

I. SUMMARY OF FINDINGS AND RECOMMENDATIONS

The San Juan Unified School District is one of the larger school districts in California. The district covers an area of 75 square miles in Sacramento County just east of the City of Sacramento. The area is urban, with a mixture of commercial and residential property. Current district enrollment is 45,095 students. (See Attachment A for additional operating characteristics.)

When compared to other school districts studied by the Commission since 1973, the San Juan District is exceptionally well-managed and operated. Three years ago the Board of Education was in turmoil, embroiled in recall elections, and in continual disruption and open antagonism. Today, the Board works in harmony--if not always in agreement--and has emphasized an open and responsive approach to citizens' interests and views.

At the public hearing where San Juan officials testified on the business and financial management of the district, the Commission members were impressed with the policies established by the Board of Education, the leadership it provides, and the quality of the district's administrative management. The members commended Naida West, President of the Board of Education, Stan Nielson, Clerk and member of the Board, and Superintendent Fred Stewart for their frank and responsive answers to questions by Commissioners.

The Board has placed major emphasis on involving parents and teachers in decision-making. To provide structured community input, it has established six citizen advisory committees, ranging from the school budget to pupil behavior and discipline. More important, it makes active use of these committees by constant referral and requests for review and comment on problem issues as they arise.

The present superintendent, Dr. Fred Stewart, was appointed to his position in August 1979. Since that time he has developed a generally open and participatory management environment. He has surrounded himself with an excellently qualified and capable management team. During the Commission's study, the Commission and its staff were especially impressed with the openness and positive attitude of the Superintendent and his staff.

This does not mean that the San Juan District does not have problems. Like many other school districts, it is experiencing declining and shifting enrollment and increasingly severe funding limitations. The major finding of the Commission is that the San Juan Board and administration have recognized the problems and have worked to develop the organization and implement the necessary managerial systems to attack and resolve their problems. The problems are serious, but the district has made commendable progress and is continuing with a systematic program of goals and objectives to make improvements. The essence of the Commission's recommendations to the district can be summarized in one phrase: Continue to do what you are doing.

Following is a summary of the Commission's findings and recommendations listed according to functional area. In some areas, where the district's efforts are obviously adequate, no recommendation is made. Chapters II to XI present more detailed descriptions of district operations in each functional area.

Consolidation of Schools

Since 1970 enrollment has dropped from 53,000 to 45,000, a decrease of 16 percent. As a result, the district has been confronted with many under-utilized school sites.

In October 1978, the Board of Education adopted a policy "Governing the Reappraisal of the Use of School Facilities," which required reappraisal of all school facilities annually and outlined solutions for both underenrolled and overenrolled schools. In May 1980, the Board directed staff to initiate a consolidation study of 25 schools in the western portion of the district where enrollment was declining. The project was completed in August 1981, culminating in closure of four schools and conversion of a fifth to a Pre-School/Child Care/Special Education Center.

The study was carefully planned and extremely thorough. District officials developed excellent evaluation procedures and provided for extensive community involvement. Unlike the reaction in some other districts, the response of both parents and teachers has been positive and supportive.

Savings through closing the schools are estimated at \$450,000 for the 1981-82 fiscal year. In addition, the district will receive revenue when the sites are leased or sold. Present market value of the four sites is estimated at \$2,275,000.

Despite the closures, the district still faces serious under-utilization problems. A task force is continuing to work on solutions. Its report is scheduled for completion early in 1982.

Recommendation 1

This recommendation is not directed to San Juan officials, but to officials in other school districts who are experiencing declining enrollment and as a consequence are confronted with the problem of underutilized facilities. These officials should obtain copies of the San Juan planning and procedures documents which the district used to close five elementary schools.

Other districts may alter the strategy or change some criteria and procedures, since circumstances are bound to be different in different districts. Nevertheless, the care and skill with which San Juan planned its closures, developed its criteria, and carried out its evaluations should provide other districts with valuable information on closing and consolidating under-utilized schools. In particular, the information should help other districts to avoid the negative response and active opposition that a number of districts have recently experienced in attempting to close schools.

Recommendation 2

This and the following recommendations apply to San Juan District officials.

Continue the analysis of underutilized school facilities using the methodology established in closing the elementary schools. Action on improving utilization of high schools is particularly urgent. At the same time, since excess capacity has been reduced from 21.5 percent to 12.1 percent, care

should be taken not to sell facilities which may later be needed. Where demographic projections indicate that additional facilities will be needed in the late 1980's and 1990's, leasing currently unused facilities offers an opportunity for increasing revenue and at the same time protecting current investment for future requirements.

