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The Val Verde financial crisis

Zelma Russ

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THE VAL VERDE FINANCIAL CRISIS

A Thesis
Presented to the
Faculty of
California State University,
San Bernardino

In Partial Fulfillment
of the Requirements for the Degree
Master of Arts
in
Interdisciplinary Studies

by
Zelma Russ
December 1995
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A Thesis
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Approved by:
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ABSTRACT

The annual budget is a significant part of the overall planning process for school Districts. Budgets are not merely an accounting tool. They are the educational program of districts expressed in dollars and cents. Budgets should reflect the philosophy of organizations and their constituents. District governing boards and administrators need to understand the budgeting process.

This project investigates why the Val Verde School District was constantly beset with poor financial management that resulted in its near financial ruin. Is this pattern of mismanagement only peculiar to the Val Verde School District? Can it occur in any school district in California? This study examines the financial as well as management practices of district administration and governing boards. It attempts to determine if there is an association between financial and management practices and fiscal difficulties.
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Diana Butler who also was patient and helpful.
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REFERENCES
CHAPTER I
PREVIEW OF POOR FINANCIAL MANAGEMENT

Did poor financial management of the Val Verde District lead to its insolvency? In recent years this case scenario has been repeated time and time again in other California districts. Benson (1975) indicates budget analysis generally centers on expansion and new services. As a result, operating and capital budgets are seldom fully integrated. School budgets often are prepared by simply extending last year's budget into the present. There are some modifications that take into account new state and federal categorical grants, changes in salaries and the new prices for instructional materials.

A careful investigation of the financial and managerial problems revealed three factors that may have caused the difficulties at Val Verde. These included:

1. Questionable business procedures and controls. Between 1980-88 only a few budget status reports were issued by the Val Verde financial managers. Accurate and timely financial reporting is necessary to aid the governing board and administrators in making decisions regarding program feasibility.

2. The lack of checks and balances. The District adopted Board Policies in accordance with legal requirements; however, the apparent neglect of checks and balances
caused the system to be ineffective.

3. The limited role allowed the District's Chief Business Officer indicated that budget development usually centered on expansion and new services as its first priority. Continuing programs were kept on the "back burner" unless a crises occurred.

Boyer (1991) points out that for the first time in U.S. history, Americans appear to be more concerned about national educational outcomes than about local control.

Purpose

1. The purpose of this project was to identify some of the reasons why school districts get into financial difficulty.

2. To offer guidelines that may prevent other school districts from potential financial disasters similar to Val Verde's.

3. This study was designed to help identify factors which may help districts develop and maintain their financial stability. This study was also undertaken to point out "early warning" signs that should alert district officials to impending financial problems.

Methods and Procedures

Several procedures were used:

First, an examination of the District policies and procedures, governance interval controls or lack thereof;
Second, review of the business policies and procedures enacted by the Board of Trustees;

Third, personal observation recorded as an elected member of the Val Verde School District, Board of Trustees.

Findings

The annual budget is one of the significant parts of the overall planning process for school districts, it is the educational program of districts expressed in dollars and cents. Governing boards, district administrators, and staff should understand this process. Unfortunately, those in charge of the Val Verde School District consistently lacked understanding and mismanaged the district's affairs. This pattern was evident in the board's haphazard operational procedures.

The Val Verde District administration had no methods for internal controls. The findings showed the following examples of mismanagement:

1. Granting of pay raises without controls that were established by Board policy to ensure that the number and type of positions created were supported by budget allocations. According to The Self-Assessment Guide for School District Fiscal Policy Teams, districts must have a position control system that ensures that all positions are budgeted, funded and identified with the proper program.
2. The failure of the District Board of Trustees to reduce staff and other expenditures in order to provide these increases.

3. Understatement of projected expenditures and overstatement of projected revenues.

4. The district's failure to adhere to its annual operating budget.

5. Lack of expenditure control and an encumbrance system.

6. Frequent personnel changes and lack of training for business managers.

Summary

The district must first review and implement recommendations where applicable in the following areas:

1. District budgeting, financial planning and reporting. The budget cannot be a one-shot process that comes to a sudden halt on September 15 when it is formally adopted. The budget is a year-long plan that needs to be updated as conditions change.

