

**DEL MAR UNION SCHOOL DISTRICT
BOARD OF TRUSTEES
Del Mar Hills Academy – Multi-Purpose Room
14085 Mango Drive
Del Mar, CA 92014**

**NOTICE OF SPECIAL BOARD MEETING / BOARD WORKSHOP
BY THE BOARD OF TRUSTEES**

**Wednesday, January 14, 2009
2:30 p.m.**

Written notice is hereby given in accordance with Education Code Section 35144, Government Code 54956, and other applicable law that the following Special Board Meeting of the Board of Trustees, Del Mar Union School District, will be held on Wednesday, January 14, 2009 beginning at 2:30 p.m. at the Del Mar Hills Academy, 14085 Mango Drive, Del Mar, California 92014.

PLEASE NOTE: Any member of the public who wishes to address the board on an item on the agenda which lies within the governing board's jurisdiction may do so, but must present a written request on the form provided, before the meeting is called to order. A member of the public who wishes to address the Board on such item is limited to three minutes unless such time limit is waived by a majority vote of the Board. The total amount of time to be allowed on any item is fifteen minutes, unless the time limit is waived by a majority vote of the Board. No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that Board members may briefly respond to statements made or questions posed by persons exercising their public testimony rights.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, 3) refer the matter to the next agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's governing board, please contact the office of the District Superintendent at (858) 523-6198.

Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability.

CALL TO ORDER - OPEN SESSION, 2:30 p.m.

BUSINESS TO BE TRANSACTED WILL BE LIMITED TO THE FOLLOWING:

1. APPROVAL OF AGENDA

Motion ___ *Second* ___ *Ayes* ___ *Nays* ___

2. PUBLIC COMMENT

3. APPROVAL OF PERFORMANCE AGREEMENTS TO PROVIDE TRAINING FOR STAFF DEVELOPMENT ON JANUARY 14, 2009:

- 3.a Mollie Tower, Music Consultant
- 3.b Sandra Dodd, Art Consultant
- 3.c Lori Lillo, Autism Specialist
- 3.d Jennifer Mays, Applied Behavioral Analysis Supervisor
- 3.e Gail Nugent, MSW (Master's in Social Work)
- 3.f Quantum Learning Network

Motion ___ Second ___ Ayes ___ Nays

4. BOARD APPROVAL OF AGREEMENT BETWEEN COMPREHENSIVE AUTISM SERVICES (CASE) AND THE DEL MAR UNION SCHOOL DISTRICT

Motion ___ Second ___ Ayes ___ Nays

5. CONSIDERATION OF DATES FOR SPECIAL BOARD MEETINGS IN THE NEXT TWO MONTHS

6. BOARD DISCUSSION, FINANCIAL REPORT BY CAROLINE LARSON, PARTNER, VAVRINEK, TRINE, DAY & Co., LLP, CPA'S

7. ADJOURNMENT OF SPECIAL BOARD MEETING/BOARD WORKSHOP OF JANUARY, 14, 2009

Time: _____ p.m.

Motion ___ Second ___ Ayes ___ Nays

January 12, 2009

To: Board Members
From: Janet Bernard, Assistant Superintendent, Curriculum & Instruction
Through: Sharon McClain, Superintendent
Subject: Approval of Performance Agreement with Mollie Tower, Music Consultant

For the 08-09 school year, Music Teachers have been using an exciting new program with their students at Grades 3-6 entitled Music Memory. This program teaches students how to listen and critically respond to music. It also provides an opportunity for students to learn the melodic lines of sixteen classical masterpieces.

In order to optimize instructional delivery of the program, staff would like to contract with Mollie Tower, music consultant, to provide training on January 14, 2009. This training would be held in lieu of the regularly scheduled PLC meeting for Music Teachers on January 21.

The contract for this work is available for review at the District Office.

FISCAL IMPACT: \$300 plus expenses charged to the Staff Development Budget.

RECOMMENDED: The Superintendent recommends approval of the Performance Agreement with Mollie Tower, Educational Consultant, Music Memory Program.

3.a

January 12, 2009

To: Board Members
From: Janet Bernard, Assistant Superintendent, Curriculum and Instruction
Through: Sharon McClain, Superintendent
Subject: Approval of Performance Agreement with Sandra Dodd, Art Consultant

On the January 27, 2009, Staff Development Day, Art Teachers wish to learn more about working with clay and ceramics. Sandra Dodd is a veteran teacher in Del Mar who has experience with clay and ceramics and the firing and use of kilns. The District would like to contract with Sandra Dodd for a one day training. Art teachers will learn how to use different ceramic glazes, how to use and fire a kiln, and general ways of finishing children's art work.

The contract for this work is available for review at the District Office.

FISCAL IMPACT: \$500 plus expenses charged to the Staff Development Budget.

RECOMMENDED: The Superintendent recommends approval of the Performance Agreement with Sandra Dodd, Art Consultant.

3.b

January 14, 2009

To: Board Members

From: Sheila Weinberg, Director of Pupil Services

Through: Sharon McClain, Superintendent

Subject: Approval of Performance Agreement with Lori Lillo, Autism Specialist

Over the past several years, there has been a notable rise in the number of children diagnosed with autism. Training for teachers and support staff, including aides, in this area is crucial in order to meet the needs of students and ensure they are receiving educational benefit from their program. Staff would like to contract with Lori Lillo, Autism Specialist, San Diego Unified School District, to provide training to staff in this area on January 27, 2009.

The contract for this work is available for review at the District Office.

FISCAL IMPACT: \$200 plus expenses charged to the Staff Development Budget.

RECOMMENDED: The Superintendent recommends approval of the Performance Agreement with Lori Lillo, Autism Specialist.

3.c

January 14, 2009

To: Board Members
From: Sheila Weinberg, Director of Pupil Services
Through: Sharon McClain, Superintendent
Subject: Approval of Performance Agreement with Jennifer Mays

Over the past several years, there has been a notable rise in the number of children diagnosed with autism. Training for teachers and support staff, including aides, in this area is crucial in order to meet the needs of students and ensure they are receiving educational benefit from their program. Staff would like to contract with Jennifer Mays, Applied Behavior Analysis (ABA) Supervisor, San Diego Unified School District, to provide training to staff in this area on January 27, 2009.

The contract for this work is available for review at the District Office.

FISCAL IMPACT: \$200 plus expenses charged to the Staff Development Budget

RECOMMENDED: The Superintendent recommends approval of the Performance Agreement with Jennifer Mays, Supervising Autism Specialist.

3.d

January 14, 2009

To: Board Members
From: Sheila Weinberg, Director of Pupil Services
Through: Sharon McClain, Superintendent
Subject: Approval of Performance Agreement with Gail Nugent

Throughout the course of the school year, special education staff attend numerous IEP (Individualized Educational Program) meetings and have constant communication with parents and other staff/IEP team members. To enhance special education staff's communication skills, staff would like to contract with Gail Nugent, MSW, to provide training in the area of communication and conflict resolution on January 27, 2009.

The contract for this work is available for review at the District Office.

FISCAL IMPACT: \$500 plus expenses charged to the Staff Development Budget

RECOMMENDED: The Superintendent recommends approval of the Performance Agreement with Gail Nugent, MSW.

3.e

January 12, 2009

To: Board Members
From: Susan Fitzpatrick, Principal, Del Mar Hills Academy
Through: Sharon McClain, Superintendent
Subject: Approval of Performance Agreement with Quantum Learning Network

On the January 26, 2009, Staff Development Day, the site would like to contract with Quantum Learning for a one day training, which

- Provides teachers with new skills to engage students and motivate them to love learning.
- Is an orchestration of teaching methods that engage students, promote comprehension, and supports retention.
- Teaches best practices to promote motivation, optimum learning states and true learning in students.
- Provides a theory/ research-based approach to the design and delivery of curriculum and the teaching of learning and life skills.
- Synthesizes the best teaching and classroom management practices into an effective, comprehensive model
- Turns abstract theory into practical techniques that can be immediately implemented with students on standards-based curriculum.

The contract for this work is available for review at the District Office.

FISCAL IMPACT: \$3,310 plus expenses charged to the Staff Development Budget.

RECOMMENDED: The Superintendent recommends approval of the Performance Agreement with Quantum Learning Network

3.f

January 9, 2009

To: Board Members

From: Dena Whittington, Assistant Superintendent, Business Services

Through: Sharon McClain, Superintendent

Subject: Board Approval of Agreement Between Comprehensive Autism Services (CASE) and the Del Mar Union School District

Staff is seeking approval of agreement with Comprehensive Autism Services (CASE) to provide services for District special needs children between January 14, 2009 and June 30, 2009. District staff reviewed student needs and has determined that services are required at this time.

The agreement for this service is available for review at the Del Mar Union School District Office.

FISCAL IMPACT: Revenue: Restrict 2008/2009 Special Education revenue.

Expenditure: Restricted 2008/2009 Special Education budget.

Fund Balance: There will be no change to the restricted special education budget.

RECOMMENDED: The Superintendent recommends approval of the agreement between Comprehensive Autism Services and the Del Mar Union School District.

January 12, 2009

To: Board Members

From: Sharon McClain, Superintendent

Subject: Consideration of Dates for Special Board Meetings in the Next Two Months

Staff recognizes that the Board may have a need to call for Special Board Meetings during the next couple of months in order to ensure that the DMUSD meets specific State deadlines. At this time, staff is asking Board Members to identify dates in January and February 2009 when they are available for Special Board Meetings.

FISCAL IMPACT: None.

RECOMMENDED: The Superintendent recommends the Board identify dates for Special Board Meetings in January and February.

January 12, 2009

To: Board Members

From: Sharon McClain, Superintendent

Subject: Board Discussion, Financial Report by Caroline Larson, Partner, Vavrinek, Trine, Day & Co., LLP, CPA's

Caroline Larson, a partner in Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants and Consultants will present the findings of the review of the District's Budget. The review will provide a professional opinion to the District about dealing with the Basic Aid uncertain revenue stream and assist in the Strategic Planning Process.

FISCAL IMPACT: None.

RECOMMENDED: For information only. No action required.

**Report For The
Del Mar Union School District
A Tool For Strategic Analysis
January 2009**

Prepared by:
Caroline Larson
Partner, School Business Services
Vavrinek, Trine, Day & Co, LLP, CPA's

Acknowledgements

This report was compiled with the help and interaction with the following people:

Dr. Sharon McClain, Superintendent, Del Mar Union School District
Ms. Sherry Forte, Executive Assistant to the Superintendent
Ms. Dena Whittington, Assistant Superintendent, Business Services, Del Mar Union School District
Mr. Rodger Smith, Director of Human Resources & Facility Planning, Del Mar Union School District
Ms. Catherine Birks, Business Services, Del Mar Union School District
Ms. Margaret Mendenhall, Payroll & Benefits, Del Mar Union School District
Ms. Carole Parks, Business Advisory Services Consultant, San Diego County Office of Education
Ms. Flora Pourzamani, District Financial Services, San Diego County Office of Education
Mr. Paul Goldfinger, Vice President, School Services of California

The resources used for this report include:

District audit reports, Wilkinson, Hadley & Co, LLP
Solana Beach Elementary School District audit reports, Vavrinek, Trine, Day & Co, LLP, CPA's (VTD)
Revenues & Limits & Governor's Budget Workshop Materials, School Services of California
Economic Forecast Project, University of California, San Diego
California Department of Education Web Page
Data Quest Web Page
Ed Source We Page
Del Mar City Budget 2007/08 and 2008/09
J-90 reports, School Services of California
Davis Demographics Enrollment Projection Report, Fall 2007

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PURPOSE AND PROCESS OF THE REPORT

Vavrinek, Trine, Day and Co., LLP (VTD) has been contracted by the Board of Trustees of the Del Mar Union School District (DMUSD) to assist in the financial component of the District's Strategic Planning process. The Board of Trustees requested a written report to identify the main financial issues facing the District, particularly with regard to the General Operating Fund.¹

Background Of The Preparer

VTD is a one of the largest certified public accounting firms in California and one of the largest providers of K-12 school district audits and consulting services, both in terms of dollars audited and students served. The partner on this engagement, Caroline Larson, has approaching 20 years of experience as either an internal controller or as a consultant for school districts, community colleges and county offices of education within the State. It is with this experience that our firm provides the District with a response to the Board of Trustee's request.

Strategic Process

A District's financial statements reflect the priorities of the District and the community. This is evident with the Del Mar Union School District financial statements. The District is financially committed to small class sizes, small schools and offering more than the core curriculum.

Therefore, the exhibits presented in this report are an attempt to address the costs associated with implementing these priorities.² The exhibits focus on 86% of the budget, the employee component, which is where the District would focus to either validate the current course of action, or create strategic change for the future.³

Discretionary spending represents approximately 6% of the budget. The "discretionary spending" is money allocated for school site budgets, travel, conferences and dues.

The remaining 11% of spending is made up of 7% for contracts, many of which serve student needs (i.e., special education) and 4% is for utilities, communications, insurance, debt service, and postemployment benefit allocations per Governmental Accounting Statement Board number 45 (GASB 45).

In other words, there are few costs in a school district budget that do not readily impact the student experience. Since most of these costs are site-based and / or mandated, and not a major portion of the budget, they are not the focus of this report.

In a report of this type, there is a need to not only disclose information that describes the organization accurately, but also to provide a framework, a baseline, or a comparative for relevant context.

It is difficult to find comparables that all interested parties may agree as being "comparable." It is understood that all educational entities are a reflection of local priorities, the financial and political condition of California, and the status of the global economy.

¹ Funds 03 and 06, in the District's general ledger

² Exhibit One is a pie chart demonstrating that 86% of available revenue for the Del Mar USD Adopted Budget 2008/09 is projected for employee costs.

³ The expenses are reported as a percentage of available current revenue. Therefore, the total will exceed 100%. The District is projected to spend 3% more revenue than it is projected to receive.

The comparables in this report have been selected because they are one of a few types:

- 1) Neighboring basic aid districts, various sizes, brought together by geographic proximity (Example: Solana Beach School District),
- 2) A revenue limit district of similar size that reduced expenditures and downsized to maintain solvency (Example: Revenue Limit Recovering AB 1200)⁴ and
- 3) A revenue limit district of similar size that has a highly involved community and a donation base of \$1 million. (Example: Revenue Limit Engaged Community/Donations)⁵

Each comparable provides a learning point:

- 1) The basic aid district comparison⁶ demonstrates that there are various levels of basic aid even within the immediate geographic area of Del Mar USD. Even within the immediate geographic area, a high property tax base supports its students from very close to the revenue limit amount (Encinitas SD and Carlsbad USD) to over \$9,000-\$10,000 per student (Rancho Santa Fe SD and Solana Beach ESD). The stability of the tax base, the stability of student enrollment, the amount of student enrollment and the grade spans served all bear on a district's ability to add program to match revenue. Therefore, just because a district is basic aid, it may be as far apart from its geographic neighbor in income as one is to a revenue limit district.
- 2) The district with the most limited resources (Revenue Limit, Recovering AB 1200) is provided to demonstrate what operating at a similar size as a revenue limit district would look like. It is a guideline for what this district viewed as the most support it could offer students with the available resources, when confronted with fiscal distress. It provides a baseline of service that may or may not be compatible with Del Mar's priorities, but gives a perspective as to the amount of total enrichment Del Mar provides.
- 3) The district with the highly engaged community (Revenue Limit Engaged Community/Donations) is provided to show what a district would look like under revenue limit conditions, enhanced with donations. Since this district resides in an older, developed community with stable residence and commerce, it does not have a sufficient tax base to be basic aid. However, the community commitment to education is as strong as Del Mar's.

These comparables are not included to suggest that Del Mar USD should staff, compensate employees or configure schools as these districts have. They are provided as an example of what other districts do to educate their students when faced with challenges and limited resources.⁷

FACTORS THAT AFFECT DEL MAR'S FINANCIAL CONDITION

Certain factors contribute to making each school district within California a unique, educational experience. Each of these factors also has bearing on the financial condition of a District, and how it

⁴ This District ended the 2005/06 school year with approximately a .3% fund balance, below the required 3% for revenue limit districts. The District is an example of the type of administration, certificated / classified support and direct services that this District has chosen to maintain under very difficult circumstances. Since every district has unique needs, these basic services are not meant to be considered a universal choice for every district.

