is one of asking questions patiently and with deliberation. This allows the commission to search for possible and positive solutions to the revenue equation.

Research

"Show me the money."

As a subcommittee, we delved into public materials such as adopted budgets and independently prepared annual financial reports. Also, we talked to district administrative personnel and elicited responses to our questions on revenue and possible revenue enhancements. We did so because we believe that the professional staff is in a solid position to either disprove or substantiate any possible conclusions we may reach. This is due to their understanding of the cumbersome accounting processes and the unique nature of the funding of public education.

Following are the premises and assumptions used and/or sought in the research process.

Evidence of:

- On-going reliable revenue sources and an entrepreneurial attitude to meet the total educational mission of the district.
- An expense process and fiscal discipline that recognizes the changed revenue reality.

Evidence confirming that:

- The district's goals and financial responsibilities can be achieved within that new paradigm.
- The safety of our students and staff is a top priority.
- Classroom educational processes and activities are to be protected.
- District site administrators are not trained or experienced business experts and should not be expected to have that expertise or responsibility. Their job accountability is to focus on educational quality.
- Job descriptions and compensation should be reflective and proportionate to the impact area of these jobs.

Evidence supporting that:

- Current district employment level strategies are justified via a traditional process that the district has in place and is based upon current revenue levels.
- A bond proposition is the only revenue-financing tool to address facility issues that have been deferred.
- There is no defined amount or percentage of revenues that is an absolute minimum for any category of expenses (e.g. that facilities maintenance allocations will always be less than a specific dollar amount or a certain percentage of total annual revenue).

Conclusion – Findings on Fundings

"Don't count your chickens before they hatch."

1) Average Daily Attendance (ADA)
"Big Brother, can you spare a dime?"

Revenue projections are not as reliable as they used to be. All revenue sources to the district are designated fairly consistently within federal, state, and local categories. Each category has specific programs that may be on going over a period of years or only for a specific program. Unfortunately, the so called permanent on-going revenue sources have variable clauses or aspects which may affect total revenue that is actually received in any given program in any given year. For example:

Base ADA Per Student

2000-01	$5,166.15
2001-02	$5,366.15
2002-03	$5,474.00
2003-04	$5,408.46

The above figures for 2003-04 are at best estimates at this time. This year will see a decrease!

(Please refer, as well, to the "Outside the Box" report regarding ADA.)

The state can adjust this allotment downward. Given the state's financial circumstances this decrease in allotment seems a likely direction for the foreseeable future.

There is no way to predict how much revenue will be available in each of the next five years. So whatever expenditures the district commits to at this time must have recapture flexibility built-in. Thereby the district will be able to act/react immediately. This requires the implementation of a workable algorithm that will avoid critical component deficits that lead to layoffs and reduction of programs.

2) Contingency Reserves
"Rain drops keep falling on my head."

Contingency reserve accounts are not to be considered sources for budget overruns. Invested reserves and the timing of expenditures are the primary sources for investment revenue. Given the current market returns, this area no longer has potential for providing significant and reliable revenue for projects.

Consideration should be given to allocating investment income to the reserves category from which they were generated.

3) Expenditure Savings
"A penny saved is a penny earned."

The district needs to be ever mindful that actually decreasing expenditures provides a "revenue source" for re-allocation. These "savings" can also be used to correct past allocations to achieve impact.

4) Revenue Increases
"It's not over `til it's over."

In terms of percent and dollars, one fiscal year should not be susceptible to expense claims within three years unless the revenue claimant is willing to give some back as soon as the revenue assumptions go the other way or fail to materialize.

To this end we propose that serious discussion and implementation be given to a "get REAL" disciplined focus. That is:

REAL = Revenue Expense Algorithmic Limitation

If revenue is subject to limitation, reduction, or, hopefully, growth, then what becomes the appropriate methodology to retain flexibility in all aspects of related expenditures? (See Exhibit B-1)

The district cannot commit and thus contract to a specific dollar amount of future expenditures when revenues may not justify such action, especially given California's financial mess. Any negotiations in today's financial environment cannot lock in a scheduled commitment of revenues without the ability to reduce the same amount if the revenues do not materialize.

5) Revenue Enhancing
"We are in need. This is not greed."

Increasing revenue to higher levels that are both reliable and sustainable is a priority. This will provide increased resources to maintain and to improve learning and work environments. Increased revenue or newfound dollar sources should be a means of rewarding measurable levels of performance.

6) Bond Issue
"`tis hard for an empty bag to stand upright."

The revenue from a bond issue is the only way to appropriately and in a timely manner address the deteriorating condition of the district's facilities, equipment and furnishings, as well as eliminate costly revenue that pays specific debt. Nothing has occurred in the interim since November 2002 to diminish the physical, educational and morale risks to the district given its infrastructure. A new bond measure must go forward.

Despite the BRC's efforts aimed at identifying potential opportunities to increase revenues and decrease expenses, the taxpayers need to understand <u>and</u> accept that years of facility use and limited repairing reaches a point where it is not feasible to continue to pull on-going maintenance expenses from general fund. The current level of revenue (coupled with the fact that it may be declining due to the state's predicament) only allows for a "patch and hope" approach. This has been going on for far too long. However, school managers must not believe that periodic maintenance can always be brought up to par with periodic public financing venues such as bonds.

Facilities upgrades and improvements will decrease costs and increase revenue streams available for other non-compensation needs. Newer facilities avail themselves of more state of the art equipment and, hence, cost less to operate. The board cannot leverage the benefits of recently passed State Proposition 47 Fund matches (50/50, 60/40) without the quantity of matching funds a bond provides. Why spend a dollar of district funds when

utilizing bond funding you can expend $.40-.50 for a leveraged dollar's worth of benefit. Why not avail ourselves of these State-wide Prop 47 matching funds that our East County taxpayers are paying for anyway?

We also believe that the provision to retire the Certificates of Participation (see #7 below) on their call dates (2006 and 2008) needs to be included in whichever choice the board makes for a 55% or 66-2/3% affirmative vote bond. Funds currently used to amortize and cover the interest expenses of the COPs could then be used to replace equipment and furnishings if the 66-2/3% approach is selected.

See Exhibit B-2 for a summary comparison/description of bonding options and features.

7) Certificates of Participation (COPs)
"The COPs on the beat."

Certificates of participation should no longer be considered as a viable option for major periodic revenue enhancement or bridging. There are legitimate needs for building replacement, requiring realistic maintenance schedules. Currently, developer fees, agency revenue streams and money from the general fund are being applied to reduce the COPs. However, no estimate exists as to the future potential for such fees and the timing of receipts to the district. Hence there is a separate cushion pool for future shortages – if any. COPs are logically best retired via a bond issue. Although possibly adding a new campus anywhere in the district within the next 20 years is a political matter, retiring the COPs is a financial matter at this time.

The two current issues of COPs were used in the 1990s to complete the West Hills Campus, acquire and construct the Steele Canyon Campus and minor items at El Cajon and Granite Hills. If a payoff could occur today the amount would be approximately $34 million. If these issues are allowed to continue to maturity the total paid through 2021 will be $74 million repaid from sources noted above. Are there other worthwhile uses for the $40 million spread? We think so!

Including in the proceeds from a bond issue should be the retirement of COPs, whether the percentage of affirmative vote is at 55% or at 66-2/3 %. This is the only reasonable method to retire the debt as now constituted. General funds are a priority for daily operations, not major capital improvement projects. There should be no more short-term borrowing without a public disclosure of the primary and non-general fund secondary sources of repayment.

8) Bargaining Units
"Class-ified, Teachers, Administrators and Parents – Class Acts."

Delay future salary and benefit negotiations until after the state budget is adopted and site census counts for purposes of actual ADA potential are determined.

Consider having employee salary and benefit negotiations in public. This will insure that the negotiating positions of each party are based on facts that are available to all. This also allows for the public to determine exactly what this component is costing.

All negotiated expectations must be measured and tracked. What are to be the results for that which the taxpayers are paying? Documented tracking must exist.

Grossmont Education Association (GEA), the teachers' union, needs to be able to remediate sub-par instructors to insure that there is a quantifiable benefit to increase compensation.

District site administrators, who as noted earlier are not trained nor experienced business experts and should not be expected to have that expertise or responsibility, need assistance in the management and allocation of their site budgets. Such assistance is already in place to some degree. The district's role is to guide site administrators in the proper management and allocation of site budgets. However, more participants are needed. This role of assisting site administrators with their budgets should be expanded to include site teachers (certificated personnel), site classified personnel and parent representatives. A procedure to include classified staff and teachers in this process would be most beneficial in assisting site administrators in the management and allocation of site budgets. The goal is to deliver more benefit to the classroom from the site budget. *Sounds like teamwork to us*.

9) Mandated Program Funding
"Mandating the mandators."

Continue to utilize outside consultants to go after the state to ensure full reimbursement for all mandated programs. Also, there needs to be public disclosure of those amounts of mandated programs monies where reimbursement has not occurred.

10) Grants
"Not to be taken for Granted."

Grants are revenue-enhancing instruments that directly benefit our students. There needs to be a full time district grant writer. This person's duties should include assisting teachers, administrators, and district personnel who are spending a good deal of time in writing and applying for grants. Many are doing it on their own time without compensation. A full time grant writer could also encourage and assist those who are new to grant writing.

11) San Diego County Office of Education
"Helpless in San Diego?"

Request the cooperation of the San Diego County Office of Education in providing assistance, guidance, and input on revenue enhancement possibilities. Obviously, first it

needs to be determined if the County Office indeed is set up to provide such a service. Request a copy of any "Best Practices" compilation the County Office may have.

12) Leasing Assets
"Please re-lease me, let me go."

Lease and in some cases sell any excess district property in order to generate a cash flow. By excess property it is meant that asset that cannot be justified to retain as presently configured, due to demographic census shifts. Look to ways to incorporate temporary facilities to deal with these shifts. Avoid brick and mortar. Locate along "smart growth" transportation corridors so that underutilized public transportation can be used to supplement student transportation expenses.

Additional lease income can be generated by utilization of remote areas of district land for cell phone tower and other technological applications.

13) District Alumni
"Calling all alumni!"

The district needs to establish a solidly functioning foundation for alumni donations. Section 501.c.3 allows for a tax-exempt status for such donations. A foundation is an inestimable revenue enhancement source. It also has the added benefit of fostering other positive district/alumni interactions.

14) Questions in Search Of Answers
"Are we having fun-ding yet?"

- What are the appropriate methodologies and processes for claims against revenue?
- What and where are the written and adopted policies regarding expense priorities?
- Are there minimum levels of claims against revenue for all expenditure categories?
- Is a percentage of non-certificated and administrator compensation linked to true revenue enhancement and waste deterrence at the expense of the classroom?
- What does it mean "to keep cuts as far away from the classroom as possible"?

Recommendations

"If you don't know where you're going, any road will get you there."

The BRC has <u>one</u> **recommendation** in the area of revenue:

- Publicly address each and all of the issues raised herein and establish timelines, processes, and procedures for required reports from staff and to the public.

This is the "road" that will get us there. Then we will know where we are going!

Report of the Subcommittee on "OUTSIDE the BOX" STRATEGIES

Members: Chairman Al Haven, Lorraine Hamann, Steve Grooms, Ernie Ewin

Decentralization: The Economics of Organizational Matters

Research

The District operates on a "decentralized" organizational basis, with each school having a high degree of autonomy. It is noted that this is a common practice among school districts across the State and the country. The benefits include a more "horizontal" management structure instead of a rigid "hierarchy", which provides that decisions be made by those closest to the situation. Those individuals should know the problems better, being closer, and therefore be able to provide more effective decisions leading to desired solutions.

Decentralization also allows schools to adapt to different student population needs; acknowledge staff differences, both in number and in individual aptitude; and to adapt the physical facilities to accommodate those differing needs and assets. In this way, each individual school is able to maximize the use of the available resources to meet the needs of the student body it serves.

While decentralization is ideal from an individual school point of view, there are some drawbacks when considered from a district-wide perspective. Among these are:

1. Increased costs through inefficiencies brought about by the maintenance of diverse operations.
2. Increased costs through the loss of "economies of scale".
3. Loss of accountability, because each unit (School) operates on different assumptions, resulting in different standards, different budget and personnel allocations, etc.
4. There are different standards for graduation among the schools.
5. There are different numbers of minutes in the instructional day among the schools.
6. There are different textbooks used among the schools for the same courses and subjects.
7. Different schedules and curriculum arrangements among schools prevent students from meeting graduation requirements when transferring between schools.

The commission has become aware that classroom instructional practices in the nation's public schools amount to each teacher approaching his or her duties as if they are in *private practice*. In the Grossmont District, we have 1,200 teachers choosing a wide variety of texts and other instructional materials to "tailor" the instruction to the "particular needs of their students".

Even though the district is responsible for a common subject matter content, the use of so many varied means to perform that responsibility makes it virtually impossible to maintain common district standard. For example, in covering a particular historic event,

one history book may spend only a few lines, another a few paragraphs, and yet another a full chapter, and they appear in different time sequences throughout the semester. So the differences in student learning are **built into the system.**

A system is defined as "*a set of interrelated parts arranged in a manner so as to make a whole*". Instead, the Grossmont District consists of 1,200 independent parts unrelated to each other. It is impossible to operate any organization in such a manner. The current situation in the district could be more accurately described as a *non-system*.

This pattern of "independence" is not unique to Grossmont; rather it is the generally accepted practice among all school districts. However, it is this pattern that interrupts reform efforts of any kind.

The tradition of allowing independent operation of the classroom has its genesis in the noble concept of academic freedom, which allows teachers to pursue controversial or unpopular topics without fear of reprimand. The rights of Tenure were established to protect academic freedom, which is deemed necessary to allow the free flow of ideas in the educational marketplace.