2. Staffing—certified and classified. The district should develop staffing formulas for allocating resources for instructional support programs.

3. Review of qualifications for business managers and related staff. Depending on the management style within a district, the business officials may either be authority figures who directly control expenditures or
advisers to site and program managers.

4. Enactment of board policies that establish guidelines for periodic review and revision of budget management, and the roles and responsibilities of those in charge of budget formulation.

5. Research and develop a strategic planning process.

These strategies would include:

1. Regular budget work and study sessions with the governing board and vital staff members, re. principals, maintenance and operations.

2. Development of a budget priority system.


If this systematic process had been in place, the governing board would have been continually aware of the budget and its process and would have been able to see the warning signs earlier.
CHAPTER II

HISTORICAL BACKGROUND

The purpose of this chapter is to provide a brief historical sketch of the continual financial crises that beset the Val Verde School District. It became so critical that the District was in danger of bankruptcy. Finally in the 1980 the District fell under management by the State of California, Department of Education.

Historical Background

Val Verde was a unified school District seventy-five years ago. It was called the Schneider School District. For the first fifty years it remained mostly rural and sparsely populated. In 1919 it became known as the Val Verde School District, located in Riverside County adjacent to and southeast of Los Angeles County. In its early beginning Val Verde was typical of sparsely populated rural school District. The District had only one school with one hundred students.

There continued to be limited growth until 1950, when the original site was moved from the Ramona expressway and relocated to 2656 Indian Avenue in Perris. Growth remained slow but steady, until 1965. As a result of the first Los Angeles riots over one thousand Black families moved into the school District. This caused a social dynamic that had to be dealt with. As a result the then-Board of Trustees
had to establish another school. The politics of racism caused them to build Mead Valley School which of course by nature of the demographics became all black and Hispanic. At least another twenty years passed and the demographics and politics were again impetus for change. From 1966 onward District enrollment increased on both sides of the 215 freeway. The District became unified. Current enrollment is at 6,000 and growing. This growth has necessitated building additional schools. Val Verde's elementary schools increased from Val Verde and Mead Valley to five with the addition of three others: Bethune, El Patero, and Rainbow Ridge. There are now two middle schools, a continuation high school, and a high school, Rancho Verde. This historical overview helps to understand why Val Verde experienced its problems. For even while the population was growing the underlying financial problems were occurring.

The Financial Problem

The options of Val Verde's continual borrowing from Riverside County School's office ran out in July of 1983. The County Schools office referred the District to the Office of the Superintendent of Public Instruction. California Education Code No. 41310 allows for emergency apportionment through the Superintendent of Public Instruction (see Appendix 1). As a result of this referral
on July 6, 1993, the District received an emergency apportionment from the State of California for $96,000 pursuant to Senate Bill 1199. This apportionment was in addition to the continual borrowing from Riverside County Schools office.

Senate Bill 1199 allowed for emergency apportionment on a one-time base only. Periodic reviews were also required by a management team from the Superintendent of Public Instruction. The loan was granted for a five year period, with the final payment of $20,619 due in May, 1988. At that time the District Business Manager and Superintendent should have seen a pattern of potential financial disaster.

The amount of repayment on the first emergency apportionment was $120,680. Val Verde was in a dilemma because there was growth in the student population. Even though the District budget, at the outset, was already encumbered by $120,680, they again asked the State Department of Education for an emergency apportionment in July, 1986, pursuant to Education Code 4130 Section I. Since the monies were desperately needed, the request was granted under Education Code Sections 41320 (see Appendix #2). The situation became so critical that on December 1, 1986, State Senator Robert Presley of Riverside introduced Senate Bill 75. If approved, the District would then receive another emergency appointment of $500,000. In view
of Val Verde's previous financial difficulties, it was placed under a trustee and conditions enumerated under Section 9132.1 of the Education Code (Appendix #3) went into effect. This action was necessary since the District had become financially insolvent.