⁵ Exhibits Two and Three provide comparatives of percent of revenue spent and dollars per student spent for Del Mar USD, Solana Beach, Revenue Limit AB 1200 and Revenue Limit Plus Donations.

⁶ Exhibit Four compares Del Mar USD, Solana Beach ESD, Rancho Santa Fe SD, Cardiff By The Sea SD, Encinitas SD, and Carlsbad SD with the Revenue Limit Recovery AB 1200 District and the Revenue Limit Plus Donations District

⁷ Exhibits 14-16 and 19-20 show the various FTE assigned to DMUSD and, in some cases, a comparative district.

operates and influences the culture of the District. When considering Del Mar Union School District, the following factors are strategically important from a financial consultant's perspective.

- 1) Basic aid status
- 2) Student demographics
- 3) Income growth
- 4) Student enrollment growth. The District more than tripled its student population in the past 15 years.
- 5) Growth in facilities construction, funded through Community Facilities Districts. The District has grown from operating three (3) school sites to eight (8) school sites during the past 15 years.
- 6) Contractual obligations
- 7) Financial support from its community from an Educational Foundation and Parent-Teacher Associations
- 8) Recent change in District leadership
- 9) Small class size
- 10) Small schools

This report will address each of these items as it relates to the fiscal health of the District in more or less detail. The report will identify why this consultant believes these items are the core drivers of financial stability or instability of this district.

EXECUTIVE SUMMARY

Core Drivers of Financial Stability or Instability of the District

(1) Basic Aid: Basic Aid status in the Del Mar Union School District provides the District with approximately \$1900 more per student than a Revenue Limit District each year. This is a positive financial gain to the District to fund the quality of the program and the staffing that can be provided. Maintaining Basic Aid status is not an assurance of solvency. The amount of property taxes that a basic aid district receives is uncertain. However, to be financially prudent, the District should recognize that 32% of its expenditure budget is at-risk at any point in time. Therefore, the District should maintain its reserve of 20% and operate with a budget whereby revenue does not exceed expense.

(2) Student Demographics: DMUSD does not serve high populations of students that have been identified by the government as requiring special services, other than Special Education students. This is a benefit to the District because many of these programs for certain identified populations are mandated and unfunded. The District also maintains more local control than other districts and has more flexibility in program delivery and resource allocation. However, the cost of serving the District's Special Needs populations far outstrips the income received from federal and state programs. The District's unfunded contribution to special education is currently projected to be over \$3 million.⁸

(3) Income Growth: The District has enjoyed many years of tax growth due to favorable economic conditions. However, tax growth that benefits basic aid districts in excess of 1-2% is only possible with positive economic conditions. The strategic part of the budgeting process is structuring an educational delivery program to withstand an uncertain income stream in an organization that has high fixed costs.

In any one year, a District's fund balance may need to absorb the amount of expense that exceeds revenue. The District's fund balance is a one-time source of funds for unexpected occurrences. The District may wish to establish the amount of risk that it is willing to take on an annual basis and discuss ways in which it would adjust the subsequent year's programs to accommodate such unexpected events.

⁸ Includes Special Education, K-6, Preschool, and transportation.

Please note that a District must maintain a sufficient fund balance for cash flow purposes. A sufficient fund balance enables regular operating events to occur, such as paying payroll and vendors.

(4) Student Enrollment Growth: Since the early 1990's, the District has increased from 1200 students to 4130 students, and increased the number of sites from three (3) to eight (8). There has also been an increase in educational mandates and technology, as well as the requirements for administering and accounting for these changes.

The District has evolved from a *very* small school district to a small school district.⁹ With this, the District may no longer benefit from special legislation or supplemental government services that accommodate *very* small school districts. Therefore, the District needs to expand its administrative resources to match what the government is no longer providing to ensure adequate compliance.¹⁰

(5) Growth In Facilities Construction, Funded Through Community Facilities Districts: A prudent business practice is to fund capital projects separately from the general operating funds and with secured debt. By funding facilities in this way, Del Mar USD has reduced the risk that operating funds will be needed for supporting construction. It also minimizes the amount of funds that need to be invested annually in routine repair and maintenance (RRM) of such buildings. If the District does not use State funds for construction, then the requirement for spending 3% of the expenditure budget on RRM is relieved.

(6) Contractual Obligations: Legislation favorable to school district employees in California has created an environment that can limit management's ability to respond to declines in property taxes, the economy and population shifts and demographics. Del Mar USD's contract has language that binds the district to over \$7.38 million in employee costs, whether directly, indirectly or through lost opportunity.¹¹ This calculation could be easily calculated differently. In fact, it could be a calculation as unique as the person performing the calculation. The reason for including this calculation is to enable the District to begin a conversation with stakeholders on this very important topic.

(7) Financial Support from the School Community: The District benefits from an engaged, affluent community that supports education. In 2007/08, the District received approximately \$557,000 in local donations to fund the District's Extended Learning Program (enrichment program). The enrichment program supports teachers and instructional aides in the arts, music, technology, physical education, math, science and language. Donations provided 16-18% of the full funding needed to operate the program. Therefore, general purpose funds of the District fund the remaining 82-84%.¹²

(8) Recent Change in District Leadership: When leadership changes at the Board level, the Superintendent, and / or the Administrative Team, there is always a transition period. Changes in leadership are monitored by oversight agencies until they deem that the transition has been a stable one. This process has been codified in California law with the enactment of AB 2756.¹³ A checklist has been

⁹ A very small school district is one with enrollment under 2500 students.

¹⁰ Exhibits 6-11 demonstrate the growth in student population and school site expansion. Some focus on DMUSD only, and some compare to other school districts with similar enrollment, albeit a slightly different grade level served in some cases.

¹¹ Exhibit Five details the calculations associated with lost opportunity cost, and / or direct and indirect costs to the district associated with the Certificated Bargaining Unit contract.

¹² Exhibits 17 and 18 detail the cost of the certificated and classified enrichment staff.

¹³ AB 2756 is related to the corporate oversight legislation of Sarbanes-Oxley (SOX). SOX was enacted as a reaction to several corporate financial failures, most notably, the Enron Corporation.

provided from the Fiscal Crisis Management Assistance Team (FCMAT) to enable the District to self-monitor. The District has three new Board members in the past three years. Within the past four months, Del Mar USD has filled vacancies in the positions of Superintendent, Technology Director, and Site Principal. The District also created a Director of State & Federal Programs position and filled it in the current year.

(9) Small Class Size: Small class size is part of the negotiated contract at Del Mar USD. This contractual agreement exceeds State mandates. The District invests approximately \$4.36 million to achieve low class sizes in all grades served. The District invests approximately \$1269 per Grade K-3 student and \$332 per Grade 4-6 student to keep classes at a lower level.

The District may implement Option Two for K, as many Districts do. Option Two means that the Kindergarten teachers, both am and pm, would assist each other during half of the instructional day, during times of reading and math delivery. The potential savings would be approximately \$590,000, an average of \$1014 per student.¹⁴

(10) Small Schools: Small schools are investment. The incremental cost, or fixed cost, to operate a small school varies from district to district depending upon how each district chooses to staff the site, the utility burden, and the Board policy to provide new supplies and textbooks for the site. In the case of Del Mar USD, small schools are an investment of approximately \$1.62 million per site. The cost of personnel is \$1.12 million, the cost of supplies and textbooks is \$400,000 and the cost for utilities is \$95,000. These are costs that are estimated based on the calculations in exhibits 12 and 13.

REPORT FOR THE DEL MAR UNION SCHOOL DISTRICT

(I) BASIC AID STATUS

Background Information

Districts do not choose to become a basic aid district. They become a basic aid district when the amount of property taxes per pupil exceeds the amount per pupil that the state has guaranteed for a district of its type (i.e., elementary, high school or unified) under the revenue limit calculation.

Basic aid is a calculation that divides the property taxes by the number of pupils to get a per pupil dollar figure. When that figure is compared to the district's revenue limit, the district becomes basic aid when it would receive more from the property taxes than the state would provide.

Once the District achieves basic aid status, it would be optimum for the District to be able to maintain this status. Otherwise, the District is operating on a revenue limit model with added uncertainty. Even if a district is in basic aid status, it needs to have a substantial difference in property taxes to make the status worthwhile. Otherwise, the District is not much better off financially than a revenue limit district.

Only about 2% of the average daily attendance, or about 60-80 of the 1000 school districts in California, are basic aid districts. The remaining districts are funded as "revenue limit" districts. The state adopted revenue limits as a means of funding K-12 school districts in response to the State Supreme Court ruling in the *Serrano v. Priest* case in the mid-1970's. This case held that students were entitled to equal protection under the law and that the quality of their education should not be determined by the property wealth of the district. In turn, the state guaranteed districts a certain amount of funding per pupil,

¹⁴ Exhibits 21-23 detail the cost of the class size programs. The difference between the costs represented in Exhibit 5 and the ones on Exhibits 21-23 are the employee benefits are included in Exhibit 5 and a more conservative approach is used in exhibits 21-23, whereby benefits are not included.

regardless of the contribution from the local property tax. For districts whose property tax exceeded this guarantee, (i.e., the revenue limit), the state provided no additional state aid, apart from the \$120 per pupil guaranteed by the State Constitution. Thus, these districts became known as basic aid districts.¹⁵ As of 2003/04, the State discontinued the \$120 per student for Basic Aid districts, yet the name still stands in recognition of this contribution.

In general, there are three characteristics that can lead to a school district being basic aid. First, a school district can be basic aid as a result of having a very low revenue limit calculation and, thus, it is easy for property tax income to exceed the low state revenue limit threshold. Fallbrook Elementary School District, as an example, was at one time a basic aid school district—primarily because of the property tax payment it received from San Diego Gas & Electric for the San Onofre power-plant that was in its territory. The district, however, had a very low revenue limit and was called “low wealth” while it was also basic aid.¹⁶

Second, a district can be basic aid as a result of a decline in the district’s enrollment and moderate growth in district property tax income. If a district’s enrollment declines quickly, the authorized total revenue limit will also decline quickly. If, however, the district property tax values grow, the dollar amounts from property tax income can exceed the computed revenue limit. Any time a district’s property tax income exceeds the revenue limit threshold, the district is, by definition, basic aid.¹⁷

Third, a district can be basic aid as a consequence of high property tax values. A district that has oil wells, as an example, often has high property values per pupil and will have high property tax yields per ADA. School districts in the oil fields of Kern County, such as Taft Union High School District, have high property wealth as a result of high assessed value and large property tax payments by large oil companies. Other examples of basic aid school districts include San Luis Coastal Unified School District which has a large power-plant in its jurisdiction, and Palo Alto USD or Hillsborough School District, both of which have high residential property wealth within the district.¹⁸

Impact On Del Mar Union School District

DMUSD is an example of the third type of Basic Aid District, one of high property values.

Not all Districts have a high chance of maintaining Basic Aid status or of preserving their income stream. DMUSD may have a higher chance than most because of:

1. The fact that planned future development of homes with high property values is expected to continue since there is still significant undeveloped land in the District.
2. Del Mar USD’s Property Tax calculation has consistently yielded 32% more income for general purpose operating use than a revenue limit district. In other words, Del Mar is not on the cusp of revenue limit; the district exceeds the revenue limit by a significant margin.

Basic aid status, in and of itself does not protect a district from financial crisis. The higher the tax dollars per student, the higher the likelihood that the District will build programs that are supported by these dollars as if they are on-going. Being a basic aid district can be likened to owning a stock of a

¹⁵ Ed Source Web Site

¹⁶ Distributed by Schools For Sound Finance (SF) Prepared by School Services of California, Inc., 1121 L Street, Suite 1060, Sacramento, CA 95814

¹⁷ Distributed by Schools For Sound Finance (SF) Prepared by School Services of California, Inc., 1121 L Street, Suite 1060, Sacramento, CA 95814

¹⁸ Distributed by Schools For Sound Finance (SF) Prepared by School Services of California, Inc., 1121 L Street, Suite 1060, Sacramento, CA 95814

corporation and revenue limit districts can be likened to owning a bond. The outcomes for students, parents, employees and the community can be high in a basic aid district, but the downside risk is higher and the likelihood of the return is more volatile than a revenue limit district.

Del Mar USD currently receives approximately \$7500 per student in general purpose funds as a basic aid district. Del Mar USD would receive \$5600 per student as a revenue limit district. The District receives approximately \$1900 more per student as a Basic Aid district than it would as a revenue limit district.¹⁹

To be financially prudent, the District should recognize that 32% of its expenditure budget is at-risk at any point in time.

(2) STUDENT DEMOGRAPHICS

Background Information

Many people believe that students served by basic aid school districts are one homogenous, affluent group of students—this couldn't be further from the truth. The fact is that basic aid school districts in California serve students from all ethnic and economic backgrounds. For example:

- In Belridge Elementary School District (Kern County), 96% of the students participated in the free or reduced meal program and 70% are English Learners.
- In Horicon Elementary School District (Sonoma County), over 50% of students are considered ethnic minority and more than 70% of students participate in the free or reduced meal program.
- Nearly 80% of the students in the Sausalito Marin City School District (Marin County) are considered ethnic minorities.
- Almost half of the students in the Calistoga Joint Unified School District (Napa County) are English Learners.
- More than two-thirds of the students attending Fremont Union High School District (Santa Clara County) are considered ethnic minorities.
- At Vista del Mar Union Elementary District (Santa Barbara County), almost 50% of the students participated in the free or reduced price lunch program, while 30% of the students are English Learners.
- At Del Mar Union School District (San Diego County), 66% of students are White, 25% are Asian, less than 12% are English Learners, less than 4% are qualified for free and reduced price lunch qualified and less than 10% are identified as special education students.²⁰

Demographics Impact On Del Mar Union School District

Most federal and state funding models are based on demographic data. The funds are to be used to serve certain populations that are deemed to have higher than average needs. Examples of the largest nationally categorically funded programs are Special Education, Title I and the Child Nutrition program.

¹⁹ Appendix 1, Chart comparing property tax revenue to revenue limit for several districts.

²⁰ CBEDS data, October 2007

Special Education, K-6

The demographic data above suggests that the District is below the State average of 13% special education identification within the student population.²¹ Therefore, by managing the care and needs of special education students, DMUSD has the potential to be financially ahead of the national average of general fund contribution²² due to this statistic. Or in other words, the potential for less general fund contribution is available to the district due to the smaller identified population. It is recognized that the percentage of the student population is not the sole indicator of general fund contribution. One student's extreme needs could, at any time, far exceed this categorical resource by many times.

However, since its initial enactment in 1975, federal law has included a commitment to pay 40 percent of the average per student cost for every special education student. Nationally, the current average cost to educate a non-special education student is \$7,552 and the average cost to educate a special education student is an additional \$9,369 per student, or \$16,921. Unfortunately, the federal government is providing local school districts with just under 20 percent of its commitment rather than the 40 percent specified by the law, creating a shortfall for states and local agencies.²³

Del Mar USD receives approximately \$1,470 of Federal dollars and \$3,600 of State dollars per K-12 special education student. Each special education student's needs are unique to the individual per their education plan. Therefore, when considering the available dollars to serve a special education student, the District should add these dollars to the property tax available to every non-special education student, approximately \$7400 per student, to come to a total of \$12,470 available.

The general fund contribution for a special education student, if held to the national average standard of education, is about \$4,450 (\$16,921 less \$12,470). Del Mar's average general fund contribution is approximately \$5,500 per student, about \$1,000 more per student. The contribution has been increasing at about 10% per year.

Special Education, Pre-K

Another area of financial concern for districts today, is the lack of available funds to serve the pre-K special education students. The District currently receives approximately \$110,000 to serve this population. The District expected cost in 2008/09 is \$710,000, an increase from \$668,000 in 2007/08 and \$505,000 in 2006/07.²⁴

The District currently serves 50 pre-school students in SDC classes. The average general fund contribution for the Preschool program is approximately \$12,000 per student, creating a deficit of \$600,000 in the current school year.

Special Education, Transportation

Another categorical program that encroaches State-wide on the general purpose funds of a district is the transportation program. The District is required to serve severely disabled (SD) special education or orthopedic-impaired (OI) students, and the students who have transportation included in their Individualized Education Program (IEP). The District may serve all other students through the Home to School Transportation (HTS) program, a program that is not required.

²¹ School Services of California

²² General fund contribution is defined as the amount that general purpose funds must be used to pay for mandated Federal or State programs that are not fully funded.

