

Visalia Unified School District
Fiscal Services Review



ADMINISTRATIVE AGENT

Kelly F. Blanton
Kern County Superintendent of Schools

FCMAT ADMINISTRATOR

Benny Langley

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fiscal crisis & management assistance team

FCMAT

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ADMINISTRATIVE AGENT

Kelly F. Blanton
Kern County Supt. of Schools

FCMAT Administrator
Benny Lonaleu

Dr. Jim Vidak, Superintendent
Tulare County Office of Education
Education Bldg, County Civic Center
Visalia, CA 93291

March 26, 1993

Dear Dr. Vidak:

On December 14, 1992, the Tulare County Office of Education submitted a formal request to the Fiscal Crisis and Management Assistance Team (FCMAT), seeking assistance in developing an approveable budget for the Visalia Unified School District.

On December 15, representatives of FCMAT held an orientation meeting with representatives of the Tulare County Office of Education and the Visalia Unified School District to discuss the team's services and procedures. Later, it was agreed that the goal of FCMAT's study would be to:

- 1) Validate the proposed budget numbers, including recommendations and suggestions of the budget review committee; and
- 2) Determine the magnitude of budget reductions commensurate with requirements and direction of the Tulare County Superintendent of Schools.

During the period of January 4-25, 1993, FCMAT representatives conducted interviews with members of the Visalia Unified District staff and reviewed budget documents, audit reports and other pertinent data. The following pages contain the team's report and recommendations.

Whenever FCMAT is asked to work with local educational agencies, it is normal to find some degree of anxiety and tension over the scope of the team's study. It is always our goal to work cooperatively with those involved in any study, and we therefore thank the staffs of the Tulare County Office of Education and Visalia Unified School District for their help, understanding and assistance.

It should also be noted that in Visalia Unified School District, a new
FCMAT 2715

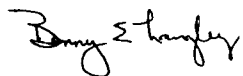
superintendent, Dr. Sharon Tucker, was hired as of July 1, 1992. Already we have seen Dr. Tucker take many of the difficult but necessary steps required to enable the district to meet its financial obligations now and in the future.

We believe it is only fair to point out that many of the observations and recommendations in this report were based on actions or policies of prior district administrations, many of which have been changed by the new superintendent.

Finally, the process of gathering data for this report was completed well before the district completed negotiations for salary rollbacks with representatives of the district's teachers.

It has been our pleasure to serve you, and again, we commend your dedication to fiscal accountability in public schools.

Sincerely,

A handwritten signature in cursive script, appearing to read "Benny E. Langley".

Benny E. Langley, Administrator

Fiscal Crisis and Management Assistance Team

cc: Dr. Sharon Tucker, Superintendent, Visalia Unified School District

BACKGROUND

On August 11, 1992, Jim Vidak, Tulare County Superintendent of Schools, notified the Visalia Unified School District that the district's initial budget did not meet standards regarding the reserve level and was therefore disapproved. On October 19, Dr. Vidak notified the Visalia Unified Board of Education that the district's final budget had been disapproved, in accordance with provisions of the Education Code, due to the lack of a 3 percent reserve. Referring to the fact that the district, in attempting to negotiate a reduction of certificated salaries, had not reached a settlement with the Visalia Unified Teachers Association, Dr. Vidak wrote, "Until such time as employee contracts can be negotiated, your budget should reflect current expenditure obligations."

A State Budget Review Committee met at district headquarters from November 10-13 to review the district's 1992-93 fiscal plan. Citing concerns over the projected ending balance and reserve level, the committee disapproved the budget. The committee report cited 10 areas of concern based on "soft cuts" that, in a "worst case" scenario, could cause the district to have a negative general fund balance.

The committee noted that there had been "significant positive changes in practices and procedures since July, 1992, and that the new superintendent has initiated many changes to help the district regain fiscal stability." However, the committee also pointed out that for the prior three fiscal years, the district has deficit-spent by \$5.6 million; the ending budget balances have been overestimated; actual expenditures have exceeded estimates by large sums; and salary and benefit expenses as a percentage of budget have continued to escalate to one of the highest in the state. "While district officials clearly understand the fiscal problem and are planning and implementing many changes, the short term effect for the 1992-93 budget may not be realized," the committee reported said.

On November 30, the Visalia Unified Board of Education appealed the decision of the Tulare County Superintendent of Schools and the Budget Review Committee to the California Department of Education. On December 11, the State Superintendent of Public Instruction upheld the

decision to disapprove the Visalia Unified budget and instructed the Tulare County Office of Education to assume authority and responsibility to develop and adopt a budget for the district, pursuant to provisions in the Education Code (see Appendix A).

In accordance with these provisions, the Tulare County Office of Education sent a formal request on December 14 to the Fiscal Crisis and Management Assistance Team (FCMAT) to assist in developing a budget for the Visalia Unified School District (see Appendix B).

Representatives of FCMAT held an orientation meeting with officials from Visalia Unified and the Tulare County Office of Education on December 15 to discuss the team's services and procedures. Later, it was agreed that the goal of FCMAT's study would be to:

- Validate the proposed budget numbers, including recommendations and suggestions of the budget review committee; and
- Determine the magnitude of budget reductions to be required commensurate with requirements and direction of the Tulare County Superintendent of Schools.

Toward these goals, it was agreed that FCMAT would review and verify the following:

- 1) recommendations of the budget review committee;
- 2) budgeted salaries, including position control; budgeted health and welfare costs;
- 3) budgeted income, including revenue limit projections;
- 4) the validity of interfund receivables and payables;
- 5) actuarial costs for self-insurance fund; and
- 6) as directed in writing by the Tulare County Superintendent of Schools, other necessary budget, accounting or managerial matters.

During the week of January 4-8, 1993, FCMAT representatives conducted interviews with members of the Visalia Unified District staff and reviewed budget documents, audit reports and other pertinent data. On January 20, exit interviews were conducted. The following pages contain the team's estimated ending balance report, observations and recommendations.

VISALIA UNIFIED SCHOOL DISTRICT

1992-93 BUDGET AND PROJECTED ENDING BALANCES

Unrestricted Ending Balance with \$1.16 million COE Rollback\$4,820,270

1. SSBF Receivable	(0)*	
2. Transportation fees under budget	(160,000)	
3. Duplication of ADA	(418,000)	
4. Special Education	50,000	
5. Health and Welfare (Deloitte & Touch 20% savings)	(0)*	
6. PERS carryover	(0)	
7. Adult Education	(219,000) ¹	
8. Increase of Revenue Limit ADA	230,000* ¹	
9. Cafeteria Payable/Loan	(0)	
10. Mega Item	(0)	
11. Overexpend Salary	(800,000)**	
12. ERAF Fees	(49,614)	(1,366,614)

Estimated Fund Balance with COE Adjustment\$3,453,656

If 3.9% salary rollback is not implemented(1,600,000)

Estimated Fund Balance with no Rollback (2%)\$1,853,656

3% Reserve = \$2.6 million

Note: An added \$1.16 million would bring balance down to:

Restore COE Adjustment with Rollback\$2,293,656

Restore COE Adjustment without Rollback\$693,656

¹ See Appendix A

* Information still pending

** District intended to use reserve

OBSERVATIONS & RECOMMENDATIONS

General concerns

The Fiscal Crisis and Management Assistance Team noted a generally consistent historical multi-year pattern of either underbudgeting or overspending in certain object code classifications such as salaries (see Appendix C). This condition indicates a lack of adequate budget monitoring during previous years.

Recommendation 1: Continue budget monitoring by the business office. Availability of cash should be verified by reference to cash in county treasury reports maintained by the Tulare County Office of Education prior to disbursement. Budget revisions should be processed to accommodate needs identified through this monthly review.

The district has an historical problem with a lack of communication between the business office and the following areas: 1) attendance office; 2) adult education; 3) personnel; 4) instructional directors.

Recommendation 2: Continue to encourage managers of these departments to periodically meet with the district business office to discuss fiscal concerns that are relevant to both.

Recommendation 3: The district needs an in-house professional development program to provide for a number of needs, including improved proficiency on computers, attendance accounting training and refresher classes for other staff. It was noted the district has contracted with an outside consultant to work directly with the business office staff and the district does provide for conference attendance. However, the district should take a greater advantage of outside workshops on school business procedures. Such services are available through the California Association of School Business Officials, School Services of California, the Association of California School Administrators and other organizations.

Budget development and budget monitoring

The budget development process begins in January each year with the board adopting guidelines and a budget calendar. In the past, the human resources department prepared staff lists by school sites and department. These lists were sent out in January-February each year to verify existing staff. Human resources hopes to provide a list for verification and projected additional needs in the future.

In February, preliminary budget numbers for staffing are provided from human resources to the business office. Replacement and growth positions are included. However, in 1990-91, no growth positions were budgeted for, yet eight (8) positions were added.

Projected growth needs are provided by the school sites and approved by the director of education. The principals generate the personnel regulations. Fringe benefit costs for all personnel are budgeted by the business office.

The amount needed for column movement by classified employees is provided by human resources. There is no reconciliation of this number to the personnel lists. Classified employees receive column movement on their individual anniversary dates. The lists should show "X" payments at one monthly amount and "X" payments at the next step for each classified employee who is not at the highest step.

