

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

From: Korby Olson, Ed. D., Superintendent Middletown Unified School District  
RE: Response to Grand Jury's Final Report

Date: August 28, 2013

## RESPONSE TO GRAND JURY FINDINGS AND RECOMMENDATIONS

This response is from the Superintendent of the Middletown Unified School District and the Middletown Unified School District Board of Education

### 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:

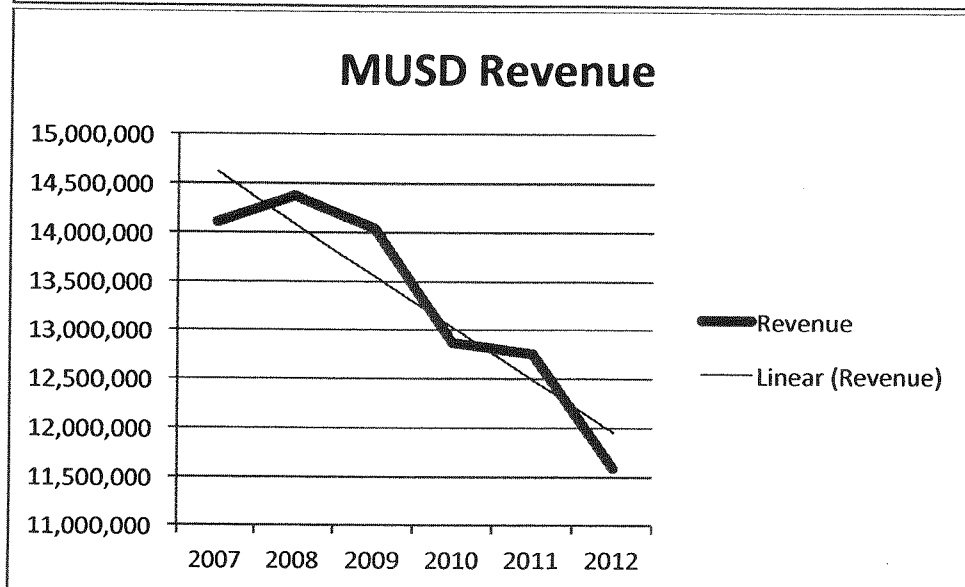
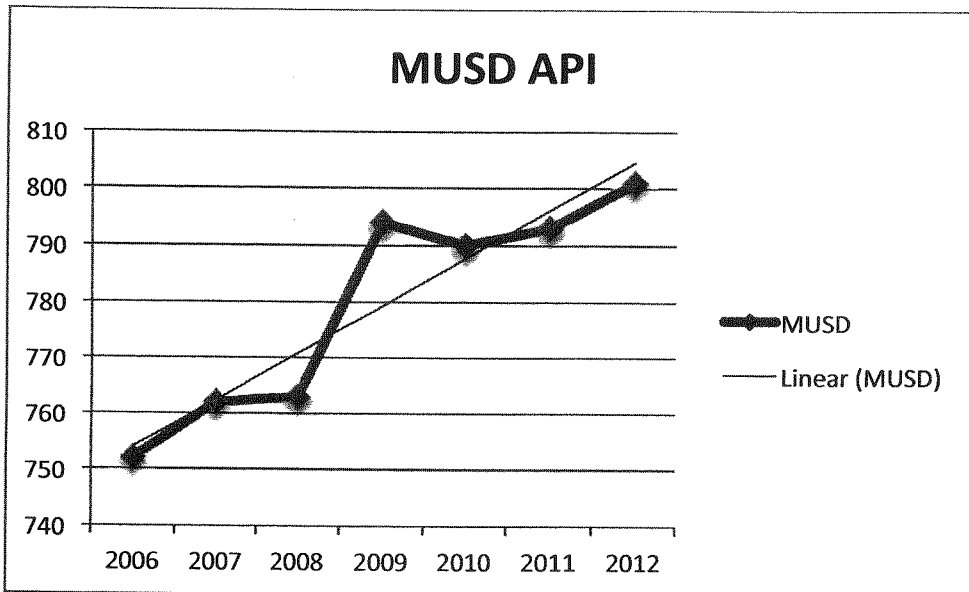
F 1. Based on the totality of the facts above, consolidation/unification of the seven Lake County school districts into one would be beneficial both financially and educationally to Lake County Schools.