However this is not an issue of academic freedom. The State has prescribed the curricular goals to be achieved by all students. Local school boards further establish academic requirements to reflect the communities that board members represent. The role of the professional educator is to use his or her skills, knowledge and talents to assist the students of the community to master the curricular goals and academic requirements set forth by the employing school district.

Clearly, the district is in need of a coordinated approach to the achievement of its mission. There needs to be coordination between the schools of the district based on common standards and practices. There needs to be coordination of instructional practices, resources and standards. Supporting multiple programs of instruction in common subjects is not consistent with establishing the accountability for results that the community deserves.

The result to be striven for is to establish the standard that a graduation diploma received from the Grossmont Union High School District means the same thing regardless of the particular school issuing the diploma.

Findings

1. Over the years, the Grossmont Union High School District has developed a practice of managing its schools on a "*Decentralized*" basis. Each of the eleven comprehensive high schools is given wide discretionary authority over the operation of their site.
2. The Decentralized Management practice allows decisions to be made at the level closest to the situation, by the individuals at the site who are in the best position to evaluate all aspects, and make judgments considering all the relevant facts.

3. Decentralized Management techniques are subject to economic inefficiencies caused by breaking up large a critical mass into smaller units thus losing some "economies of scale".
4. Decentralized Management is also subject to increased difficulty of supervision and accountability, and taken to extremes, render district-wide goals and standards immaterial.
5. The practice has resulted in:

    a. Different graduation requirements among the schools.
    b. Different semester/quarter school calendars.
    c. Different number of minutes in the school day among schools.
    d. Different instructional programs, texts and materials for the same subject matter among the schools.
    e. Different discipline standards among the schools.
    f. Different staffing patterns among the schools.
    g. Different grading standards for the same subjects among the schools.

6. The existence of these differences between school operations is not recognized by the community at large.
7. There is wide variation in the operation of the 1,200 classrooms throughout the district, in which instructors are allowed wide latitude in choice of texts, software, other materials and teaching techniques.
8. It is very difficult to establish common standards and expectations for the district given the wide variation of practices exercised within and among the schools of the district.

Recommendations

For the purpose of maximizing available resources to dedicate to the achievement of the district's mission, and to improve the program for all students, the BRC offers the following **recommendations**:

1. Establish procedures to *centralize* certain district functions to achieve economies of scale when it can be shown to not inhibit the smooth operation of the district, including:

    a. Common graduation requirements.
    b. Centralized purchasing systems.

2. Undertake to establish *coordinate* operations between and among the schools to achieve:

    a. School year calendar arrangements.
    b. Common "Minutes Per Day" for all schools.

c. Common instructional materials, including textbooks and software used by all schools for the same subject matter. This does not mean that alternative materials should not be adopted to meet special student needs that have been identified. For instance, in the case of Limited English Proficient students, district-wide materials should be adopted rather than each school adopting separate sets of materials, and so on for each subject matter.
d. Common grading standards.

3. Set standards of expectations of student performance on a district-wide basis, weighted to account for identifiable differences.
4. Undertake to establish a coordinated instructional program to apply to all schools, so that all teachers are following some similar pattern of operation.
5. The goal should be to end up with a Management Procedure which employs a *decentralized* approach for those areas that are appropriate, and *centralizing* and *coordinating* those areas that allow the district to achieve efficiencies and better accountability.

Improving ADA Income

Research

If the discrepancy between student enrollment and ADA were narrowed, the result would be a significant increase in the income and the efficiency of the whole system. For example, it is generally noted that the Grossmont Union High School District serves a student population of about 24,000. Funding to support the system comes from many sources, but is generally expressed as the "revenue limit". This year's budget reflects a revenue limit of $5,366.15 per ADA (Average Daily Attendance). That is for every student who attends school all day every school day, an annual revenue figure of $5,366.15 is generated for district operation.

However, the budget reflects an ADA of only 20,203. If indeed we actually have 25,000 students, we are only getting paid for 20,203 of them, the loss is significant.

Table I

Number of Students	24,000
Average Daily Attendance (ADA)	20,203
Net Loss of ADA	3,797
Revenue Limit	$5,366
Cost of Loss of ADA	$20,375,272

Attention should be given to determine the actual loss of ADA, and strategies developed for recapture.

If we are staffing classes to accommodate 24,000 students, but only serving a net of 20,203, we are over-hiring teachers, and creating a need for extra classrooms for them to use. The number of teachers to accommodate 4,797 students, assuming 30 students per class would be 32, requiring 27 classrooms. Considering that there is no income to support these 32 teachers in 27 classrooms, the finances must come from a reduction in the rest of the program, amounting to a double hit on the district resources.

Then considering the lost opportunity for student learning represented by lost ADA, the importance of this issue cannot be underestimated. Full attention should be dedicated to developing strategies to improve the situation. Consider additional funds for such a program would come from the added income, making it win-win for finances and for instruction.

Profiles in Performance, the district Web page indicates concerted effort to capture ADA (Page 23). There is a great variation between schools from a low of 92+% to high of 97%. The document shows an 'Attendance Incentive' program that operated for three years, but is now discontinued. (Exhibit C1)

Findings

1. The main source of income to the district is from Average Daily Attendance (ADA). It receives $ 5,366.15 per year (called the 'Revenue Limit'), for each student in attendance during that year.
2. The district's ADA for the 2001-02 school year was a 94.3%, representing 246,240 lost student days of instruction. From an income perspective, this represents a loss of nearly seven-and-a-half million dollars to the district.
3. There is a great variation between schools, ranging from 97% down to 92+%.
4. There has been a concerted effort over the past three years on the part of the district to improve ADA.
5. Students who are absent for five or more days at a single time may be given a 'learning contract' project to complete. This project will qualify for ADA credit.
6. The district has established a policy requiring each student to miss no more than ten to fifteen days, (depending on individual school) in order to pass a course.
7. The district has established Saturday School to allow students to make up absences. This is designed mainly as a disciplinary operation focused on truants.
8. Modern research on student learning indicates that one of the most reliable factors in student performance is *time on task*! Therefore student attendance is critical to success.
9. The existing use of student suspension from school, or interschool transfers as a disciplinary practice, results in a loss of one-half-million dollars of ADA income per year to the district.
10. Two-thirds of students district-wide are enrolled in College Prep, A.P. or Honors classes. (*Profiles of Performance, pages 46-7)*
11. The remaining one-third are enrolled in Average, Remedial and "Unleveled" classes. (*Profiles of Performance, pages 45-6)*
12. About fifty-five percent of graduating seniors go on to higher education. (*Profiles of Performance, pages 74-5)*
13. There is a loss of 30% of student enrollment between grade nine and grade twelve. (*Profiles of Performance, page 4)*
14. Improving ADA is a common problem among California School districts. Temecula Unified is said to have a very low ADA loss to absences, and there are undoubtedly others.

Recommendations

The Blue Ribbon Commission offers the following **recommendations**:

1. The district should set the highest priority on improving ADA, since it represents both the largest source of income to the district, and student attendance is directly related to student success. District staff, parents and students should be involved in seeking solutions, for they are closest to the situation, and are most likely to seize upon the most productive solutions.

2. Attention should be given to determine the actual loss of ADA, and strategies developed for recapture.
3. The district implement a policy establishing a district-wide standard number of absences allowed in order to pass a course.
4. Each department (History, English, Math, etc.) develop a standard set of 'learning contracts' which can be 'pulled from the shelf' to accommodate a student who is going to be absent for five or more days.
5. Expand Saturday School's image beyond a disciplinary chore to one of academic challenge where the student may look forward to an exciting learning experience.
6. A thirty- percent attrition rate is unacceptable to the citizens of Grossmont Union High School District. The district should establish a tracking system to follow students from entry from feeder districts to graduation. This system should include an 'early-warning' alert, so intervention may occur to prevent a dropout.
7. The district should study the enrollment fall-off during the year from September to June to determine whether or not it is over-hiring staff for the number of students to serve. If so, staff could be hired on a temporary basis at the beginning of the year, and dropped as attendance falls off.
8. The district should provide "in-school" means of student discipline practice as alternatives to suspension. For instance, instead of suspending a student for smoking, assign that student to a special classroom, away from the main body of the campus, where he or she will attend during the "suspension time". The student will continue to study course work, *and may be given instruction on the dangers of smoking.* In this way we keep the student in school, under our influence, and can tailor specific instruction to remedy the problem. Suspension does just the opposite. In the example of smoking, for instance, the student is likely to increase the habit while on suspension.
9. The district should install "Attendance Incentive Programs" to reward perfect attendance. Some examples include:

    a. A focus on a couple of days only instead of everyday could provide results. The belief is that Monday and Friday are the highest days of no shows. An internal public relations plan needs to be implemented in a standard way district wide.
    b. Mondays and Fridays Zero days – Create a contest where Monday's and Fridays are days that EVERYONE shows up. Each school would receive a tee shirt and points would be accumulated and spent for prom expenses, grad night expenses, college expenses, etc. The community would be asked for products to support this.
    c. Five and Ten – This is where teachers, students and the public would be advised that no offsite appointments should be requested for students before 10:30AM. In addition if a child is going to be out for three days, go on contract and make it five days.
    d. A program similar to the Alpine Elementary District "Bike-Give-Away" program sponsored by Alpine Kiwanis should be implemented, with appropriate prizes that would appeal to High School Students. (A bike is given away to a boy and a girl at a student assembly at each school, each

quarter. The winners are drawn from the names of students with perfect attendance. This program has demonstrated significant improvement in student attendance.) Sponsorships might provide prizes such as Automobiles, ski, scuba, gift certificates, etc.

10. We believe that the district could get to a 95% ADA by reducing the attrition and focusing on the PR campaign. It is true that traditional means will get a traditional result, which is why we feel a non-traditional approach is needed. It is recommended that the district develop a “Win back” system in which students that have left the GUHSD system are “Won back” to complete their education.
11. The district should conduct a search among other school districts in the State to seek programs and strategies to capture lost ADA.

Addressing the Economics of Student Failure

Research

The income for the school budget is received on a per-pupil allocation based on pupil attendance (ADA), called the 'revenue limit'. In the 2001-2002 school year this figure was $5,366. This is a close representation of the cost of education for each student. It could be stated that the citizens of the Grossmont High School District and the State of California are investing $22,450 (assuming a 3% COLA) over a four-year period on behalf of each student in the district.

Assume that the typical student takes six courses per year; each course will represent an average cost of +/- $935. On those occasions when a student fails or receives an incomplete in a course, there is an economic impact on the school system. Retaking a course doubles the cost allocated for that course in the student's educational experience, or $1,870 in this example. The implications of this "cost overrun factor" considered on a district-wide magnitude is staggering.

The revised budgeted ADA for 2002-03 shows 20,203 students. If each one takes six courses per year, a total of 121,218 student-courses per year would result. Assume an average class size of thirty students results in 4041 classes, which arranged in six periods per day nets 673 full school days district-wide. Teachers teach five of six periods resulting in 808 teachers required to cover 673 full six period school days.

Table I

	Number of Student-courses	**Annual cost per student-course**	**Total Annual Costs**	**Cost of Failure**
Number of student-courses	121,218	$935.42	$113,389,186	
Five per-cent failure rate	127,279		119,058,645	$(5,669,459)
Ten per-cent failure rate	133,340		124,728,105	(11,338,919)
Fifteen per-cent failure rate	139,401		130,397,564	(17,008,378)
Twenty per-cent failure rate	145,462		136,067,023	(22,677,837)
Twenty-five per-cent failure rate	151,523		141,736,483	(28,347,297)

The district allots $57,301 to each full time equivalent (FTE). In effect this represents the average teacher's salary for the district. Assuming that each teacher teaches five classes, the number of teachers to staff classrooms for students who are repeating a course is shown in Table II, along with the number of extra classrooms at a 5/6 ratio.

Table II

	Cost of Failure	Number of Added Teachers required	Number of Added Classrooms Required
Full Time Equivalent Value	$ 57,301		
Five per-cent failure rate	$ (5,669,459)	19.79	16
Ten per-cent failure rate	$ (11,338,919)	39.58	33
Fifteen per-cent failure rate	$ (17,008,378)	59.37	49
Twenty per-cent failure rate	$ (22,677,837)	79.15	66
Twenty-five per-cent failure rate	$ (28,347,297)	98.94	82

Clearly the cost of failure is significant. It impedes the district ability to plan and apply resources effectively. If we are going to the expense of hiring extra teachers and providing additional classrooms to serve the students of the district, is *re-teaching* the best way to spend the money? What program improvements could be instituted with the same resources? Perhaps a mix of *savings* and *improvements* might be chosen. In any case, having the ability to make a choice is a superior alternative.

If the problem of student failure were simple, it would have already been solved, and we wouldn't need this discussion. Schools across the nation are attempting to deal with the problem, unfortunately with little success, if the national media is to be believed.

Our purpose is not to assess blame, become involved in scapegoating or stereotyping, or attempting to embarrass any person or group. Our purpose is to attempt to assist in possible solutions, achieved within the financial resources already available to us. We are not seeking a way to "Throw more money at the schools".

The problem before us involves people - students, staff, and families to a certain degree; resources - time, money, materials, buildings and equipment; and a great number of other variables that must be taken into account. However, we must have the vision and determination to address the issue. The School System exists to develop successful students. Allowing student failure to continue is to allow failure of the System.