²³ National Education Association web page

²⁴ Direct costs charged to pre-school SACS goal 5730 in District's general ledger

The Special Education Transportation program funding is for the SD/OI students only, so any non-SH/OH students with an IEP would be served through the HTS program. The entitlement for each eligible district will be equal to the lesser of (1) the prior-year Home to School education or SD/OI entitlement or (2) the prior-year's approved HTS or SD/OI transportation costs, respectively. Annual funding is contingent upon the availability of funds in the Budget Act.

The financial challenge of this program is that the entitlements were benchmarked in 1984, based on expenditures at the time and have only been adjusted by the statewide cost of living adjustments (COLA). In other words, the funding formula is not per pupil. Unfortunately, many districts have grown since that time, needs have changed and costs to transport students have exceeded the COLA. Each of these factors contributes to the general fund contribution of this mandate because the funding formula has not been re-visited by the State.

Del Mar USD receives approximately \$75,000 per year to transport all of its students under the HTS program. However, under the mandated SD/OI program, DMUSD does not receive any funding. DMUSD evidently did not have any students in this category at the time of the benchmarking, and since the funding model has not been re-visited by the legislature in over 25 years, the district has not received apportionment for this requirement.

DMUSD reported in 2007/08 that the costs to transport students were approximately \$375,000, therefore an general fund contribution of \$300,000 exists. The District reported 31 students in the SD/OI program and 13 students with IEP's that include transportation. It is a local decision to write a transportation requirement into an IEP for a non-SD/OI student. On average, the District is contracting to transport the 44 students at over \$8500 per year per student. The funding is not per pupil, so cost containment of this program is critical to financial success. The program will only be funded on \$75,000 per year plus COLA, regardless of the number of students that have a mandated need.

Child Nutrition Program

Regarding the Child Nutrition program, the District, by contracting out services, is able to achieve break-even on their income statement. Even though only 3% of the population qualifies for free and reduced lunch at DMUSD, 12% of the cafeteria revenue comes from these students participating. This statistic can lend itself to the conclusion that increasing meal prices for the paid students may need to be considered to ensure solvency of this fund, since controlling costs has already been considered with the current contract.

Title I

Regarding Title I, the District had a 2005 student population of 159 eligible students, and from there, it is projected that the District could receive approximately \$105,000 of Title I funding in 2008/09. These are preliminary California calculations that were released in October 2008. Therefore, the District could potentially receive \$660 per eligible student to serve these needs.

The District has met with the Title I program manager at San Diego County Office of Education (SDCOE) to discuss this matter. The SDCOE recommendation was for DMUSD to forgo receiving these funds. Implementation and compliance requirement costs would exceed the District's funding level at the two sites that qualify. The District is in compliance with offering the services to students from the unrestricted funds.

Economic Impact Aid

The District does participate in the State program to educate English learners, the Economic Impact Aid: Limited English Proficiency (EIA/LEP) program. DMUSD receives approximately \$112,000 to serve 463 students, or \$241 per learner. The number of ELL students is 11% of DMUSD's population.

In conclusion, unlike many districts in California, DMUSD does not serve populations that have been identified by the government as requiring special services, other than Special Education students. This is a benefit to the District because many of these programs are mandated and unfunded. The District also maintains more local control than other districts and has more flexibility in program delivery and resource allocation. However, the cost of serving the District's Special Needs populations far outstrips the income received from federal and state programs. The District's unfunded contribution to special education is currently projected to be over \$3 million.²⁵

(3) INCOME GROWTH

Background Information

A basic aid district has no control over the revenues it receives from the property tax. Property tax collections can vary from year to year, depending upon local economic conditions, sales of commercial, industrial and residential property, conversion of property to higher value parcels, and reassessments (including downward reassessments during down markets).²⁶

Property tax growth is limited by legislation within California. The basic property tax rate in California is 1% of assessed valuation, as determined by the passage of Proposition 13 in 1978. Proposition 13 also restricted the increase in assessed valuation to the lower of the annual change in the Consumer Price Index (CPI) or 2%.²⁷

Therefore, tax growth that benefits basic aid districts in excess of 1-2% is only possible with positive economic conditions.

Impact For Del Mar Union School District

For the past 20 years, global and local economic conditions have flourished. This has directly benefited the District. Property taxes comprise approximately 76-81% of the revenue of the Del Mar Union School District.²⁸

The County of San Diego via the San Diego County Office of Education provides assessed valuation information to the District so that they may base their revenue projections on that information. The City Of Del Mar's assessed valuation is combined with taxes from other portions of San Diego, to create the total amount of taxes available to the District.

Over the past 5 years, the Del Mar Union School District has increased property tax revenue by 10% or more, year after year. The Del Mar Union School District's boundaries are 10% in the City of Del Mar and 90% in the City of San Diego. Although there has been positive growth in the past, San Diego County's economic indicators have suggested that the greater geographic area has been in a downturn for the past 30 months. It is uncertain how this economic information will directly affect Del Mar Union School District.

As of December 2, 2008, the University of San Diego's Index of Leading Economic Indicators for San Diego County fell 2.3 percent in October. This was the biggest one-month change in the Index in either direction on record. Every component was down and down significantly during the month, with the biggest damage occurring in local stock prices and initial claims for unemployment insurance. The

²⁵ Includes Special Education, K-6, Preschool, and transportation.

²⁶ Ed Source Web page

²⁷ City of Del Mar Capital & Operating Budget 2007/08 and 2008/09

²⁸ Appendix 2

components are: 1) Building permits, 2) Unemployment insurance, 3) Stock prices, 4) Consumer confidence, 5) Help wanted advertising, and 6) The national economy. With October's drop, the USD Index has now fallen in 30 of the last 31 months.²⁹

Evidence of the need to realign economic thinking is everywhere. This is the most urgent reason for Del Mar USD to reconsider allocation of funding connected to its strategic plan at this time. The latest estimate (December 2008) of property tax growth is 2%. Del Mar USD budgeted approximately \$780,000 of income growth, or 2.6% in its First Interim Report. A one percent growth factor equals about \$300,000 or about \$73 per pupil enrollment.

The most difficult part in analyzing this economic downturn is whether the District will be facing a decline in total revenue, or whether it will face a decline in the amount of revenue growth from higher assessed valuation. Regardless, the strategic part of this process is structuring an educational delivery program to withstand an uncertain income stream in an organization that has high fixed costs.

The fixed costs of a school district are its employee contracts, utilities, insurance, debt service and communications. Employee costs represent approximately 86% of projected operating revenue. Utilities, insurance, debt service and communications costs are approximately 3.3%. Examples of fixed costs that can increase unilaterally, beyond District control, are employee step and column movement, utilities, communications and contracts.

Therefore, an economic downturn has an immediate effect on the fund balance (equity) of a basic aid district and the reserves need to be sufficient to maintain solvency while the district re-aligns its structure to accommodate the economic change. DMUSD has a fund balance of 20% for that purpose. However, 32% of the District's expenditure budget is at risk at any point in time.

(4) STUDENT ENROLLMENT GROWTH

Background Information.

Unlike revenue limit districts, basic aid districts do not receive funding based upon district enrollment. Property tax revenue has no direct relationship with district enrollment.³⁰

Therefore, the financial equation for basic aid districts is inversely related to their revenue limit counterparts. The lower the population served by the same amount of property taxes is a financial benefit to a basic aid district. Whereas, a revenue limit district benefits by a growing student population, so long as incremental costs increase at a lower rate than incremental revenue.

Impact For Del Mar Union School District

Del Mar USD has tripled its student population in the past 15 years and is projected to continue an increase in enrollment until 2011, when it is expected to gradually decline.³¹

Del Mar USD has changed from being a very small school district (under 2500 ADA) to a small district, which is significant to its financial health. The District may need to allocate more financial resources to administration than it is accustomed to providing.

²⁹ Professor Alan Gin School of Business Administration University of San Diego 5998 Alcalá Park San Diego, CA 92110

³⁰ Ed Source web page

³¹ Davis Demographic Projections, 2007

A very small school district may benefit from special accommodations for their small size. Sometimes 1) mandates are waived /modified for very small districts, 2) special funding is provided, 3) supplemental government services are provided to meet the mandate and 4) funding per pupil for a mandate may benefit the very small or the very large.

Once a district like Del Mar exceeds the very small school district category, it is expected to provide the infrastructure and funding for growth on its own. Just like a growing company, a growing school district needs to develop policies, procedures and infrastructure to maintain compliance and accountability as the depth and breadth of the mission of the organization expands.

The development and implementation of these processes requires additional supervision and technical expertise. For example, special expertise exists for the deployment of technology. A district may be responsible for implementing numerous applications, not to mention integrating the hardware and software. In another example, the accounting for a district of this size increases with the complexity of serving more schools with multiple funding streams, balanced with the need for providing public information.

Therefore, mandated needs are an important part of the strategic process.

Another significant item to note regarding student population is the question as to whether the growth will continue. The District contracts with an outside service that develops and provides student population projections, which assists the District in planning for facilities and staffing needs. This service suggests that the District's student population may begin to decline as early as 2011.

(5) GROWTH IN FACILITIES CONSTRUCTION FUNDED THROUGH COMMUNITY FACILITIES DISTRICTS

In addition to basic aid status, Del Mar USD is also able to support its mission statement by creating Community Facilities Districts to finance facilities construction and building improvement.³² The bonds issued by the CFD's are used to pay for the construction of new sites and retire the Certificates of Participation (COPS). Certificates of Participations are used to finance costs until the CFD is formed. CFD's are secured debt; secured by the taxing authority of the Mello-Roos District. COP's are unsecured debt; in other words, a repayment plan must be locally devised since the ability to tax is not part of the COP issuance process. The local repayment plan is the formation of the CFD and the issuance of bonds with taxing authority.

Creating CFD's to build schools when money is otherwise unavailable through the State funding process, makes for a successful financing model to maintain up-to-date, safe and secure facilities.

A prudent business practice is to fund capital projects separately from the general operating funds and with secured debt. By prudently funding facilities, in this way, Del Mar has reduced the risk that operating funds will be needed for supporting construction. It also minimizes the amount of funds that need to be invested annually in routine, repair and maintenance (RRM) of such buildings. If the District does not use State funds for construction, then the requirement for spending 3% of the expenditure budget on RRM is relieved.

³² District external audit report, 2006/07

(6) EMPLOYEE CONTRACTUAL OBLIGATIONS

Background Information

The Rodda Act, which became operative in 1976, enacted provisions requiring the employer and employee to meet and negotiate, thereby creating a collective bargaining atmosphere for public school employers.³³ These negotiations have resulted in contractual obligations that are as unique as the entities that negotiate them. Each District has different norms for what defines the work day and the activities that are included within and outside of the day. A District may choose to codify these norms in contractual agreements. Whether by informal practice or by formal agreement, these norms result in fixed costs for educational entities that can be difficult to modify.

Additionally, California Education Code provides employee protections that reduce the flexibility of management. Some relevant protections are: 1) All classified employees subject to layoff due to lack of work and/or lack of funds must receive notice at least 45 days prior to the effective date of the layoff. For specially funded programs that are expiring, the classified employees in those programs must receive written notice by April 29 for the layoff to be effective at the end of the school year.³⁴ 2) Certificated employees must receive layoff notices prior to March 15th.³⁵

When local contracts and practices emerge that are more restrictive than the abundance of legislation that mandates educational activities, it limits the ability of a school district to respond to many external factors that may be beyond its control.³⁶

Impact on Del Mar USD

Exhibit Five attempts to quantify the contractual benefits afforded DMUSD certificated bargaining unit employees directly, indirectly, and / or as an opportunity cost to the District. This reviewer also acknowledges that there are various ways to calculate the cost of a contract; this is one of many, depending upon one's perspective.

Del Mar USD has invested over \$4.95 million in employees and its students in contractually binding verbiage that one could venture may not exist in other District contracts. If this figure was not offset by the Health and Welfare benefit cap of \$2.4 million, which has been exchanged for salary schedule improvement, the figure would be approximately \$7.38 million.

³³ State Controller's Office, State of California Web Page

³⁴ Education Code [E.C.] Sections 45117 and 45308, School Services of California, Inc

³⁵ Education Code [E.C.] Sections 44955, School Services of California, Inc

³⁶ Such as property tax income, the economy, & population growth and demographics.

(7) FINANCIAL SUPPORT FROM THE SCHOOL COMMUNITY

Background Information

The District benefits from an engaged, affluent community that supports education. As with any charitable process, balancing priorities of the organization with those of the donor requires an investment of time and consideration of each other's needs. Donations are made available through parent – teacher associations and through an educational foundation.

The District implements an enrichment program to provide release for contractual obligations that offers dedicated certificated staff in art, music, language, math, technology, physical education and science. The enrichment program provides more than the necessary teacher planning time obligation. The program employs 39 teachers and 160 hours of instructional aide time, district – wide, costing from \$3.0 to \$3.5 million. Fourteen and a half percent (14.5%) of the certificated teaching staff of the District is employed by this program.

Last year, the District received approximately \$557,000 in local donations to fund the enrichment program. Donations provided 16-18% of the full funding needed to operate. Therefore, general purpose funds of the District contribute the remaining 82-84% of the program.

A small state grant of \$140,000 is also available. However, it is questionable whether this funding will continue on an annual basis since it was appropriated with excess funds at the State in 2006/07. The State is considering not funding programs initiated during 2006/07 due to the current State Budget Crisis.

(8) RECENT CHANGE IN DISTRICT LEADERSHIP

Background Information

A change in leadership at the Board level, the Superintendent and / or the District Leadership, is one of the factors that oversight agencies monitor to see if there will be an impact on fiscal solvency. Acknowledging the “change at the top,” has been codified in law in AB 2756, in an effort to strengthen AB 1200. The County and State oversight process for school districts in California requires that Districts disclose this on their Criteria and Standards, a supplemental checklist that accompanies every prepared budget.

Additionally, the Fiscal Crisis Management and Assistance Team (FCMAT) developed a checklist of items that have been observed in districts that have experienced financial difficulty. While it is not predicted that Del Mar USD will experience financial difficulty, the District may wish to use this checklist to monitor itself.³⁷

Impact on Del Mar USD

The Board has recently welcomed three new Board members, two in 2006 and one in 2008. The Superintendent joined the District in September 2008. Within the past four months, the District replaced the Technology Director, a site principal and has added a new certificated Director of State and Federal Projects.

³⁷ Exhibit 24 contains the FCMAT checklist

(9) **SMALL CLASS SIZE**

Background Information

Education Code provides for limitations on class sizes by grade level. If a class size, by grade level classification, exceeds either a maximum number by individual class or by an average for all classes, then a penalty may be imposed by the State.

For kindergarten, an individual class size cannot exceed 33 students enrolled and the average cannot exceed 31. For grades one through three, class enrollment cannot exceed 32 and average class size cannot exceed 30.0. For grades 4 to 8, inclusive, the average number of students per full-time equivalent classroom teacher must be 29.7 or lower than the average reported to the State in 1964, to avoid penalty.³⁸ Education Code applies to school districts that have not implemented K-3 Class Size Reduction (CSR).

Education Code 52124 sets the parameters for Districts that implement K-3 CSR. Class sizes are determined by computing the average daily enrollment in each class, with active enrollment counts being taken from the start of school through April 15th. Resource Specialist (RSP) and Designated Instruction & Services (DIS) pupils must be counted. Special Day Class pupils may or may not be included in the count depending upon local policy to mainstream for all or any part of the school day.³⁹

Instead of a hard cap of 20:1, Senate Bill 311 provides that classes that average 20.5 to 21.8 may be claimed for funding purposes with reductions. The schedule appears like this:

Class Size: Below 20.45	Full funding
Class Size: 20.45 to 20.94	20% reduction in funding
Class Size: 20.95 to 21.44	40% reduction in funding
Class Size: 21.45 to 21.849	80% reduction in funding

Full funding for this program, at the time of this report is approximately \$1000 per Option One enrolled student and \$500 per Option Two enrolled student. Option One is implemented for the full instructional day. Option Two is implemented for at least one-half of the instructional day and must consist primarily of direct instruction in reading and math.

Many Districts use Option Two to implement kindergarten CSR. If a district has morning and afternoon K sessions, then the afternoon teacher can assist the morning teacher for half of the morning and vice versa.