Relief Measures for Overenrolled Schools

While enrollment in the southwest area of the district has declined, enrollment in the northeast has increased, leading to seriously overcrowded schools.

Since 1980, the Board has used funds from various sources, including impact funds levied against developers of new subdivisions, to construct new facilities and add portable housing at overenrolled school sites. It has also changed school boundaries, bused children to less crowded schools, and taken other measures to relieve overcrowding.

Most recently, the district is working to complete an application for state funds under the provisions of Assembly Bill 8. Final state approval is scheduled for May 1982.

Executive Planning and Direction

The new Superintendent has developed a generally open and participatory management environment. The management system stresses formal written goals and objectives with time lines and evaluation of products.

At the beginning of each year a detailed goals and objectives report is compiled for each department in the Business, Personnel and School and Instruction Divisions. At the end of the fiscal year, corresponding reports are issued evaluating the degree of attainment achieved for each goal and its associated objective and activities.

In the personnel area the district has placed heavy emphasis in the last two years on improving performance evaluation, refining recruitment and selection of substitute teachers, and expanding its affirmative action program.

Operational Planning and Budget Development

By order of the Board, the staff has made a major effort in the past two years to simplify budget documents and increase their clarity. The Board has invited broad community participation in the budget planning process and has emphasized an open book policy.

Reviewing the 1981-82 budget submitted by Superintendent Stewart, the Board made budget cuts amounting to \$3 million. Altogether, the budget cuts resulted in the elimination of 96 employee positions--8 management, 16 certified (teachers) and 72 classified (non-teachers, i.e., instructional aides, health assistants, accountants, clerks, craftsmen, custodians, bus drivers, and food service workers).

This year, the district negotiated salary increases of 6.75 percent for both certified and classified employees. The increases will cost the district \$4.96 million. As a result of the budget cuts, however, the total increase in the 1981-82 budget over 1980-81 actual expenditures is \$4.1 million, or 3.7 percent. A national economic forecasting firm has estimated that state and local governments generally will experience price increases of 8.6 percent during fiscal year 1981-82. By this measure, the increase in the San Juan School District budget is five percentage points below expected inflation levels.

Although enrollment has decreased by over 8,000 students since 1970, total employees have increased from 3,100 to 4,100, an increase of 32 percent. Explaining this apparent contradiction, the district states that despite the decrease in enrollment, the workload in San Juan, and in all school districts in California, has increased rather than decreased. The workload has increased because of the massive expansion in recent years of special educational programs mandated by the federal and state governments, in particular programs for the educationally disadvantaged and the poor.

Recommendation 3

In developing the final budget, continue the practice of requesting the Superintendent to submit to the Board of Education a list in priority order of budget reductions which he recommends and an additional list which he does not recommend. Since the Legislature does not adopt the state budget until close to the end of the fiscal year in July, the Board does not have an exact projection of funds available at the time when the Superintendent submits his Tentative Budget in June. The reduction lists give the Board time to review and decide on which cuts can be made with the least harm to the quality and level of educational service if state funding is less than expected.

Recommendation 4

Continue the program of simplifying and clarifying budget documents. Expand explanatory comments, in particular on those items where substantial increases or decreases have occurred in comparison with prior year expenditures. Where legally required budget titles are not clear for a class of expenditure, explain the actual nature of the item in parentheses or in a footnote. For example, the item Travel and Conferences increased in 1981-82 by \$108,000, to reach a level of \$450,000. Both the increase and the total seem extravagant for a public agency of 4,000 employees until one understands that most of this expense is for reimbursement to special teachers, teachers' aides, counselors, consultants, and other employees for travel within the district, rather than travel outside the district to educational conferences.

Management Information System

The district has a batch driven, automated management information system, with equipment operated on a three-shift, five-day week.

In 1980 the district issued an RFP to provide additional capacity and an interactive capability. The new computer is scheduled to go on-line in the first quarter of 1982. The district has a five to seven year plan of implementation to cover all automated information requirements.

The new capability will provide management with more timely information on student and employee records, encumbrances and expenditures, equipment and facilities maintenance, and pupil transportation. The goal is to reduce hardware, software and maintenance costs by 25 percent, now at a level of approximately \$1.74 million.

Recommendation 5

Before the new Univac computer goes on-line in the first quarter of 1982, develop systematic control, evaluation, and trade-off procedures to insure that the increased data processing capability is applied to information requirements which promise the highest cost-benefit returns.