There appears to be no budget control on extra duty pay such as overtime and extra days for certificated. Certificated substitutes are called by human resources, which checks against a district-wide budget for this purpose.

There is budget authorization for both the work order and stores systems prior to expenditure. However, this is not true for printing jobs or field trips.

Recommendation 4: The substitute budgets should be provided for in each site budget and controlled by the site administrator and the business office.

Recommendation 5: Budget approval for printing jobs and field trips should be obtained before printing is done or field trips are taken.

Recommendation 6: Both the "Change of Pay Status" and "Request for Personnel Forms" (see Appendix D) should be modified to include a signature line for the business office to sign when the budget has been checked for any request. Items without appropriate budget authorization should be forwarded to the superintendent for review and consideration for budget transfers.

Recommendation 7: The business office should have the sole responsibility of assuring that all expense items have an appropriate budget before being processed. Items with no budget must be provided for through budget transfers or revisions.

The computer system, while allowing the budget department to function, does not feature a position control-driven budget development application or interaction with the personnel information input by human resources.

Recommendation 8: The Tulare County Office of Education mainframe system should include budget development that allows rollover of budget information from year to year. This would eliminate a large amount of data entry work and the additional potential for human error.

Recommendation 9: The Tulare COE mainframe system should include the ability to use existing information from human resources into the budget applications. This can facilitate budget projections with "what if" scenarios.

Recommendation 10: The district staff need to input budget revisions into the mainframe as soon as possible so that the cash flow program will reflect more reasonable information. Staff does use a spreadsheet application to more correctly prepare cash flow reports at this time.

Business office

The structure of the business office reflects a business manager as the chief business officer, followed by the director of fiscal programs and an accounting supervisor. Several positions left vacant by voluntary departure have not been filled due to a hiring freeze (see Appendix E). The supervisor has taken on job responsibilities normally done by clerical staff in addition to his own workload. The director of fiscal programs feels there should be an employee higher than the clerical staff who would report to the management personnel. This individual could help prepare information for board meetings.

The loss of several staff members due to attrition and uncertainty of job future has caused a number of more clerical functions to be handled by the accounting supervisor. This has resulted in less time to do normal functions such as evaluations, analysis and interaction with other departments in the monitoring of budget items. Specific examples include:

The accounting procedures for the cafeteria program are handled by the supervisor. After determining any necessary entries to be made on the books for salaries, he turns the information over to an accounts payable clerk for processing. He also processes the information for the farm and student body accounts.

The cafeteria manager, although relatively new, has done a good job of turning the cafeteria program around. However, the accounting supervisor says that she does not have a solid background in accounting functions. He prepares the cafeteria budget with information from the manager. Many times he works at home on the cafeteria account as well as the farm and student body accounts.

Recommendation 11: A staff position needs to be reinstated into the business office structure to allow the supervisor to return to his regular job functions.

The accounting supervisor spoke of the cross training that goes on in the business office. It appears that an absence could be covered with the training that occurs on a regular basis. Although it is commendable that the supervisor is willing to work on school business at home during his own

time, any future employee in this position will probably not be willing to do so. This would result in a large portion of the supervisor's duties not being completed during the work day.

The accounting supervisor feels that there is a lack of communication between the business and the program people. He has only recently started to receive copies of grant and entitlement letters from the program directors. As the preparer of financial reports for the district for categorical programs, it is imperative that he know the amounts of both revenue and expenditure before the end of the year. This will help keep ongoing review possible.

Recommendation 12: Better lines of communication between the categorical directors and the business office must be implemented. It is not possible for the business office to prepare complete financial reports on categorical programs without a basic understanding of how the program is functioning.

It appears that the existing business office staff is able to maintain the appropriate schedules for business operations, although additional staff could provide analysis of financial data to allow for recommendations for improvements and allow staff members to return to their original job responsibilities.

Although the amounts are not significant to the disapproval of the budget, continuing benefits as a result of bargaining unit contracts are contributing to an annual deficit budget. The two items referred to are a district early retirement program implemented separately from the STRS "golden handshake," and stipends to each teacher for out of pocket instructional materials. These costs amount to approximately \$180,000 per year. The district will not offer the "golden handshake" in 1992-93.

Special Projects

The team met with the supervisor of secondary education curriculum to discuss programs offered by the district that have expenses greater than the revenues provided by the funding sources. Of particular concern is the Carl Perkins program operated in the general fund. The district's J390

report for 1991-92 shows no income for the fiscal year with carryover of \$155,785. The total reported expenditures were \$2,600,956. This report may not correctly reflect expenses incurred to run the program defined within the grant. The district decided some years ago to provide a large vocational type program and support it with district funds. The reporting of these expenses under the Carl Perkins program is misleading.

Recommendation 13: The district must reevaluate the decision to provide a large variety of vocational classes. Efforts have already been made to consolidate class sizes and reduce the number of offerings. Further changes need to take place to cut down on the drain to general fund unrestricted dollars.

Another area of concern is the TCOVE program. TCOVE established a formula to determine each district's administrative cost that places an undue burden on Visalia Unified. The supervisor of secondary education curriculum has already contacted the TCOVE administrator to ask for a review of the shared cost philosophy.

Recommendation 14: The district should strongly pursue a review of allocations of TCOVE administrative expense. Any change in the method will result in greater cost to other Tulare County districts while providing relief to Visalia. This will undoubtedly create some tension for Visalia Unified. (FCMAT understands meetings are under way already to implement this recommendation.)

The supervisor has been in this position for a short time but is already working toward more cost efficient class sizes, closer adherence to established budget amounts, and positions lost by attrition that may not need to be filled.

Certificated payroll

The certificated payroll clerk processes payroll for 1300 regular staff members plus substitutes. The methods used to prepare the payroll are organized and efficient. With payroll run only once a month, it does not appear that the employee is unable to handle the workload by herself. A

balance sheet is used to identify changes from the prior month payroll total to the current month. This provides a method to verify the correct total is being paid. However, a supervisor or director does not sign the prelist authorizing payment.

Recommendation 15: A management-level employee should review and sign the authorization for payroll processing.

Classified payroll

The classified payroll clerk prepares the payroll of 1000 regular staff members plus substitutes. One of the difficulties for the person holding this position is in the area of staff members who change from traditional school calendar to year-round. There is an additional staff member who works primarily with benefits, helping the payroll clerk during the busy times. It appears the area is not understaffed. Both payroll clerks are able to process a very large payroll by themselves.

Health benefits

On July 27, 1992, the district's certificated and management employees modified their medical care benefits. These modifications included a \$150 medical services deductible, an \$8 per doctor visit patient charge, an increase in major medical cap from \$2,000 to \$5,000 (employee pays 20 percent up to \$5,000), and each patient pays \$50 for each hospital emergency room visit.

The district's actuarial consultants, Deloitte and Touche, estimated that the above benefit plan changes, along with a change in the prescriptive drug program, which was effective September, 1, 1992, would save the district 20.3 percent. This projection was made in August, 1992, and presented to the district in a letter dated August 26, 1992 (see Appendix F).

When the Budget Review Committee completed its review, the actual claims were only available through October 1992, so the committee still considered the savings very tentative. In the course of preparing this report, FCMAT contacted Eileen Raney of Deloitte and Touche and requested

a savings projection based on actual claims experience through December, 1992. Ms. Raney's written response, dated January 14, 1993, still projects a 20 percent reduction in claims costs for 1992-93 (see Appendix F). It is, therefore, FCMAT's suggestion that the savings be considered valid in the 1992-93 budget.

The district will need to have at least \$1,512,000 reserved for incurred but not reported costs as of June 30, 1993, according to the Deloitte and Touche letter dated August 26, 1992. FCMAT's review of actual claims and claims projections indicate that the district will meet this minimum reserve level.

Finally, FCMAT asked the Self-Insured Schools of Kern (SISK) for an opinion regarding the amount of money needed for the IBNR reserves. Although SISK requires an amount equal to about two and one quarter months of claims to be reserved, SISK officials are comfortable with the Deloitte and Touche study with respect to IBNR (see Appendix F).

Recommendation 16: The district should closely monitor the actual claims experience from January through May and review these results with the Tulare County Office of Education to help determine projected ending balances for 1992-93 and appropriate budget amounts for 1993-94.

Purchasing

The purchasing director and his staff of 2 use a computerized requisition system to efficiently process requests for purchase orders. Although a staff position has been cut in this department, the decrease in outside purchases offsets the workload so that the staff is able to cover all purchasing responsibilities. The computer is set up to compare the purchase requisition to the budget imposed by the Tulare County Office.

The purchasing director is also the supervisor of the warehouse. A central stock warehouse is maintained that can be used by the County Office through a purchasing agreement. No other districts participate in a cooperative purchasing program. The warehouse drivers deliver the store

stock goods to each school site once a week. In addition, the drivers deliver cafeteria food to the sites every day. The purchasing department has implemented good control measures. The biggest problem is unauthorized purchases, submitted for issuance of a purchase order and payment after the fact. The computer system does not allow an account to be overdrawn. However, excess cost over the purchase amount and journal entries for program corrections can allow an account to be overexpended. Payment for invoices over the original amount is based on a allowable amount for additional payment designated by a check mark at the top of the purchase order.