³⁸ Education Code [E.C.] Section 41376

³⁹ Instructions, CDE K-3 CSR form

Impact on Del Mar USD

Per the negotiated certificated bargaining unit contract, Del Mar USD fully implements K-3 CSR and a 27:1 teacher / student ratio in grades 4 through 6. This exceeds State Maximums as shown below:

Grade Level	Class Enrollment Average – State CSR	Individual Class Limit- State Non CSR	Class Enrollment Average – State NonCSR
Kindergarten	20:1	33	31:1
Grade 1-3	20:1	32	30:1
Grade 4-6	Not applicable	None specified	29.7:1 or lower of ratio in 1964

To determine the investment that the District is currently making to maintain ratios lower than the State maximums, the following calculations were prepared.⁴⁰ For ease of calculation, these numbers represent staffing at 30:1 across all grades.

Grade Level	Overall Proposed Savings	Average Current Investment Per Student to Provide A Reduced Class Size
Kindergarten Through Grade 3	\$2,924,108	\$1269
Grade 4-6	\$606,479	\$332

If payroll benefits and health and welfare costs are added, then the potential investment is approximately \$4.36 million. The reason that the preparer of this report hesitates to include all payroll and benefit costs, is because the cost to increase class size can vary depending upon how the student population shifts within the District and how the seniority of teaching staff affects the layoff process. Sometimes expected costs are not realized due to these factors.

The District has one more option that it can consider. It may implement Option Two for K, as many Districts do. The potential savings would be approximately \$590,000, an average of \$1014 per student.⁴¹

(10) SMALL SCHOOLS

Background Information

Small schools represent an incremental cost of delivering educational services. The fixed costs associated with operating a school are the full-time equivalent allocations of employees per site, utilities, and supplies & textbooks that are purchased in lieu of the opening.

The fixed cost to operate small school sites also includes classroom teachers that would not otherwise need to be hired. To further explain this concept, at larger sites, classrooms are able to be averaged over larger groups of students and more combination classes are able to be created. In other words, efficiencies in classroom staffing is achieved at larger sites.

⁴⁰ Exhibit 21 and 22 detail the calculations. In the grade K-3 calculation, the loss of K-3 CSR revenue is included as well as the proposed savings in teacher full-time equivalents.

⁴¹ Exhibit 23 details the calculations from moving from Option One as currently implemented to Option Two.

Impact on Del Mar USD

It is an educational priority to invest in smaller class sizes and smaller schools. The investment that Del Mar USD has made is approximately \$1.62 million per site.⁴² This is a cost that would be saved if the District combined two smaller sites and is a cost that is incurred to operate a small site that is above and beyond the cost to house students at one large site. In other words, it works both ways.

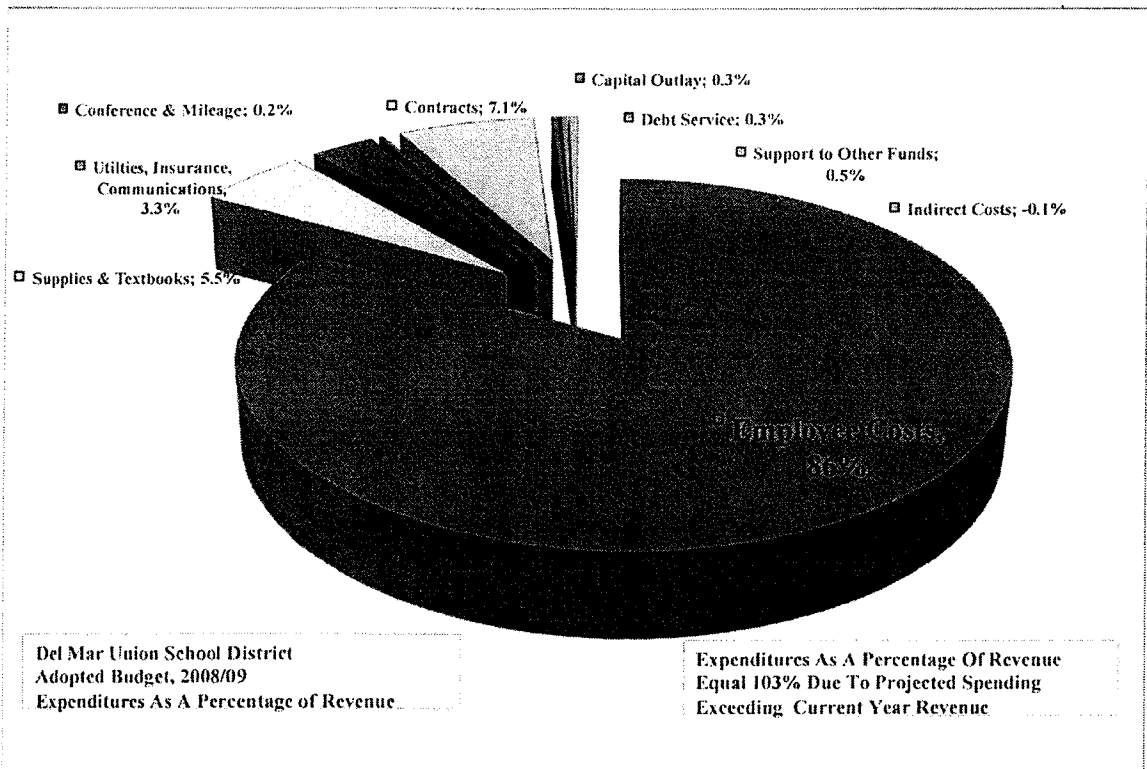
The \$1.12 million in excess cost is attributable to additional staff that is hired to operate the site, \$95,000 is the estimated utility cost, and \$400,000 is the estimated textbook and supply cost.⁴³

At Del Mar USD, the estimated increase in mainstream teaching staff when one operates two small sites instead of one larger site, is approximately the cost of 3 teachers.⁴⁴

⁴² Exhibit 12 details the number of FTE, utilities and supplies used at DMUSD to operate a site, that are above and beyond the cost had the students been housed in an existing site.

⁴³ One could dispute the inclusion of the cost of additional supplies, because students would normally be provided with these items, regardless of the setting. However, it is the experience at the Del Mar USD to provide its sites with new supplies and textbooks instead of transferring "old" supplies and textbooks.

⁴⁴ Exhibit 13 details the calculation for needing more teaching staff at two small sites than one large site.



COMPARISON OF SIMILAR ENROLLMENT DISTRICTS, AS A PERCENTAGE OF REVENUE AVAILABLE

Financial Information as a Percentage of Total Revenue Received in Current Year	0708 UNAUDITED ACTUALS DEL MAR	0708 UNAUDITED ACTUALS SOLANA BEACH	0708 UNAUDITED ACTUALS REVENUE LIMIT	0708 UNAUDITED ACTUALS REVENUE LIMIT		0809 BUDGET ADOPTION DEL MAR	0809 BUDGET ADOPTION SOLANA BEACH
Utilization of Resources	BASIC AID	BASIC AID NEIGHBOR	RECOVERING AB 1200	ENGAGED COMMUNITY/ DONATIONS		BASIC AID	BASIC AID NEIGHBOR
STUDENT ENROLLMENT, 10/2007	4,057	2,744	3,122	4,258		4,057	2,744
State Aid / Property Tax Sources	76.2%	77.8%	72.6%	71.8%		81.6%	81.4%
Federal Revenue	1.9%	2.3%	5.2%	4.0%		1.9%	2.4%
State Revenue	11.0%	11.6%	19.7%	15.2%		10.0%	11.3%
Local Revenue	9.3%	8.1%	1.9%	9.0%		6.5%	4.9%
Transfers In	1.6%	0.1%	0.6%	0.0%		0.0%	0.0%
Total Revenue	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%
Classroom Teachers	45.5%	38.1%	39.9%	45.5%		49.5%	44.3%
Psychologists, Nurses, Counselors	1.2%	1.2%	1.9%	3.9%		1.3%	1.3%
Administration-Certificated	3.9%	4.0%	4.9%	4.3%		4.1%	4.0%
Teachers On Assignment	0.0%	0.4%	0.0%	0.3%		0.3%	0.4%
Instructional Aides	4.6%	6.5%	4.1%	2.4%		5.5%	7.5%
Support, Library, Tech, Maintenance & Operations	3.8%	2.5%	4.9%	4.2%		4.2%	2.7%
Administration-Classified	0.5%	0.8%	1.6%	1.0%		0.9%	1.1%
Clerical	3.2%	3.7%	4.0%	4.3%		3.3%	4.2%
Other Classified	0.8%	0.5%	0.4%	1.0%		1.0%	0.6%
Employee Benefits	14.6%	15.5%	18.3%	16.4%		16.0%	18.8%
Supplies & Textbooks	6.7%	5.5%	5.3%	3.8%		5.5%	6.0%
Utilities, Insurance, Communications	2.7%	2.7%	3.2%	2.8%		3.3%	3.1%
Conference & Mileage	0.2%	0.5%	0.1%	0.4%		0.2%	0.5%
Contracts	5.3%	5.5%	5.5%	6.7%		7.1%	6.9%
Capital Outlay	0.5%	0.6%	0.0%	0.1%		0.3%	0.0%
County Education Services	0.1%	0.0%	2.2%	1.8%		0.0%	0.0%
Indirect Costs	0.0%	-0.3%	-0.1%	-0.2%		-0.1%	-0.4%
Debt Service	0.3%	0.0%	0.0%	0.0%		0.3%	0.0%
Support to Other Funds	1.2%	3.2%	0.8%	0.7%		0.5%	0.9%
Total Spent Per Revenue Received, Current Year	95%	91%	97%	99%		103%	102%
Beginning Fund Balance	24.0%	26.9%	16.3%	15.4%		30.5%	38.2%
Revenue	100.0%	100.0%	100.0%	100.0%		100.0%	100.0%
Expense	-95.0%	-90.9%	-97.0%	-99.4%		-103.3%	-102.0%
Ending Fund Balance, As A Percentage of Revenue Available in the Current Year	29.0%	36.0%	19.3%	16.0%		27.2%	36.2%

COMPARISON OF SIMILAR ENROLLMENT DISTRICTS, PER OCTOBER 2007 ENROLLMENT

DOLLARS PER 2007 CBEDS ENROLLMENT	0708 UNAUDITED ACTUALS DEL MAR	0708 UNAUDITED ACTUALS SOLANA BEACH	0708 UNAUDITED ACTUALS REVENUE LIMIT	0708 UNAUDITED ACTUALS REVENUE LIMIT		0809 BUDGET ADOPTION DEL MAR	0809 BUDGET ADOPTION SOLANA BEACH
	BASIC AID	BASIC AID NEIGHBOR	RECOVERING AB 1200	ENGAGED COMMUNITY/ DONATIONS		BASIC AID	BASIC AID NEIGHBOR
STUDENT ENROLLMENT, 10/2007	4,057	2,744	3,122	4,258		4,057	2,744
State Aid / Property Tax Sources	\$ 7,420.33	\$ 9,823.60	\$ 5,350.22	\$ 5,624.13		\$ 7,576.39	\$ 9,684.27
Federal Revenue	\$ 184.52	\$ 291.42	\$ 379.62	\$ 314.76		\$ 176.78	\$ 284.40
State Revenue	\$ 1,073.07	\$ 1,467.46	\$ 1,454.78	\$ 1,192.95		\$ 931.34	\$ 1,347.81
Local Revenue	\$ 905.30	\$ 1,026.91	\$ 138.74	\$ 702.04		\$ 599.26	\$ 584.24
Transfers In	\$ 159.06	\$ 18.07	\$ 43.86	\$ -		\$ -	\$ -
Total Revenue	\$ 9,742.48	\$ 12,627.46	\$ 7,367.22	\$ 7,833.89		\$ 9,283.76	\$ 11,900.72
Classroom Teachers	\$ 4,430.87	\$ 4,814.87	\$ 2,937.33	\$ 3,561.30		\$ 4,591.85	\$ 5,273.32
Psychologists, Nurses, Counselors	\$ 116.41	\$ 155.00	\$ 141.45	\$ 308.76		\$ 119.78	\$ 154.53
Administration-Certificated	\$ 376.85	\$ 507.02	\$ 357.45	\$ 333.62		\$ 380.12	\$ 476.37
Teachers On Assignment	\$ 4.80	\$ 45.14	\$ -	\$ 20.66		\$ 30.81	\$ 49.60
Instructional Aides	\$ 444.86	\$ 826.37	\$ 301.54	\$ 189.97		\$ 509.30	\$ 890.29
Support Library, Tech, Maintenance & Operations	\$ 373.45	\$ 309.57	\$ 362.35	\$ 327.60		\$ 393.29	\$ 321.34
Administration-Classified	\$ 50.68	\$ 106.74	\$ 114.74	\$ 81.26		\$ 82.26	\$ 132.37
Clerical	\$ 315.05	\$ 464.58	\$ 296.64	\$ 340.71		\$ 309.86	\$ 499.74
Other Classified	\$ 77.43	\$ 66.26	\$ 27.38	\$ 81.34		\$ 92.08	\$ 70.81
Employee Benefits	\$ 1,418.25	\$ 1,957.87	\$ 1,346.96	\$ 1,288.60		\$ 1,481.38	\$ 2,237.85
Supplies & Textbooks	\$ 650.81	\$ 693.09	\$ 388.04	\$ 298.14		\$ 514.53	\$ 718.46
Utilities, Insurance, Communications	\$ 260.12	\$ 339.80	\$ 236.91	\$ 222.92		\$ 305.32	\$ 365.99
Conference & Mileage	\$ 17.73	\$ 65.77	\$ 10.98	\$ 27.49		\$ 17.69	\$ 63.09
Contracts	\$ 513.97	\$ 697.40	\$ 408.00	\$ 521.55		\$ 657.07	\$ 817.83
Capital Outlay	\$ 50.29	\$ 71.63	\$ -	\$ 4.33		\$ 31.16	\$ 3.78
County Education Services	\$ 3.22	\$ -	\$ 160.82	\$ 139.54		\$ -	\$ -
Indirect Costs	\$ -	\$ (40.46)	\$ (3.88)	\$ (14.99)		\$ (5.45)	\$ (47.63)
Debt Service	\$ 31.14	\$ -	\$ -	\$ -		\$ 29.05	\$ -
Support to Other Funds	\$ 113.99	\$ 402.62	\$ 61.89	\$ 52.64		\$ 46.89	\$ 112.26
Total Spent Per 2007 Student Enrolled	\$ 9,253.93	\$ 11,483.27	\$ 7,148.61	\$ 7,785.45		\$ 9,586.98	\$ 12,140.03
Beginning Fund Balance	\$ 2,341.56	\$ 3,399.01	\$ 1,202.35	\$ 1,208.00		\$ 2,830.11	\$ 4,543.20
Revenue	\$ 9,742.48	\$ 12,627.46	\$ 7,367.22	\$ 7,833.89		\$ 9,283.76	\$ 11,900.72
Expense	\$ (9,253.93)	\$ (11,483.27)	\$ (7,148.61)	\$ (7,785.45)		\$ (9,586.98)	\$ (12,140.03)
Ending Fund Balance, Per Student Enrolled, 2007	\$ 2,830.11	\$ 4,543.20	\$ 1,420.95	\$ 1,256.44		\$ 2,526.88	\$ 4,303.89