Significance of the Study

In view of the way most school districts manager their finances, the importance of this study cannot be minimized. Val Verde is an example of what has occurred in many districts. Meitsner, Kast, Kramer, and Nakamura (1973) indicate that school districts that operate a tight budget with little or no reserve usually run into trouble and often turn to loans from the state to bail themselves out. Kirst (1991) shows that within states, school finance is characterized by dramatic fiscal differences across school districts. Traditional school finance inequities derive from the way states finance public elementary and secondary schools. In most states, local property tax dollars are the major source of school revenues.

Val Verde was and is considered a low-wealth district. The major factors that create financial crises for school districts are low reserves, instability in federal funding, timing of state legislation, overestimation of enrollment, and revenue, and underestimation of expenditures.

Val Verde fits into a scenario of inconsistent
monitoring of the District budget and lack of reliable fiscal information. These conditions then brought Val Verde to near financial collapse. Many districts in the State have similar cash-flow problems and have to mortgage their future revenues, as Val Verde did, to pay current bills. This type of financial problem is not only applicable to low-wealth districts. However, when a district has low assessed valuation per student it is more likely to resort to emergency legislation. Beginning in 1969, the Livermore Unified District set precedent and obtained an emergency loan. In 1977, five out of 20 districts in the State also obtained loans. As indicated in Appendix (4) it seems to be the poor districts that need assistance on a more consistent basis. These fiscal disparities were subject of several court suites in the 1970s beginning with Serano v. Priest in California. Using both the equal protection clause of the 14th Amendment to the U.S. Constitution and State Constitution education clauses, cases were filed in several states arguing that it was unconstitutional for local property wealth to be linked with revenues per pupil. The suits proposed the fiscal neutrality standard for the courts that education quality as measured by dollars per pupil should be a function of state but not local wealth (defined as property wealth per pupil. Since the poor districts are at-risk naturally could it be concluded that if these
districts have proper checks and balances and information
the administrators and elected board members be trained to
be more responsible budget managers?

Review of the Literature

Nationally, local revenues still comprise about 44% of
education revenues, states provide about 50 percent and the
federal government six percent. Heavy reliance on local
property takes produces fiscal inequities because the
property tax base is not distributed equally across school
districts. As a result, some districts have a large, while
others have a small property tax base per pupil. At a given
tax rate, therefore, districts high in property wealth per
pupil raise more money per pupil than districts low in
property wealth per pupil. In many states, this unequal
ability to raise local revenues varies by as much as ten to
one.

Odden and Picus (1992) indicate that while a variety of
school finance programs can eliminate these local revenues
raising inequities typical state programs reduce but do not
eliminate them. Meitsner (1971) showed that as early as the
1960's the nation's primary and secondary schools were in
fiscal trouble. But despite the attention focused on them,
school finance inequities across the country did not change
much from the mid-1970s to the mid-1980s. Schwartz and
Maskowitz (1988) show that the disparity in expenditures per
pupil rose modestly and the relationship between revenues and wealth declined a bit. Wycoff (1992) also indicated in his study that expenditure per pupil disparities decreased moderately from 1980 to 1987. Attention on the fiscal inequities that derived from unequal property tax bases, school finance court cases and subsequent school finance policy reforms left a major policy issues unresolved. Wise (1969) posed the discussion and review of this problem. Was the policy issue variation in the tax base, and the ability to raise revenue, or was the policy issue difference in a poor districts ability to spend more per pupil? These issues were never discussed or addressed at Val Verde. The lack of clarity over the nature of this problem has plagued school finance for decades.

As early as 1970 when Dr. Wilson Riles was California State Superintendent of Public Instruction, a sobering list of statistics began to emerge. The districts that were forced to seek State Bail Out had similar characteristics. They seemed to operate close to the belt, with little reserves, continuous overestimation of enrollment and revenue, and underestimation of expenditures. Another similarity was low property assessment and whether or not they received extra financial support, often called supplemental aid.

