



LAKE COUNTY OFFICE OF EDUCATION

TO TEACH. TO SERVE. TO LEARN.

To: The Honorable Judge Stephen O. Hedstrom
Presiding Judge
Superior Court of Lake County

From: Wally Holbrook, Lake County Superintendent of Schools

RE: Response to Grand Jury's Final Report

Date: August 14, 2013

RESPONSE TO GRAND JURY FINDINGS AND RECOMMENDATIONS

This response is from the Lake County Superintendent of Schools, the Lake County Office of Education, the Lake County Board of Education, and the Lake County Committee for School District Organization.

GENERAL RESPONSE

We commend the Public Services Committee of the Lake County Grand Jury on its report entitled "Financial and Educational Benefits to be Derived from the Unification of Lake County School Districts".

RESPONSE TO FINDINGS AND RECOMMENDATIONS OF THE LAKE COUNTY GRAND JURY IN ITS REPORT ENTITLED "FINANCIAL AND EDUCATIONAL BENEFITS TO BE DERIVED FROM THE UNIFICATION OF LAKE COUNTY SCHOOL DISTRICTS"

FINDING:

F 1. Based on the totality of the facts above, consolidation/unification of the seven Lake County school districts into one would be beneficial both financially and educationally to Lake County Schools.

RESPONSE:

The respondents disagree with this finding based upon insufficient evidence.

In 2009 the County Board commissioned a study titled "Lake County School District Reorganization Feasibility Report", dated October 14, 2009. The study was the work product of a task force and was reviewed in a public hearing.

The conclusion of the study was that there remain several questions regarding the financial and educational benefits of such unification. These are reviewed on pages 15 and 16 of the document.

The study reviews the changes in revenue allocation and anticipated expenses. The study indicates additional revenue would be available, but that could well be offset by the adjustment of the seven district teacher and classified employment salary schedules.

Unless an in-depth study is done by a professional agency knowledgeable of school finance and administration, there is not sufficient evidence that such a unification of school districts would be beneficial financially and educationally to Lake County Schools.

Also, please note the comments under F2.

FINDING

F 2. The PSC, guided by LCOE expenditure analysts, calculates that non-educational direct administration costs for the combined seven school districts amount to approximately \$10 million or approximately 15% of 2011-2012 Lake County total audited school expenditure of \$64,110,445. The potential savings may differ when the collateral costs of real estate, buildings and equipment are factored into the cost data. [See Appendix A]

RESPONSE:

The respondents agree with the finding. However, please note the following:

- County wide unification would require establishing a county wide uniform salary schedule for all teachers in Lake County (EC 45028). Currently the largest number of teachers is employed by the Konocti Unified School District. There are a smaller number of teachers employed by certain smaller school districts at a higher pay rate than the Konocti Unified School District. The cost of salary increases for the teachers of the Konocti Unified School District would need to be determined in order to determine the overall savings achieved by unification. These teacher salary increases would have the benefit of shifting money into teachers' salaries.

Also, please note the following:

- There are differences in the dollar amount paid toward employee health benefits in each of the school districts. The increased cost of providing health benefits for employees as a result of unification would need to be considered.
- There are differences in the dollar amount paid for classified salaries in each of the school districts. The increased cost of salaries for classified employees as a result of unification would need to be considered.
- There are differences in the number of work days in each of the school districts. The increased cost of additional work days as a result of unification would need to be considered.

FINDING

F 3. With the internet, instant communication links and two-way electronic access to each individual school in Lake County, LCOE administrative staff stated they can adequately and cost effectively manage all of the Lake County's seven school district administrations.

RESPONSE:

The respondents agree with the finding. However, please note that the LCOE would need to hire additional employees in order to effectively administer all seven of the Lake County school districts, and that personnel and facilities costs may negate all or part of the projected savings.