COMPARISON OF DISTRICT RESOURCES WITH COMPENSATION PACKAGE

	2008/09 Del Mar	2008/09 Solana Beach	2007/08 Del Mar	2007/08 Solana Beach	2007/08 Cardiff	2007/08 Rancho Santa Fe	2007/08 Encinitas	2007/08 Carlsbad	REVENUE LIMIT-AB 1200 RECOVERY	REVENUE + DONATIONS	SOURCE
Student Enrollment	8	27,441	3,057	2,744	2	2	5,728	107,741	31,222	4,258	CBEDS
Number of Schools	8	6	8	6	2	2	9 + charter	13	6	5	CBEDS
High Enrollment K-6	7,399	591	741	524	369	591	894	817	502	644	CBEDS
Low Enrollment K-6	335	358	375	358	355	178	440	242	445	450	CBEDS
Grade levels served	K-6	K-6	K-6	K-6	K-6	K-6	K-6	K-12	K-8	K-12	CBEDS
Revenue Limit	\$ 5,577.59	\$ 5,556.84	\$ 5,538.34	\$ 5,516.57	\$ 5,518.54	\$ 5,513.98	\$ 5,541.70	\$ 5,775.31	\$ 5,528.00	\$ 5,784.32	P2 GDE certification, July 2008.
Revenue Limit Or Property tax Available	30,883,860	26,573,640	30,105,081	26,955,958	5,059,774	7,745,234	30,675,128	60,867,671	15,841,546	24,280,146	P2 GDE certification, July 2008.
Amount of Excess Property Tax	9,830,713	12,052,232	6,554,934	12,434,550	1,275,955	3,580,618	1,486,980	1,669,223	Not Basic Aid	Not Basic Aid	P2 GDE certification, July 2008.
Revenue Limit Or Property tax Available	\$ 7,477.93	\$ 9,684.27	\$ 7,420.53	\$ 9,823.60	\$ 6,988.64	\$ 10,071.83	\$ 5,355.29	\$ 5,666.85	\$ 5,330.41	\$ 5,702.24	
Excess Above Revenue Limit	\$ 1,900,324	\$ 4,127.43	\$ 1,682.19	\$ 4,507.08	\$ 1,470.10	\$ 4,557.65	\$ (186.41)	\$ (108.46)	\$ (197.66)	\$ (82.03)	
Schedule Placement											
Step 1, Column 1	41,848	45,343	40,629	44,022	42,211	45,247	38,843	40,052	37,668	39,976	
BA + 30, 5 years	57,214	54,698	55,548	53,105	50,059	54,450	47,474	50,466	53,811	54,380	
BA + 45, 5 years	69,513	66,392	67,488	64,468	57,904	65,953	56,108	63,482	61,883	64,895	
BA + 45, 10 years	60,247	57,849	58,492	56,164	52,019	56,751	50,352	50,466	56,500	57,605	
BA + 45, 10 years	72,545	69,543	70,432	67,517	61,828	68,254	61,141	63,482	67,264	68,401	
BA + 60, 5 years	61,000	61,000	61,438	59,223	53,983	56,751	63,229	54,070	67,264	60,862	
BA + 60, 10 years	75,881	72,684	73,380	70,577	63,789	68,254	64,018	67,087	72,844	71,988	
BA + 30, MA, 5 years	58,918	62,000	57,252	60,223	55,282	59,051	48,474	54,070	53,811	54,380	
BA + 30, MA, 10 years	71,217	73,684	69,192	71,577	65,088	70,555	57,106	67,087	61,883	64,895	
BA + 60, MA, 5 years	64,985	62,000	63,142	60,223	55,262	59,051	54,229	54,070	67,264	60,862	
BA + 60, MA, 10 years	77,285	73,684	75,084	71,577	65,088	70,555	65,018	67,087	72,844	71,988	
Top Step	92,739	96,263	90,038	93,459	83,403	91,261	94,948	86,993	83,272	87,945	
Top Attainable	95,943	100,963	93,242	98,159	84,682	91,261	98,448	86,993	83,272	87,945	
Annual Additional Compensation											
Masters	1,704	1,000	1,704	1,000	1,279	-	1,000	-	-	-	
Doctorate	1,500	1,000	1,500	1,000	-	-	1,500	-	-	-	
National Board Cert	1,000	1,000	1,000	1,000	-	-	-	-	-	-	
Special Ed Assignment	1,500	1,500	1,500	1,500	-	-	-	-	-	-	
Reading Specialist	200	200	200	200	-	-	500	-	-	-	
CLAD	-	-	-	-	-	-	1,000	-	-	-	
Top Step	BA + 60, MA, 27 Range	BA + 75, MA +15, 26 Range	BA + 60, MA, 27 Range	BA + 75, MA +15, 26 Range	BA + 75, 24 Range	MA+30, Range 24	BA+75 + MA, Range 25	MA+30 + CRED, Range 24	BA + 60 OR MA, Range 26	BA + 70 OR MA, Range 30	
Health Benefits	\$ 8,048	\$ 16,242	\$ 8,048	\$ 17,048	\$ 4,853	\$ 5,103	\$ 18,712	\$ 11,655	\$ 13,584	\$ 9,198	
Employer Cap. Active	\$ 8,048	\$ 16,242	\$ 8,048	\$ 17,048	\$ 4,853	\$ 5,103	\$ 18,712	\$ 11,655	\$ 13,584	\$ 9,198	
Health Benefits	\$ 8,048	\$ 5,800	\$ 8,048	\$ 5,800	\$ 4,853	\$ 7,830	\$ 7,502	\$ 11,542	\$ 13,584	\$ 9,198	
Employer Cap. Retired	184	184	184	185	185	184	185	186	184	185	
Work days	271.47	Not Available	274	182.36	44.7	66.3	285.4	517.77	132.4	197	
Total FTE	69,969	Not Available	67,389	70,572	69,370	63,441	70,542	66,530	68,726	71,901	
Average Salary From Schedule	\$ 69,969	Not Available	\$ 67,389	\$ 70,572	\$ 69,370	\$ 63,441	\$ 70,542	\$ 66,530	\$ 68,726	\$ 71,901	

HISTORY OF DEL MAR UNION SCHOOL DISTRICT ENROLLMENT

Year	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Ung. Elem.	STUDENT ENROLLMENT	SCHOOL SITES
0809	581	563	565	596	633	574	618	0	4130	8
0708	549	578	591	616	562	605	556	0	4057	7
0607	528	551	582	538	596	532	518	0	3845	7
0506	515	581	531	584	525	497	501	0	3734	7
0405	546	537	576	529	490	492	505	0	3675	6
0304	509	557	504	490	483	496	467	0	3506	6
0203	535	474	475	462	461	455	462	0	3324	6
0102	435	443	431	424	419	430	437	0	3019	5
0001	410	379	387	386	396	388	361	0	2707	5
9900	316	334	338	332	342	321	322	0	2305	4
9899	299	317	303	315	301	287	284	0	2106	4
9798	280	278	281	267	253	251	242	6	1858	3
9697	248	241	241	232	240	231	230	6	1669	3
9596	222	228	223	226	219	220	190	0	1528	3
9495	204	202	217	199	184	164	173	0	1343	3
9394	184	200	196	171	166	165	152	0	1234	3

HISTORY OF DEL MAR GRADE LEVEL BY SITE

2008/09	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Total Enrollment
Ashley Falls Elementary	48	66	56	77	80	81	101	509
Carmel/Del Mar Elementary	63	51	60	54	76	60	70	434
Del Mar Heights Elementary	60	67	63	58	58	60	62	428
Del Mar Hills Elementary	36	44	43	49	48	58	57	335
Ocean Air	118	87	105	78	81	84	87	640
Sage Canyon	88	100	99	120	123	101	108	739
Sycamore Ridge	70	60	45	65	63	55	54	412
Torrey Hills	98	88	94	95	104	75	79	633
DEL MAR UNION ELEMENTARY	581	563	565	596	633	574	618	4130

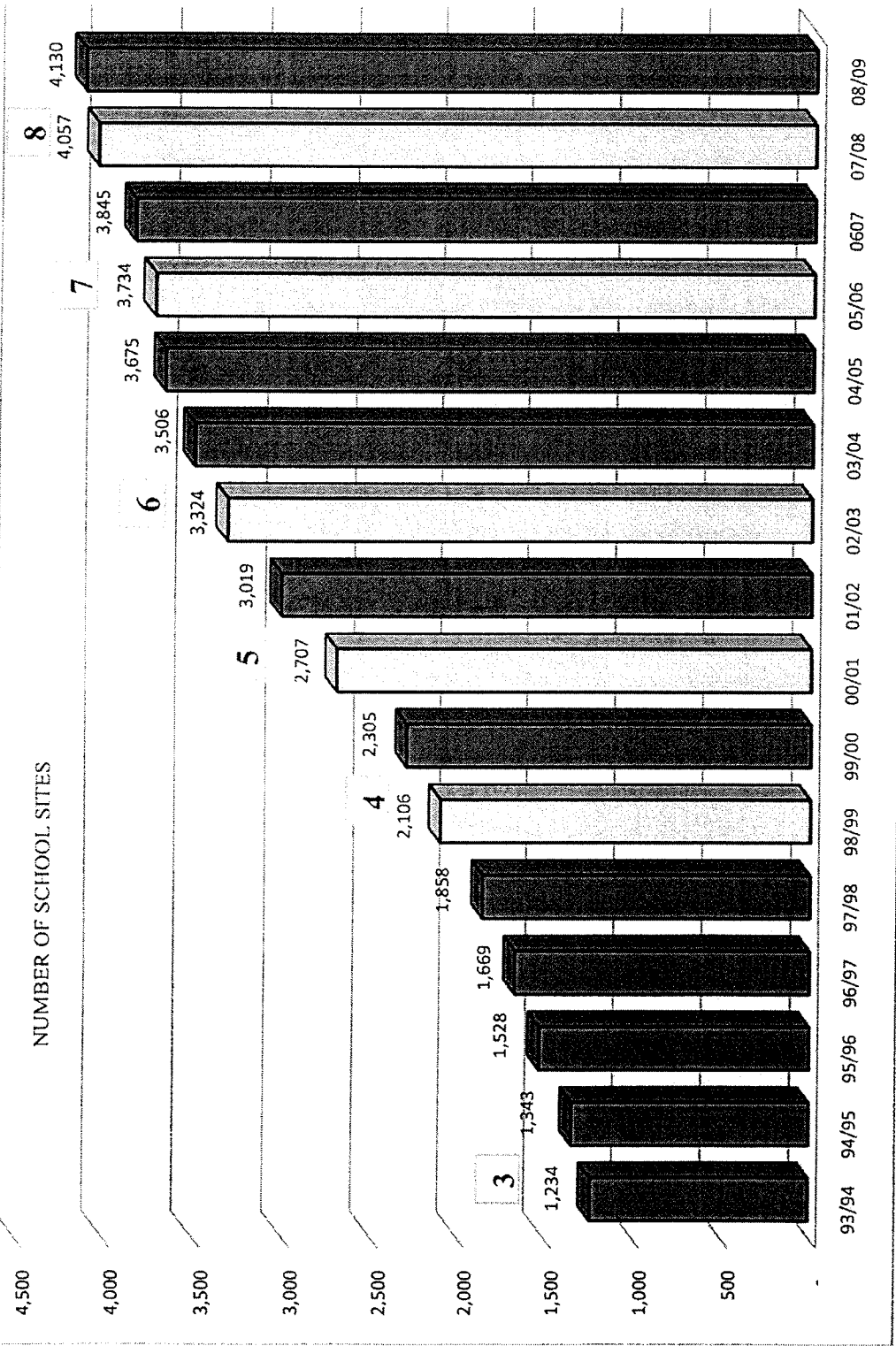
2007/08	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Total Enrollment
Ashley Falls Elementary	60	59	80	78	81	99	80	537
Carmel/Del Mar Elementary	61	62	58	76	62	68	75	462
Del Mar Heights Elementary	63	61	60	60	55	64	72	435
Del Mar Hills Elementary	53	46	49	47	62	56	62	375
Ocean Air	76	96	80	77	78	79	48	534
Sage Canyon	95	100	116	117	98	107	108	741
Sycamore Ridge	62	50	59	59	47	52	48	377
Torrey Hills	79	104	89	102	79	80	63	596
DEL MAR UNION ELEMENTARY	549	578	591	616	562	605	556	4057

2006/07	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Total Enrollment
Ashley Falls Elementary	60	80	79	79	102	74	77	551
Carmel/Del Mar Elementary	59	62	78	70	70	72	80	491
Del Mar Heights Elementary	77	58	79	58	65	72	53	462
Del Mar Hills Elementary	56	55	56	56	63	66	54	406
Sage Canyon	110	140	100	96	108	108	107	769
Sycamore Ridge	58	58	71	47	54	43	49	380
Torrey Hills	108	98	119	131	134	96	98	784
District Non-Public Non-Sectarian Schools	0	0	0	1	0	1	0	2
DEL MAR UNION ELEMENTARY	528	551	582	538	596	532	518	3845

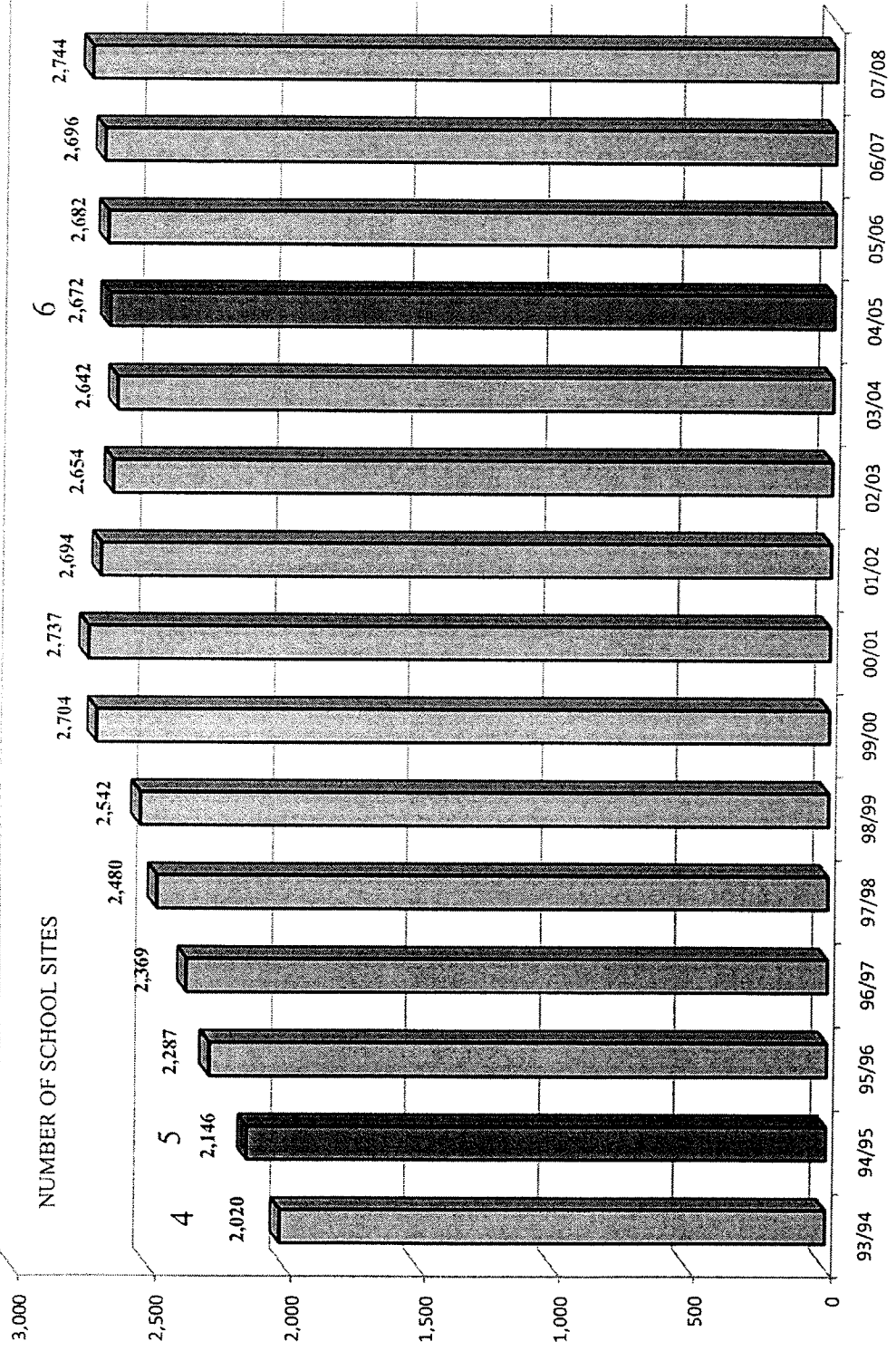
COMPARISON OF SMALL SCHOOL DISTRICT CONFIGURATIONS

	1993/94	1998/99	2000/01	2002/03	2005/06	2007/08
DEL MAR UNION SCHOOL DISTRICT						
Number of Schools	3	4	5	6	7	8
Student Enrollment	1,234	2,106	2,707	3,324	3,734	4,057
Smallest K-6 School Enrollment	370	462	436	413	306	375
Largest K-6 School Enrollment	443	560	730	749	758	741
SOLANA BEACH ELEMENTARY SCHOOL DISTRICT						
Number of Schools	4	5	5	5	6	6
Student Enrollment	2,020	2,542	2,737	2,654	2,682	2,744
Smallest K-6 School Enrollment	393	395	389	354	377	358
Largest K-6 School Enrollment	752	685	730	740	492	524
REVENUE LIMIT DISTRICT, RECOVERING AB 1200 (K-6 E, W One JRHS)						
Number of Schools	5	6	6	6	6	6
Student Enrollment	2,852	3,303	3,420	3,384	3,225	3,122
Smallest K-6 School Enrollment	456	474	510	469	446	446
Largest K-6 School Enrollment	677	560	589	544	530	502
JRHS Enrollment	607	750	754	870	813	766
REVENUE LIMIT DISTRICT WITH ENGAGED COMMUNITY (K-6 E, W One JRHS, One HS)						
Number of Schools	6	5	5	5	5	5
Student Enrollment	3,647	3,857	3,901	4,100	4,313	4,258
Smallest K-6 School Enrollment	411	454	428	449	466	450
Largest K-6 School Enrollment	556	622	627	663	612	644
JRHS Enrollment	892	923	962	1041	1097	1018
HS Enrollment	1305	1,312	1337	1398	1550	1542