#### RESPONSE:

The respondents disagree with this finding based upon insufficient evidence and lacking a fully vetted administrative structure.

The Middletown Unified School District set priorities to maintain our academic program and made our reductions as far from the classroom as possible. Even while we reduced our budget, the scores on academic measures continued to improve. MUSD has retained low class sizes, art, choir, drama, and we have added back elementary school music this school year. We have continued to offer vocational classes, and Advanced Placement classes.

As you can see from the two charts, the academic performance of the Middletown schools has improved despite the reductions in funding.



The Grand Jury Report makes the statement “Most, if not all Lake County Schools are educationally underperforming academically, when compared to other school districts of similar demographics.” This statement is not accurate. Of the five comprehensive schools in MUSD, Cobb Elementary has a statewide rank of 8 out of 10 and a similar schools (schools of similar demographics) rank of 10 out of 10. Middletown Middle School has a statewide rank of 7 and a similar schools rank of 7. Coyote Valley has a statewide rank of 7 and a similar schools rank of 6. These three schools are performing in the upper ranges in statewide and similar schools rankings. Middletown High School’s statewide rank of 6 is respectable, but it is true they are underperforming in the similar schools ranking with a similar schools rank of 2. Minnie Cannon has been an

underperforming school and even with steady growth Minnie Cannon has a statewide rank of 1 and a similar schools rank of 1.

In reviewing the operational costs in Appendix A of the Grand Jury Report, it should be noted that the Middletown Unified School District has the lowest percentage of district administrative overhead of any district in Lake County (11%), so the statement that consolidation would result in financial benefit for MUSD may not be true.

Additionally the State of California is in the process of overhauling the funding structure for school districts. This new structure is the Local Control Funding Formula (LCFF). Part of the new funding is based on specific demographics in each district. The unification of all districts may have an adverse effect on the funding that is received by individual districts in the County.

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 consolidation 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 disagree with the finding. Although some economy of scale may be obtained, the number of district level administrative staff needed to accomplish the required tasks in a district of 9000 students is significantly different than a district of 1500 students. Additionally there are numerous Collective Bargaining Agreements that would need to be addressed.

- 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 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 disagree with the finding. While a single district administration for all of the schools in Lake County may have certain economies of scale, there is no evidence to suggest that the current staff at the Lake County Office of Education is sufficient to provide all of the services needed for all of the schools in Lake County.

The role of the County Office is to provide oversight and support to the districts in the county. By unification/consolidation all the districts into LCOE it removes any checks and balances in the system or LCOE would remain responsible under AB1200 to oversee a singular "Unified School District"

## 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 that if there are any savings, those savings should be funneled back into programs for students.

**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, but it should be recognized a larger district organization might not view the Middletown community's decision to maintain small community based schools as financially viable.

**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:**

This finding is directed to the LCBOE, and does not require a response from the respondents.

**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:**

The respondents are not interested in pursuing opportunities for consolidation at this time. Middletown Unified cannot speak for other agencies.

**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 all districts in Lake County, pursuant to Education Code Section 35721 (c). F1

**RESPONSE:**

The respondents are not interested in pursuing opportunities for consolidation at this time. Middletown Unified cannot speak for other agencies.

**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 is directed to the LCBOE, and does not require a response from the respondents.

**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

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

## 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 agree with the finding.

## 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 partially agree with the finding. A security camera was provided to the bus barn to deter fuel thefts.

## 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 respondent partially agrees with the finding. The fence was repaired.

Respectfully submitted,

  
Kerby Olson, Ed. D.  
Superintendent, Middletown Unified School District