This system of finance has caused litigation all the
way to the United States Supreme Court. In 1973 in the case of San Antonio Independent School District v. Rodriguez, the Supreme Court declared that the U.S. constitution offered no protection for students from property-poor districts. Fischel (1989) pointed out that in 1971 the California Supreme Court ruled that reliance on local property taxes was unconstitutional because it made children's educational opportunities dependent on the wealth of the community where they lived.

Many school districts, such as Val Verde, operated for years with a low property assessment and an unstable budget, often on the edge of financial failure. In this situation administrators often make bad financial decisions as they scramble to cover their losses. Mayhew (1980) discussed this type of serious fiscal mismanagement in school districts. Although his study focused on college level fiscal mismanagement, the same problems can be seen in Val Verde and similar school districts.

After taking a back seat to education program reform during the 1980's, school finance has taken priority in education policy debates. Nationally, states are facing sweeping court decision overturning school finance structures in Alabama, Kentucky, Massachusetts, New Hampshire, New Jersey, and Texas. Denely and Hickrod (1993) indicated that education finance litigation, fiscal
inequities, and school finance reports have become priorities on state policy agendas. The results of court mandates or the threat of such a mandate has led over 35 state legislatures to enact fundamental changes in their school finance structure between 1971 and 1985. Odden and Wohtsletter (1992) listed the five characteristics of the financial reform.

First, they revamped the school finance equalization formula sending more state funds to property poor, lower spending districts.

Second, they increased the overall state role in funding schools.

Third, they increased state funding for special needs student programs, compensatory, special, and bilingual education programs.

Fourth, the reforms often increased aid for the extraordinary needs of large urban, city districts.

Fifth, many reforms were accompanied by education tax and spending limitations that restricted local fiscal control over tax rates, and curved annual increases in expenditures per pupil.

What could be identified as the factors that caused Val Verde to hover towards the brink of collapse? From this study it became apparent that one of the primary courses was a less than structured accounting system. An account system
and the accounting organization must be structured to provide a system of internal controls that will safeguard the assets of the district. The technical aspects of the district's accounting system is the primary responsibility of the business official who should confer with and get concurrence from the superintendent. The governing board was responsible for adapting policies that give directions to the business official in areas such as handling cash, purchasing, and reimbursement of employee expenses. Following an examination of these warning signs, it became apparent that Val Verde had fallen into a pattern that could only lead to financial crises.

1. Serious and continual overestimation of enrollments is not an uncommon practice. Using these estimates to make major financial commitment can be a serious mistake. Revenue limit income is forecast based on unique characteristics. It is budgeted on the basis of appropriated Average Daily Attendance (ADA). The budget then responds based on the following:
   - the number of students projected,
   - the number of staff members needed,
   - the school facilities and other capital outlay needed,
   - cost of material and supplies, and
   - other necessary costs to operate the district.
Since the most important income analysis relates to the Average Daily Attendance (ADA), a district's estimation or overestimation of enrollment can have serious financial consequences. In the case of Val Verde, administrators failed to maintain an accurate record of daily attendance. This practice led to more serious financial mismanagement.

2. Use of budgeting and accounting procedures that concealed deteriorating financial conditions.

In an effort to gain control of the budget, Val Verde administrators found it necessary to adjust their accounting procedures. For example, they failed to specify the true cost of new programs. Normally the budget should be revised before any liability is incurred, or when a revised projection of income indicates a material change in the assumptions used to prepare the current budget. The variation between budget and actual should have been examined promptly and appropriate action taken.

During Board meetings at Val Verde there was usually a financial statement with little information regarding any financial difficulties. For example, note a memo from the Superintendent dated June 21, 1993, regarding the 1983-84 prepared budget reductions (Appendix No. 5). The memo said, "We need to cut
$105,000 to balance the 1983-84 school year budget."
The information was presented without an explanatory
narrative or any type of supporting material.
3. Failure to verify details of major financial
transactions.