So we are seeking possible solutions without adding costs to the effort. Using available resources more effectively is perhaps a better way to say it. The simpler the plan, the more chance for implementation. Our approach will be to start simply and inexpensively, with cost and complexity added in small increments, only as (and *if)* needed. (Exhibit C2)

Findings

1. The *Profiles in Performance* Web page contains data that show a thirty percent loss of enrollment between the entering freshmen class and that of the senior class. The actual number is 2,226, which if stated another way is the equivalent of

the enrollment of one of the districts whole High Schools. This represents a tremendous economic burden to the cost of education and an even greater social loss to the community at large.

2. This decline is apportioned among the following groups:

    a. Students failing to be promoted to the next grade.
    b. Students leaving to go to work.
    c. Students leaving for military service (New military requirements now require HS diploma).
    d. Students moving to other communities.
    e. Students leaving for unknown reasons/destinations.

3. This enrollment decline can be a symptom of not meeting the educational need of a large group of students.
4. A perusal of the data showing student course enrollment reveals that two thirds of all English and Social Science students in College Prep, Honors or A.P. classes.
5. Fifty-five percent of graduating seniors continue on to higher education. (*Profiles in Performance, Pages 74-5*)
6. A summary of these data indicate that:

    a. Two-thirds of the students are enrolled in College Prep, Honors and Advanced Placement classes, with half going on to college.
    b. One third of the students are enrolled in Unleveled, Remedial and Average classes, and there is a 30% failure/drop-out rate. (Exhibit C2)

Recommendations

The Blue Ribbon Commission offers the following **recommendations** to improve the prevention of student failure:

1. The district should review the present instructional program to seek opportunities to improve programs for the non-college bound.
2. The district should undertake a review of the instructional program with an eye on verifying the course offerings conform to the needs and abilities of the students served. The loss of enrollment approximating the equivalent of one High School over a four-year period, combined with the fact that two-thirds of the classes are College Prep, Honors or Advanced Placement, indicate that there may be an unserved student need that the district is not fulfilling.
3. The district should institute an individual “student-tracking-system” that begins with data from the feeder school districts, and follows the student through to graduation. The information from the feeder district schools shall provide a performance “base-line” to measure against over time.
4. The district should institute an “early-warning-alert-and-intervention” system that triggers at any time the student falls below the ‘base-line” performance level.

5. The “alert-and-intervention” program should be a “ready-made” system that is available immediately to assist the student gets back on track. Examples are provided in the appendix for this section.
6. It is the intent that the intervention system becomes a regular part of the regular curriculum, and available to all students at time of need. It is more than a simple “notification” to students and/or parents. It is an implementation program. (Exhibit C2)

Appendix – Addressing the Economics of Student Failure

At a recent meeting of the Blue Ribbon Commission, one of the commissioners described a way used by coaches to maintain academic eligibility of their student-athletes. When warning notices of potential class failures are issued, the coach becomes involved in assisting the student-athlete bring his or her work up to a passing level, thus preserving eligibility to play.

While all students at risk of academic failure in any class receive such notification, there is no systematic plan to assure grade improvement, as there is among student-athletes. Notification alone is not adequate. If a student is in danger of failing, notification is not enough. If the student knew how to solve that problem, it would be done, and the problem would go away. The student in this situation has demonstrated that he or she doesn’t know how to do what is necessary to pass the course. Simply notifying the parent is inadequate, also. Some kind of systemic active intervention is a necessary part of a system to prevent failure.

Suppose we had a system that any time a student received notice of impending course failure, some kind of intervention, appropriate for that student was applied. As the coach counsels the student-athlete, regular students should receive similar counseling. The reason a student fails is unique to the student, and that is where we must start. One size fits all will not work. Lack of motivation may be the problem for one student, lack of understanding for another, work or family responsibility conflict another, and so on. Sometimes outside tutoring is helpful. Sometimes it may be desired, but unaffordable. (Exhibit C3)

Our system will need to be able to accommodate whatever is needed. We have many resources at hand. Every teacher is trained to deal with this kind of problem. In some cases this may be an available solution. Some parents have the ability and background to provide this kind of help. However, generally, a parent is an unlikely candidate. Often, there is too much emotional expectation attached to the situation, resulting in frustration for both student and parent, often affecting the relationship in a negative way.

Volunteers can be trained and become available to assist the school from the ranks of other parents, senior citizens, college students, and other high school students. Many schools have found great success in “Peer-Counseling” to address behavior or discipline

problems. Helping fellow students bring up grades could be another aspect of that strategy.

Another aspect to be explored is the timing of the 'risk of failure' notice. Timely notice is necessary and desirable. Some students will require notice before the normal time such notices are issued. Classroom teachers generally know who these students are, and could implement early notice. However, a systematic plan might involve that a 'risk of failure' notice be issued at any time the student falls below an established norm, such as a 10% drop, etc.

The implementation of such a plan would be a first step in preventing student failure. It is cheap and effective, judging from the success of the student-athlete model.

A famous line from the motion picture "Lawrence of Arabia" may best describe our challenge. Lawrence and Omar are in a cave looking out onto the desert, and Lawrence points and says, "Akaba is that way. All it takes is the going." In our case, all it takes is the doing.

Certificates of Participation

Research

Certificates of Participation (COPs) are debt financial instruments issued by public institutions, and marketed to the public by brokerage houses as a tax-advantaged investment. COPs provide an alternate means of raising capital when bonds are not available. They are approved by a majority vote of the board of trustees of the institution, and are secured by the general fund of the city, county or district.

In contrast, bonds are the traditional means of raising capital, and are secured by the assessed value of the property within the jurisdiction, authorized by a two-thirds traditional (or fifty-five percent, in the case of school districts) of the registered voters voting in an election.

The interest rates for COPs is usually higher than that of bonds, because of the differences in the way they are secured, general fund income vs. property assessed value. This generality varies with market conditions at the time of issue, since both debt instruments are offered to the marketplace in competition with all other debt issues, governmental, corporate, mortgages and so forth.

COPs came into wide use among California school districts in the late 70's and 80's when bond issues became increasingly difficult to pass. Faced with continuous increase of the number of students enrolled and no means to provide facilities to accommodate them, school boards turned to COPs as an interim means of raising capital to meet the emergency demand. Grossmont Union High School District was among the districts availing themselves of this resource when no others were available.

The 2002-03 Grossmont budget reflects approximately thirty-eight million dollars in COPs, divided into two budget categories. Approximately twenty million are in the 'facilities' section of the budget, showing an interest and principal payment of one million plus. This category is secured by developer fees, which are funds collected each time a new residence is constructed in the district.

The rest of the COPs are shown in the General Fund, with a principal and interest payment of one million plus. These COPs were used to purchase the Steele Canyon site, among other capital uses, and they are paid from 'Redevelopment Funds', collected by the district from those projects.

Developer fees can only be collected when the new residences will add students for which there is no space available to accommodate them. They generally go to purchase or lease relocatable classrooms and supporting facilities (toilets, office space, phones, lines, utility extensions, etc.). Redevelopment fees occur when a City or County conducts a redevelopment project within their jurisdiction. Should building or redevelopment slow down due to economic trends or lack of space to build, this source of

funding will dry up. The General Fund will then be responsible for the debt, and become a great burden for the *educational program*.

Good financial management practices would dictate that the district attempt to refinance the COP debt to a bond debt. This would have the potential to reduce the interest rate, and would place the district in a stronger financial position in terms of 'bond rating' in the marketplace. It would also be a boon to the instructional program, which could make needed improvements with the moneys freed up that are now committed to support COPs.

Findings

1. The district has issued thirty-eight million dollars Certificates of Participation debt instruments, for which it pays over two-and-a-half-million dollars annually in principal and interest.
2. These were issued to fund capital needs, which were generated by the demand of increased enrollment, and there were no bond funds available.
3. Twenty million of the COPs are shown in the 'Facilites' budget category, and are secured by Developer Fees collected by the district. Most of these funds pay for relocatable buildings to house students.
4. Eighteen million of the COPs are shown in the General Fund budget, in which were mainly used to purchase the Steele Canyon site. Redevelopment Fees are used to pay the principal and interest.
5. It is likely that the district could secure a more attractive interest rate if this debt were transferred to a bond debt, because of the difference in security for the debt.
6. COPs present a long-range threat to the quality of the instructional program of the district. Should the funding source now used to support this debt diminish in any way, it could take money from instruction to service the debt.
7. Participation in the State School Construction program, in which the State shares the costs with the district, requires that the district levy the highest possible developer fees allowable, and that income be dedicated to the district's share of the cost. Freeing up developer fee income will enhance participation in the State School Construction Program.

Recommendations

The BRC offers the following **recommendations**:

1. Should the Grossmont Union High School propose a bond issue to the voters, it is recommended that the Certificates of Participation debt be included. Both COPs and bonds are limited to capital expenditures, so are for the same purpose. This will place all the capital expenditures under the most favorable financial terms, simplify the budget operation and enhance the district's participation in the State School Construction Program.

2. Funds from developer fees and redevelopment fees, now dedicated to servicing the COPs, may be used to support the capital projects done jointly with the State School Construction program.

Report of the Subcommittee on EXTENDED/CO-CURRICULAR PROGRAMS

Members: Chairman Ken Sobel, Dan Summers, Ron Pennock, Lorraine Hamann, Colleen Link, Nicki Summers, Mayan Avitable

Background

The subcommittee on Extra Curricular Activities is one of the six subcommittees working within the Blue Ribbon Commission. The subcommittee has had twelve meetings including a public forum that was held on April 28, 2003. More than forty members of the public participated.

The purpose of the subcommittee was to review and analyze the cost/benefit of Extra Curricular programs offered by the GUHSD and its member schools. It is intended to provide guidance to the district on how to determine the value of such programs, and the feasibility of cost reductions and/or revenue enhancements in light of the current budget crisis. The scope of this report encompasses all facets of such programs. As such, a review and analysis will provide some insight into the quantity and quality of programs offered, cost thereof, whether those costs are comparable to other districts, whether additional cost cutting can occur, whether other revenue sources are available to help replace district funds and other considerations.

This report will provide Facts, Conclusions, and Recommendations. The Facts are based upon the verified data upon which the subcommittee relied. Conclusions presents a summary of the results that logically flow from the facts. Finally, Recommendations reflect the opinion of the BRC on how the governing board can improve the conditions and operations of the district as it relates to Extra Curricular programs.

Some of the information considered by the EC subcommittee included written documents. The subcommittee has made an effort to compile these documents and organize them in a tabbed binder.[1]

Preliminary Considerations/Definitions

The term Extra Curricular is somewhat ambiguous. In the past, it has been defined under two separate categories: Extra Curricular and Co-Curricular. Extra Curricular includes Athletics and Cheer. Co-Curricular refers to Performing Arts and ASB. While Performing Arts and Athletics are often considered Extra Curricular, Performing Arts is better characterized as Co-Curricular because its programs are supported within the regular school day.[2] Likewise, Performing Arts teachers are under contract to teach these subjects during the school day but are also expected to work an extensive after school schedule to facilitate the many public performances and competitions or their programs. This broad time commitment earns most Performing Arts teachers a stipend in addition to their regular contract salary.[3]

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[1] In addition, the Subcommittee also received verbal (and written) information from a variety of sources including GUHSD employees, such as Dr. Michael D. Lewis, Roy Anthony and Dave Napoleon. As previously mentioned, the Subcommittee held a public forum, and we heard from over 40 citizens who have an interest in GUHSD Extra Curricular activities. A copy of the agenda and purpose as well as a roster of some of those who attended is also provided. (Tab 18).

[2] For example, a student taking Advanced Drama for one class period is also required to attend play rehearsals and performances beyond school hours to earn a grade and credit for the class.

[3] A few non-teacher Performing Arts assistants are hired on a stipend basis to help in specific areas such as a color guard advisor with marching band or a piano accompanist for choral music.

This is in contrast to the Athletic programs that are not a part of the regular school day. For example there are no provisions for a baseball player or gymnast to take a class and receive graduation credits for playing a sport. However, it is possible for students to waive their physical education credit requirement for participation in some varsity and junior varsity sports. Adjunct or walk-on coaches receive only stipends for their work and are not under a certificated/teaching contract. Contract teachers who also coach earn stipends in addition to their salaries.

To graduate, all students must take at least one year (10 credits) of coursework in either performing or visual arts (art, design, photo, etc.) This Fine Arts requirement is further emphasized as *a minimal* entrance prerequisite to California State University and University of California along with many other public and private colleges.

There are no outside sport/athletic requirements for high school graduation. It is well understood, however, that acceptance into most colleges and universities mandates Extra Curricular participation in one or more areas of Athletics and/or Performing Arts. It is not unusual for outstanding students to receive partial or full scholarships in these areas. But, *these opportunities arise only when high school programs are available so students can develop and demonstrate their abilities and talents*.

For the purpose of consistency, we will refer to both Co-Curricular and Extra Curricular under the heading of Extended Curricular or EC. From time to time, we may specify the type of EC activity, as follows:

Performing Arts	**EC/PA**
Athletics	**ECA**
ASB	**ASB**
Cheer	**Cheer**

Research and Findings

All comprehensive high schools in GUHSD have varsity level ECA, ASB, and cheer programs. They also provide performing arts classes and EC/PA programs in some or all of the following areas:

- Instrumental Music (marching band, honor band, orchestra, percussion, etc.)
- Choral Music (choir, jazz, mixed ensembles, and chamber groups)
- Drama (acting, advanced theaters, and set, lighting and sound design)
- Dance (beginning, intermediate and advanced classes)
- AP Music Theory and Honors Music courses (to prepare for AP work)

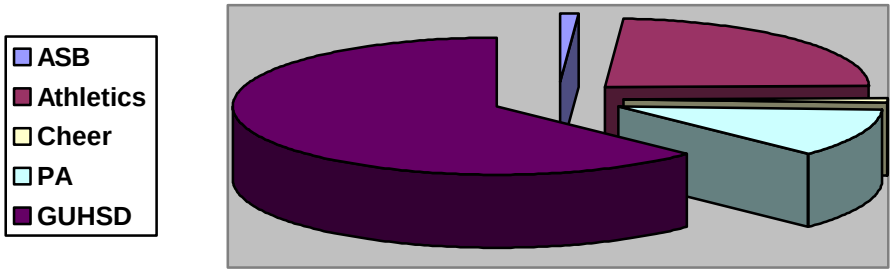
These classes are considered required electives because they meet high school graduation requirements for many students. In addition, taking two semester classes in the performing or visual arts is now required for entry into the CSU and UC systems.