FINDING

F 4. There will be additional costs involved with the unification/consolidation process and the revising/upgrading of various systems upon completion of consolidation. These costs are unknown at this time but they should not curtail the effort of consolidation/unification. The potential savings realized could be funneled back to improve the education of Lake County students.

RESPONSE:

The respondents agree with the finding.

FINDING

F 5. Each of the seven Lake County school districts has their own unique identity and characteristics (sports and other competitive programs) which should remain unaffected by unification/consolidation. Students should not be required to relocate to different schools.

RESPONSE:

The respondents agree with the finding.

FINDING

F 6. After review of the LCBOE regular meeting minutes for the last twelve months, it appears that no business for the County Committee has been conducted and no petitions for reorganization have been received.

RESPONSE:

The respondents agree with the finding.

Since the October 14, 2009 reorganization feasibility report was issued, the County Committee on School District Reorganization has not received a request from any of the Boards of Trustees of any of the seven school districts. Nor has the CCSDO received any petition from local citizens requesting unification.

If there is any interest or desire on the part of any of the Lake County school districts to study this matter or pursue a more in-depth unification study, the Lake County Board of Education and Lake County Office of Education stands ready to assist in such an endeavor as prescribed by law. Any such effort must have the support of local citizens and be a grass-roots effort; it cannot be imposed or forced upon people. This is clearly indicated in the law.

RECOMMENDATIONS

RECOMMENDATION:

R 1. Residents of Lake County review the Lake County Civil Grand Jury's report in its entirety. (F1 - F6)

RESPONSE:

The respondents agree with the recommendation.

RECOMMENDATION:

R 2. The Boards of Trustees for all school districts in Lake County consult with all school districts to identify opportunities for consolidation with a view to petitioning the County Superintendent of Schools pursuant to Education Code 35700. (F1 - F6)

RESPONSE:

This recommendation is directed to the Boards of Trustees for the school districts, and does not require a response from the respondents.

RECOMMENDATION:

R 3. The Boards of Trustees for all Lake County school districts adopt and deliver to the CCSDO a resolution proposing consideration of consolidation of all districts in Lake County, pursuant to Education Code Section 35721 (c). F1

RESPONSE:

This recommendation requires further analysis. Unification can be an expensive process that could use up funds that are needed for the classroom. For this reason, it would seem that the first step should be for each of the school boards to look at the advantages and disadvantages of unification. At the same time, each of the boards could hold public hearings to receive input from the public regarding whether there is public support for unification. After that, a decision could be made as to whether the school districts should fund the studies that would be required to commence the unification process.

Also, the impact of the new Local Control Funding Formula needs to be considered.

This recommendation will be prepared for discussion with the Lake County Committee on School District Organization within six months from the date of publication of the grand jury report.

RECOMMENDATION:

R 4. The County Committee on School District Organization (CCSDO) formulate plans for the consolidation of Lake County school districts pursuant to Education Code Section 35720.

RESPONSE

This recommendation requires further analysis.

Education Code Section 35720 requires that this be done "under the direction of the State Board of Education." The County Committee on School District Organization (CCSDO) has not received direction from the State Board of Education to do this.

Unification can be an expensive process that could use up funds that are needed for the classroom. The cost of formulating plans for the consolidation of Lake County school districts could be in excess of \$20,000. For this reason, it would seem that the first step should be for each of the school boards to look at the advantages and disadvantages of unification. At the same time, each of the boards could hold public hearings to receive input from the public regarding whether there is public support for unification. After that, a decision could be made as to whether the school districts should fund the studies that would be required to commence the unification process.

Also, the impact of the new Local Control Funding Formula needs to be considered.

In 2009 the County Board commissioned a study titled "Lake County School District Reorganization Feasibility Report", dated October 14, 2009. The study was the work product of a task force and was reviewed in a public hearing. The conclusion of the study was that there remain several questions regarding the financial and educational benefits of such a consolidation. These are reviewed on pages 15 and 16 of the document.