Expenditure Control and Reporting

In 1980-81, the district initiated an extensive campaign to tighten control over expenditures.

The district now uses a basic encumbrance procedure which requires all purchases to be posted against budget allotments prior to issuance. In April 1981, the administration implemented a new automated system for payroll and personnel information. The new system combines all information in one file, provides easy access and change capability, and insures that the information on each employee is not contradictory.

Developing accurate reporting of average daily attendance figures (ADA) is extremely important to any local district. State funding allocations for regular classroom teaching, as well as for many of the special educational programs, is based on ADA. For 1981-82, with the new computer due on-line in the first quarter of 1982, the district has set as a major goal the automation of attendance at all K-6 and 7-8 schools.

As a result of the public auditor's report of 1980, the district has initiated a program to tighten up and reduce the investment in inventories by 50 percent. The audit report cited no exceptions to responsible accounting of district funds.

Maintenance and Operations

One of the major items involved in cutting the 1981-82 budget by \$3 million, was reducing custodial service to every other day cleaning. This action eliminated 50 custodial positions. Savings are estimated at \$661,000 annually.

The district has a backlog of deferred maintenance of \$18 million. The annual allocation in recent years has been around \$260,000. The district has conducted a survey of unused property and has identified 191 acres of excess land at 54 school sites. The property has an estimated value of \$5.7 million. The district is now identifying those parcels which can be sold. The revenue will be used to reduce deferred maintenance and to help bring it under manageable control.

Recommendation 6

Investigate the savings potential in contracting with private firms for such services as security, custodial, maintenance and food services.

Transportation

The district commissioned a pupil transportation study in 1981 by Price Waterhouse Company and Edgar Management Consultants. The study recommends changes in routing, corner stops, vehicle replacement, parts inventory control and fringe benefits. It also recommends initiation of a parent pay program. Savings are estimated at \$450,000 to \$900,000. Most of the savings would be realized from the parent pay program. These savings may not be achieved, however, since existing state law allowing parent pay is scheduled for sunset in June 1982.

Collective Bargaining

Both district and union officials report that management-union relations and communication have improved significantly in the past two years. The district has encouraged participation by employees and their representatives in policy formulation, budget development, and personnel procedures. Union representatives sit on the Superintendent's cabinet, together with the President of the PTA Council and district officials.

The district stresses mutual problem solving in the negotiating process.

Despite improvement in management-union relations, the negotiating process remains a high risk area for management-employee conflict and work stoppage. Until the state budget is adopted--usually only days before union contracts expire--neither management nor the union is in a position to reach agreement, since they do not know what funds are available.

As a consequence, negotiations in past years have rarely been smooth. In 1977 teachers struck for four days. This year the contract was settled before the school year began--the first time since 1977.

Recommendation 7

Continue the program of mutual problem solving in management-union relations. Expand it to all areas where it promises to be effective in reaching mutually satisfactory agreements in contrast to the adversary proceedings of the bargaining table.

Community Involvement

The district stresses formal community participation in all of its activities. To provide structured community input, the Board has established six citizen advisory committees. The Board also appoints ad hoc committees from time to time on particular programs; e.g., Graduation Requirements Committee.

A Principals and Presidents Council, consisting of the ten high school principals and presidents of the PTA or Parents Club, meets monthly to review

problems, make recommendations, and prepare presentations to the Board of Education. An Intermediate Schools' Parents and Administrators Council performs a similar function for 7-8.

The Superintendent is a member of the PTA Council, regularly attends its monthly meetings, and is often on the agenda. The Associate Superintendent meets each Friday with parent representatives from all schools located within the attendance area of two high schools.

Recommendation 8

In the November election, three new members were elected to vacancies on the San Juan School Board. The new trustees, in conjunction with the two current trustees, should continue the district's emphasis on community involvement.

Virtually all authorities on education agree that the gravest problem facing public education today is the growing disillusionment and disparagement over the quality of education provided by our tax-supported schools. More and more we read reports of confrontations between taxpayers and school administrators over financial support of the public schools. In some cases--most recently in Michigan--school districts have been forced to close down.

During the course of our study, Peggy Dial, President of the San Juan PTA Council, and others told the Commission that the district had strong support and approval from parents and the community. They attributed the positive response to the concentrated effort the district has made to communicate with and involve the community in its decisions and daily operations. Our concluding recommendation is based on this finding. No other area, perhaps, is more important to maintaining and improving the quality of a district's educational services.