Recommendation 17: The district must develop a stronger policy toward unauthorized purchases. Staff members should be aware of the consequences of purchasing goods without a purchase order, such as the possibility of unauthorized purchased items being returned.

Recommendation 18: The use of open purchase orders must be more closely monitored. While the current process does track the remaining balance of the open P.O., staff members purchasing against the P.O. do not stay aware of the balance enough to request a new P.O. when the current funds are exhausted. Subsequent invoices are presented for payment beyond the original encumbrance amount. In addition, staff are purchasing supplies from local sources that could be more economically purchased by the purchasing department through other sources.

Recommendation 19: The current method for approval of payment over the original purchase order amount allows too much latitude in cost adjustment. Rather than approving a specific dollar amount over the P.O. amount, the district should implement a percentage limitation. If the invoice exceeds the percentage increase, the department head should be asked to provide a budget revision to show available funds before payment is made.

Recommendation 20: Funds available should be verified before journal entries are made to transfer charges from one program to another. The receiving program may already be over budget in the expenditure category.

Management information system

The county data processing department has been very responsive to user needs. District users are encouraged to contact county data processing personnel directly to make requests and suggest improvements or changes to the county system. Data processing programming staff evaluate each request to estimate programming time requirements, determine economic and technical feasibility, and make a determination as to the “global appeal” of the request. For complex applications, a pilot group consisting of nine districts is formed to assist in the systems analysis phase of the request. After the requested change has been developed and implemented, arrangements for user training (if necessary) are made. The county data processing department makes every effort to inform all users of new developments through training sessions and other direct communication. However, users who are unable to attend all workshop sessions are often uninformed as to new developments and system capabilities.

Recommendation 21: Put a “System Development Messages” option on the county system that would allow users to get on-line, up-to-date information regarding new developments in county computer system capabilities.

The county computer system lacks an integrated, automated position control application. As such, districts have been left to make their own decisions relating to position control system implementation, and two have opted to implement microcomputer based position control tracking systems. The Tulare county data processing department is currently in the investigation and exploration phase of developing a position control system that will meet the needs of district users. On February 16, county and VUSD personnel visited the Kern County Superintendent of Schools Data Processing Department for a hands-on walkthrough of the KCSOS position control system. The purpose of this walkthrough was to relate the capabilities of the system and to determine the technical feasibility of implementing the application on the Tulare county system.

Recommendation 22: Continue investigation efforts into the development of an integrated, automated position control system. General concerns include developing a system that is technically and economically feasible, interfaces seamlessly with the budget and payroll systems, allows projection of salaries and benefits with calcula-

tion of the cost of class and/or step advances, allows budgeted positions to roll to the budget development system, contains a flexible position control report writer, and permits what-if projection capabilities.

Although the county has, in the past, sponsored and conducted user group meetings for users to share problems, discuss ideas, develop solutions, and increase communication, there is currently no forum of this type available.

Recommendation 23: The county should sponsor an accounting and data processing advisory committee. The committee should be made up of district users, administrators, the county office director of information systems, the county office director of business services, and other interested parties. The committee's objective should be to increase awareness of computer system capabilities and to share information regarding new requirements and/or laws that impact accounting and reporting functions.

ADA

The attendance technician collects attendance data from each of the district's reporting sites. This information is summarized using Lotus 123 spreadsheets, and ultimately reported on the district's J 18/19 attendance reports. The technician also prepares a monthly enrollment summary which is presented to the cabinet.

During the past several years, the technician has been supervised by several individuals, due to reorganizations and retirements. As a result, there has been no continuity in supervision. The technician is the only district employee in this position. Members of management as well as other staff are not completely aware of the duties of the job description, or the steps to be taken to implement the assigned duties.

In the past, the district has inadvertently reported inaccurate ADA information to the state. This reporting error resulted in revenue limit pay backs to the state. Also, some budget projections were corrected because of misreporting of current ADA information.

Recommendation 24: The District should prepare monthly ADA summaries. The summaries could be presented in any way meaningful to management, but they should also be presented in J 18/19 format. Current and prior year information should be presented, as well as a comparison of actual to budget forecast data.

Recommendation 25: The district should undertake a program of cross training to insure that other individuals are able to perform the duties of this position. In addition, a desk manual should be prepared by the Technician which describes in detail the job functions, steps, deadlines, responsibilities, etc.

Recommendation 26: Because of the importance of ADA to District funding, the district should consider reassigning the Technician to the budget or business department. The budget department could then carefully monitor ADA on a monthly basis to insure that ADA is in line with budget projections.

Recommendation 27: All J 18/19 as well as other district attendance reports used for management purposes, should be reviewed by an independent district employee both for clerical as well as technical correctness. Analytical procedures should be applied to the reports, and significant deviations from expected norms should be investigated and reconciled to actual data and projections.

APPENDICES A - J

APPENDIX A

Item 7: The general fund is reduced \$219,000 to reflect the adult fund's inability to repay 1991-92 and 1992-93 payables to the general fund. These payables eventually will be repaid, but probably not during the 1993-94 fiscal year.

Item 8: The \$230,000 increase in revenue limit ADA results from correcting previous district projections. When the district noted an enrollment decrease, it determined that the decrease was entirely from regular K-12 ADA, thereby decreasing the total revenue limit for the full amount per ADA. However, the decrease in enrollment was in adult independent study ADA, ages 19-21 and not continuously enrolled. This adult revenue limit is lesser than the regular revenue limit per ADA, which resulted in a \$230,000 increase in revenue.

November 10, 1992

Gerry Beckers, President
Board of Trustees
Visalia Unified School District
315 East Acequia Street
Visalia, CA 93291

Dear Mr. Beckers:

The California Department of Education Budget Review Committee has completed the task of reviewing the Visalia Unified School District's budget. The committee was formed under the authorization of Education Code 42127.1 and as such has prepared the attached report which includes:

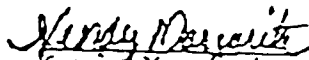
Disapproval of Current Year Budget
Recommendations for Long Term Financial Stability

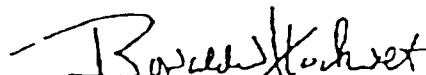
While the specific task of the committee was to recommend approval or disapproval of your current year budget, in the course of developing that recommendation the committee found weaknesses or procedures contributing to financial difficulty within the district. As such, recommendations for improvements in this area have been included.


The Visalia Unified School District staff was very courteous and provided information we requested, when such information was available.

The committee appreciates the opportunity to be of service to the district, and is confident that the information provided in our report will benefit the students of the Visalia Unified School District.

Sincerely,


Wendy Margarita
Committee Chair


Ronald Hockwalt
Committee Member


Gary Burgner
Committee Member

WM/RH/GB:ja

cc: James Vidak
Louis Montion
Nina Clancy
Bill Clevenger
Charles Mainwaring
Lynn Meyer
Jim Qualls

Sharon C. Tucker, PhD
Superintendent

Visalia

UNIFIED SCHOOL DISTRICT

November 30, 1992

Board of Education

Gerry Beckers
Shirley Clark
Bill Cleveland
Charles O. Edwards
Lynn S. Meyer
Louis Montion
Jim L. Qualis

Mr. Bill Honig, Superintendent
Public Instruction and Director of Education
California Department of Education
P. O. Box 944272
Sacramento, CA 94244-2720

Dear Mr. Honig:

The Board of Education for Visalia Unified School District unanimously acted on November 30, 1992 to appeal the decisions of the Tulare County Superintendent of Schools and the Budget Review Committee to disapprove the district's budget. Our budget was disapproved by the County Superintendent on October 19, 1992 for failure to meet the 3% reserve requirement. It is our belief that this reserve requirement will be met when we conclude the collective bargaining process with the Visalia Unified Teachers Association. The district has proposed a 3.9% salary rollback by teachers from the bargaining unit to help to mitigate the negative effect of the 18% salary increase received by teachers as a result of a three year bargained agreement which ended in June of 1992. When this rollback is achieved, the 3% reserve requirement will be met.

The Board hired a new superintendent on July 1, 1992. Dr. Sharon Tucker came to the district from the Deputy Superintendent post in the Riverside Unified School District. The Board of Education also has acted affirmatively to reduce the Visalia Unified School District's budget by \$5.2 million for the 1992-93 school year. This reduction has entailed difficult decisions regarding the instructional program, administration, class size, transportation, and maintenance. It has also meant that 31 classified staff and three teachers have been laid off.

The Budget Review Committee noted several potential deficits in the district budget. The first of these, a reduction in projected growth ADA, has been taken into account in our budget. All the other noted areas in the Budget Review Team's report are indeed only potential problems, and we feel confident that our monitoring of the funds and programs involved will prevent any of these from occurring. The new administration is vigilant. The report itself notes that since the superintendent began in the district on July 1 "there has been a tremendous change in practices and procedures."

I want to assure you that the Board of Education and the administration of this district believe in assertive fiscal management and that they will be able to solve the problems noted by the Review Committee if allowed the time to do so.