This subcommittee has found that GUHSD EC Students versus non-participating peers have: (Exhibit D1/Tab 1)

30% fewer absences
.415 better academic GPA
50% fewer disciplinary issues

The GUHSD EC participants' better attendance results in approximately $835,000 in additional Period 2, Average Daily Attendance (P-2 ADA) revenue to the district. (Exhibit D-1/Tab 1)

2002-2003 GUHSD EC Enrollment



Total Student Population 24,000[4]
EC Student Participation Units (SPU) 14,318

ASB	374
Athletics	9,077
Cheer	465
PA	4,398

Stipends

1. 2001-2002, 48 Athletic Stipends (Approximately $2,000 each)

[4] Student participant units is defined to mean a student participating in one of the categories. Some students participate in more than one category at a time (e.g. athletics and ASB).

2. Second lowest among all San Diego County high school districts[5]
3. Average varsity stipend is among the lowest of all San Diego County school districts
4. Strong correlation (if not a causal relationship) between increased district funding for EC/A and increase in athletic participation.
5. Immediately following EC/A budget increase, total EC/A athletic participation grew to about 9,000 (25.9%) with an increase (+ 26.81%) primarily for females involved in EC/A programs. (Exhibit D1/Tab 6)
6. To attain parity stipends would have to be increased by 66 at a total cost of approximately $132,000. The term "parity" means the "average" of the stipends provided at San Diego County school districts. (Exhibit D1/Tab 5)
7. Additional factual information relative to stipends and/or benefits needed to attain parity for all EC activities, athletic directors and athletic trainers is accurately summarized in the report previously submitted to the GUHSD in May 2001. (Exhibit D1/Tab 5)
8. To deal with 2003 - 2004 budget crises, the GUHSD Governing Board reduced EC stipends from 48 to 46 (2 stipends per site at a rounded average cost of $2,000 per stipend, or a reduction of $44,000 ($2,000 X 2 X 11 schools). In addition, the governing board reduced the transportation services to support EC activities by $5,000 ($25,000 to $20,000) per site for a total reduction of $50,000 ($5,000 X 10 sites). (Exhibit D1/Tab 7)

Research

The National Federation of State High School Associations, www.NFHS.org: (Exhibit D-1/Tab 8 Page)

1. Found the average school district spends approximately 3% of its budget on EC activities. (GUHSD spends less than 1%)
2. Stated, "Inter-scholastic sports and fine arts activities promote citizenship and sportsmanship. They instill a sense of pride and community, teach life-long lessons of teamwork and self-discipline and facilitate the physical and emotional development of our nations' youth."
3. Published "Case for High School Activities" on their website. (Such findings are consistent with local GUHSD data. The students involved in EC activities in the national study have a significantly elevated GPA – .5 or better—and fewer absences – 3 days).
4. Showed that students who spend no time in EC activities are 57% more likely to have dropped out of school by the time they would have been seniors; 47% more likely to have used drugs; 37% more likely to have become teen parents; 35% more likely to have smoked cigarettes; 27% more likely to have been arrested than those who spend one to four hours in EC activities." (Citing a study by Department of Health and Human Services).

The American College Testing Service:

[5] The number of stipends offered by GUHSD is about 63% less than the number offered by Escondido High School District (46 v. 73). Tab 3.

1. Compared the value of four factors in predicting success after high school. It found that "the one yardstick that can be used to predict later success in life was achievement in school activities." "Not useful as predictors were high grades in high school, high grades in college or high ACT scores."
2. Surveyed individuals at the Executive Vice President level or above in 75 Fortune 500 Companies; "95% of those corporate executives participated in sports in high school. In addition, 54% were involved in student government; 43% in the National Honors Society; 37% in music; 35% in Scouts and; 18% in the school's publication."

The Surgeon General:

1. A lack of physical activity is a major epidemic in the United States. (Exhibit D1/Tab 9)
2. Regular physical activity "improves emotional health" such as "reducing symptoms of depression and anxiety, has a direct, positive benefit on the functioning of the brain and substantially reduces the risk of developing chronic illness."
3. There is a "link between physical activity and improved learning."
4. There is serious concern about the current and future health of our children. 77.4% of California ninth graders were unable to meet the minimum standards to be considered physically fit. 83% of GUHSD 9th graders were unable to meet the minimum standards—a differential of 19%. (Exhibit D1/Tab 9)

A recent study in Shasta County matched reading and math scores with students' fitness scores. The study found a "35% higher reading and math scores were associated with higher levels of fitness" at each of the grade levels. (Exhibit D1/Tab 10)

Overweight and physical inactivity in California's students cost California an estimated $24.6 billion dollars annually, a cost that is expected to rise by another 32% by the year 2005. Poor nutrition and physical inactivity account for more preventable deaths than anything other than tobacco use - more than AIDS, violence, car accidents, alcohol, and drugs combined. (Exhibit D1/Tab11)

Funding

1. The primary contribution of GUHSD in support of Extended curricular activities is in the form of coaching stipends, reimbursement for game officiating fees (up to $14,200 per year per site) and transportation. As far as the marching band is concerned, the district apparently provides band uniform replacement at a rate of one site per year.
2. The transportation funds are provided as a block grant. Last year, each school was allowed $25,000 to meet the EC transportation needs for band and sports. The GUHSD Governing Board as a result of the California budget crises recently reduced that amount to $20,000.
3. The remainder of the funding generally comes from the student government for each school—ASB. ASB funding sources primarily come from the result of the sale of ASB cards, but also include ASB collections of paid admissions to football and basketball games, etc. In addition, ASB also receives funding from soft drink contracts, although such funding

sources may be reduced as a result of the passage of proposed Senate Bill 677. (Exhibit D1/Tab 11)

4. Approximately one-half of ASB budget goes to fund EC activities, including sports. The funds distributed by ASB can only be used for the purchase of uniforms, equipment or the like, and cannot be used for personnel (stipends). (Exhibit D1/Tab 12)
5. There is no significant "public/private" partnership in reference to fund-raising for EC activities other than those generally provided by sponsorships and fund raisers for individual sports at individual sites, with some minor exceptions. (Exhibit D1/Tab 13)
6. Recent Court decisions will make it more difficult for ASB fund-raising activities. The district has determined that in order to comply with the law, the sale of ASB cards must be presented as an "option" as opposed to a "mandatory" fee. (Exhibit D1/Tab 21)
7. There is a Band Directors Council that meets on a regular basis. In addition, there are Band Booster Clubs that are organized on a site-by-site basis. These Booster Clubs have been successful in raising funds to hire additional stipend positions, and provide supplemental funding for Band activities. Some of the volunteers for Band Booster Clubs have expressed reservations in describing their fund-raising activities out of concern that their hard-earned fund-raising dollars may be offset by additional district cut-backs.
8. Funding of EC athletic activities has become a "Balkanized" process. Some schools have an Athletic Booster Club ("ABC") that attempts to provide fund-raising support for all sports (horizontal integration); otherwise there are "sport support" groups that are organized on a sport-by-sport and/or team-by-team basis (vertical integration). Typically, these organizations are very informal and unstructured. Their success depends upon the interest and ability of the team's AD, the coach and dedicated parents whose sons or daughters participate in the sport or activity. These groups are reluctant to share information about their activities, as they fear their hard work to raise money may be offset by the district and result in a further erosion of district/school funding.
9. The Grossmont Educational Foundation ("GEF") was founded in 1985. It has been largely inactive. Through the efforts of current district staff, the foundation presently has assets of about $12,000 (a restricted scholarship fund) plus approximately $1,500 in unrestricted funds. Some of the other local schools also have foundations, although it is uncertain at this point as to the resources or benefits provided by them. (Exhibit D1/Tab 13,14,19,20,22)

Performing Arts

1. The high schools with the most extensive variety and levels of Performing Arts course offerings generally have the highest percentage of EC/PA enrollment. Naturally, the reverse is true as well since some schools have a more limited selection of courses, thus restricting the number of student participants.
2. Site budgets, facilities, staffing and administration also affect the availability and promotion of Performing Arts classes.
3. Student interest and – to a certain extent – talent/ability are additional factors in Performing Arts enrollment. Sustaining viable programs in music, drama and dance requires a sizable interest from the students because enrollment of 30-50 (or more) is required to offer any given class in a school's master schedule.

4. Often, teachers recruit for their programs though performances and auditions. Additionally, students may seek to attend a particular school because of its Performing Arts opportunities.
5. The number of students taking more than one (1) Performing Arts course is higher at some schools. It is safe to assume that schools with more of these courses have more "double" enrollments since, for example a student could take choir and drama if both are offered during the school day. This is true at Valhalla and accounts for that school's high P.A. enrollment.
6. Other schools also offer unique programs, such as agriculture at El Capitan, that divert student interest and provide opportunities to excel in other areas.
7. Some Performing Arts classes such as Dance and Marching Band are sometimes taken as physical education credit and may not appear in the Performing Arts enrollment statistics
8. The Harvard Graduate School of Education compiled and analyzed years of research and writings in the exhaustive REAP study (Reviewing Education and the Arts Project). Their conclusions showed causal connections between the Performing Arts and some cognitive skills and academic progress. More importantly, the study made the case for promoting and participating in the Arts for their own sake. (www.pz.Harvard.edu).
9. Students who discover an interest or talent in the Performing Arts have the privilege of sharing it with their community. Since the nature of music, dance and drama is to perform for and interact with an audience, it provides a benefit to students, their families and the public at large. The same is true with regard to Athletics and Cheer.
10. Despite the proportionately low funding for Performing Arts in the Grossmont District, the programs have survived due to high student interest, teacher dedication and parent involvement. Some under-funded costs for these programs include:

    - Uniforms/Costumes
    - Equipment purchase and repair
    - Transportation
    - Sound/light systems
    - Stipends

Extra Curricular Facilities

EC facilities are under-funded, inadequate and, in some instances, unsafe. Many grass fields are in poor condition and require significant revitalization, renovation or replacement. Many bleachers are unsafe. One of the attendees at the "Bond Workshop" held at Helix High School last year nearly sustained a serious injury when she fell through the bleachers. Many of the EC athletic teams play on "d.g." dirt fields.

District staff has been less than cooperative in providing opportunities for outside contributions to improve EC facilities. The culture within the district seems to be resistant to sports support groups who have offered to improve facilities at a relative minimal cost to the district. (e.g. building grass

fields for sports, such as baseball, asking the district only to provide the water necessary to sustain the grass.)[6]

While many athletic and performing arts facilities upgrades should be addressed in the form of a successful bond, in the interim, the district should not "look a gift horse in the mouth" and reject opportunities to receive a significant capital contribution in exchange for a relatively minor "operational expenditure."

Additional Information

There is currently no database that would provide access to the GUHSD alumni. (Exhibit D1/Tab 13,14)

The Athletic Directors of GUHSD are provided a stipend for their work. They are not provided with additional time to do their work. Some districts provide the Athletic Director with a reduced class schedule load, allowing the Athletic Director additional "open" periods in which to manage the EC athletic activities. (Exhibit D1/Tab 23)[7]

Prior to the passage of Proposition 13, almost all varsity coaches were also teachers. Now, practically all varsity coaches are non-faculty. For example, only 6 out of 23 Grossmont High School varsity coaches are faculty members. Currently, many teams are coached by an unpaid walk-on coach (e.g. Freshman baseball and football).

Walk-on coaches often split their stipend so that they can increase the number of coaches involved in supervising the young athletes. A football assistant coach may work 200 - 300 hours during a sports season for free or part of a stipend. As such, the average pay for coaching staff is substantially less than one dollar per hour.

Enrollment in Performing Arts classes in the comprehensive high schools of the GUHSD in the Fall of 2002 was approximately 18%. This average reflects Performing Arts enrollment amongst the schools in a range from 12% at El Capitan to 27% at Valhalla.

[6] Complaints about softball fields were ignored; eventually requiring intervention by the Office of Civil Rights and ultimately, a settlement requiring the District to improve these facilities.

[7] When the San Diego (CIF) section was formed in the fall of 1960, there were only ten (10) sports, all played by boys. In the last four (4) decades, especially with the adoption of Title IX, demands have escalated. Now, there are as many as 26 sports to oversee. Many of those sports have a Varsity, Junior Varsity and a freshman program. In addition, there are many "club sports" which also require oversight. An article in the *San Diego Union* reported "in the Grossmont Conference, ADs also teach five (5) classes before they can devote any time to running athletics. They also have no secretary."