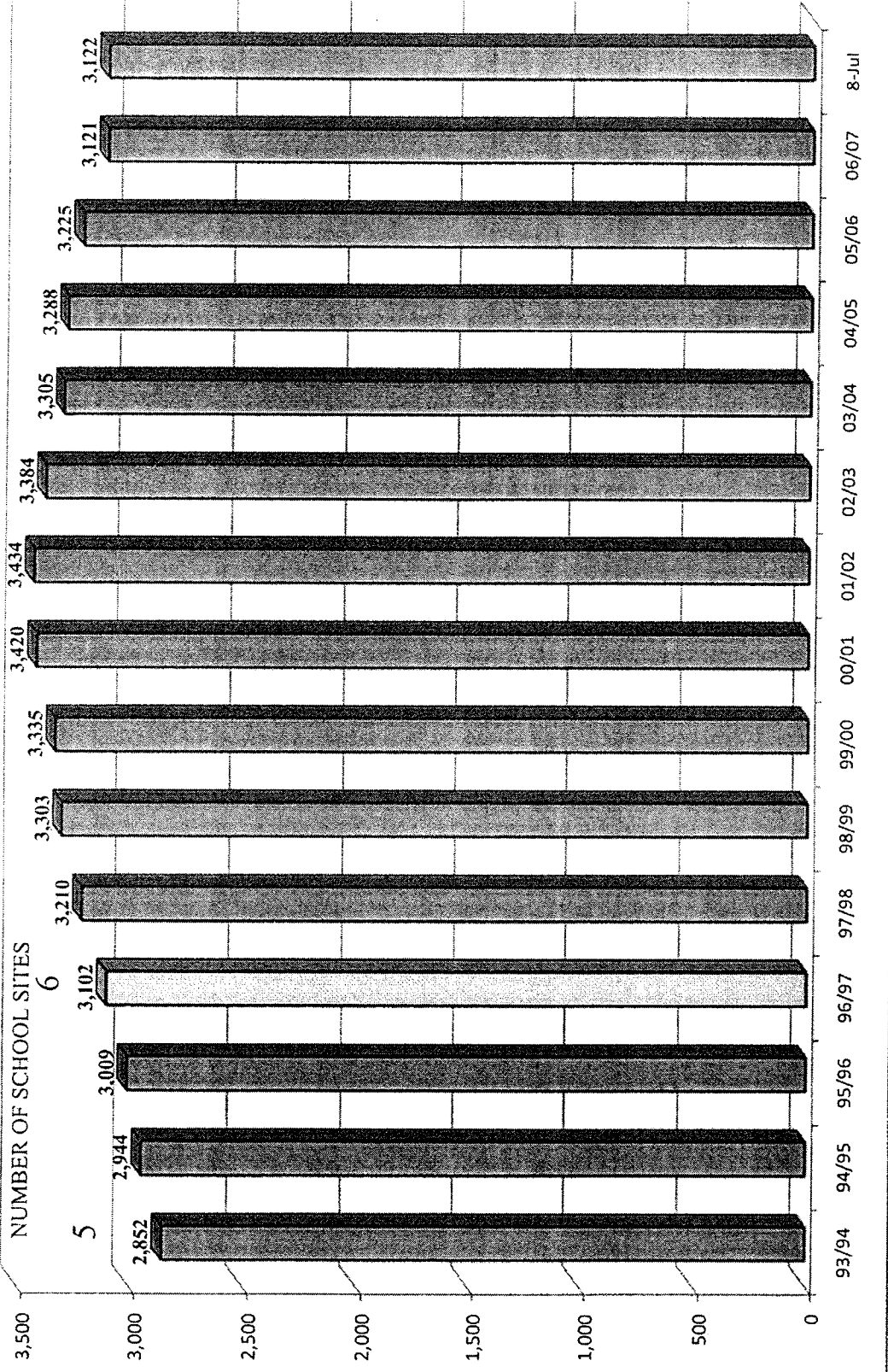
DEL MAR STUDENT ENROLLMENT HISTORY



SOLANA BEACH STUDENT ENROLLMENT HISTORY



REVENUE LIMIT DISTRICT STUDENT ENROLLMENT RECOVERING AB 1200



**PROPOSED FIXED COSTS OF OPERATING A SITE
DEL MAR UNION SCHOOL DISTRICT**

- 1) These costs are additional fixed costs associated with opening a site.
- 2) These costs could be saved when combining two small sites.

ASSIGNMENT	AVERAGE FTE ASSIGNED BY SITE	AVERAGE COST OF PERSONNEL WITH BENEFITS
PRINCIPAL	1.00	\$ 115,888
ENRICHMENT TEACHERS	4.89	\$ 411,963
CLASSROOM TEACHERS	3.00 *	\$ 259,493
ADMIN SCHOOL SECRETARY	1.00	\$ 66,056
SECRETARY ASST	0.88	\$ 53,686
CUSTODIAN NIGHT	1.50	\$ 58,128
HEALTH AIDE TECH	0.62	\$ 45,279
LIBRARY MEDIA SPEC	0.72	\$ 51,149
SCHOOL PLANT MANAGER	1.00	\$ 62,251
POTENTIAL FIXED EMPLOYEE COSTS FOR OPENING A SITE	14.61	\$ 1,123,894
UTILITY COSTS 2007/08 FOR OCEAN AIR		\$ 95,248

* Extra classroom teachers are needed at smaller sites because there are fewer opportunities to combine grade levels. The number may vary depending upon enrollment, but a cost of 3-5 teachers is possible, depending upon enrollment by grade and teacher student ratio goals.

The exhibit for combining sites shows the calculation for determining that 3 additional teaching FTE is a fixed cost of operating a site.

NOTE: At least \$400,000 of textbooks, consumables and employee time was spent in 2006/07 and 2007/08 to accommodate the opening of the Ocean Air School. This represents one-time expenditures for DMUSD.

EFFECT OF COMBINING TWO SMALL LOCAL SITES

This calculation demonstrates that at least three additional teaching FTE are needed to operate two small sites instead of operating one larger site.

38 Sections are needed in two small schools, 35 Sections are needed in one larger school.

2008/09 ENROLLMENT	K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Total Enrollment
DEL MAR HEIGHTS	60	67	63	58	58	60	62	428
DEL MAR HILLS	36	44	43	49	48	58	57	335
COMBINED ENROLLMENT	96	111	106	107	106	118	119	763
CURRENT SECTIONS / TEACHER FTE								
DEL MAR HEIGHTS	3	3.5	3.5	3	2.5	2.5	3	21
DEL MAR HILLS	2	3	2.5	2.5	2	2.5	2.5	17
CURRENT SECTIONS	5	6.5	6	5.5	4.5	5	5.5	38

COMBINED SCHOOLS PROPOSED STAFFING								NEW SECTIONS
HILLS/ HEIGHTS								
K	20							1
K	20							2
K	20							3
K	20							4
K/1	16	4						5
1		20						6
1		20						7
1		20						8
1		20						9
1		20						10
1/2		7	13					11
2			20					12
2			20					13
2			20					14
2			20					15
2/3			13	7				16
3				20				17
3				20				18
3				20				19
3				20				20
3				20				21
4					26			22
4					26			23
4					27			24
4					27			25
5						27		26
5						27		27
5						27		28
5						27		29
5/6						10	17	30
6							25	31
6							25	32
6							26	33
6							26	34
TOTAL STUDENTS	96	111	106	107	106	118	119	763
TOTAL SECTIONS	4.5	6	5	5.5	4	4.5	5.5	35

DISTRICT-WIDE CERTIFICATED ADMINISTRATION

DEL MAR USD		REVENUE LIMIT	
		DISTRICT K-8, 3125	
		Enrollment, Recovering	
		AB 1200 District	
ASSIGNMENT	FTE	ESTIMATED ANNUAL SALARY, BEFORE 2008/09 COMPENSATION INCREASE	FTE
SUPERINTENDENT	1.00		1.00
ASST SUPT, EDUCATION	1.00		1.00
COOR OF STATE & FEDERAL PROGRAMS	1.00		
DIR OF HUMAN RESOURCES & FACILITIES	1.00		
DIRECTOR OF SPECIAL EDUCATION	1.00		1.00
DIRECTOR OF PUPIL SERVICES	1.00		
DIRECTOR OF TECHNOLOGY	1.00		
TOTAL ADMINISTRATION, CERTIFICATED	6.00	\$ 795,891	3.00
PRINCIPAL	8.00	\$ 853,000	6.00
ASSISTANT PRINCIPAL	1.00	\$ 92,005	1.00
PSYCHOLOGIST	4.90	\$ 351,671	3.00
NURSE	2.00	\$ 132,778	2.00
TCHR-LOAN CAL STATE	1.00	\$ 82,930	
TEACHER-BTSA	1.00	\$ 78,156	
SUBTOTAL, SITE SUPPORT	17.90	\$ 1,590,540	12.00
TOTAL, DISTRICT WIDE, SUPPORT	23.90	\$ 2,386,431	15.00

ALLOCATION OF CERTIFICATED TEACHERS, 2008/09

TEACHING ASSIGNMENT	FTE	ANNUAL SALARY BEFORE 2008/09 COMPENSATION INCREASE		Grade 1- Student Enrollment	Grade 2- Student Enrollment	Grade 3- Student Enrollment	Grade 4- Student Enrollment	Grade 5- Student Enrollment	Grade 6- Student Enrollment	Total Student Enrollment	FTE	Total Student Enrollment
		DMUSD	DMUSD									
K	30.23	2,231,039.36	569	0	0	0	0	0	0	569	10.00	330
K/1	2.00	139,034.06	12	18	0	0	0	0	0	30	16.00	305
1	28.00	1,809,189.91	0	529	14	0	0	0	0	529	15.00	320
1/2	2.00	153,922.01	0	16	0	0	0	0	0	30	9.00	331
2	28.24	1,949,832.28	0	0	537	16	0	0	0	537	10.00	330
2/3	2.00	130,755.02	0	0	14	0	0	0	0	30	9.00	331
3	30.17	2,124,622.06	0	0	0	580	0	0	0	580	10.00	330
4	25.11	1,730,284.60	0	0	0	625	0	0	0	625	10.00	330
4/5	1.00	82,929.99	0	0	0	0	8	0	0	8	9.00	356
5	21.00	1,359,447.98	0	0	0	0	0	540	0	540	2.00	771
5/6	3.00	227,295.97	0	0	0	0	0	26	34	60	11.00	379
6	23.06	1,530,714.02	0	0	0	0	0	0	584	584	30.00	771
7/8												
COUNSELOR, JR. HIGH												
INDEPENDENT												
STUDY												
ART	7.56	505,476.73	0	0	0	0	0	0	0	0	1.40	
ESC-OTHER	2.50	149,455.96	0	0	0	0	0	0	0	0		
MUSIC	8.00	509,906.10	0	0	0	0	0	0	0	0		
PE	6.06	326,142.08	0	0	0	0	0	0	0	0		
SCIENCE	7.00	473,708.84	0	0	0	0	0	0	0	0		
TECH	8.00	593,514.90	0	0	0	0	0	0	0	0		
ADPE	2.10	134,293.50	0	0	0	0	0	0	0	0		
RSP	12.00	801,858.97	0	0	0	0	0	0	0	0		
SPEECH	10.00	687,841.00	0	0	0	0	0	0	0	0		
SDC	5.00	325,675.90	0	0	0	0	0	0	0	0	2.00	
PHYSCH SDC	4.00	232,138.06	0	0	0	0	0	0	0	0	10.00	
TOTAL	268.03	18,209,079.30	581	563	565	596	633	574	618	4130	132.4	3122

CERTIFICATED TEACHING ASSIGNMENTS, 2008/09
SPECIAL EDUCATION

ASSIGNMENT	LAST NAME	SCHOOL SITE NAME	FTE	ANNUAL SALARY
ADAPTIVE PE	ULRICH	ASHLEY FALLS	0.60	
ADAPTIVE PE	CREIGHTON	CARMEL DEL MAR	0.50	
ADAPTIVE PE	JOHNSON	SYCAMORE RIDGE	1.00	
ADAPTIVE PE Total			2.10	\$ 134,293.50
RSP	BIGNAMI	ASHLEY FALLS	1.00	
RSP	DEGROOT	CARMEL DEL MAR	1.00	
RSP	ANDERSON	DEL MAR HEIGHTS	1.00	
RSP	MARTINEZ	DEL MAR HILLS	1.00	
RSP	CARPENTER	OCEAN AIR	1.00	
RSP	JOHNSON	SAGE CANYON	1.00	
RSP	LAVELLE-JONES	SAGE CANYON	1.00	
RSP	BOERNER	SYCAMORE RIDGE	1.00	
RSP	GRAHAM	SYCAMORE RIDGE	1.00	
RSP	JAMES	TORREY HILLS	1.00	
RSP	KRAUS	TORREY HILLS	1.00	
RSP	NIELSEN	TORREY HILLS	1.00	
RSP Total			12.00	\$ 801,858.97
SDC	HAVLAT	CARMEL DEL MAR	1.00	
SDC	PODOLSKY	CARMEL DEL MAR	1.00	
SDC	BIKETT	DEL MAR HEIGHTS	1.00	
SDC	HERNANDEZ	DEL MAR HEIGHTS	1.00	
SDC	BOCANEGRA	SYCAMORE RIDGE	1.00	
SDC Total			5.00	\$ 325,675.90
SPEECH	VAN DILLEN	ASHLEY FALLS	1.00	
SPEECH	SCHWARTZ	CARMEL DEL MAR	1.00	
SPEECH	JOHNSON	DEL MAR HEIGHTS	1.00	
SPEECH	HILLERUD	OCEAN AIR	1.00	
SPEECH	IRWIN	SAGE CANYON	1.00	
SPEECH	HOPWOOD	SYCAMORE RIDGE	1.00	
SPEECH	LEUTEL	SYCAMORE RIDGE	1.00	
SPEECH	MAXSON	SYCAMORE RIDGE	1.00	
SPEECH	SIEVERS	SYCAMORE RIDGE	1.00	
SPEECH	GORGAS	TORREY HILLS	1.00	
SPEECH Total			10.00	\$ 687,841.00
Grand Total, K-12 Special Education, Teaching Staff			29.10	\$ 1,949,669.37
ASSIGNMENT	LAST NAME	SCHOOL SITE NAME	FTE	ANNUAL SALARY
PRESCH SDC	ADDENBROOKE	SYCAMORE RIDGE	1.00	
PRESCH SDC	CARCAMO	SYCAMORE RIDGE	1.00	
PRESCH SDC	STOCKER	SYCAMORE RIDGE	1.00	
PRESCH SDC	VACANCY	SYCAMORE RIDGE	1.00	
PRESCH SDC Total			4.00	\$ 232,138.06