Sincerely,



Gerry Beckers, President
Board of Education

FCMAT 2735



CALIFORNIA DEPARTMENT OF EDUCATION

Bill Honig

721 Capitol Mall, P.O. Box 944272

State Superintendent

Sacramento, CA 94244-2720

of Public Instruction

December 11, 1992

Gerry Beckers, President
Board of Trustees
Visalia Unified School District
315 East Acequia Street
Visalia, CA 93291

Dear Mr. Beckers:

Based on the recommendations of the budget review committee and your response to those recommendations, I hereby disapprove your FY 1992-93 budget. By disapproving your budget, I am endorsing the recommendations of the budget review committee and empowering the county superintendent to assist you in your continued financial recovery. However, before going into the reasons for my disapproval, I would like to acknowledge that it is clear from the committee report that you have taken significant actions to reduce expenditures and that you apparently have the resolve to address the remaining issues in order to put the district back on the track to fiscal solvency. The reasons for my disapproval are listed below:

1. Your current plan hinges on the successful ratification of a contract with your certificated bargaining unit. The long-term fiscal health of the district depends on implementing a salary schedule which is in line with the revenues your district receives. It may be several months until such an agreement can be reached. In the meantime, I believe the county superintendent should be in a position to closely monitor and, if necessary, limit district expenditures to ensure that the district is able to meet its obligations through the remainder of the fiscal year.
2. In the past three years, you have deficit spent and consistently over-estimated your ending balance. The budget review committee identified ten areas of concern with this year's budget. You may have again over-estimated your ending balance. If this were to materialize, your district would end the year with a significant negative fund balance.

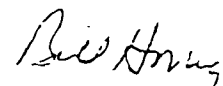
It is now the responsibility of the Tulare County Superintendent of Schools to develop and adopt, in consultation with me and the

Gerry Beckers
December 11, 1992
Page 2

district governing board, a 1992-93 fiscal plan and budget to govern the Visalia Unified School District. I expect he will use his authority judiciously as you are clearly headed in the right direction.

If you have any questions regarding the reasons for disapproval or the provisions of Education Code section 42127.3, please contact Bob Agee, Deputy Superintendent for Field Services, at (916) 657-4748.

Best regards,



Bill Honig
(916) 657-5485

BH:bva

cc: Sharon Tucker
Jim Vidak
John Wilborn
Gary Burgner
Ronald Hockwalt
Wendy Margarita



CALIFORNIA DEPARTMENT OF EDUCATION

Bill Honig

721 Capitol Mall; P.O. Box 944272

State Superintendent

Sacramento, CA 94244-2720

of Public Instruction

December 11, 1992

Dr. Jim Vidak, Superintendent
Tulare County Schools
Education Building
County Civic Center
Visalia, CA 93291-4581

Dear Dr. Vidak:

Enclosed is my letter disapproving the Visalia Unified School District budget. As a result of this disapproval, you must now assume the authority and responsibilities described in Education Code section 42127.3. The provisions of this section include: developing and adopting a budget for the district, staying or rescinding actions inconsistent with this budget, and monitoring and reviewing the operation of the district.

It is my view that the district has made great progress toward restoration of its financial stability, and I urge you to consider this as you carry out your responsibilities. I know you understand the importance of assisting the district in their efforts to implement an educational program consistent with their own fiscal reality.

If you have any questions regarding this letter, please call me or contact Bob Agee, Deputy Superintendent for Field Services, at (916) 657-4748.

Best regards,

A handwritten signature in cursive script that reads 'Bill Honig'.

Bill Honig
(916) 657-5485

BH:bva
Enclosure

cc: Gerry Beckers

FISCAL CRISIS *and* MANAGEMENT ASSISTANCE TEAM

REQUEST FORM

1. Requesting Agency: Tulare County Office of Education

Please check

2. Type of Request: X **A. Fiscal Crisis (E.C. 42127.8(e)) Governing Board**

1. Potential Insolvency

a. Disapproved budget

b. Negative interim report

c. When certain conditions are identified under "Going Concern"

 B. Fiscal Crisis (E.C. 42127.8(a)) Going Concern

If county office of education determines that a district will be unable to meet current or subsequent year financial obligations, he or she shall notify the board in writing of that determination and its basis. The County Superintendent may then:

1. Assign a fiscal advisor to assist the district - (The FCMAT).

2. Conduct a study of the district's finances and recommend action to enable the district to meet those obligations - (The FCMAT).

 C. Management Assistance (E.C. 42127.8(d))

SERVICES AVAILABLE

organization and staffing

budget development and management

transportation

accounting

cafeteria/food services

personnel administration

data processing

purchasing and warehousing

inventory control

records management

risk management

legal assistance

maintenance and facilities

support services

communications

3. Name and location of agency needing services: Visalia Unified School District

4. Please provide a brief paragraph or two explaining the nature/problem.

Assist COE develop and adopt budget for district in accordance with Education

Code 42127.3 (B) (1)

5. Contact Person: John Wilborn (209) 733-6338

Name

Telephone

Authorized signature of requesting agency(ies):

LEA

Date

COE

12/11/92
Date

**Mail or FAX to Benny Langley, Administrator, Fiscal Crisis and Management Assistance Team, 5801 Sundale Avenue
Bakersfield CA 93309-2900 (805) 398-3887 FAX - (805) 398-3888.**

FCMAT 2739

MANAGEMENT ASSISTANCE TEAM
STUDY AGREEMENT

January 6, 1993

The FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM (FCMAT), hereinafter referred to as the Team and the Visalia Unified School District, hereinafter referred to as District, and the Tulare County Office of Education, hereinafter referred to as the County Office, mutually agree as follows:

1. BASIS OF AGREEMENT

The Team, provides a variety of services to school districts and county offices of education upon request. The District has requested that the Team provide for the assignment of professionals to study specific aspects of District's operations. These professionals may include staff of the Team, County Offices of Education, the California State Department of Education, school districts, or private contractors. All work shall be performed in accordance with the terms and conditions of this Agreement.

2. SCOPE OF THE WORK

A. Goals and Objectives of the Study

The goals of this study are to:

- 1) Validate the proposed budget numbers, including recommendations and suggestions of the budget review committee; and
- 2) Determine the magnitude of budget reductions to be required commensurate with requirements and direction of the Tulare County Superintendent of Schools.

The following objectives summarize the agreed upon procedures to meet the goals of the study:

- 1) Review and verify, as needed, the recommendations of the budget review committee;
- 2) Review and verify budgeted salaries, including position control;

- 3) Review and verify budget health and welfare costs;
- 4) Review and verify all budgeted income, including revenue limit projections;
- 5) Review and verify the validity of interfund receivables and payables;
- 6) Review and verify actuarial costs for self-insurance fund;
- 7) Review and verify, as directed in writing by the Tulare County Superintendent of Schools, other necessary budget, accounting, or managerial matters.

B. Services and Products to be Provided

- 1) Orientation Meeting - The Team will conduct an orientation session at the District to brief all concerned District management and supervisory personnel on the procedures of the Team and on the purpose and schedule of the study.
- 2) On-Site Review - The Team will conduct an on-site review at the District Office and at individual school sites.
- 3) Progress Reports - The Team will hold periodic progress report meetings with the District staff in order to keep the District informed as to the status of the study and to discuss recommendations. At a minimum, meetings will be held at the conclusion of the on-site review.
- 4) Reports - Sufficient copies of the preliminary study report will be delivered to the District Superintendent for review and comment.

Sufficient copies of the final study report will be delivered to the District Superintendent following completion of the review process.

- 5) Follow-Up Support - Subsequent to completion of the study, the Team will meet with district management personnel and with the board of education as necessary to discuss the findings and recommendations of the team.

3. PROJECT PERSONNEL

The study team will be supervised by Benny Langley, Administrator, Fiscal Crisis Management Assistance Team, Kern County Superintendent of Schools Office. The study team may also include:

1. Dr. Larry Reider
2. Marshall Wiley
3. Peter DeArmond
4. Barbara Dean
5. Andy Prestage

The Costs for studies requested pursuant to E.C. 42127.6(e) shall be:

- A. \$200 per day for each Team Member while on site, conducting field work at other locations, presenting reports, or participating in meetings.
- B. All out-of-pocket expenses, including travel, meals, lodging, etc.

All other requests or services shall be at no charge.

4. RESPONSIBILITIES OF THE DISTRICT

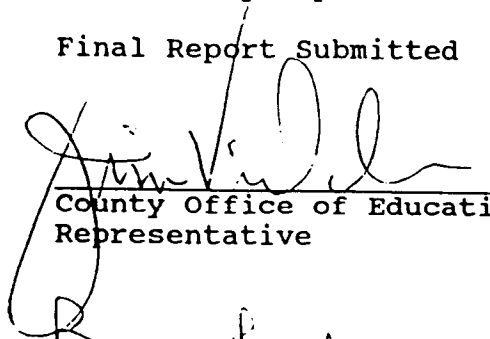
- A. The District will provide office and conference room space while on-site reviews are in progress.
- B. The District will provide the following (if requested):
 - 1) A map of the District
 - 2) Existing policies and regulations
 - 3) Current organizational charts
 - 4) Task Listing Sheets for specified positions

- 5) Staffing level in full-time equivalents, and CBEDS regular enrollment for fiscal year 1991-92.
 - 6) Enrollment projections through fiscal year 1993-94.
- C. The District Superintendent and her staff will review a preliminary draft copy of the study. Any comments regarding the accuracy of the data presented in the report or the practicability of the recommendations will be reviewed with the Team prior to completion of the final report.