The differences are due to a number of factors:

- The extent of course offerings at each site.
- The concurrent interest of the students in taking those courses.
- The number of students taking more that one PA at a time.
- The listing of a PA course as physical education credit

Conclusions

1. GUHSD EC programs provide a tangible monetary benefit/return to the district and schools. This is demonstrated by the correlation between EC participation and better attendance.
2. GUHSD EC programs provide a tangible, albeit indirect, monetary/return to the district and schools in the form of COST AVOIDANCE. To the extent reduced funding causes the reduction or elimination of EC programs, the same may jeopardize the improved performance standards achieved by EC participants. [The "Leave No Child Behind" Federal legislation, and other similar legislation, could provide economic disincentives for under performing schools.] Thus, maintaining and/or improving EC programs may serve to prevent loss of funding/increased costs in an as yet to be determined amount (cost avoidance and decreased disciplinary referrals by EC participants vs. their non-EC peers).
3. GUHSD EC programs are among the lowest funded of all such programs with in San Diego County, and nationally.
4. All GUHSD EC programs should be continued and expanded.
5. GUHSD EC programs provide critical performance/achievement benefits. EC participants perform at a higher level in GPA as well as in test scores.
6. GUHSD EC programs provide health benefits to students, providing such participants with opportunities to be successful in the classroom and beyond. From a societal standpoint, better health translates into billions of dollars of savings in future health costs by East County Taxpayers.
7. The district and its schools do not have an adequate database with which to communicate with its alumni. Alumni represent a resource with which to create an organized fund-raising mechanism to capture **significant** charitable donations.
8. The district and its schools do not have an adequate Foundation with which to pursue outside/private funding to enhance EC funding.
9. The lack of a public/private "partnership," as described above, prevents the district/schools' EC programs from capturing potentially "millions of dollars" in charitable donations, after-school program grants, etc. It compromises the ability of the district to weather the short-term budget crisis, and creates a "feast or famine" funding environment.

Recommendations

1. The governing board should consider a paradigm shift in EC Programs, as more fully described in "Extended Curricular Programs: A Paradigm Shift", which is attached to this report.
2. Revitalize the GEF or establish other committees that work within the GEF to support specific schools, or work with other independent foundations at other schools to increase funding from private sources for extended curricular activities.
3. It is generally true that in order to "make money, you have to spend money." In this regard, the district should consider providing "seed money" for the foundation(s) to develop a database, and to embark on a goal of raising at least one (1) million dollars per year within three (3) years for EC activities.
4. Per the Activities Task Force recommendations the governing board previously approved a three-year plan in regard to increasing district support for extending curricular programs in our district. Year one was fully implemented prior to the 2001-2002 school year, including the addition of ten athletic stipends per school, two co-curricular stipends per school and the increase of $5,000 per school in transportation funding.
5. The same levels of increase were to have occurred for the next two successive years. However, due to budget issues, only two athletic stipends per school were added for the 2002 - 2003 school year. For the 2003-2004 school year, cuts will be made including one athletic stipend per school, two previously added co-curricular stipends, and the previously added $5,000 per school in transportation funding. Such cuts should be maintained during the 2004-2005 school year.
6. The subcommittee recommends referencing the Activities Task Force and that all of phase I and half of phase II be in place for the 2004-2005 school year.
7. The subcommittee further recommends that the remaining portion of Phase II and Phase III be divided into three equal parts, so that full implementation of the plan is completed by the 2007-2008 school year. By that point in time, the subcommittee recommends that one-half of the increased funding of the 2006-2008 implementation be obtained from private sources.
8. The subcommittee further recommends Athletic Director release period(s) be provided by the 2004-2005 school year, as part of the collective bargaining agreement. This would provide the Athletic Director with a <u>reduced</u> class schedule and at least five (5) additional paid administrative days to properly administer the athletic programs he/she oversees.[8*]
9. It has been suggested that there may be certain limitations or restrictions on using outside funding sources to pay coaching/Athletic Director stipends. The issue is

[8] Until District funding becomes available, outside sources should be able to reimburse the District a flat fee ($100 per day) for substitute teacher to cover the classroom responsibilities, Athletic Directors thereby releasing the Athletic Director to attend to Athletic Department activities.

*These recommendations are only to be considered when appropriate (i.e. as part of bargaining negotiations).

whether or not this is something that has to be negotiated as part of the collective bargaining agreement. Outside sources (Boosters) should be able to pay stipends.

10. In the budget year 2004-2005 implement one-half of the recommendations from the athletic activities task force. For the year 2005-2006, the remaining phase and 2006-2007 phase three.
11. Our target goal should be for athletics to have 50 athletic stipends in the average sum of $2,000 each for a total of $100,000 by the budget year 2005-2006; 52 stipends per site for 2006-2007 and; 54 per site 2007-2008.
12. A program should be developed in conjunction with local Universities (SDSU, USD, etc.) to provide internships in the areas of coaching and marketing. Coaching interns could serve as unpaid assistant coaches. Marketing interns could assist the Executive Director of the GEF Foundation and/or specific athletic booster clubs. A computer-trained data processor could assist in the collection, storage and manifestation of alumni databases, etc.
13. The GEF or other support organizations (booster clubs) should be encouraged to promote a "Hall of Champions" or a "Hall of Fame" honoring graduates who have succeeded in sports, business, fine arts, etc. Marketing should include the sale of advertising rights for school facilities. However, high standards should be adopted before such advertising is approved. Field or facility naming rights should only be granted after consultation with fund-raisers/marketing personnel.
14. To the extent that the district continues to provide bus service, the question whether or not buses can be used as paid advertisement (compared to the San Diego Transit bus system) with the proceeds to benefit EC activities.
15. Hire an Executive Director for Foundation with marketing experience. Get additional marketing experience from intern.
16. Increase ticket prices for all athletic and performing arts.
17. Conduct a feasibility study to determine whether all EC equipment/supplies/uniforms can be purchased at a discount through the district.
18. Co-Sponsor a Blue Ribbon commission for East County to expand and improve fields and facilities; and develop and fund programs for athletics and arts.
19. Implement 7th period PE.

Extended Curricular: A Paradigm Shift

Paradigm: A New Model or Structure.

Paradigm Shift: A change from one way of thinking to another. A transformation. It just does not happen, but rather – agents of change drive it.

> *Education is what remains after one has forgotten everything he learned in school.*
>
> *-Albert Einstein.*

> *Physical fitness is not only one of the most important keys to a healthy body; it is the basis of dynamic and intellectual activity.*
>
> *-John F. Kennedy*

Statement of Case:

The BRC found that higher physical fitness and student involvement in extended curricular activities produced higher grades, better test scores, fewer absences, fewer disciplinary interventions, emotionally better adjusted and connected students, and improved student health. As a result, the district benefits by increased ADA revenue, and cost avoidance in the form of lower costs for discipline, and possibly avoids provisions of legislation such as Leave No Child Behind. The student benefits by higher performance; which makes the student more competitive in the college application process and workforce. And, all benefit from better health, and lower health costs.

Conclusion:

EC Participation/Physical Fitness is a condition precedent to a "successful" student in the GUHSD. Our goal should be to have 100% of GUHSD students involved in at least one (1) Extended Curricular Activity.

Recommendations:

Study the ways and means to meet the new paradigm including horizontal and vertical expansion, and special considerations, and the Big "G", as described below.

a) ***Horizontal Expansion:*** Increase number of programs offered at each site. (*e.g.* Sports: girls field hockey (+6), lacrosse-boy's (+4), girls (+5), roller hockey, surf, sailing, ski/snowboard, etc.).
b) ***Vertical Expansion:*** Increase levels of play within each program. (*e.g.* Sports: freshman, junior varsity, varsity; *e.g.*, EC/PA: cadet band).
c) **Special Considerations**: Create a strategic partnership with Special Olympics to develop EC activities for Special Ed. students.

d) **The BIG "G":** Hold an East County summit with all interested parties including other government agencies and sports leagues to create/coordinate/enhance sports/performing arts/fine arts programs.

Index of Exhibits – Extra Curricular

-Index available at the district office-

Tab	Title
1.	GUHSD study Comparing EC Students vs. Regular Students: Absences, GPA and Discipline
2.	GUHSD Coaching Stipends 2002 – 2003
3.	Ranking of Districts by Athletic Stipends Paid
4.	Ranking of Districts by Varsity Stipends Paid and Comparison of Co-Curricular Stipends.
5.	GUHSD Extra and Co-Curricular Parity Proposal
6.	GUHSD Comparison of Athletic Participation Before Increase in Funding and After.
7.	GUHSD General Budget Reductions- as of March 19th, 2003 www.guhsd.net/ppt/Board_Budget_Study_Workshop_03_19_03_Files/frame.htm
8.	NFHS, "The Case for High School Activities"
9.	Report: Are California's Children Physically Fit? 80% Fail To Meet Minimum Standards.
10.	Shasta County Press Release Dated 12/13/02.
11.	California Senate Bill 677, Amended as of 2/21/03.
12.	Sample: El Capitan High School ASB Budget.
13.	Grossmont and Helix Alumni Website. Note: Grossmont Alumni website specifically states as follows: "GHS does not keep an alumni database."
14.	Avitable, *Developing an Alumni Database for GUHSD*.
15.	El Capitan High School Athletic Hall of Fame.
16.	GUHSD Sports Admission Fee Schedule.
17.	AfterSchool.gov website.
18.	GUHSD/BRC, Extra-curricular subcommittee public forum: 4/28/03, Agenda and Sign-in Sheet.
19.	Article: *Parents Try to Cover Schools' Budget Gap...Enterprising PTAs, Foundations Rescue Some Programs*.
20.	Article: The Oakland Press, *Cash-Strapped Schools Turning to Private Firms.*
21.	Article: The Orange County Register, *The Problem with Fees*, and GUHSD Grossmont Athletic Conference, *Symposium on Student Fees*, 2/18/02
22.	Article, "Taking Ads to School", The Boston Globe, 68/03.
23.	Union/Tribune article, "Juggling Act".
24.	GUHSD Resolution No. 2002-49: Proposition T: Bond.

Special Report on District Transportation

Research and Findings

1. No busing is required except for special education students.
2. Although Federal and State funds are provided for special Education students, about 40% of the cost for such transportation represents an "encroachment," i.e. unfunded mandate.
3. Some school districts have eliminated busing altogether. Theses districts "outsource" transportation for special education students.
4. Some districts have significantly reduced routes, saving money (and sold or leased buses to others).
5. Only anecdotal evidence has been found indicating that eliminating or reducing "to-from school" rides would decrease attendance (and therefore ADA revenue), as a result of some students' inability to get alternate (parent/other) transportation.
6. The gross numbers for the cost per mile for GUHSD is as follows: (Exhibit E4)

    a) 2001: $3.01/mile;
    b) 2002: $2.95/mile;
    c) 2003 (through May 30, 2003): $2.97/mile.
    [This appears to be a good result given the increasing costs for labor and fuel].

7. The "base Extra Curricular Block Grant per site was $25,000 for 2003-2004. The base has been reduced to $20,312 for 2003-2004. Each of the sites is "permitted to carry over" its balance of EC transportation grants from the previous year (as opposed to a "use it or lose it" policy). This is a very good policy decision that truly fulfills the "Block Grant" philosophy and provides an incentive for the sites to conserve resources. (Exhibit E2)
8. The Collective Bargaining Agreement provides a 6% "differential" for the "split shift" work schedule for its drivers. A basic schedule provides for a.m. and p.m. transport to school and from school plus extra curricular (sports/band).
9. An example of the split shift is as follows:

    a) <u>a.m. transport to school</u>: 6:00 a.m. to 9:30 a.m.
    b) <u>off:</u> 9:30 a.m. to 12:30 p.m.
    c) <u>p.m. transport from school to home</u>: 12:30 p.m. to 4:00 p.m.
    Note: There are slight variations and special circumstances such as shuttles are requiring special education trips to appointments, etc. pursuant to the IEP (individualized education program). Also, schedules are apparently "customized" to avoid "overtime" associated with drivers who drive an Extra Curricular (sports/band) and an am/pm schedule. (Exhibit E5)
    d) <u>Extra Curricular: 3:00 p.m./later:</u> This is the transportation for sports or band which is paid out of the EC block grant, previously described. Sometimes the game(s) or event(s) lasts longer, *requiring additional compensation, i.e. overtime*. Such charge could be avoided with earlier starting times. (Exhibit E3)

10. There may be community shuttles available through the public transit system that would cost approximately $13 per student per month for certain IEP (Individualized Education Programs).

11. Parent transportation for special ed/IEP is reimbursed at $.36 per mile.
12. Out of every transportation dollar spent by the district, *$.70 is spent on special education*, *$.20 for extra curricular* and *$.10 on the home to school* program.
13. GUHSD presently has 49 routes, which translates into one bus per route. 35 are for special education and 14 are for home-to-school.
14. The range for the beginning transportation schedule is 7:15 a.m. to 7:50 a.m. The range for the p.m. schedule is 2:01 p.m. to 2:45 p.m. A coordinated but staggered bell schedule of approximately 40 minutes in the morning and in the afternoon (coordinated between schools in close proximity to one another) provides the district with the most efficient and most cost effective transportation schedule. [If all district schools started and ended at the same time, transportation costs would increase 30-40%]. (Exhibit E5)
15. If the 14 "home-to-school" routes were eliminated, 864 morning trips and 958 p.m. trips would be saved (total 1,822). It would save approximately $500,000 (although there would be a corresponding loss of about $160,000 in revenue from fares paid/collected from the passengers...net savings would thus equal about $340,000).
16. The district charges 50 cents per ride for a single ride. This will go up to $.75 for the 2003-2004 school year for the single ride.
17. The district will offer a bus pass on an *annual* basis (180 school days) for $235 which comes to $.65 per ride, and a *semester* pass (90 school days) for $125 which equals $.70 per ride.
18. A Bus Pass Pilot Program was done with Monte Vista and Granite Hills that justifies expanding the program district-wide. [It mainly increases the collection of bus fees, and helps with scheduling/projections].
19. For the past several years, the district has upgraded its fleet. It has a total inventory of 58 buses. Its oldest buses are about 10 years old (1993). The fleet breaks down as follows:

    a) 1993 buses: 10
    b) 1996 buses: 10
    c) 1998-2001 buses: 38

20. The standard school bus is 84 passengers and costs about $100,000. There are a variety of specialty buses with a maximum of 54 passengers, others for 30 passengers and 4 wheel chair passengers, and one bus that holds 12 passengers, 8 of which are for wheel chair passengers. We have 250 wheel chair bound students in the district.
21. The district has done a very good job in leasing buses to others and deploying its maintenance work force for outside work. It makes its school buses available for charters at a profit. It also provides maintenance service for others, and again, its prices provide a reasonable return. The district does a good job in managing its fleet/maintenance in this regard.
22. The district has had an "exemplary" rating from the CHP for its recent semi-annual bus inspections conducted in July and December.

