CAYUCOS ELEMENTARY SCHOOL DISTRICT

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Grand Jury
P.O. Box 4910
San Luis Obispo, CA 93408

September 21, 2012

Dear Grand Jury,

Please find our response to finding and recommendations to Cayucos Elementary School District for Grand Jury Report titled "Are Paso Robles School Budgetary Woes a Lesson for Other Districts" below.

REPORT TITLE: ***Are Paso Robles School Budgetary Woes A Lesson for Other Districts?***

REPORT DATE: **June 26, 2012**

AUTHORIZED RESPONDER: **Cayucos Elementary School District Superintendent.**

FINDINGS:

- I (we) agree with the findings numbered: **#1(Board's Fiscal Responsibility); #3 (All 10 districts currently in deficit spending).**

- I (we) disagree wholly or partially with the findings numbered: **#2 (Board Training on Fiscal Oversight) ; #8 (Basic Aid Districts - Substantial Reserves & Minimum Disruption).** *(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons.)*

Finding #2 (*Governing board members oversight the county's ten districts, similar to governing board members statewide, are offered education and training in school district budgeting and financial oversight, but seldom take maximum advantage of the workshops offered.*)

The Cayucos Elementary School District is in agreement that education and training in school district budgeting and financial oversight is offered to Governing Board members. Formal training (i.e. workshops, seminars, conferences, webinars, etc.) in the areas of District budgeting and financial oversight is provided by several statewide organizations, primarily the California School Boards Association (CSBA) and locally by individual districts and the County office of Education. Our disagreement is to the degree that Board members avail themselves of these trainings. Board member participation varies from year to year, is based upon funding and board member availability. It is not possible to require elected officials to attend or maintain participation in any type of training. Participation is strictly voluntary on the part of elected officials. It is common for extensive discussion and information regarding school budgets and financial oversight to occur regularly at the regular and special meetings of the Governing Board. Board members also receive constant information via e-mail and weekly post regarding school finance. Please note our response to Recommendation #1 which related directly to this Finding.

Finding #8 (*Three Basic Aid districts, Cayucos, San Luis Coastal and Coast Unified, which receive revenue from local property taxes and have maintain substantial reserves, are expected to weather the current state budget crisis with minimal disruption of their education programs.*)

Cayucos Elementary School District is in agreement that the three "basic Aid" districts mentioned have maintained larger reserves than "revenue limit" districts in the county. Our disagreement is with the statement that these districts have had "minimal disruption" to their educational programs and are expected to be minimally impacted by the state budget crisis. Each of these districts has lost substantial revenue from their "fair share" contributions required by the state in lieu of revenue limit reductions. Over the past three years, the total amount of these "fair share" reductions for the three districts amounts to $12,700,000.

It is also important to note that these three districts, just like the revenue limit districts, are deficit spending and our reserves are rapidly declining. There is also much uncertainty about the impact of either the passage or failure of the November 2012 tax election on our district and it is very problematic that we will be able to avoid even more reductions in educational programs next year. In summary, it our position that all districts in our county have been adversely impacted to a significant degree by the state budget crisis and all are significantly short of being able to provide the quality educational program that our children deserve.

RECOMMENDATION:

- Recommendation #2 (Training Program for Governing Board Members)

  District policy and procedures recommend participation in financial oversight and district budgeting. Follow up financial training for board members is currently offered annually. Participation is strictly voluntary on the part of elected officials. It is common for extensive discussion and information regarding school budgets and financial oversight to occur regularly at the regular and special meetings of the Governing Board. Please note our response to Recommendation #1 which related directly to this Finding.

Sincerely,

James J. Brescia, Ed.D.
Superintendent

Copy: Cayucos Trustees
San Luis Obispo County Superintendent

Response to Grand Jury Report Form

Qn

Report Title: "Are Paso Robles School Budgetary Woes a Lesson for Other Districts?"

Report Date: June 26, 2012

Authorized Responder: Kathleen McNamara, Ed.D., Superintendent

FINDINGS

- I (we) agree with the findings numbered: 1, 3, 5
- I (we) disagree wholly or partially with the findings numbered: 2
(Attach a statement specifying any portions of the findings that are disputed; include an explanation of the reasons.)

RECOMMENDATIONS

- Recommendations numbered ______________ have been implemented.
(Attach a summary describing the implemented actions.)
- Recommendations numbered 2, 3, 4 have not yet been implemented, but will be implemented in the future.
(Attach a timeframe for the implementation.)
- Recommendations numbered 5 require further analysis.

  (Attach an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of publication of the grand jury report.)

- Recommendations numbered ________________ will not be implemented because they are not warranted or are not reasonable.

  (Attach an explanation.)

Date: September 12, 2012 Signed: Kathleen McNamara

Number of pages attached 41

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Revised February 2012