5. PROJECT SCHEDULE

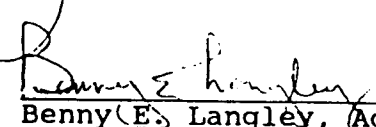
The following schedule outlines the planned completions dates for key study milestones:

Orientation	December 15, 1992
Staff Interviews	Week of January 4, 1993
Exit Interviews	Week of January 11, 1993
Preliminary Report Submitted	To Be Determined
Final Report Submitted	To Be Determined



 County Office of Education
 Representative

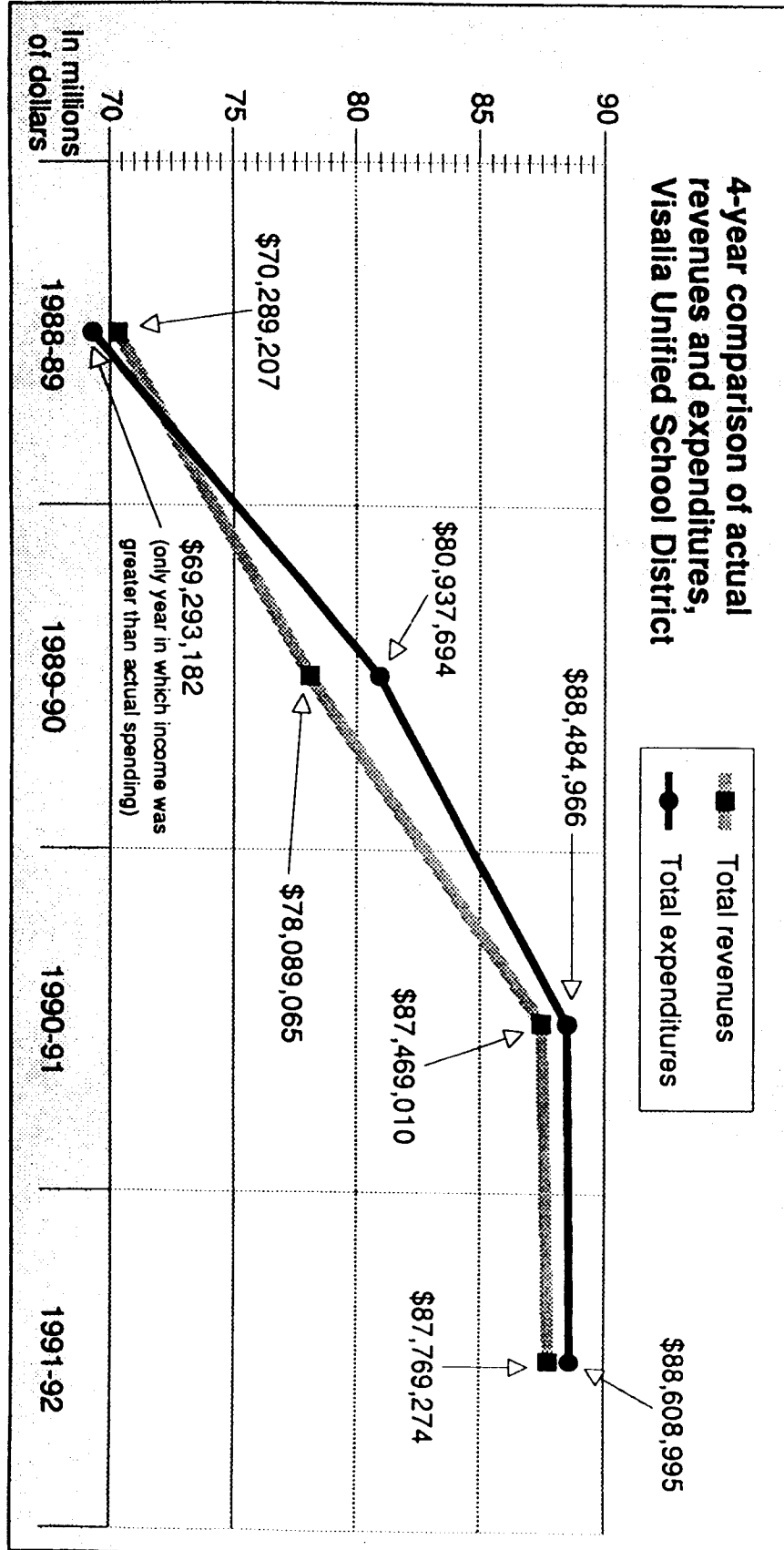
 School District
 Representative

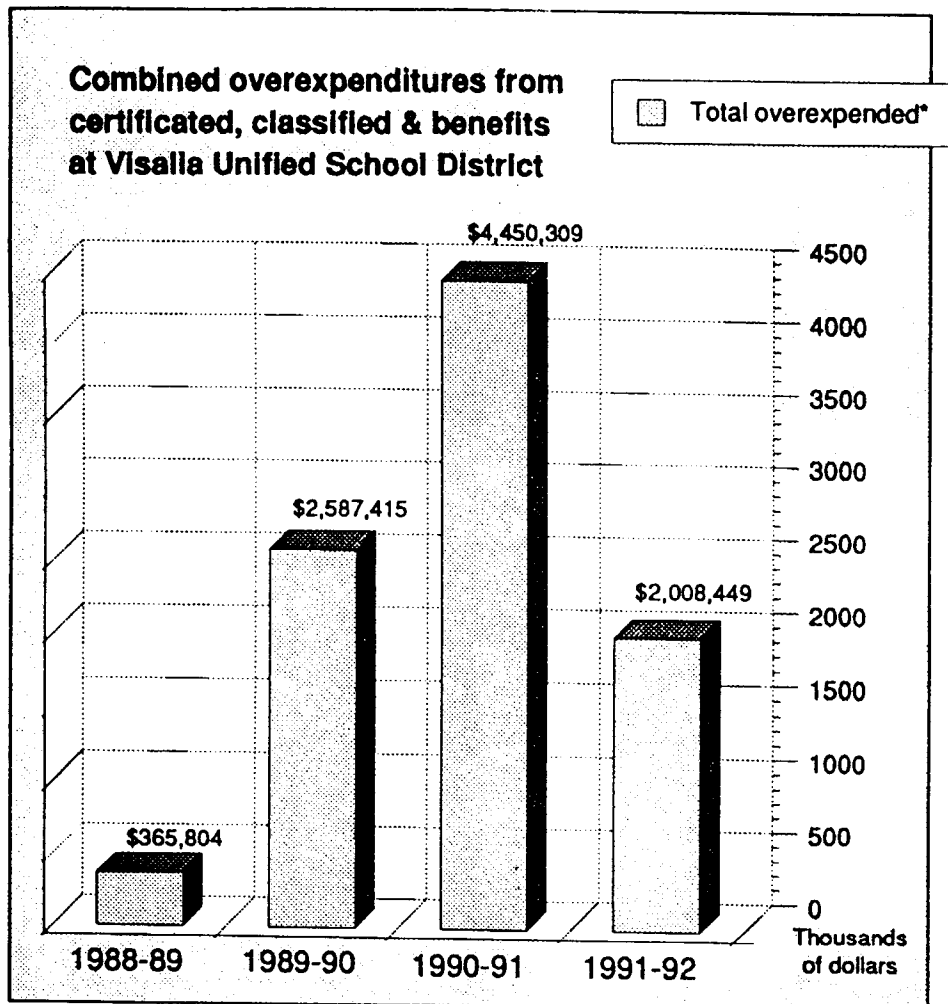


 Benny (E) Langley, Administrator

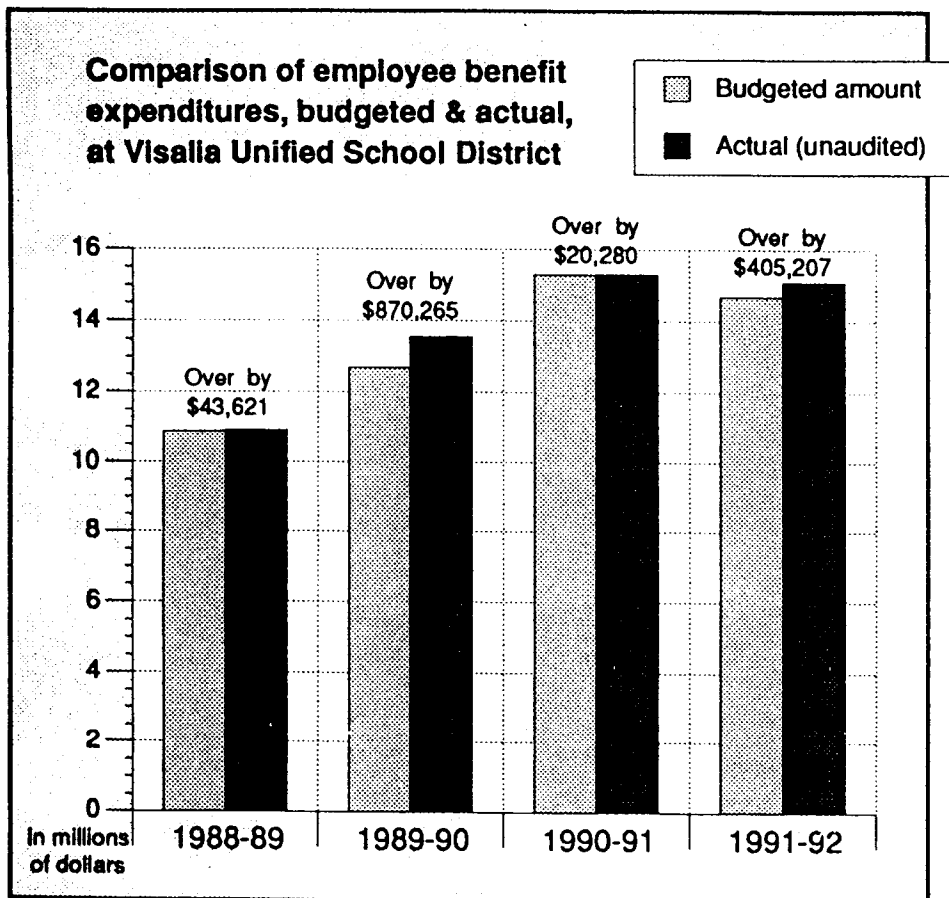
Indicate number of copies of report needed _____