The bidding process used by the District was very
vague. As an example see Appendix 6 which is a copy of
Admin. Reg. #3323, that was adopted May 14, 1981.
While the regulation has the necessary wording, it does
not define a clear procedure. An interesting quote
from the policy is only a small indication of why there
was a problem, quote, "The Business Manager at his
discretion will use written quotations or formal bid
policies." Incidentally, these policies were not
updated or re-written until (1992) when the District
was in receivership and was directed by the California
Department of Education Management to do so. In most
cases the audits, which are required by law, were
superficial and brief. Michelson (1974) points out
that detailed, accurate and timely financial reporting
is necessary to aid board and administrators in
managing the district. According to Hanson (1979) the
reports should not only be clear and concise, but they
should also reflect current information that allows the
administration to make mid-course corrections if
necessary.

4. Failure to reveal that income used is drawn from reserves, not from the general operating budget.

At Val Verde any budget transfer in previous years was briefly discussed at Board meetings, as an example it would be simply stated "funds in the amount of $50,000 be transferred to meet current expenses," usually adopted as a resolution. There were no detailed explanations as to what fund this amount was being drawn from or what area of need the transfer would address. In addition, no contingency plan or analysis was developed to prevent recurrence. Takasaki (1966) stresses that any interim financial report should show a comparison between the budgeted financial condition and the projected financial condition of the district in sufficient detail for the board to certify the district's ability to meet future obligations. Rist (1988) makes the point that school budget dollars demand conscientious management and prudent investment where permitted by law. The annual budget is one of the most significant parts of the overall planning process for a school district. Benson (1975) points out criticisms regarding budget preparation in school districts and questions how well many school budgets are prepared. He hypothesizes that budgets are simply
extended by bringing last year's budget into the current year. This ironically occurred at Val Verde. Most of the budget figures were extended and continued without any explanation or budget workshops. This was reflected in the Board's lack of understanding of what was in the budget or how the budget was built. It was then, as Benson (1975) states, modified somewhat to reflect any new state and federal categorical grants, changes in hiring of staff, changes in the price of instructional material. Due to recording financial difficulties in school districts, the Superintendent of Public Instruction, and the State Legislature are searching for ways to prevent crisis-based financial management by county and school district officials. This has become more crucial as there has been a steady increase in emergency loan requests. There must be more intensified training and monitoring of district finances.

**Fiscal Policies at Val Verde.**

The formation of sound educational and fiscal policies is a major factor in assisting managers and the board to deal with budget matters. Budget monitoring should be a shared responsibility between the business officials, the board, the superintendent, and the site and program managers. Takasaki (1966) and Benson (1975) both suggest
that program budgeting is the main effort needed to establish a conscious and deliberate way to allocate resources. Policy statements that support program budgeting provide guidelines for decision making and guarantee, if followed, that the correct information will be given to those in charge. Astuto (1972) emphasizes that present concern with policy stems basically from the recognition of certain deficiencies in decision making. Drucker (1974) points out that the objectives of public programs often are not translated from broad generalities into operational, quantifiable measurable terms, hence program accomplishments are frequently not well considered. In other words, sound and carefully thought out policies make decision making easier and more concise. The policies set the course of education in the community for years to come.

Budget monitoring should be a shared responsibility between the business officials, the board, the superintendent, and the site and program managers. Financial reports that include timely and accurate data from the site, department and program should be prepared monthly, and distributed to appropriate personnel. This information is absolutely necessary in order to guide decision making and maintain financial solvency.

Sound fiscal policy also allows for maximum productivity. In order to make sure that policies are
carried out, administrative regulations need to be developed to support board policy. Giacquinta (1973) defines administrative regulations as detailed directions which are used to put policy into practice. They tell how, where and by whom things are to be done.

Mayhew (1979) points to the need to develop a sound administrative structure. Marphet, Johns, and Reiler (1959) also emphasize that the policies must be followed by all parties. Marphet, et al. (1959) continues by describing successful business administration activities, that include: planning, budget spending and receiving, educational operations, staffing and staff training, service, insuring, and finally evaluation of how these activities are accomplished. Each entity involved in the school administration has its specific roles in these operations.