23. The district participates in the County JPA ("Joint Purchasing Agreement") for fuel, equipment and replacement parts. In so doing, it has reduced its expenses for transportation-related outside purchasing and repair by about 30% from FY 01-02 to 02-03, and its average annual fuel costs for the past year have been $1.25 for gasoline and $1.15 for diesel.
24. There is an East County "SELPA" which refers to special education transportation. It is an organization that exists to provide local school districts, grades K - 12 to schedule transportation for special needs students to save costs. More information needs to be developed on this organization.
25. The district's Director of Transportation, Craig Beaver, provided his views on two of the most important expense issues associated with the transportation department. These issues were discussed in detail during our meeting, and are related to bell schedules and mid-day special education shuttles. A copy of Craig's report is attached. (Exhibit E5)

Recommendations

1. Coordinate Bell schedules per Craig Beaver's recommendations, attached. (Exhibit E5)
2. Establish a district-wide "7th Period P.E.": This would probably reduce the cost of overtime for drivers and also allow student athletes (for example) the opportunity to start and finish earlier on practice days, and on game days, start earlier (at least as far as intra-district games are concerned) and finish earlier [except for certain revenue-generating sports that are traditionally scheduled in the evening].
3. Coordinate and/or Participate in a Region-wide Study (including GUHSD and all of its feeder school districts) to Determine whether additional cost savings can occur by integrating school bus systems.
4. Study Mid-Day Special Education Shuttles together with SELP and Recommendation number 3, above, and Determine whether additional cost savings can occur with reduction/coordination of these special routes without compromising educational needs of special needs students. Such savings could be significant as Special Ed. Transportation represents 70% of the district's Transportation Costs. See, Craig Beaver memorandum, attached. (Exhibit E5)
5. Consider eliminating "to/from school" transportation unless the existing $340,000 net loss can be reduced by increasing efficiency (coordination with other school districts), eliminating routes covered by MTD, or increasing revenue (passenger charges). E.g. increase single rides to $1.00 per ride, and commensurate increase in bus passes for 2004-05. [Also, are there any relevant studies proving that elimination of such programs would decrease student attendance and ADA revenue].
6. Maintain EC Transportation Funding (no further cuts), based upon 20% reduction for 2003-04 budget.
7. Consider "outsourcing" all transportation services if the same is found to be less expensive and subject to the outcome of Recommendation #3, above. [Is Goodall cheaper than GUHSD?].

8. In reference to Special Needs Transportation, the district should demand that state and federal agencies that require such transportation but fail to fund it – UNFUNDED MANDATE – pay up, or drop the mandate. All GUHSD constituents should be advised of the extent of the shortfall (40%), and encouraged to contact their legislators for POSITIVE CHANGE.

Report of the Subcommittee on FACILITIES

Members: Chairman Mark Price, Sam Rearic, Jake Thorn, Colleen Link, Ron Carper

Research

The task assigned to was to research the school sites' needs in the Grossmont District on a "worst first" basis. The schools in Grossmont Union High School District average about forty years old in age. If the sites were cars, they would have needed an overhaul by now. As it is, our school campuses are each the equivalent of a vehicle that has been driven hard daily, with only minor modifications and repairs made throughout its life. The sites are so worn down, they are in desperate need of rebuilding, refurbishment, and modernization.

The BRC was determined to look into problems and develop solutions, while in no way desirous of affixing blame. In one sense the district has done a phenomenal job of addressing the many needs when one considers two new schools have been built without the passage of a bond. This appears to have been accomplished by "robbing Peter to pay Paul." Nevertheless, this method of dealing with the massive and growing facilities needs is at best inadequate.

When investigating the district's needs on the aforementioned "worst first" basis, many areas were discovered that could be considered "worst". The three or so most critical general needs of many of the district's campuses are updating the public address systems, fire alarms systems, and student restrooms. These three areas, however, were the proverbial tip of the iceberg. After spending time visiting the sites, meeting with school facilities managers, and district maintenance staff, it can assuredly be stated that the district has very extensive maintenance needs. But, how to determine the most pressing needs? For that, a process was utilized of assessing where the district stands regarding necessary maintenance, and how district and state funds were spent in the recent past.

Methodology and Process

The facilities subcommittee spent time reviewing the district's existing facilities Master Plan, dated March 2002, and found that the district has made limited progress on fulfilling some goals in the plan through prudent use of district maintenance personnel and budgeting. The other funds most commonly used to upgrade and repair district sites are known as deferred maintenance funds. These funds involve the district setting aside a reserve of two to three percent of the general fund, and then combining these with state matching funds of nearly equal amounts. (Exhibits F4, F5)

The subcommittee met with the Managers of School Facilities (MSFs), district Maintenance and Facilities managers, then visited most of the older school sites to get visual evidence and confirmation of the district's maintenance needs. It was found that basically the district makes good use of the limited funds it has to spend, but it is the state that often fails to come through on promised funds. A case in point is this year's deferred maintenance budget. (Exhibit F1) Each school submitted its needs, the district dutifully set aside a percentage of its general fund, and then the state did not follow through on any

deferred maintenance funds, due to the current state budget deficit. (Exhibit F4) This episode heightens the awareness that financially, the state may be worse off in the near future, and the district will have to find a way to rebuild *itself* if it is to remain a leading district in the county.

Findings

(Listed by Priority)

1st Priority – Safety & Health

As stated previously, the committee focused on the most pressing needs first, and one area we were all surprised by was the condition of many of the sites' fire alarm systems and public address systems. It would seem a given that both would have been kept up to date and modernized, but with most major maintenance now deferred and emergency repairs taking a larger percentage of the budget, the alarm and public address systems have taken a back seat to more pressing needs. At the older sites built before 1970 or so, the systems have become more worn out and patch-worked as the district has attempted to keep the aging systems working properly, while also rewiring the schools for computer networks and the attendant extra power lines.

The tragedies at Santana and Granite Hills High Schools in the spring of 2001 have illustrated the necessity of making sure the alarm and PA systems are in proper working order. These warning systems obviously affect lockdown and fire drills, and have led to a situation where some areas of sites can hear campus communications, but other older or portable classrooms cannot.

The electrical systems at several of the older sites have exposed wiring and inadequate power to match the needs of the modern digital high school. Recently, an entire transformer had to be replaced at El Capitan because its repeated failure caused part of the school to lose all power. Several sites have had their electrical systems updated due to Digital High School grants that added hundreds of computers, plus the necessary networking and electricity. However, none of these funds were permitted to upgrade any other school systems. As previously stated, the alarms, PA systems, and even clocks often fail to work one hundred percent of the time at the district's older schools.

Another area of concern in an emergency is doorknobs, and how they're locked at most of our sites. Unfortunately, we know we have to consider having lockdowns, due to the events of the past few years in Grossmont District and elsewhere. Classroom doors, however, only lock from the outside, leaving a few seconds of vulnerability for a teacher attempting to lock his or her door in an emergency situation. Granite Hills has dealt with this in an ad hoc fashion by fabricating a wooden block that holds the door open, while allowing the door to remain locked. When the block is pulled, the door closes quickly. Not exactly the safest route, however. This is a stopgap measure at best. New locks and knobs need to be installed for safety and security reasons, but this need leads to our next area of concern in the safety arena.

Anyone who follows policy making in the United States has heard of the Americans with Disabilities Act (the ADA). The district has made over $3 million in ADA improvements over the past decade, as the need or legal authority has required, but according to the district maintenance leadership, at least $7 million more improvements are necessary to bring the district's sites into ADA compliance. This $7 million is above and beyond what the district has budgeted for maintenance and improvements in the district master plan. Combine this with settlements made as a result of ADA lawsuits, and one can see that the ADA can be an expensive proposition to deal with. Any door or doorknob replacement, restroom improvement, or new construction has to be ADA compliant, which adds considerably to the cost of improvement and replacement. This is an issue the public needs to be enlightened about, so as to understand the magnitude of maintenance backlog the district is facing.

Last in the area of health and safety needs is the issue of student restrooms. Nearly all of our older campuses are serving significantly more students than they were originally designed for in the 1950s, and although portable/ temporary classrooms can be added to a site with relative ease, adding restrooms is another matter entirely due to the plumbing situation. As a result, most of our campuses have too few restrooms for the number of students served. The restrooms, when refurbished and renovated, are adequate, but more importantly, the students actually take better care in the use of them. The older, more worn out restrooms are harder to keep clean due to urine absorbed into the terrazzo finish. Sanding and sealing the terrazzo is the first, expensive step in renovating the restrooms, but it doesn't address the shortage of stalls, so to speak, at Granite Hills and other older schools. The cost of doing just bathroom renovation leads to the next priority for the district: facility renovation and maintenance.

2nd Priority – Maintenance

A future priority for the district, given the funding, would be air conditioning and heating systems added to our older sites, most of which have no air conditioning. The question then arises, wouldn't this increase the district's energy costs in the long run? The answer is only if the current inefficient boilers and heating systems continue to be used. The older sites, such as Mount Miguel, Monte Vista, and Granite Hills (to name just three) use forty year-old boilers to heat and cool the schools where no air conditioning has been installed.

Purchasing – Better Way to Purchase

- Gymnasium Light Bulbs: Example – Allow the site to discern purchasing of some basic items.
- Driveway Re-Surfacing: District put out $15,000 for Steele Canyon project when another bid could have been less.

Miscellaneous

- Facility Needs Reports by Facility
- All to be divided into 2 categories:

    a) Safety & Health
    b) All Other

Recommendations

The BRC offers the following **recommendations**:

1. Regularly update Facilities Master Plan.
2. Develop a more efficient cost effective purchasing system.
3. Competitive bid process for site projects and improvements.
4. Better communication model for site management.

    - Ask Facilities Managers for needs First: Bid process should be double checked and confirmed with site managers before district confirms and process' work orders.
    - In regards to deferred maintenance the report should be updated semi-annually and quarterly with meetings being held between MSFs and district maintenance.
    - Communicate more effectively and completely the reasons for one facility needs being met and others not. Communicate and process the reasoning for prioritization.
    - To avoid frustration and to better enhance a cohesive and a synergistic relationship, build a system of:

        a. Point of contact on various projects and as a whole.
        b. Frequent email updates between the MSFs and district maintenance.
        c. More frequent meetings between MSFs and the district to build better communications and enhance team-building.

5. Develop a Monthly, Quarterly, Annual, Five-Year Process and System Plan.

    - Including quarterly review of facilities needs.
    - Regularly updated "Job Board".

6. Broaden job responsibility of Special Operations Manager.
7. Conduct energy conservation/efficiency studies
8. Attention should be given to the effect COPs have on facilities funding. Please reference Revenue, Expense and Outside the Box subcommittee reports.

9. Top three district-wide site needs:

    - PA/Alarm systems.
    - Energy system difficulties and efficiency.
    - Upgrade restrooms.

Additional Recommendations

(Site Needs by Facility)

Grossmont – Site Needs

Health & Safety Improvements Status

- Upgrade Restrooms
- Replace drinking fountains
- Asbestos abatement – Partially complete
- Lead paint removal – Partially complete
- Replace the P.A. system
- Upgrade fire alarm system/conduit
- Replace Master Clock
- Upgrade site access for HDCP – Partially complete
- New ADA signage – Partially complete
- Door and Hardware upgrade
- Replace lighting in Visitor/Staff parking lot
- Replace Gym bleachers
- Add security systems
- Convert Old Gym to a Theater
- Paint interior of all buildings
- Replace old windows at Art, Science and Old Main classrooms
- Install phones in every classroom – Complete
- Install TV and CATV wiring in all classrooms – Partially complete
- Install air conditioning in every classroom
- Code upgrades – Partially complete
- Power upgrades
- Complete Digital High School – Complete

(Exhibits F3, F4)

Added Goals

- Renovate all restrooms
- Renovate Science, Art and the Old Main buildings
- Convert the Old Gym to a Theatre
- Paint interior of all buildings/exterior of Boys' P.E. and the Carl Perkins Lab
- Replace old windows in the Science, Art, and Old Main buildings, as well as in the Library
- Air Conditioning in every classroom (24 rooms remain)

- Renovate classrooms with carpet, lighting, cabinets, white boards, carpet/flooring
- Replace boilers in the Art, Science, and Old Main building, as well as in the Girls' P.E. room
- Repair drainage problems
- Replace fire alarm-clock systems

Deferred Maintenance and Project Priorities for Grossmont High School

- Renovate student restrooms
- Renovate the Carl Perkins Lab and Boys' P.E. exterior
- Carpet rooms 535, 565 (Library), 845, 855, 860 and 865 (Language)
- Paint school interior (Old Main building)
- Paving - yearly maintenance (Upper Quad)
- Replace windows (Art and Science buildings, Library)
- Entry Doors (Art and Science buildings)
- Curtains (Grossmont)
- HVAC (Language, Drama)
- Boilers (Art, Science, and Old Main buildings and Girls'/Boys' P.E.)