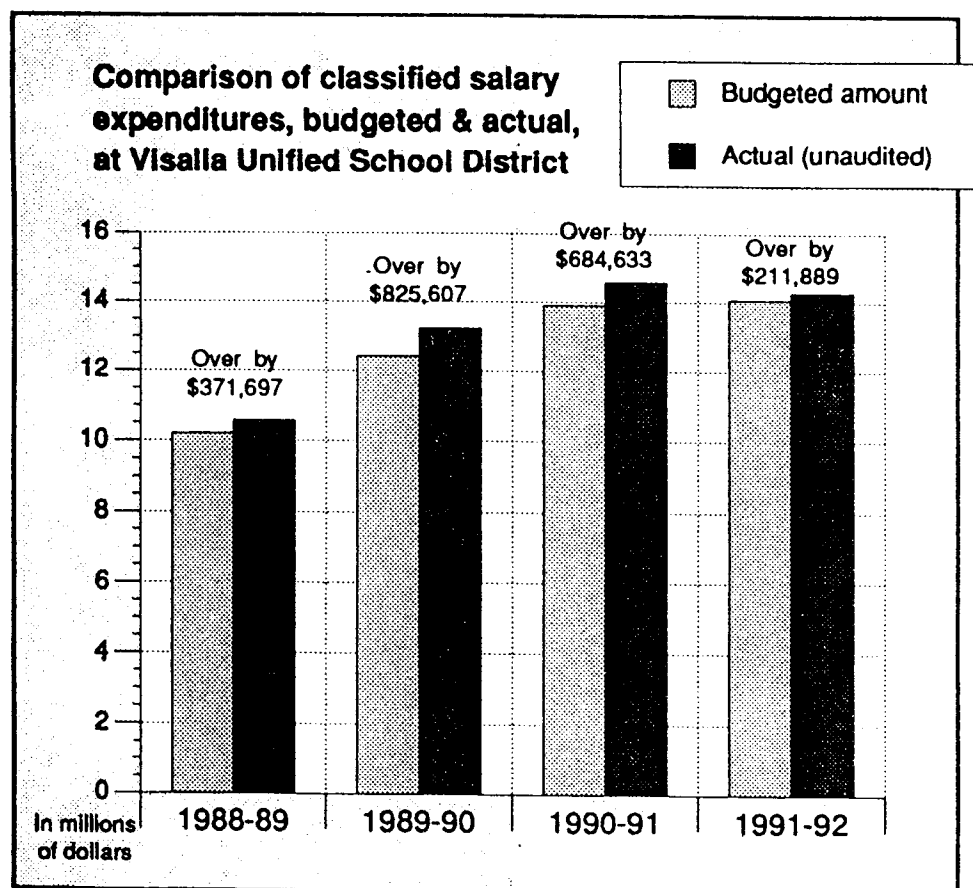
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* Based on combined actual spending in all 3 categories compared to amounts allocated in adopted budget





PERCENTAGE OF 1000's, 2000's, AND 3000's TO TOTAL EXPENDITURES
DATA SOURCE: 92-93 J201 ADOPTED BUDGET

	ABC Unified	Chino Unified	Clovis Unified	Corona-Norco Unified	Hacienda La Puente Unified	Irvine Unified	Lodi Unified	Pasadena Unified	Placentia Unified	Visalia Unified
1000-1999 Certificated Salaries	46,716,062	53,548,185	50,618,928	51,090,774	45,318,480	47,800,658	52,942,658	48,214,644	48,480,621	46,354,865
2000-2999 Classified Salaries	15,744,444	15,241,599	15,439,946	12,160,079	16,054,341	12,788,055	15,432,025	15,232,700	13,997,072	13,678,499
3000-3999 Employee Benefits	12,821,238	17,576,879	16,266,176	14,016,431	15,960,258	13,204,499	16,956,933	15,510,066	16,157,805	16,981,339
Total of 1000's, 2000's, and 3000's	75,281,744	86,366,663	82,325,050	77,267,284	77,333,079	73,793,212	85,331,616	78,957,410	78,635,498	77,014,703
Total Expenditures, including Transfers Out and Other Uses	88,516,620	99,337,147	98,081,291	94,007,502	89,639,753	89,205,408	103,886,367	95,825,124	93,224,032	88,904,712
Percentage of 1's, 2's, and 3's to Total Expenditures	85.0%	86.9%	83.9%	82.2%	86.3%	82.7%	82.1%	82.4%	84.4%	86.6%

PERCENTAGE OF 1000's, 2000's, AND 3000's TO TOTAL EXPENDITURES
DATA SOURCE: 92-93 J201 ADOPTED BUDGET

1000-1999 Certificated Salaries	
2000-2999 Classified Salaries	
3000-3999 Employee Benefits	
Total of 1000's, 2000's, and 3000's	
Total Expenditures, including Transfers Out and Other Uses	
Percentage of 1's, 2's, and 3's to Total Expenditures	

Note: Please use your 1991/92 J201 as your data source for these numbers.

- ← J201, pg. 1, Expenditures section, line 1, column F (Total Fund, 92/93 Bdgt. column).
- ← J201, pg. 1, Expenditures section, line 1, column F (Total Fund, 92/93 Bdgt. column).
- ← J201, pg. 1, Expenditures section, line 1, column F (Total Fund, 92/93 Bdgt. column).
- ← No entry necessary here...
- ← J201, pg. 1, Expenditures section, line 9, column F + Transfers Out (line 1b)
- ← + Uses (line 2b) in the Other Financing Sources/Uses section.

← No entry necessary here...

Student Enrollment and Schools Operated

	ABC Unified	Chino Unified	Clovis Unified	Corona-Norco Unified	Hacienda La Puente Unified	Irvine Unified	Lodi Unified	Pasadena Unified	Placentia Unified	Visalia Unified
1991/92 CBEDS Enrollment	21,642	24,888	24,638	24,193	23,382	21,222	24,607	22,092	21,803	22,155
Special Education	0	0	0	2	1	0	2	0	1	1
Court/Community Schools	0	1	0	0	0	0	0	0	0	0
Elementary	19	17	21	17	23	21	24	21	19	23
Intermediate	5	4	2	4	5	4	4	3	4	0
Independent	1	0	1	0	0	1	1	2	1	1
Junior High School	0	1	1	0	0	0	0	0	0	3
High School	4	3	2	3	5	3	3	4	3	3
Continuation High School	1	1	1	2	1	1	1	1	1	1
Total Number of Schools Operated	30	27	28	28	35	30	35	31	29	32

Revenue Limit Per Ada

	ABC Unified	Chino Unified	Clovis Unified	Corona-Norco Unified	Hacienda La Puente Unified	Irvine Unified	Lodi Unified	Pasadena Unified	Placentia Unified	Visalia Unified
1991/92 CBEDS Enrollment	21,642	24,888	24,638	24,193	23,382	21,222	24,607	22,092	21,803	22,155
1991/92 ADA	21,234	24,471	24,418	23,690	21,744	21,105	23,785	21,608	21,181	21,683
91-92 Statutory Base Revenue Limit	3,223.20	3,200.23	3,214.82	3,201.57	3,203.69	3,062.00	3,209.88	3,252.93	3,572.49	3,221.25
91-92 Deficit Base Revenue Limit	3,057.92	3,039.58	3,049.68	3,007.23	3,042.39	Ken will call	3,048.27	3,090.77	3,366.00	3,056.07

**VISALIA UNIFIED SCHOOL DISTRICT
THREE YEAR STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES--BUDGET AND ACTUAL--ALL GOVERNMENTAL FUND TYPES**