DMUSD ENRICHMENT PROGRAM, CERTIFICATED TEACHERS, 2008/09

Certificated Staff; Estimated Cost

PROGRAM	ASHLEY FALLS	CARMEL DEL MAR	DEL MAR HEIGHTS	DEL MAR HILLS	OCEAN AIR	SAGE CANYON	SYCAMORE RIDGE	TORREY HILLS	GRAND TOTAL
ART	\$ 103,607	\$ 83,892	\$ 100,227	\$ 89,337	\$ 90,312	\$ 63,573	\$ 48,879	\$ 80,543	\$ 660,368
ESC-OTHER			\$ 43,438		\$ 47,523	\$ 69,656		\$ 43,441	\$ 204,058
MUSIC	\$ 72,383	\$ 76,852	\$ 70,297	\$ 81,182	\$ 100,242	\$ 94,800	\$ 74,473	\$ 78,468	\$ 648,697
PE	\$ 69,031	\$ 37,688	\$ 78,471	\$ 37,304	\$ 73,026	\$ 70,308	\$ 37,207	\$ 36,334	\$ 439,270
SCIENCE	\$ 88,730	\$ 111,082		\$ 78,479	\$ 102,981	\$ 78,481	\$ 60,877	\$ 78,483	\$ 599,115
TECH	\$ 92,098	\$ 72,407	\$ 111,090	\$ 89,373	\$ 108,369	\$ 78,489	\$ 102,991	\$ 89,377	\$ 744,195
Grand Total	\$ 425,850	\$ 381,920	\$ 403,523	\$ 375,575	\$ 522,453	\$ 455,308	\$ 324,427	\$ 406,646	\$ 3,295,703

Includes payroll benefits @ 11.40% per \$1 of payroll, health & welfare benefits @ \$8048 cap
Does not include 2008/09 compensation increase

FULL TIME EQUIVALENT	ASHLEY FALLS	CARMEL DEL MAR	DEL MAR HEIGHTS	DEL MAR HILLS	OCEAN AIR	SAGE CANYON	SYCAMORE RIDGE	TORREY HILLS	GRAND TOTAL
ART	1.06	1.00	1.00	1.00	1.00	1.00	0.50	1.00	7.56
ESC-OTHER			0.50		0.50	1.00		0.50	2.50
MUSIC	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	8.00
PE	1.00	0.50	1.00	0.53	1.00	1.00	0.53	0.50	6.06
SCIENCE	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	7.00
TECH	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	8.00
Grand Total	5.06	4.50	4.50	4.53	5.50	6.00	4.03	5.00	39.12

DMUSD ENRICHMENT PROGRAM, CERTIFICATED TEACHERS, 2008/09

ASSIGNMENT	ASHLEY FALLS	CARMEL DEL MAR	DELMAR HEIGHTS	DEL-MAR HILLS	OCEANAIR	SAGE CANYON	SYCAMORE RIDGE	TORREY HILLS	GRAND TOTAL
BAKER								1.00	1.00
DOYLE	0.63								0.63
FOLGNER			1.00						1.00
GILBERT	0.43								0.43
GRIFFITH						1.00			1.00
INTRAVAIA	1.00								1.00
LIPPE					0.50				0.50
LUCE					0.50		0.50		1.00
NELSON				1.00					1.00
ART Total	1.06	1.00	1.00	1.00	1.00	1.00	0.50	1.00	7.56
DANIEL									0.50
ESMAILI						1.00			1.00
LEEDER					0.50				0.50
ZOBELL			0.50						0.50
ESC-OTHER Total			0.50	1.00	0.50	1.00		0.50	2.50
ALLARD				1.00					1.00
BEESON									1.00
FERNANDEZ-SIERRA									1.00
GARASHI						1.00			1.00
LOMAX									1.00
MITCHELL	1.00						1.00		2.00
NEILSON					1.00				1.00
PECK		1.00							1.00
MUSIC Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	8.00
CUNHA	1.00								1.00
DAVIS									1.00
FRIEDMAN					1.00				1.00
PHILLIP								0.50	0.50
ROTH			1.00						1.00
SINK		0.50							0.50
TRACY				0.53			0.53		1.06
PE Total	1.00	0.50	1.00	0.53	1.00	1.00	0.53	0.50	6.06
DUGGER	1.00								1.00
DUMOFF									1.00
KRISHNAN							1.00		1.00
LUBOMIROV								1.00	1.00
SWANBERG				1.00					1.00
WINN									1.00
ZEBOLD	1.00								1.00
SCIENCE Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	7.00
GEISBAUER	1.00								1.00
GIANOLA					1.00				1.00
HONSBERGER									1.00
HOPPER				1.00					1.00
MORAN									1.00
OLIVEIRA				1.00					1.00
SWANSON							1.00		1.00
WOLFERTZ		1.00							1.00
TECH Total	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	8.00
Grand Total	5.06	4.50	4.50	4.53	5.50	6.00	4.03	5.00	39.12

CLASSIFIED STAFF ALLOCATION, DISTRICTWIDE, 2008/2009

CLASSIFIED JOB DESCRIPTION	DMUSD		REVENUE LIMIT DISTRICT K-8, 3125 Enrollment, Recovering AB 1200 District
	FTE	ESTIMATED ANNUAL SALARY BEFORE 0809 RAISE	
ADMIN SCHOOL SECRETARY	8.00	\$ 379,234	7.00 (2 @ JRHS)
BILINGUAL ASSISTANTS			3.53
CAMPUS SECURITY, JRHS			0.44
CUSTODIAN NIGHT	12.00	\$ 412,175	1.00
CUSTODIAN DAY			9.47
HEALTH AIDE TECH	4.98	\$ 151,365	
INST AIDE ELL	2.99	\$ 85,145	
INST AIDE I	7.18	\$ 179,668	6.00
INST AIDE I SP ED	18.65	\$ 489,882	22.13
INST AIDE II	0.53	\$ 20,980	
INST AIDE II ESC	3.41	\$ 115,290	
INST AIDE II SP ED	35.40	\$ 1,082,752	
LIBRARY MEDIA SPEC	5.77	\$ 203,187	3.71
LVN-AIDE	1.25	\$ 58,390	
OCCUPATIONAL THERAPIST	1.00	\$ 71,239	
SCHOOL PLANT MANAGER	8.00	\$ 354,356	
SECRETARY ASST	7.00	\$ 261,067	
GUIDANCE CLERK, JRHS			3.28
TECHNOLOGY/NETWORK	1.00	\$ 70,743	0.75
VOLUNTEER COORDINATOR	0.46	\$ 11,993	2.64
TOTAL, SITE ASSIGNED CLASSIFIED	117.61	\$ 3,947,466	59.94
CLASSIFIED DISTRICT WIDE			
BUSINESS SERVICES (INCLUDES ASSISTANT SUPERINTENDENT)	4.50 #	\$ 351,488	5.00
CUSTODIAL SVCS (SUPERVISOR, LEAD, & FLOATER)	3.00 #	\$ 138,065	
MAINTENANCE, GROUNDS, DIRECTOR	4.00 #	\$ 230,110	10.00
CURRICULUM TECHNICIANS			1.44
PERSONNEL TECHNICIAN	0.50	\$ 33,332	
PUBLICATIONS OPERATOR			1.00
RECEPTIONIST			1.875
PROGRAM / EXECUTIVE / ADMINISTRATIVE ASSISTANTS	5.00 #	\$ 298,599	3.50
DIRECTOR OF TECHNOLOGY			1.00
STUDENT INFO DATA / TECHNOLOGY	3.00 #	\$ 190,135	
UTILITY WORKER/DRIVER	2.00 #	\$ 85,009	1.00
TOTAL, CLASSIFIED DISTRICT WIDE	22.00	\$ 1,326,937	24.82
TOTAL CLASSIFIED STAFF	139.61	\$ 5,274,403	84.76

DMUSD CLASSIFIED STAFF ALLOCATION BY SITE, 2008/09

JOB DESCRIPTION	ASHLEY FALLS		ASHLEY FALLS		CARMEL DEL MAR		CARMEL DEL MAR		DEL MAR HEIGHTS		DEL MAR HEIGHTS	
	WORKSITE	Salaries	FTE	Salaries	FTE	Salaries	FTE	Salaries	FTE	Salaries	FTE	
ADMIN SCHOOL SECRETARY		\$ 48,932	1.00	\$ 48,932	1.00	\$ 51,378	1.00	\$ 51,378	1.00			
CUSTODIAN NIGHT		\$ 34,306	1.00	\$ 38,813	1.00	\$ 31,117	1.00	\$ 31,117	1.00			
HEALTH AIDE TECH		\$ 20,849	0.60	\$ 20,683	0.63	\$ 14,294	0.50	\$ 14,294	0.50			
INST AIDE ELL				\$ 17,835	0.63	\$ 20,598	0.69	\$ 20,598	0.69			
INST AIDE I				\$ 36,843	1.62	\$ 14,672	0.63	\$ 14,672	0.63		B	
INST AIDE I SPED		\$ 73,330	2.74	\$ 31,296	1.27	\$ 158,430	5.70	\$ 158,430	5.70			
INST AIDE II												
INST AIDE II ESC		\$ 21,068	0.61	\$ 25,996	0.71	\$ 41,765	0.98	\$ 41,765	0.98			
INST AIDE II SPED		\$ 21,453	0.75	\$ 249,971	7.50	\$ 46,470	1.38	\$ 46,470	1.38			
LIBRARY MEDIA SPEC		\$ 22,237	0.69	\$ 27,865	0.68	\$ 26,047	0.66	\$ 26,047	0.66			
LVN-AIDE				\$ 32,254	0.75							
OCCUPATIONAL THERAPIST												
SCHOOL PLANT MANAGER		\$ 47,179	1.00	\$ 47,179	1.00	\$ 47,179	1.00	\$ 47,179	1.00			
SECRETARY ASST		\$ 37,841	0.88	\$ 37,841	0.88	\$ 29,650	0.88	\$ 29,650	0.88			
TECHNOLOGY NETWORK												
VOLUNTEER COORDINATOR												
TOTAL		\$ 327,195	9.26	\$ 615,507	17.65	\$ 481,600	14.40	\$ 481,600	14.40			
Student Enrollment		509		434		428		428				

Source: District Enrollment 10/10/08
 Source: District Payroll Supervisor Information, 10/16/08
 District Payroll, December 2008
 A - 1.17 FTE District Paid/.45 Categorical
 B - .68 FTE District Paid
 C - 1.33 FTE District Paid/.4 Categorical
 D - 1.25 FTE District Paid
 E - 1.14 FTE District Paid/.25 Categorical
 F - .13 FTE Categorical

DMUSD CLASSIFIED STAFF ALLOCATION BY SITE, 2008/09

JOB DESCRIPTION	DEL MAR HILLS		OCEAN AIR		DEL MAR HILLS		OCEAN AIR		SAGE CANYON	
	Salaries	FTE	Salaries	FTE	Salaries	FTE	Salaries	FTE	Salaries	FTE
ADMIN SCHOOL SECRETARY	\$ 48,932	1.00	\$ 40,256	1.00	\$ 56,272	1.00				
CUSTODIAN NIGHT	\$ 36,023	1.00	\$ 63,938	2.00	\$ 66,980	2.00				
HEALTH AIDE TECH	\$ 17,868	0.63	\$ 17,868	0.63	\$ 26,062	0.75				
INST AIDE ELL			\$ 17,977	0.60	\$ 12,326	0.50				
INST AIDE I	\$ 41,642	1.73	\$ 29,344	1.25						
INST AIDE I SPED	\$ 42,830	1.50	\$ 35,279	1.50	\$ 35,279	1.50				
INST AIDE II										
INST AIDE II ESC			\$ 26,062	0.75	\$ 22,152	0.64				
INST AIDE II SPED			\$ 134,508	4.30	\$ 161,600	5.25				
LIBRARY MEDIA SPEC	\$ 24,065	0.78	\$ 27,030	0.69	\$ 31,944	0.81				
LYN-AIDE										
OCCUPATIONAL THERAPIST										
SCHOOL PLANT MANAGER	\$ 47,179	1.00	\$ 38,813	1.00	\$ 44,931	1.00				
SECRETARY ASST	\$ 31,131	0.88	\$ 31,131	0.88	\$ 32,691	0.88				
TECHNOLOGY NETWORK	\$ 70,743	1.00								
VOLUNTEER COORDINATOR										
TOTAL	\$ 360,413	9.51	\$ 462,204	14.59	\$ 490,237	14.33				
Student Enrollment	335		640		739					

Source: District Enrollment 10/10/08
 Source: District Payroll Supervisor Information, 10/16/08
 District Payroll, December 2008
 A - 1.17 FTE District Paid/.45 Categorical
 B - .68 FTE District Paid
 C - 1.33 FTE District Paid/.4 Categorical
 D - 1.25 FTE District Paid
 E - 1.14 FTE District Paid/.25 Categorical
 F - .13 FTE Categorical

DMUSD CLASSIFIED STAFF ALLOCATION BY SITE, 2008/09

JOB DESCRIPTION	WORKSITE	SYCAMORE RIDGE		SYCAMORE RIDGE		TORREY HILLS		TORREY HILLS		Total Estimated Salaries (Prior to 0809 Raise)	Total Estimated FTE's
		Salaries	FTE	Salaries	FTE	Salaries	FTE	Salaries	FTE		
ADMIN SCHOOL SECRETARY		\$ 42,267	1.00	\$ 42,267	1.00	\$ 42,267	1.00	\$ 379,234	8.00		
CUSTODIAN NIGHT		\$ 66,980	2.00	\$ 74,017	2.00	\$ 74,017	2.00	\$ 412,175	12.00		
HEALTH AIDE TECH		\$ 14,294	0.50	\$ 19,448	0.75	\$ 19,448	0.75	\$ 151,365	4.98		
INST AIDE ELL		\$ 16,408	0.58					\$ 85,145	2.99		
INST AIDE I		\$ 33,146	1.39	\$ 3,236	E	\$ 3,236	0.13	\$ 158,882	6.73		
INST AIDE I SP ED		\$ 37,902	1.38	\$ 75,538		\$ 75,538	3.06	\$ 489,882	18.65		
INST AIDE II											
INST AIDE II ESC				\$ 20,012		\$ 20,012	0.70	\$ 157,056	4.38		
INST AIDE II SP ED		\$ 301,446	10.38	\$ 167,304		\$ 167,304	5.84	\$ 1,082,752	35.40		
LIBRARY MEDIA SPEC		\$ 23,045	0.71	\$ 20,955		\$ 20,955	0.75	\$ 203,187	5.77		
LVN-AIDE		\$ 26,136	0.50					\$ 58,390	1.25		
OCCUPATIONAL THERAPIST		\$ 71,239	1.00					\$ 71,239	1.00		
SCHOOL PLANT MANAGER		\$ 36,966	1.00	\$ 44,931		\$ 44,931	1.00	\$ 354,356	8.00		
SECRETARY ASST		\$ 29,650	0.88	\$ 31,131		\$ 31,131	0.88	\$ 261,067	7.00		
TECHNOLOGY NETWORK								\$ 70,743	1.00		
VOLUNTEER COORDINATOR				\$ 11,993		\$ 11,993	0.46	\$ 11,993	0.46		
TOTAL		\$ 699,479	21.31	\$ 510,831	16.57	\$ 510,831	16.57	\$ 3,947,466	117.61		
Student Enrollment		412		633		633		4130			

Source: District Enrollment 10/10/08
 Source: District Payroll Supervisor Information, 10/16/08
 District Payroll, December 2008
 A - 1.17 FTE District Paid/ .45 Categorical
 B - .68 FTE District Paid
 C - 1.33 FTE District Paid/ .4 Categorical
 D - 1.25 FTE District Paid
 E - 1.14 FTE District Paid/ .25 Categorical
 F - 1.13 FTE Categorical

COST DIFFERENTIAL BETWEEN CLASS SIZE RATIO OF 27:1 AND 30:1, GRADES 4-6

LAST NAME	FTE	4-Student Enrollment	5-Student Enrollment	6-Student Enrollment	Total Grade 4-6 Student Enrollment	Current Sections	FTE's At 30:1 Assumes Combo Classes	Potential Teacher FTE Savings
KYLE	1.00	27						
MAZONE	1.00	27						
SMITH	1.00	26						
BALLENGER	1.00		27					
JOHNSON	1.00		27					
LOES	1.00		27					
HUFFSTUTTER	1.00			25				
PEDDYCORD	1.00			25				
SHEFFIELD	1.00			25				
WEINBAUM DAVIS	1.00			26				
ASHLEY FALLS Total	10.00	80	81	101	262	10	9	1
GARBER	1.00	25						
LEEK	1.00	26						
SKINNER	1.00	25						
CARPENTER	1.00		26					
NELSON	1.00		27					
BARGER	1.00			27				
JONES	1.00			27				
OSICKI	1.00		7	16				
CARMEL DEL MAR Total	8.00	76	60	70	206	8	7	1
FLETCHER	1.00	25						
WAITE	1.00	25						
HAUSEUR	1.00		26					
JOHNSON	1.00		26					
MANNES	1.00			21				
MAZEPA	1.00			20				
SPETTER	1.00			21				
GRADDY	1.00	8	8					
DEL MAR HEIGHTS Total	8.00	58	60	62	180	8	6	2
HEMERICK	1.00	25						
SLEET	1.00	23						
FARRICKER	1.00		24					
SULLINS	1.00		24					
CUNNINGHAM	1.00			23				
WARREN	1.00			24				
DUCCLO	1.00		10	10				
DEL MAR HILLS Total	7.00	48	58	57	163	7	6	1
BALES	1.00	27						
ROSARIO	1.00	27						
SANSOM	1.00	27						
DUDANI	1.00		24					
NEWBERRY	1.00		26					
TYSON	1.00		25					
CRABTREE	1.00			27				
GRAÜPMANN	1.00			27				
MORALES	1.00			25				
MARTIN	1.00		9	8				
OCEAN AIR Total	10.00	81	84	87	252	10	9	1