The study reviews the changes in revenue allocation and anticipated expenses. The study indicates additional revenue would be available, but that could well be offset by the adjustment of the seven district teacher and classified employment salary schedules.

Unless an in-depth study was done by a professional agency knowledgeable of school finance and administration, there is not sufficient evidence that such a consolidation of school districts would be beneficial financially and educationally to Lake County Schools.

This recommendation will be prepared for discussion with the Lake County Committee on School District Organization within six months from the date of publication of the grand jury report.

RECOMMENDATION

R 5. The Lake County Board of Supervisors adopt and deliver to the CCSDO a resolution proposing consideration of consolidation of local school districts in Lake County, pursuant to Education Code 35721 (c). F1

RESPONSE:

This recommendation is directed to the Lake County Board of Supervisors, and does not require a response from the respondents.

RECOMMENDATION

R 6. The County Committee convenes one or more public hearings to gauge the electorate support for such unification/consolidation pursuant to Education Code Section 35700(a) and 35721 (a). (F1)

RESPONSE

The respondents agree with the finding, and will do this.

GRAND JURY REPORT --
"OVERSIGHT OF EDUCATION TRANSPORTATION IN LAKE COUNTY"

GENERAL RESPONSE

We commend the Public Services Committee of the Lake County Grand Jury on its report entitled "Oversight of Education Transportation in Lake County"

FINDINGS

FINDING:

F 1. The various transportation departments are doing an excellent job considering the budgetary constraints under which they operate.

RESPONSE:

The respondents agree with the finding.

FINDING

F 2. Each district handles purchasing according to their own needs.

RESPONSE:

The respondents agree with the finding.

FINDING

F 3. The procedures are fairly uniform between districts.

RESPONSE:

The respondents agree with the finding.

FINDING

F 4. Administrative savings could be realized with centralized Information Technology for record keeping and purchasing. This could eliminate the teaching staff, principals, et al. from being responsible for transportation needs of the students (see "The Educational and Financial Benefits Derived from the Unification of all Lake County School Districts" in the 2012-2013 Civil Grand Jury Report).

RESPONSE:

The respondents disagree with the finding. It would not totally eliminate the administrator's responsibility.

FINDING

F 5. The inclusion of GPS transponders allows for real-time location reporting which enhances student safety and security.

RESPONSE:

The respondents agree with the finding.

FINDING

F 6. Middletown bus barn security is in need of repairs

RESPONSE:

The respondents have no information that would allow them to agree or disagree with this finding.

RECOMMENDATIONS:

RECOMMENDATION

R 1. The transportation departments of all districts be commended for their performance under difficult circumstances. (F1)

RESPONSE:

The respondents agree with the recommendation.

RECOMMENDATION

R 2. The committee recommends coordination of administration and IT into one office with one director. This can facilitate better contracts, inventory control and record keeping and governmental reporting. The IT system can further facilitate performance measurement of staff and facilities. This could eliminate the teaching staff, principals, et al from being responsible for transportation needs of the students. (F4)

RESPONSE:

This recommendation requires further analysis. This recommendation will be prepared for discussion with the Lake County Committee on School District Organization within six months from the date of publication of the grand jury report.

RECOMMENDATION

R 3. All buses and white fleet in the county have GPS transponders installed. (F5)

RESPONSE:

This recommendation requires further analysis. The costs of doing this need to be identified and considered. This recommendation will be prepared for discussion with the Lake County Committee on School District Organization within six months from the date of publication of the grand jury report.

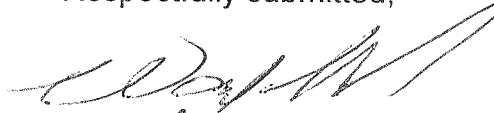
RECOMMENDATION

R 4. The Middletown School District repair their security fence to control theft. (F6)

RESPONSE:

The respondents have no information that would allow them to agree or disagree with this recommendation.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Wally Holbrook', written in a cursive style.

Wally Holbrook,
Lake County Superintendent of Schools