Monte Vista – Site Needs

- HVAC/Window Systems/Energy Savings/Power Upgrade
- Door and hardware upgrades
- Renovate restrooms
- Upgrade fire alarm systems
- Replace louver windows
- Replace Public Address System
- Replace gym bleachers/ ceiling tiles
- Upgrade Master Clock System
- Replace drinking fountains
- Repair drainage problems
- Upgrade Science labs
- On page 132, Site Survey-Needs List, #3 delete B, E and F. On #5 delete F and S (Exhibits F3, F4)

El Cajon Valley – Site Needs

Safety Needs

- PA system needs to be upgraded to reach all areas of campus. Currently there are no speakers in ASB, 213, 804, 711, 605, 607shop area, 519, 905, Girls PE locker room, cafeteria kitchen, 700 classroom and outer fields and campus need speakers, district offices/adult complex need speakers.
- Bell system needs to be upgraded to ring in all areas of campus.
- School door locks/hardware need to be upgraded to prevent constant repair.
- Extend ¼" chain link installed at softball field to baseball field.

- Complete project to add wrought iron fencing at fire lane and East Side cafeteria. (Exhibit F3, F4)

Technology Needs

- Infrastructure needs to be up-graded from Hub system to Switch system. ECV was the first Digital High School. Need to move campus to switch system: 1) Switch in Library first, 2) Phase in switch per building, 3) Upgrade wire to fiber, and 4) Move site to new phone system.
- Increase/upgrade electrical power source for entire site (Several areas currently operating at maximum output).

Modernization/Deferred Maintenance Needs

- Air Conditioning/Heating System modernization completed currently central a/c & heating only exists in the 200 & 300 buildings and in portable classrooms.
- Clock system updated to work in ALL classrooms.
- Continue upgrade of restrooms throughout campus.
- Upgrade science facilities.
- Windows updated all areas of campus.
- Replace/upgrade drinking fountains.
- Replace damaged PE lockers.
- Carpeting replaced in Library and Theatre.
- Install irrigation systems to all landscaped areas on campus.
- Parking area at south end of campus needs to be resurfaced and marked for parking w/concrete stops to avoid damage to fenced areas.
- Additional playing fields - we only have a football, a baseball, and a softball field.
- Upgrade track and field facilities.
- Update sound system and lighting system and wiring in Theatre.
- Update and replace entry doors to guidance center and presentation room.
- Provide additional storage for Girls PE, Little Theatre, Music Program, and for book storage.
- Complete remodel of old auto shop garage to fire science work area to include removing large wash station, pit, old antiquated chain/crank windows, and lockers.
- Stucco and siding repair throughout campus where needed Interior and exterior painting needed throughout campus.
- Continue rotation of purchasing new furniture for classrooms.
- Complete the south campus quad project by adding 3 classrooms, landscaping, asphalted parking enabling, allowing classes to be moved from inadequate spaces. Example: former athletic trainer room is classroom.
- Severely Handicapped relocatables updated or replaced.

(Exhibits F3, F4)

Note from Campus: El Cajon Valley is a well-maintained campus. The school has always attempted to use the funding it has (such as attendance incentive and site block grant funds) to continually upgrade the facility. With the passing of a bond, most of the above

items could be accomplished. Then, sites would be maintained through deferred maintenance projects, etc.

West Hills – Site Needs

- A Telephone in Every Classroom
- Upgrade Security Lighting, Fire Alarm and Bell Systems
- Upgrade Door Locks and Hardware for Interior Locking
- Upgrade Site Drainage, Irrigation and Storm Systems
- Security Lighting from Park to Stadium
- Add Ancillary Parking Area
- Basketball Backstops
- P.E. Classroom
- Revise Foyer PAC – Access to Toilet Rooms
- Library Stack
- Textbook Storage
- Reconfigure Home Economics
- Revise Science Classroom Casework
- Renovate Auto Shop Building
- Add Concession Facility, Toilet Rooms and Bleachers
- Add Athletic Equipment Storage at Field Areas
- Relocate Bike Racks, Trash and Recycling Dumpsters w/ Screen Wall
- Relocate "Live-on" Security Trailer
- Renovate Greenhouse Ventilation

(Exhibits F3, F4)

Granite Hills – Site Needs

- Completion of air conditioning of the school
- Power Upgrade
- New Bleachers – Gymnasium and Stadium
- A Multi-Purpose Room
- Student Drop-Off Area
- Additional Permanent Restrooms
- Roofing
- Science Lab Improvements
- Replace Relocatables
- Expand Library and Tech, Resource Center
- Exterior and Interior Painting
- Lighting Replacement / Energy Savings

(Exhibits F3, F4)

Valhalla – Site Needs

- #1 Safety Issue: Replace PA System.

- Science Area Expansion: Need 3 additional labs. Present science area does not meet needs. Unsafe; Students have to walk through one room to get to another.
- Basement reconfiguration: Floors need to be sealed to create moisture barrier. Add 6 additional classrooms.
- Band Room / Weight Room: Build new band room. Present band room barely holds 50 people and there is no storage room for instruments. Weight Room would be moved to the old Band Room.
- 300 Level Addition: 3 additional classrooms and walkway.
- Flooring: Replace old carpet (29 years old) and carpet over tile floors, which would help alleviate noise issue.
- Additional Re-modification Items: Add water storage tanks for irrigation (well water is being pumped into storm drain 24/7 because of high water table).
  (Exhibits F3, F4)
- Items Completed:

  a) Phone in every room
  b) Wiring of School (Digital High School)
  c) Library Construction
  d) Culinary Arts Remodel

Mount Miguel – Site Needs

- PA/Fire Alarm system replaced/upgraded.
- Boiler-Radiant Heat replace, (AC) upgrade.
- Restrooms remodel/upgrade.
- Door and Hardware upgrades.
- Stadium Bleachers replaced.
- Lighting in classrooms.
- Ceilings in classrooms.
- Flooring in classrooms.
- Exterior lighting.
- Track at Stadium field refurbished.
- Fields-JV and practice fields upgraded.
- New classroom/counseling/family resource center.
- Balance of Modernization plan as listed in report.
  (Exhibits F3, F4)

El Capitan – Site Needs

Code Required Upgrades

- Upgrade site access for HDCP
- Door and hardware upgrades
- Upgrade restrooms - complete modernization
- New ADA signage
- Replace drinking fountains

- Upgrade fire alarm system

(Exhibits F3, F4)

Furniture and Equipment

- New Wall-Mounted TV Brackets
- Replace gym bleachers

Expansion

- New classroom buildings to replace 20 year old problems
- New theater/multi-purpose room C56 building
- Replace existing nonconforming trailers
- New science labs (five)

Other

- Paint Exterior of buildings
- Asbestos Abatement
- Lead paint removal (est. at 50% of paint cost)
- Re-roof

(Exhibits F3, F4)

Santana – Site Needs

Refer to District Master Plan

(Exhibits F3, F4)

Helix – Site Needs

Refer to District Master Plan

(Exhibits F3, F4)

Steele Canyon – Site Needs

The main concerns are issues that have been ongoing since the school opened and are still outstanding. (Exhibit F2)

Important items

- The main data/server rooms in the Administration, Library, and the Gymnasium has inadequate cooling for the computer equipment. System in gym has already overheated twice.
- The tennis court surface is peeling off and has been for some time. This could be a potential safety hazard.
- The carpet seams (especially in the Admin. bldg) are frayed and have been for a long time.
- Cabinet in Adult Education kitchen damaged from water leaking through roof never replaced.

Note from Campus: It is not clear what the status is between the district and the contractor regarding the final sign-off of the school. The main concern is that all the items that need to be fixed get taken care of or the district holds back enough money to take care of all the problems left behind by the contractor. Steele Canyon does not and

will probably never have extra money to repair/replace the items that need to be addressed, as well as the ones being found along the way. Some of the items are not the fault of the contractor, but are architectural problems. All that can be done at the school site level is to report the problems and leave the assignment of responsibility to the district.

Chaparral – Site Needs

Refer to District Master Plan
(Exhibits F3, F4)

Report of the Subcommittee on COMPENSATION

Members: Chairman Mark Lewis, Steve Grooms, Nicki Summers, Larry Urdahl, Warren Ruis

Research and Findings

Early Retirement

Many employees desire early retirement, both certificated and classified, and such incentives have often been utilized by government entities to decrease expenses. Early retirement could possibly increase savings and revenue for the district. Resignations seem to increase when an early retirement offering is made. (The current resignation rate is approximately four percent.)

On the surface, increasing the number of early retirements may not be fiscally sound for the district, as recent years' budgets already provide for thirty teacher retirements. The present feeling and belief is that the following year's retirees would be assimilated automatically into a present year program, thus causing a long-term early retirement bonus expectation and increased expenditure for the district.

Several changes in the environment have occurred in the last several years, including recent changes in administration and the governing board, as well as new information concerning early retirement mid-year programs. To include additional information and add options for early retirement deserves an additional analysis. A mid-year retirement program that targets approximately 60 to 85 teachers could very well be worth pursuing, with a unique key ingredient to maintaining staffing levels: The teachers stay in place on contract at a reduced dollar amount. A portion of the compensation comes from the retirement program. A pre-determined baseline of the numbers of retiring teachers would be required under such a plan.

Further research including a cash flow analysis would have to be completed, with several "what if" scenarios analyzed. *For example*, the following plan might have a positive impact (the numbers are for reference only and may not be accurate):

Retirements (# of Individuals)	**Incentive Percentage**
30 – 35	Zero %
36 – 40	Two %
41 – 50	Three %
51 – 60	Five %
61 – 70	Seven %

The district currently earns $500,000 in expense reductions each year through natural attrition in personnel. Therefore, to gain profitability in this proposed program the net gain would have to be over $500,000. This number would be utilized as a bar for retirement incentives.

Additionally, alternatives to the current Public Agency Retirement System (PARS) could be analyzed from a cost savings standpoint. Keenan & Associates is capable of a comprehensive analysis in this regard, as the company specializes in retirement plans geared to the individual needs of school districts. In addition, a third entity, Fringe Benefit Consortium (FBC), also does such analyses and could be considered. The County Office of Education also has the resources to look into retirement plan alternatives with depth and clarity.

Positive results could surpass the $500,000 in expense reduction currently experienced but would require further research and analysis. PARS is a trust administrator that would perform the research at no cost with district staff's assistance and direction, but a multi-bid process would be more beneficial to the district.

Reduction in Salaries or Pay

The district's payroll and benefit expense is 76% of the overall budget (Helix Charter High School and the General Fund). Obviously, with compensation making up such a significant bulk of the budget, there are several ways to find savings – by staff reductions, providing no backfill of vacant positions and/or reductions in pay. Recognizing the contracts of existing labor/union contracts, these options may sometimes seem like a quick solution yet are certainly not simple.* (Exhibits G1, G2)

One possible option is a reduction in days worked from 187 to 185. This is often a bargaining request, yet also impacts income from the state. Revenue from the state is approximately $270 per teacher day and the cost for a teacher per day is $300. The actual net difference for this change to the district is approximately $30 per teacher per day in expenses, with the net change overall equaling a onetime savings of $70,000 for the two-day period (according to the district Human Resources Department). This savings does not include incurred negotiation fees.*

Another potential scenario is to seek a reduction of approximately one-half of one percent (1/2%) district-wide, resulting in savings of about $550,000 annually. This option is not supported by district staff or the unions, except as a last resort.*

Putting a hold on step increases for one year, estimated at two percent overall, is equal to approximately $2.2 million in annual savings. This alternative is also not supported by district staff or the unions except as a last resort.* (Exhibits G1, G2)

Recommendations

Early Retirement

Recommendation: Research the possibilities of increasing early retirement options through PARS, and/or utilize a multi-bid process to compare other alternatives (possibly in conjunction with the unions.)

Reduction in Salaries or Pay (*At the appropriate time)*

Recommendation: Look elsewhere for savings at this time.

*These recommendations are only to be considered when appropriate (i.e. as part of bargaining negotiations).

V. CONCLUSION

Summary of Recommendations

*(Categorized by Subcommittee – Not in order of priority)***

District Expense and Expenditures

District Mission, Goals and Objectives

1) Embark on an effort to achieve a "One School Concept."
2) The board, superintendent and senior staff should hold a retreat in the next 30-60 days; through brainstorming and breakout sessions define the district's strategic goals and direction, with an emphasis on budgetary and fiscal areas.
3) Develop short-term and long-term district goals.
4) Update the goals semi-annually and hold an annual retreat.
5) Develop a solid understandable document to be provided to the public and the media, so as to communicate the goals and objectives.

Centralization and Standardization of the District

The overall recommendation to the GUHSD Board is to form a **Total Quality Team** to pursue process improvements and standardization in the following areas:

Scheduling:

6) Remove the uniqueness in scheduling per site.
7) Consider eliminating the quarter system.

Procurement:

8) Centralizing of textbook inventory.
9) Centralize all purchasing, purchase in bulk and utilize leveraging power and volume to achieve currently unrecognized discounts.
10) Standardize products and services to reduce maintenance costs, parts, etc. (the district does some maintenance itself.)
11) Pursue centralized printing costs versus individual printing per site.
12) Consider accounting codes for printers, faxes, copiers, and any other incremental costs.
13) Every dollar spent should go through a complete review process.

Budgeting:

Development, implement, and monitor:

*** For indexing and identification purposes ONLY – please refer to subcommittee reports for full recommendations.*

14) A five-year strategic plan that would include those BRC recommendations adopted by the governing board for implementation.
15) Multi-year budgeting.
16) An annual assessment of prioritized needs.
17) Quantified objectives, such as benchmarks, measurable goals and objectives.
18) A more meaningful, descriptive annual budget document that includes workload indicators, impact statements, and performance indicators with measurements of efficiency and effectiveness.