COST DIFFERENTIAL BETWEEN CLASS SIZE RATIO OF 27:1 AND 30:1, GRADES 4-6

LAST NAME	FTE	4-Student Enrollment	5-Student Enrollment	6-Student Enrollment	Total Grade 4-6 Student Enrollment	Current Sections	FTE's At 30:1 Assumes Combo Classes	Potential Teacher FTE Savings
CHAPLUK	1.00	23						
CHAVEZ	0.53	12						
CONNER	1.00	25						
GORDON	1.00	26						
KALT	0.53	12						
RASKIN	1.00	25						
DELEHANTY	1.00		25					
FIEBERG	1.00		26					
SCHWAB	1.00		25					
TURNBULL	1.00		25					
ASSELIN	1.00			27				
BRASHEARS	1.00			27				
BRITTON	1.00			27				
MOWRY	1.00			27				
SAGE CANYON Total	13.06	123	101	108	332	13.06	12	1
CHUNG	1.00	21						
HOWARD	1.00	21						
MONEY	1.00	21						
MACKIE	1.00		28					
STANTON	1.00		27					
DAHL	0.53			27				
MOKIAO	1.00			27				
SOLOWCZUK	0.53							
SYCAMORE RIDGE Total	7.06	63	55	54	172	7.06	6	1
BISHOP	0.62	13						
MCAFEE	1.00	26						
ROOD	1.00	25						
SHILLITO	0.43	14						
WILKEN	1.00	26						
JACKSON	1.00		26					
JENKINS	1.00		24					
WILKEN	1.00		25					
HINTON	1.00			26				
KELLY	1.00			26				
PAGE	1.00			27				
TORREY HILLS Total	10.05	104	75	79	258	10.05	9	1
Grand Total	73.17	633	574	618	1825	73.17	64	9

SUMMARY	
Total of Current Salaries Without 2008/09 Raise	\$ 4,930,673
Total Current FTE	73.17
Average Classroom Grade 4-6 Teacher Salary	\$ 67,387
Estimated FTE saved from 27:1 to 30:1	9
Cost To General Fund For Participating in Program	\$ 606,479
Average Cost Per Student	\$ 332

COST DIFFERENTIAL BETWEEN CLASS SIZE RATIO 20:1 AND 30:1, GRADES K-3

LAST NAME, CLASSROOM TEACHER	FTE	K-Student Enrollment	1-Student Enrollment	2-Student Enrollment	3-Student Enrollment	Total K-3 Enrollment	Current Sections	FTE's At 30:1 Assumes Combo Classes	Potential Teacher FTE Savings
APOSHIAN	1.00	20							
TIFFANY	1.00	19							
WILLIAMS	1.00	9	6						
GRAHAM	1.00		20						
KAMKA	1.00		20						
MARKARIAN	1.00		20						
BONAGUIDI / WHITE	1.06			19					
RHOADES	1.00			18					
SMITH	1.00			19					
CREW	1.00				20				
GAINES	1.00				19				
OLIVA	1.00				19				
PIKE	1.00				19				
ASHLEY FALLS Total	13.06	48	66	56	77	247	13.06	9	4.00
BRINKERHOFF	1.00	20							
BRUNKER	1.00	20							
CARROLL	1.00	20							
SYMINGTON	1.00	3	12						
FRANCIS	1.00		20						
O'FARRELL	1.00		19						
APPEL / HOLMES	1.06			20					
PARSON	1.00			20					
POLENO	1.00			20					
BETHURUM	1.00				17				
DRAPER	1.00				19				
HAYS	1.00				18				
CARMEL DEL MAR Total	12.06	63	51	60	54	228	12.06	8	4.00
BARMAN / CATILUS	1.06	20							
POLIVKA	1.00	20							
WILLIAMS	1.00	20							
LAMPE	1.00		18						
SMITH	1.00		20						
SOLIS	1.00		20						
RALSTON	1.00		9	6					
DAIGE	1.00			19					
ROLLINS	1.00			18					
WALDAL	1.00			20					
BRAME / FAULKNER	1.05				19				
KINNEY	1.00				19				
WILDMAN	1.00				20				
DEL MAR HEIGHTS Total	13.11	60	67	63	58	248	13.11	9	4.00
BARTON / MULLINS	1.05	17							
NELSEN	1.00	19							
DESANTIS	1.00		13						
EBRIGHT	1.00		16						
FARMER	1.00		15						
BIENKE	1.00			18					
WHEELER	1.00			18					
WEIDMANN	1.00			7	10				
GOODMAN	1.00				20				
WESTPHAL	1.00				19				
DEL MAR HILLS Total	10.05	36	44	43	49	172	10.05	6	4.00

COST DIFFERENTIAL BETWEEN CLASS SIZE RATIO 20:1 AND 30:1, GRADES K-3

LAST NAME, CLASSROOM TEACHER	FTE	K-Student Enrollment	1-Student Enrollment	2-Student Enrollment	3-Student Enrollment	Total K-3 Enrollment	Current Sections	FTE's At 30:1 Assumes Combo Classes	Potential Teacher FTE Savings
BALFOUR	1.00	20							
BRAGA	1.00	19							
JACKSON	1.00	19							
JACKSON	1.00	20							
KARCSAY	1.00	20							
PERSIDOK	1.00	20							
BRUBAKER	1.00		20						
CUNNINGHAM	1.00		20						
SIPE	1.00		20						
TECH	1.00		20						
BAKHTAR	1.00			20					
BELL	1.00			20					
BOEHM-BOYSEN / HEMINGWAY	1.06			20					
DE VICO	1.00			19					
PEDDIE	1.00			18					
DELIQUADRI / MCCARTHY	1.06				18				
KANTNER	1.00				20				
ROCHE	1.00				20				
SHARPE	1.00				20				
WESTBROOK	1.00		7	8					
OCEAN AIR Total	20.12	118	87	105	78	388	20.12	13	7.00
NEWQUIST	1.00	18							
PETERSEN-SAWI	1.00	18							
SHAYER	1.00	17							
SHEPHERD	1.00	18							
CORREIA / WOJTKOWSKI	1.06	17							
BRAUND	1.00		20						
JACKSON	1.00		20						
LACK	1.00		20						
SAMUEL	1.00		20						
UZELAC	1.00		20						
BULLIS	1.00			19					
CHOI	1.00			20					
PATHMAN	1.00			20					
RAPPA	1.00			20					
MCCLELLAN / SODERBERG	1.06			20					
BETTIG	1.00				20				
BROOKS	1.00				20				
GARFEIN	1.00				20				
ORR	1.00				20				
ORTEGA	1.00				20				
PASTOR	1.00				20				
SAGE CANYON Total	21.12	88	100	99	120	407	21.12	14	7.00
JONES	1.00	17							
LITT	1.00	18							
RINALDI-WILLIAMS	1.00	18							
WOJTKOWSKI	1.00	17							
MATTHEWS	1.00		20						
SAUNDERS	1.00		20						
WAXMAN	1.00		20						
SCHENGEL	1.00			20					
SHEA	1.00			18					
SULLIVAN	1.00			7	6				
HANNA	1.00				20				
HASLER	1.00				20				
JOHNSON	1.00				19				
SYCAMORE RIDGE Total	13.00	70	60	45	65	240	13.00	8	5.00

COST DIFFERENTIAL BETWEEN CLASS SIZE RATIO 20:1 AND 30:1, GRADES K-3

LAST NAME, CLASSROOM TEACHER	FTE	K-Student Enrollment	1-Student Enrollment	2-Student Enrollment	3-Student Enrollment	Total K-3 Enrollment	Current Sections	FTE'S At 30:1 Assumes Combo Classes	Potential Teacher FTE Savings
LEWIS	1.00	20							
MCCARTY	1.00	19							
ROSE	1.00	20							
TEISHER	1.00	20							
CLUXTON / ZITKO	1.06	19							
GROSSO	1.00		18						
HERAN	1.00		16						
ROBERTS	1.00		18						
TAN-ZAMORA	1.00		18						
WILL	1.00		18						
ANDRE	1.00			19					
LASHER	1.00			18					
MCGRAW	1.00			20					
PASTER	1.00			18					
PRYOR	1.00			19					
ARMSTRONG	1.00				19				
CAMARILLO	1.00				20				
ENGLER	1.00				17				
HARRIS	1.00				20				
COLE/JACKSON	1.06				19				
TORREY HILLS Total	20.12	98	88	94	95	375	20.12	13	7.00
Grand Total	122.64	581	563	565	596	2305	122.64	80	42

If District Participates Fully at Option One	
Students Currently Participating	2,305
Estimated Option 1 Funding	\$ 1,000
Estimated Revenue	\$ 2,305,000
Estimated Salary Cost Before 0809 Raise	\$ 8,538,395
Cost If District Participates	\$ 6,233,395
If District Does Not Participate At All	
Current Salary Cost	\$ 8,538,395
FTEs	122.64
Average Salary of Grade K-3 Teacher	\$ 69,622
Total teaching FTE before elimination	122.64
Loss of teachers due to CSR elimination	(42)
Remaining Teaching FTE's	81
Cost of Remaining Teachers	\$ 5,614,287
Loss of Revenue	\$ (2,305,000)
Cost of Program, Grade K-3 Without CSR	\$ 3,309,287
Cost To General Fund For Participating in Program	\$ 2,924,108
All four grades are combined, all combination classes are maximized	
Average Cost Per Student	\$ 1,269

COST DIFFERENTIAL BETWEEN OPTION 1 AND OPTION 2, GRADE K

DMUSD Participates In Option 1 K, reduced class 20:1 for the entire instructional day

Option 2 K reduces class size for half of the instructional day, during the time devoted to reading and math.

LAST NAME, CLASSROOM TEACHER	FTE	K-Student Enrollment With Option 1	Current Sections With Option 1	Proposed Sections With Option 2	Potential Teacher FTE Savings
APOSHIAN	1.00	20			
TIFFANY	1.00	19			
WILLIAMS	0.50	9			
ASHLEY FALLS Total	2.50	48.00	2.50	2	0.50
BRINKERHOFF	1.00	20			
BRUNKER	1.00	20			
CARROLL	1.00	20			
SYMINGTON	0.50	3			
CARMEL DEL MAR Total	3.50	63.00	3.50	3	0.50
BARMAN / CATILUS	1.06	20			
POLIVKA	1.00	20			
WILLIAMS	1.00	20			
DEL MAR HEIGHTS Total	3.06	60.00	3.00	2	1.00
BARTON / MULLINS	1.05	17			
NELSEN	1.00	19			
DEL MAR HILLS Total	2.05	36.00	2.00	2	-
BALFOUR	1.00	20			
BRAGA	1.00	19			
JACKSON	1.00	19			
JACKSON	1.00	20			
KARCSAY	1.00	20			
PERSIDOK	1.00	20			
OCEAN AIR Total	6.00	118.00	6.00	4	2.00
NEWQUIST	1.00	18			
PETERSEN-SAWI	1.00	18			
SHAVER	1.00	17			
SHEPHERD	1.00	18			
CORREIA / WOJTKOWSKI	1.06	17			
SAGE CANYON Total	5.06	88.00	5.00	3	2.00
JONES	1.00	17			
LITT	1.00	18			
RINALDI-WILLIAMS	1.00	18			
WOJTKOWSKI	1.00	17			
SYCAMORE RIDGE Total	4.00	70.00	4.00	3	1.00
LEWIS	1.00	20			
MCCARTY	1.00	19			
ROSE	1.00	20			
TEISHER	1.00	20			
CLUXTON / ZITKO	1.06	19			
TORREY HILLS Total	5.06	98.00	5.00	4	1.00
Grand Total	31.23	581.00	31	23	8

COST DIFFERENTIAL BETWEEN OPTION 1 AND OPTION 2, GRADE K

DMUSD Participates In Option 1 K, reduced class 20:1 for the entire instructional day
 Option 2 K reduces class size for half of the instructional day, during the time devoted to reading and math.

Option 1 K Funding receives \$1000 per student. Option 2 K receives \$500 per student.			
If District Participates Fully at K Option One			
Students Currently Participating		581	
Estimated Option 1 Funding		\$ 1,000	
Estimated Revenue		\$ 581,000	
Estimated Salary Cost Before 0809 Raise		\$ 2,300,556	
Cost If District Participates		\$ 1,719,556	
If District Participates in Option 2 K			
Current Salary Cost		\$ 2,300,556	
FTEs		31.23	
Average Salary of Grade K-3 Teacher		\$ 73,665	
Total teaching FTE before elimination		31.23	
Loss of teachers due to CSR elimination		(8)	
Remaining Teaching FTE's		23	
Cost of Remaining Teachers		\$ 1,711,237	
Loss of Option One Revenue		\$ (581,000)	
Gain of Option Two Revenue		\$ 290,500	\$ 500.00
Cost of Program, Grade K-3 Without CSR		\$ 1,130,237	
Cost To General Fund For Participating in Program		\$ 589,320	
K OPTION 1 instead of K OPTION 2			
Average Cost Per Student		\$ 1,014	

FCMAT Predictors Of Financial Difficulty

1. Leadership Breakdown

- a. Governance crisis
- b. Ineffective staff recruitment
- c. Board micromanagement and special interest groups influencing boards
- d. Ineffective or no supervision
- e. Litigation against district

2. Ineffective Communication

- a. Staff unrest and morale issues
- b. Absence of communication to educational community
- c. Lack of interagency cooperation
- d. Breakdown of internal systems (payroll, position control)

3. Collapse of Infrastructure

- a. Unhealthful and unsafe facilities and sites
- b. Deferred maintenance neglected
- c. Low Budget Priority
- d. Local and state citations ignored
- e. No long-range plan for facility maintenance

4. Inadequate Budget Development

- a. Failure to recognize year-to-year trends, e.g., declining enrollment or deficit spending
- b. Flawed ADA projections
- c. Failure to maintain reserves
- d. Salary and benefits in unrealistic proportions
- e. Insufficient consideration of long-term bargaining agreement effects
- f. Flawed multi-year projections
- g. Inaccurate revenue and expenditure estimations

5. Limited Budget Monitoring

- a. Failure to reconcile ledgers
- b. Poor cash flow analysis and reconciliation
- c. Inadequate business systems and controls
- d. Inattention to COE data
- e. Failure to review management control reports
- f. Bargaining agreements beyond state COLA
- g. Lawsuit settlements

6. Poor Position Control

- a. Identification of each position missing
- b. Unauthorized hiring
- c. Budget development process affected
- d. No integration of position control with payroll

7. Ineffective Management Information Systems

- a. Limited access to timely personnel, payroll, and budget control data and reports
- b. Inadequate attention to system life cycles
- c. Inadequate communication systems

FCMAT Predictors Of Financial Difficulty

8. Inattention to Categorical Programs

- a. Escalating general fund encroachment
- b. Lack of regular monitoring
- c. Illegal expenditures
- d. Failure to file claims

9. Substantial Long-Term Debt Commitments

- a. Increased costs of employee health benefits
- b. Certificates of participation
- c. Retiree health benefits for employees and spouse
- d. Expiring parcel taxes dedicated to ongoing costs

10. Human Resource Crisis

- a. Shortage of staff (administrators, teachers, support, and board)
- b. Teachers and support staff working out of assignment
- c. Students/classrooms without teachers
- d. Administrators coping with daily crisis intervention
- e. Inadequate staff development

11. Related Issues of Concern

- a. Local and state audit exceptions
- b. Disproportionate number of under performing schools
- c. Staff, parent, and student exodus from the school district
- d. Public support for public schools decreasing
- e. Inadequate community participation and communication