FCMAT 2749

	01-JAN-93			1989-1990			1990-1991			1991-1992			1992-1993		
	ADOPTED BUDGET	ADOPTED BUDGET	ADOPTED BUDGET	AUDITED ACTUAL	AUDITED ACTUAL	VARIANCE	AUDITED ACTUAL	AUDITED ACTUAL	VARIANCE	AUDITED ACTUAL	AUDITED ACTUAL	VARIANCE	ADOPTED BUDGET	ADOPTED BUDGET	AUDITED ACTUAL
REVENUES															
REVENUE LIMIT SOURCES															
FEDERAL REVENUE	57,921,925	59,180,867	1,258,942				62,937,471	65,400,817	2,463,346	68,518,200	67,504,109	(1,014,091)	71,015,973	4,926,131	0
OTHER STATE REVENUE	3,691,889	3,795,324	103,435	4,461,300	3,904,843	(556,457)	15,736,691	14,046,985	(1,689,706)	14,644,668	13,542,334	(1,102,334)	13,411,089	0	0
OTHER LOCAL REVENUE	14,308,201	14,203,505	(104,696)	15,736,691	14,046,985	(1,689,706)	2,075,512	2,112,584	37,072	2,231,156	2,348,918	117,762	2,566,902	0	0
TOTAL REVENUES	77,780,564	79,022,285	1,241,721	85,210,974	85,465,229	254,255	85,210,974	85,465,229	254,255	90,129,233	87,626,927	(2,502,306)	91,920,095	0	0
EXPENDITURES															
CERTIFICATED SALARIES	41,602,710	42,499,234	(896,524)	43,291,377	47,036,773	(3,745,396)	47,249,092	48,640,446	(1,391,354)	47,249,092	48,640,446	(1,391,354)	46,354,865	0	0
CLASSIFIED SALARIES	12,425,039	13,253,699	(828,660)	13,910,450	14,595,083	(684,633)	14,080,583	14,292,472	(211,889)	14,080,583	14,292,472	(211,889)	13,678,499	0	0
EMPLOYEE BENEFITS	12,696,425	13,566,690	(870,265)	15,297,487	15,317,767	(20,280)	14,699,493	15,104,701	(405,208)	14,699,493	15,104,701	(405,208)	15,981,339	0	0
BOOKS & SUPPLIES	3,447,773	3,834,746	(386,973)	4,986,865	4,008,939	977,926	6,056,677	3,045,509	3,011,168	6,056,677	3,045,509	3,011,168	5,149,832	0	0
SERVICES AND OTHER OPERATING EXPENDITURES	4,933,508	5,129,789	(196,281)	5,755,637	4,818,731	936,906	5,158,178	4,862,318	495,860	5,158,178	4,862,318	495,860	4,909,227	0	0
CAPITAL OUTLAY	1,745,760	1,740,914	4,846	773,270	938,721	(165,451)	595,326	556,382	38,944	595,326	556,382	38,944	487,513	0	0
DEBT SERVICE:															
PRINCIPAL RETIREMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST AND FISCAL CHARGES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	76,851,215	80,025,072	(3,173,857)	84,015,086	86,716,014	(2,700,928)	87,839,349	86,301,828	1,537,521	87,839,349	86,301,828	1,537,521	87,571,275	0	0
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	929,349	(1,002,787)	(1,932,136)	1,195,888	(1,250,785)	(2,446,673)	2,289,884	1,325,099	(964,785)	2,289,884	1,325,099	(964,785)	4,348,820	0	0
OTHER FINANCING SOURCES (USES):															
OPERATING TRANSFERS IN	0	274,711	274,711	299,898	2,000,000	1,700,102	0	440,508	440,508	0	440,508	440,508	12,972	0	0
OPERATING TRANSFERS OUT	(2,890,286)	(252,946)	2,637,340	(496,224)	(686,636)	190,412	(113,315)	(158,165)	44,850	(113,315)	(158,165)	44,850	(49,526)	0	0
OTHER SOURCES (USES)	0	(1,001,150)	(1,001,150)	0	(1,082,317)	(1,082,317)	0	(2,231,612)	(2,231,612)	0	(2,231,612)	(2,231,612)	260,714	0	0
PROCEEDS FROM DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	(2,890,286)	(979,385)	1,910,901	(196,326)	231,047	427,373	(113,315)	(1,949,269)	(1,835,954)	(113,315)	(1,949,269)	(1,835,954)	224,160	0	0
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,960,937)	(1,982,172)	(21,235)	999,562	(1,019,738)	(2,019,300)	2,176,569	(624,170)	(2,800,739)	2,176,569	(624,170)	(2,800,739)	4,572,980	0	0
FUND BALANCE JULY 1	5,455,608	5,647,737	192,129	2,761,691	3,665,565	903,874	2,659,084	1,776,596	(879,488)	2,659,084	1,776,596	(879,488)	1,685,084	0	0
FUND BALANCE JUNE 30	3,494,671	3,665,565	170,894	3,761,253	2,645,827	(1,115,426)	4,834,653	1,154,426	(3,680,227)	4,834,653	1,154,426	(3,680,227)	6,298,064	0	0

**VISALIA UNIFIED SCHOOL DISTRICT
FIVE YEAR FINANCIAL ANALYSIS OF GENERAL FUND**

01-JAN-93		1987--1988	1988-1989	1989-1990
SOURCE: FORM J201	UNAUDITED ACTUAL	ADOPTED BUDGET	UNAUDITED ACTUAL	UNAUDITED ACTUAL
REVENUES				
8010-8099 REVENUE LIMIT SOURCES	48,840,595	52,767,137	52,368,089	(399,048)
8100-8299 FEDERAL	2,511,756	2,841,909	2,965,355	123,446
8300-8599 OTHER STATE	9,974,239	10,803,349	13,245,511	2,442,162
8600-8799 OTHER LOCAL	1,693,407	1,567,884	1,710,251	142,367
8910-8929 INTERFUND TRANSFER IN	133,989	0	1	1
8930-8979 OTHER SOURCES	0	0	0	0
TOTAL REVENUES, TRANSF. IN/SOURCES	63,144,138	67,980,279	70,289,207	2,308,928
EXPENDITURES				
1000-1999 CERTIFICATED SALARY	33,488,943	36,573,412	36,523,904	49,508
2000-2999 CLASSIFIED SALARY	10,340,589	10,205,611	10,577,308	(371,697)
3000-3999 EMPLOYEE BENEFIT	9,413,256	10,875,268	10,918,889	(43,621)
4000-4999 BOOKS & SUPPLIES	2,647,085	2,583,694	2,628,644	(44,950)
5000-5899 SERVICE, OTHER OPERATING	4,038,306	4,426,789	4,107,778	319,011
6000-6599 CAPITAL OUTLAY	1,399,762	1,273,728	1,082,728	191,000
7100-7299 OTHER OUTGO	1,014,378	1,178,566	1,142,474	36,092
7300-7399 DIRECT SUPORT/INDIRECT COST	(231,410)	(84,706)	(291,529)	206,823
7610-7629 INTERFUND TRANSFERS OUT	736,568	2,475,225	2,602,986	(127,761)
7630-7699 OTHER USES	(76,916)	0	0	0
TOTAL EXPENDITURES, TRANS. OUT/USES	62,770,561	69,507,587	69,293,182	214,405
EXCESS (DEFICIENCY)	373,577	(1,527,308)	996,025	2,523,333
BEGINNING BALANCE (AUDITED ACTUALS)	4,086,005	4,459,582	4,459,583	(1)
AUDIT ADJUSTMENT	0	0	0	0
ENDING BALANCE:	4,459,582	2,932,274	5,455,608	2,523,334
			2,598,436	2,761,691
				163,255
				2

CHANGE OF PAY STATUS

V.U.S.D.

DATE _____

E-1

Name _____ S.S. # _____

Type of Change: _____

(Give brief description of change)

CHANGE FROM:

Budget Numbers

Hrs.

Class Step Night Diff.

Title _____

Site _____

Total

CHANGE TO:

Budget Numbers

Hrs.

Class Step Night Diff.

Title _____

Site _____

Total

Change Effective _____ Termination Effective _____

Recommended/Approved by _____

/

PERSONNEL SERVICES

DIRECTOR OF HUMAN RESOURCES

White-Payroll/Grn.-Employee/Cnry-Supervisor/Pink-Personnel/Goldenrd-Comp.Ed. (Rev. 1/90)

P14

VISALIA UNIFIED SCHOOL DISTRICT

E-2

REQUEST FOR PERSONNEL

From: _____ School/Department: _____ Date: _____

SECTION I

☐ Classified Employee ☐ Certificated Employee ☐ Management Employee
☐ Part Time ☐ Full Time
☐ New Position ☐ Replacement ☐ Reassignment ☐ Additional Assignment

SECTION II

Position: _____ First Date of Employment: _____
 Location of Position: _____ Hours of Employment: _____ From _____ To _____
 Person Being Replaced: _____ (total)
 Days Per Week: _____ M T W Th F Sat Sun
 Funding Source: _____ (total)
 Funds Authorized By: _____ Months Per Year: _____ From _____ To _____
 (Director of Funding Source) (total)
 Acct. Number _____ Hours _____
 Acct. Number _____ Hours _____
 Acct. Number _____ Hours _____
 Justification: _____

General Duties Description (If new position please attach [job description]): _____

Special or Unusual Assignment and/or Qualifications (if any): _____

☐ Approved ☐ Disapproved
Funding Available ☐ Yes ☐ No

Director or Supervisor _____

SECTION III

(Do not write below this line. For Personnel Department use only)