Organizational Analysis and Budget Management

As previously discussed, Val Verde's financial problems were caused by many of the same factors that affect other districts. A crucial factor is governance. Mayhew (1980) says that the board of trustees serve a number of critical roles. As elected officials their decisions set policy, they serve as a mediator between the schools and community, they maintain institutional stability by overseeing the checks and balances of the system. In order words, no one group should gain excessive authority.
In California the governing board is an elected, non-partisan body that represents all citizens residing within the district boundaries. There are no specific financial or educational qualifications for board members. Otto and Sanders (1964) agree that board members need to recognize that they as individuals do not have powers regarding the schools. Some of the most important responsibilities of the board of trustees are:

1. The election of a chief administrator;
2. The establishment of policies and procedures defining administration of schools;
3. The adoption of the budget and the enactment of provisions for financing schools;
4. The acquisition and development of necessary property and the provision of supplies;
5. The appointment of necessary personnel to staff varied services;
6. The evaluation of all programs throughout the district, adoption of plans for improvement, and provision for expansion; and
7. To listen to and be a representative of the communities they serve.

The board of trustees, as a unit, is to discharge its difficult responsibilities in an effective manner. A major part of this is done by making sure that specified policies
and guidelines are being followed by all levels of administration.

A key position in school administration is that of superintendent. One of the most important functions of the board is the selection of the superintendent. Otto and Saunders (1964) claim that an inadequate top administrator will make it virtually impossible for the board to perform their duties adequately. The duties of the superintendent must be clearly defined. A well-thought out job description sets his/her limits of authority and how this authority relates to the rest of the administrative staff. This job description should also be flexible and encourage vision in planning and structuring of the district.

One of the critical problems at Val Verde was the relationship between the Board and the top administrative staff. It is agreed generally that the role of the board is that of policy-maker and the role of the administration is to administer according to these policies. According to Otto and Sanders (1964) this is unrealistic and overly simplified. The administration of policies is complex and demands continual clarification. It can only be done through extended, cooperative effort based on mutual confidence and respect among all parties involved.

The Val Verde Board of which the author was a part was seen as meddling and overstepping the boundaries. In this
instance as well as the administration of the District there were few guidelines. The Department of Education, State of California required that the Val Verde Board update and formulate police to clarify its role and responsibility and relationship to the administrative staff. Newer clearer Board Bylaws were developed and adopted after the State analysis (Appendix 11).
For maximum productivity in an organization, such as a school district, channels of communication should remain free and open. However, communication which involves giving direction or obtaining approval should always be through channels to ensure effective governance and management with necessary accountability.

Legally, the Board communicates as a body through formal action; i.e., adoption of motions, resolutions, policies, and pronouncements. This, in turn, gives direction to the Superintendent and his/her staff. Individual Board members may request information from District personnel. If written reports are requested, they will be provided, if they exist, through the Superintendent to the Board. If a Board member violates this procedure, the Board President should speak to the individual member, and, if necessary, refer the matter to the Board. Any report(s) provided for one Board member should be given to all Board members. Any report(s) which will require considerable administrative time and preparation require(s) Board approval.

Individual Board members should not give direction to administrative personnel to conduct activities of the District. If a Board member has a concern regarding a staff member, the member will take this matter up with the Superintendent and the Board as awhile when deemed necessary. If a Board member has a major complaint, he/she will follow the District's complaint procedure.

It is understood that when the Superintendent makes a recommendation, it is based on appropriate communication with personnel who have the authority and responsibility in the area under consideration, and it is the Superintendent who has the global position of viewing the total school district and potential consequences of recommendations made to the Board. Individual Board members should not request, publicly or privately, from management personnel alternate recommendations.

The Superintendent shall always make recommendations which he/she truly feels are in the best interest of the District and the students as opposed to what may be desired or the wish of individual Board members.
The Superintendent of the Val Verde School District may expect the Board of Education to:

1. Hold the Superintendent strictly accountable for the successful conduct of all departments of the system.

2. Exercise the legislative function, that is to prescribe the policies under which the district may operate, to say what shall be done, but to delegate to the Superintendent the actual carrying out or execution of the policies.

