

**Paso Robles Joint Unified School District
Grand Jury Responses
September 2012**

RESPONSES TO FINDINGS

Finding 1: A primary responsibility of a governing board is financial oversight and accountability.

Response: We agree with the finding numbered 1. Paso Robles Joint Unified School District agrees that the school board is responsible for all fiscal matters. The district feels the board has taken action to mitigate the budget crisis as a result of revenue reductions by both the state and federal government. The board has made extremely difficult and unpopular decisions in reducing personnel, programs, and compensation packages to maintain the fiscal footing of the district the last four years.

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

Response: We disagree partially with the finding numbered 2. While we agree that more professional development in the area of district budgeting and financial oversight by the board is vital to the success of the district, we partially disagree that board members seldom take advantage of what is offered. Our newly seated board members have availed themselves of county workshops, webinars, and trainings offered through the California School Boards Association. Additionally, our more veteran members have attended state conference training on various district financial topics. Unfortunately, our fiscal constraints to the budget as a result of state and federal funding reductions have forced the board to dramatically reduce all aspects of boardmanship training in order to support and preserve essential classroom funding.

Finding 3: All ten school districts in San Luis Obispo County are currently in deficit spending.

Response: We agree with the finding numbered 3. The district has been aggressively working on reducing the deficit spending challenge in the budget. In-depth research and analysis of programs, procedures, and instructional materials have been done. The district continues to monitor and plan for methods to exit this spending cycle and has improved by reconstituting its reserves for economic uncertainties. It must be stated here that the district cannot keep up with the rate at which our revenue is declining, as we have little or no control over those reductions.

Finding 5: The Paso Robles Joint Unified School District and its unions agreed to take six staff furlough days in May of this year, in order to reduce expenditures sufficiently to end the fiscal year with positive reserves.

Response: We agree with the finding numbered 5. The district was able to negotiate a settlement after eight months, impasse, and assistance from a state mediator to implement furlough days to assist the district in moving from less than a 1% reserve to over a 2.47% reserve within six months of the negotiated agreement. It needs to be stated that while the furlough days were essential in achieving our fiscal goal, the students of our district will suffer the long-term affects of reduced state and federal funding.

RESPONSES TO RECOMMENDATIONS

Recommendation 2: Each governing board in the county should establish a policy requiring new board members to attend a minimum of two days of education on school district budgeting and financial oversight. Each governing board should also require follow-up financial training for board members annually.

Response: Recommendation numbered 2 has not yet been implemented. The district currently offers training for new board members, and new board members also attend county office of education training. The district is developing a budget workshop for all board members with follow-up training. The plan will begin in January 2013, with a follow-up in July 2013. The district will follow this training cycle each year. Because of budget constraints, county office of education staff and district staff will develop the trainings. Board members have also attended CSBA and other trainings throughout their tenure at their own expense.

Recommendation 3: The administration and governing board of Paso Robles Joint Unified School District should take additional budget cutting steps beyond the 12 annual furlough days scheduled for the next year, in order to be assured of achieving the county office of education superintendent's recommended reserve at the end of the 2013-14 fiscal year.

Response: Recommendation numbered 3 has not been implemented and is under development for full implementation by January 15, 2013. The district has adopted a budget plan which eliminates and/or reduces programs, laid off employees, reduced purchases in our education materials budget, and we no longer fund the deferred facilities maintenance program. All vacant positions are reviewed by the executive cabinet to assure need. We have also capped our employee insurance health benefits. We must consider that 91% of our budget is employee compensation and health benefits, so further reductions must return to the negotiation table for any concessions made to achieve our financial goal. All budget information may be found on our web page: www.pasoschools.org.

Recommendation 4: The administration and governing boards of Paso Robles, Atascadero, San Miguel, and Shandon school districts should establish budget reductions in the coming year that will assure meeting the state's recommended reserve for districts of their size by the end of 2013-14.

Response: Recommendation numbered 4 has been partially implemented. As stated in recommendation numbered 3, the district has made significant budget reductions and continues to research further possibilities.

Recommendation 5: The governing boards of Atascadero, Lucia Mar, Paso Robles, San Miguel, and Shandon school districts should seriously consider a parcel tax as a revenue source and educate the public about its importance and viability.

Response: Recommendation numbered 5 requires further analysis. Recently, the board voted 4-2 to place a general obligation bond on the November election ballot. A general obligation bond requires at least five affirmative votes. The suggestion of a parcel tax, which requires a two-thirds vote, has been discussed by the board and was not considered to be viable at the time. The suggestion from the Grand Jury will be again taken to the board. It must be stated that with a district student/family free and reduced lunch percentage rate of 45%, and an unemployment rate in Paso Robles of 8.5%, to consider the passage of a parcel tax could possibly further depress the local economy.