Curriculum:

19) Pursue standardization of curriculum, transferable courses and graduation requirements.

Full Time Equivalent (FTE) Study:

20) Pursue centralization based upon any duplication and overlaps of some district processes.
21) Each school should be given an agreed upon organization plan (i.e. one principal, two vice principals, four counselors, one teacher per thirty students, etc.), curriculum plan, and processes as a starting basis that supports the mission of GUHSD. The principals may then apply for and justify any additions, deletions or changes. The core objective here should be "what is reasonable, customary and effective."
22) Each school should have an annual presentation of their education plan, education goals and business plan delivered in front of the superintendent that includes Readiness Levels, College Prep, Special Ed, Test Scores, Dropout Rate, Exit Exam, and Core Programs. These *must* be based on data.
23) To accomplish such changes everyone must pull together as a team with a core covenant instilled that supports each other.

Technology:

24) Analyze the impacts of using online courses for ADA.
25) Use online courses as a Saturday School alternative for absences, etc.
26) Use technology where possible for Independent Studies instead of making each teacher provide it as a customized package.
27) Use technology for parents to communicate with the school and teachers more effectively.

Review of GUHSD Organization District-Wide

28) Prepare Organization charts district-wide and begin to add workload and processes to them.
29) Every job in the district must be defined and given a productivity measurement and or load amount.

30) Using existing GUHSD talent, establish a Customer Service Organization designed to reduce expense, increase ADA and reduce attrition.
31) Move as much as possible to electronic media, i.e. the Internet, email, etc.

Employee Suggestion Plan

32) Discussion should begin with the unions regarding implementation of an Employee Suggestion Program.

Customer Service and Attrition

33) Approve appropriate research to analyze how a Student Retention or Customer Service Center could positively impact the district.

Student Attendance Review Board, Expulsion, Referrals, and Suspension

34) Closely analyze the cost and revenue impacts on the district through current processes, compared to alternative ways of doing business.

Charter School Expenses

35) Review methods, procedures and actual processes that involve Helix and lock in the real costs. Correctly charge for services provided to Helix.
36) Bid for the services that Helix purchases from Lemon Grove and other organizations, as a possible new revenue stream.
37) Overall, change or evaluate the following scenarios: Unit based pricing to Charter Schools; Use time and materials for interaction with Charter Schools; Charge on a per transaction basis; Fixed quotes to Charter Schools.

"Friends of the District" – Donations and Wish List

38) Look into how a donation program and related public relations campaign could be pursued by the district as well as very possibly at the school site level.

Revenue

The BRC has one overall recommendation in the area of revenue:

39) Publicly address each and all of the issues raised in the detailed report and establish timelines, processes, and procedures for required reports from staff and to the public.

Detailed Revenue recommendations:

40) Contingency reserve accounts should not be considered sources for budget overruns. Consideration should be given to allocating investment income to the reserves category from which they were generated.
41) One fiscal year's revenue should not be susceptible to expense claims over more than one year unless the revenue claimant is willing to give some back as soon as the revenue assumptions go fail to materialize.
42) Serious discussion and implementation should be given to a "get REAL" disciplined focus: ***REAL = Revenue Expense Algorithmic Limitation.***
43) Certificates of Participation (COPs) should no longer be considered a viable option for periodic revenue enhancement/bridging.
44) A new bond measure must go forward, including provisions to retire current Certificates of Participation as part of the bond financing.
45) Delay future salary and benefit negotiations until after the state budget is adopted and site census counts are determined.
46) Consider having employee salary negotiations in public.
47) Teachers' union needs to be able to remediate sub-par instructors to insure that there is a quantifiable benefit to increase in compensation.
48) Continue to utilize outside consultants to follow-up with the State to ensure full reimbursement for all mandated programs and publicly disclose those amounts where reimbursement has not been forthcoming.
49) Hire a full time grant writer to assist those needing help in grant writing.
50) Request the cooperation of the San Diego County Office of Education in providing guidance and input on revenue possibilities.
51) Lease and in some cases sell any excess district property in order to generate a cash flow.
52) As communications methods and needs expand, utilize the remote areas for cell phone towers and other technological applications.
53) Establish a solidly functioning foundation for alumni donations.

"Outside the Box" Strategies

Decentralization

54) *Centralize* certain district functions including common graduation requirements and centralized purchasing systems.
55) *Coordinate* operations between and among the schools to achieve school year calendar arrangements, common "Minutes Per Day" for all schools, common instructional materials, and common grading standards.
56) Set standards of expectations of student performance on a district-wide basis.
57) Establish a coordinated instructional program to apply to all schools.
58) Overall goal – A Management Procedure which employs a *decentralized* approach for those areas that are appropriate, and c*entralizing* and *coordinating* those areas that allow the district to achieve efficiencies and better accountability.

Improving ADA Income

59) Set the highest priority on improving ADA, with attention on determining the actual loss, and strategies developed for recapture.
60) Implement a policy establishing a district-wide standard number of absences allowed in order to pass a course.
61) Each department develop a standard set of 'learning contracts' which can be 'pulled from the shelf' to accommodate a student who is going to be absent for five or more days.
62) Expand Saturday School's image beyond a disciplinary chore to one of academic challenge and an exciting learning experience.
63) Focus on improving the thirty percent attrition rate by establishing a tracking system that includes an 'early warning' alert and appropriate intervention.
64) Study the enrollment fall-off during the year from September to June to determine if over-hiring staff is taking place, and consider temporary hiring at the beginning of the year.
65) Provide "in-school" means of student discipline practice as alternatives to suspension, including specific instruction tailored to remedy problems.
66) Provide "Attendance Incentive Programs" to reward perfect attendance.
67) Pursue 95% ADA by reducing attrition and focusing on the PR campaign, through a non-traditional approach and "winning back" students that have left the GUHSD system.
68) Conduct a search among other school districts to seek strategies to capture lost ADA.

Addressing the Economics of Student Failure

69) Review the present instructional program to seek opportunities to improve programs for the non-college bound.
70) Undertake a review of the instructional program with an eye on verifying the course offerings conform to the needs and abilities of the students served, focusing on any unserved student needs.
71) Institute an individual "student-tracking-system" as a performance base line, beginning with data from the feeder school districts and following the student through to graduation, and including an "early-warning-alert-and-intervention" system assisting students get back on track.
72) Institute such an intervention system as part of the regular curriculum.

Certificates of Participation

73) Include Certificates of Participation debt in any bond issue submitted to the voters.
74) Utilize Funds from developer fees and redevelopment fees to support the capital projects done jointly with the State School Construction program.

Extended/Co-Curricular Programs

75) Revitalize the Grossmont Education Foundation (GEF) or establish other committees that work within the GEF to support specific schools; or work with other independent foundations at other schools to increase funding from private sources for extended curricular activities.
76) Consider providing "seed money" for the foundation(s) to develop a database, and to embark on a goal of raising at least $1 million per year within three years for EC activities.
77) For the 2003-2004 school year, cuts will be made including one athletic stipend per school, two previously added co-curricular stipends, and the previously added $5,000 per school in transportation funding. Such cuts should be maintained during the 2004-2005 school year.
78) Per the Activities Task Force recommendations, all of phase I and half of phase II would be in place for the 2004-2005 school year.
79) Per the Activities Task Force recommendations, the remaining portion of Phase II and Phase III be divided into three equal parts, so that full implementation of the plan be completed by the 2007-2008 school year. By that point in time, the subcommittee recommends that one-half of the increased funding of the 2006-2008 implementation be obtained from private sources.
80) Athletic Director release period(s) be provided by the 2004-2005 school year, as part of the collective bargaining agreement. This would provide the Athletic Director with a reduced class schedule and at least five (5) additional paid administrative days to properly administer the athletic programs he/she oversees.
81) It has been suggested that there may be certain limitations or restrictions on using outside funding sources to pay coaching/Athletic Director stipends. The issue is whether or not this is something that has to be negotiated as part of the collective bargaining agreement. Outside sources (Boosters) should be able to pay stipends.
82) In the budget year 2004-2005 implement one-half of the recommendations from the athletic activities task force. For the year 2005-2006, the remaining phase and 2006-2007 phase three.
83) Target goal should be for athletics to have 50 athletic stipends in the average sum of $2,000 each for a total of $100,000 by the budget year 2005-2006; 52 stipends per site for 2006-2007 and; 54 per site 2007-2008.
84) A program should be developed in conjunction with local Universities (SDSU, USD, etc.) to provide internships in the areas of coaching and marketing.
85) Coaching interns could serve as unpaid assistant coaches. Marketing interns could assist the Executive Director of the GEF Foundation and/or specific athletic booster clubs. A computer-trained data processor could assist in the collection, storage and manifestation of alumni databases, etc.
86) The GEF or other support organizations (booster clubs) should be encouraged to promote a "Hall of Champions" or a "Hall of Fame" honoring graduates who have succeeded in sports, business, fine arts, etc. Marketing should include the sale of advertising rights for school facilities. However, high standards should be adopted before such advertising is approved. Field or facility naming rights

should only be granted after consultation with fund-raisers and/or marketing personnel.

87) To the extent that the district continues to provide bus service, look into the question as to whether buses can be used as a paid advertisement (compared to the San Diego Transit bus system) with the proceeds to benefit EC activities.
88) Hire an Executive Director for foundation with marketing experience. Get additional marketing experience from intern(s).
89) Increase ticket prices for all athletic and performing arts events.
90) Conduct a feasibility study to determine whether all EC equipment, supplies and uniforms can be purchased at a discount through the district.
91) Co-sponsor an overall "Blue Ribbon" commission for East County to look into expanding and improving fields and facilities, as well as developing and funding programs for athletics and arts.
92) Implement 7th Period Physical Education.
93) Study the ways and means to meet the new Extra-curricular paradigm including horizontal and vertical expansion, special considerations, and the Big "G" (as detailed in the report).

Facilities

94) Address the top three district-wide site needs: 1) Public Address and Fire Alarm system upgrades, 2) Energy system difficulties and efficiency, and 3) Upgrade restrooms.
95) Regularly update Facilities Master Plan.
96) Develop better cost saving purchasing system.
97) Utilize competitive bid process for site projects and improvements.
98) Better communication model for site management (as detailed in report), including input from Facilities Managers for needs.
99) Develop a Monthly, Quarterly, Annual, Five-Year Process and System Plan, including quarterly review of facilities needs and regularly updated "Job Board".
100) Broaden job responsibility of Special Operations Manager.
101) Prioritize other site needs in report.

Compensation

102) Research the possibilities of increasing early retirement options through PARS, and/or utilize a multi-bid process to compare other alternatives (possibly in conjunction with the unions.)
103) In the area of salary and pay reductions, look elsewhere for savings at this time.

Recurring Themes and Topics Addressed by the BRC

Not listed in order of priority

1. Develop district mission statement, long-term goals, and short-term goals written in a solid, understandable document that will be updated semi-annually.
2. Set standards of expectations of student performance on a district-wide basis.
3. Centralize and standardize district operations in: scheduling, procurement, budgeting, curriculum, staffing, and technology.
4. Review district organization, defining productivity and/or load.
5. Move as much as possible to electronic media.
6. Review student attendance procedures, and parent communication processes.
7. Improve ADA income.
8. Review charter school impact on budget.
9. Develop better use of the GUHSD Foundation, and other sources of revenue, i.e., grants, donations, and real estate, assets and COPs.
10. Address issues detailed in the BRC report publicly.
11. Create Citizens Advisory Committee for other specific needs.
12. Develop a process and a plan for addressing facilities' needs.
13. Research ways to offer cost-savings in areas of compensation such as early retirement.
14. Certificates of Participation

Further Actions by the Governing Board and BRC

Often, reports such as these generate initial discussion, motivation, and even positive action, followed by the proverbial "collecting dust on a shelf somewhere" situation. This usually has little to do with the best intentions of the governing body and staff, but is usually more a result of everyone going back to their daily tasks, with this one now complete.

Typically, individuals simply don't seem to have the time to focus on real long-term change, not with their hectic lives and all the *regular* work that needs to be done. Months and even years go by, before someone says, "Hey, we need to change the way we do business, whatever happened to that report?" This usually results in the realization that the prior effort is now outdated, so a new effort is started.

Certainly, it is up to the governing board to ensure its goals are carried out, yet how to do it effectively and keep everyone – including themselves – focused on the chosen tasks can sometimes be problematic.

The GUHSD Board may wish to pursue some follow-up actions in regard to the recommendations in this report. One of the recommendations found herein relates to regular board and district staff retreats. The first such retreat could center around a detailed discussion of the recommendations in this report, to assist the board on which recommendations it wishes to pursue and/or prioritize.

Part of earning district-wide trust and the stated goal of "free flow of information" would include a report or series of reports by the board and staff back to the Blue Ribbon Commission and public as to the progress and status of any chosen courses of action.

Recommendations

The BRC **recommends** the following:

- The governing board and district staff to hold a retreat within 30 to 60 days to discuss in further detail the BRC recommendations, courses of action, timelines, etc., as well as give any necessary direction to staff. Include the BRC chairman and subcommittee chairs in the retreat.
- Report to the public at a board meeting the results of the retreat.
- Convene the BRC within six months to report on the progress of chosen courses of action, as well as to brainstorm further with the commission members.
- No less than on an annual basis, report on overall progress of BRC recommendations being pursued, perhaps in conjunction with or following the board's annual retreat.

VI. Attachments and Exhibits