CLASSIFIED EMPLOYEES

Employee's Name _____
 Effective Date _____
 Salary: Range _____ Step _____ Per Month \$ _____
 Budget Code _____ Per Hour \$ _____
 Pay Period _____
 Supervisor _____
 Approved _____
 Personnel Analyst (Date) _____

Comments: _____

CERTIFICATED EMPLOYEES

☐ Regular ☐ Temporary
 Employee's Name _____
 Salary Schedule Placement: Class/Step _____
 Base Salary Amount \$ _____ Amount Over Base \$ _____
 Budget Code _____
 Adjusted Annual Amount \$ _____
 Current Credential _____
 Date _____
 Approved _____
 Personnel Director
 Approved _____
 Superintendent or Designee

P-59
 11/79
 3/88
 n/ea

FCMAT 2752

White: Personnel Office
 Canary: Business Office
 Pink: Director or Supervisor
 Gold: Initiator

Staffing Level Comparisons Business/Accounting/Budget Services			
District Name	Estimated 1992/93 CBEDS Enrollment	Number of Positions	Positions per 1000 Students
ABC Unified	21,080	16	0.76
Chino Unified	25,898	10	0.39
Clovis Unified	26,100	15	0.57
Corona-Norco Unified	25,106	15	0.60
Hacienda La Puente Unified	21,786	24.5	1.12
Irvine Unified	21,428	20	0.93
Lodi Unified	25,166	31	1.23
Pasadena Unified	22,467	21	0.93
Placentia Unified	22,524	17	0.75
Visalia Unified	22,789	12	0.53

DISTRICT PROFILE DATA

	ABC Unified	Chino Unified	Clovis Unified	Corona-Norco Unified	Hacienda La Puente Unified	Irvine Unified	Lodi Unified	Pasadena Unified	Placentia Unified	Visalia Unified
Estimated 1992-93 CBEDS Enrollment	21,080	25,898	26,100	25,106	21,786	21,428	25,166	22,467	22,524	22,789
Certificated Employees										
Full Time	1,138	1,130	1,173	1,098	1,748	858	1,237	1,200	1,276	1,046
Part Time	0	53	76	5	588	144	66	654	559	47
Total	1,138	1,183	1,249	1,103	2,336	1,002	1,303	1,854	1,835	1,093
Classified Employees										
Full Time	971	363	510	Data	679	354	491	800	344	
Part Time	0	606	495	Not	255	390	300	751	252	
Total	971	969	1,005	Available	934	744	791	1,551	596	930
Total Employees	2,109	2,152	2,254	N/A	3,270	1,746	2,094	3,405	2,431	2,023
Business Office Assistant Superintendent, Director or Manager	2	0	2	2	1	2	1	1	2	1
Accounting & Budget Services Director, Manager, or Supervisor	1	2	3	0	3	2	2	1	1	2
Business Technician	0	1	0	0	0	0	2	3	0	0
Budget Analyst	0	0	0	0	0	0	0	1	1	1
Accountant	2	0	0	0	1	0	2	3	0	0
Accounting Technician	3	1	1	1	0	8	0	11	2	1
Accounting Clerk	1	1	3	11	16	1	11	0	3	3
Bookkeeper	3	0	0	0	1	0	0	0	0	0
Bank Clerk	0	0	0	0	0	0	1	0	1	1
Payroll Supervisor	1	0	1	0	0	1	1	0	1	0
Payroll Clerk or Technician	3	4	3	0	0	3	4	0	5	3
Typist, Clerk, or Secretary	0	1	2	1	3	3	7	1	1	0
Total FTE	16	10	15	15	25	20	31	21	17	12
Business Staff per 1000 Students	0.76	0.39	0.57	0.60	1.12	0.93	1.23	0.93	0.75	0.53
Department in which Attendance Accounting Technician Works	Fiscal Services	Business Services	Finance & Accounting	Business Services	Financial Reporting	Accounts Payable	Budget Office	Accounting	Accounting	Legal and Management Services

**Deloitte &
Touche**1000 Wilshire Boulevard
Los Angeles, California 90017-2472Telephone: (213) 688-0800
Facsimile: (213) 688-0100

8-31-92

August 26, 1992

Mr. Dan Bly
Risk Manager
Visalia Unified School District
315 East Acequia Street
Visalia, California 93291

Re: Reserve Estimate as of 6/30/92 and 6/30/93

Dear Mr. Bly:

This letter is written in confirmation of our phone conversation of August 12, 1992. Per your request, we have estimated reserves needed for medical incurred but not paid claims for Visalia Unified School District. This letter contains our estimated reserves for June 30, 1992 as well as a projected reserve level for June 30, 1993.

Our estimate for the incurred but not paid reserve (IBNR) for Visalia Unified School District as of June 30, 1992 is \$1,580,000. The following adjustments are appropriate in projecting the reserve for June 30, 1993:

1. An annual trend factor of 20%,
2. Benefit plan changes implemented August 1, 1992, which should reduce claims by 20.3%, and
3. The expected change in enrollment (zero).

Therefore, the projected IBNR reserve as of June 30, 1993 is \$1,512,000.

Please feel free to call me at (213) 688-3354 if you have any questions or would like to discuss any of the findings and conclusions.

Sincerely,

Frank L. Partridge, FSA

cc: Sri Sagadevan

SISK III


SELF-INSURED SCHOOLS OF KERN Health Benefits

Kern County Superintendent
of Schools
5801 Sundale Avenue
Bakersfield, CA
(805) 398-3710
FAX (805) 398-3721

Mailing Address
P.O. Box 9939
Bakersfield, CA 93389-9939

January 12, 1993

To: Benny Langley

From: John Stenerson 

Subject: Incurred But Not Reported Costs

The people I work with in the health insurance industry often use "three month claims" as a quick estimate of incurred but not reported costs (IBNR). However, SISK recently had Deloitte & Touche do a study required by AB-1200 that indicated the IBNR for SISK was equal to about two and a quarter months claims. The Deloitte & Touche study was based on claims information specific to SISK. The two and a quarter months could vary up or down depending on many factors, but primarily on the efficiency of the claims processor.

SISK is currently working with Blue Cross Underwriting to determine if the Deloitte & Touche study gives a more accurate estimate of the IBNR. Until I know more, it is my opinion that "three months claims" is a very conservative estimate. I feel comfortable with the Deloitte & Touche study and believe it is a more realistic estimate of the IBNR.

JOS:wkc

**Deloitte &
Touche**



1000 Wilshire Boulevard
Los Angeles, California 90017-2472

Telephone: (213) 688-0800
Facsimile: (213) 688-0100

January 14, 1993

Mr. Dan Bly
Risk Manager
Visalia Unified School District
315 E. Acequia Street
Visalia, CA 93291

RE: Savings Due to Benefit Plan Changes

Dear Dan,

As you know, at the time the Visalia benefit changes went into effect we projected a 20% savings due to the new plan design.

Per Mr. Langley's request we have completed an analysis of the immature incurred claims for the period starting July 1, 1992 and ending December 31, 1992. Since these were incurred claims they do not include the run-out claims for the period ending June 30, 1992, and we have not included these costs in our review.

Based on the emerging experience, it appears that the 20% projected reduction in claims costs for 1992-1993 will be realized for those groups that modified their benefit plan.

Sincerely,


Eileen Raney

cc: Ben Langley

VISALIA UNIFIED SCHOOL DISTRICT

Board of Trustees

Louis Montion, President

Gerry Beckers

Nina Clancy

Bill Clevenger

Charles Manwaring

Lynn Meyer

Jim Qualls

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Dr. Sharon C. Tucker, Superintendent

Sandy Streeter, Deputy Superintendent

Lloyd Kuhn, Business Manager

John Crenshaw, Director, Human Resources

Mick Bishop, Director, Elementary Education

Benito Sandoval, Director, Secondary Education

Dave Francis, Director, Pupil Services/Special Projects

Ron Burris, Director, Legal & Management Services

DEMOGRAPHIC & OTHER DATA, VISALIA UNIFIED

Located in western Tulare County in the San Joaquin Valley, Visalia Unified School District operates 22 elementary schools, 3 middle schools, 3 high schools, 1 continuation high school, and 1 adult school.

The City of Visalia, the largest of eight cities in Tulare County and seat of County government, has a large retirement community; about 14.5 percent of the population is over 60.

The economy of Visalia is based largely on agriculture and related industries. While years of drought have adversely affected the economy of the area, the city recently has broadened its economic base to include more diversified industries, including manufacturers of school year-books, work clothing, business forms, metal products, electronic components and wood and fiber processing plants. The growth has been accomplished by a significant increase in population and number of variety of commercial establishments in the City. In spite of a Tulare County unemployment rate of 14%, housing development continues to grow.

The population of Visalia Unified School District is ethnically diverse. The student population is composed of the following:

53.3% Caucasian36% Hispanic8.4% Asian1.5% Black8% American Indian

The student population, although still growing, is projected to increase at a much lower rate than in recent history, as shown below:

	10/90	10/91	10/92
Total K-12 enrollment	21,414	22,301	22,857
Change in population	1,219	887	556
Percent Increase	6.0%	4.1%	2.5%

(Note: The data on this page was excerpted and edited from the state Budget Review Committee report.)