3. Recognize the Superintendent as the responsible chief executive and professional leader of the district.

4. Support the Superintendent in the execution of the policies set up by the Board of Education.

5. Present a solid united front on all policies agreed upon by the Board of Education. Although differences may exist in the formulation of a policy, once the policy has been established, or agreed upon, the Board of Education as a whole shall support that policy.

6. Follow businesslike procedures at Board of Education meetings. Treat minor matters with dispatch.

7. Help to build up confidence between the Board of Education, the Superintendent, and the public.

8. Keep confidential matters inviolate.

9. Reach decisions only in regularly and properly scheduled meetings.

10. Discover and harmonize any conflicts between the school as an institution and the community.

11. Insist on adequate information before passing on recommendations or adopting a policy. To see an carefully consider all recommendations, but reserve for itself the right to approve or reject them.

12. Avoid making commitments, expression personal opinions or giving instructions in advance of Board decisions.
WHAT THE SUPERINTENDENT EXPECTS OF THE BOARD OF EDUCATION OF
THE VAL VERDE SCHOOL DISTRICT

13. Refer complaints and compliments to the Superintendent
but reserve for itself the right to consider these
complaints if satisfaction is not secured from the
Superintendent.

14. Refrain from the assumption of executive power either
as an individual or as a Board of Education.

15. Broaden its horizon by attendance at County and State
meetings.

16. Give sufficient thought and time to educational
problems.

17. Protect the staff from outside pressure in the
performance of duties evolved by the Board of
Education.

18. Give the Superintendent blanket authority to handle
detailed and routine matters directly. To give the
Superintendent and his staff the authority commensurate
with the responsibility.


Adopted 1989
The Board may expect the Superintendent to:

1. Provide the Board of Trustees with adequate, timely information and data which will lead to the solution of problems.

2. Adhere to the highest standard of professional conduct. Be forthright and honest.
   a. in making recommendations
   b. in relationships with Board members
   c. in giving and receiving suggestions and criticisms
   d. in carrying out the Rules and Regulations of the Board
   e. in admitting mistakes
   f. in dealing with the entire staff

3. Become familiar with the community and the social and psychological background as well as the geographical aspects.

4. Share the problems of the school with the Board and learn what the community expects of the school.

5. Supply the community with continuous and honest information concerning the school.


7. Treat all employees as human beings by respecting the dignity of each individual whether teacher or supervisor, regardless of circumstances of birth or origin.

8. Keep informed on the educational progress of other schools.

9. Put the welfare of pupils above all other considerations and make every possible effort to advance that welfare.

10. Respect the authority of the Board of Trustees in exercising its legislative function.

11. Enhance dignity and prestige of the Board of Trustees
to the end that it becomes recognized as the highest civic honor.


**WHAT THE BOARD OF TRUSTEES MAY EXPECT OF THE SUPERINTENDENT OF THE VAL VERDE SCHOOL DISTRICT**

13. Avoid unhealthy criticism of personnel.

14. Stay away from involvement in campaigns for elections to the Board of Trustees.

15. Establish an annual evaluation of the Superintendent's performance and to report the outcome of such evaluation to the Board of Trustees.

16. Avoid the assumption of legislative powers unless delegated to him by the Board of Trustees.

17. Keep all the Board of Trustees fully informed as to official actions and activities.

18. Keep relations with the Board of Trustees, staff and community impersonal, cooperative and businesslike while performing the duties of Superintendent.

19. Keep himself open to modification, adjustment and compromise when principle is at stake.

20. Freely seek the counsel and advice of co-workers in the solutions of the problems of the schools.

21. Bring to the attention of the Board of Trustees any areas which he feels will aid the instructional program of the school.
Working relationship of the Board and Superintendent

The Board of Trustees in no way desires to impair its discretionary powers in the management of the financial affairs of the District.

The Board of Trustees recognizes that it may not delegate to employees the final power of budgeting, and purchasing, and contracting. It, therefore, expects complete information from the Superintendent and staff on all matters relating to the financial operations of the District.

The Board of Trustees expects the Superintendent, with the staff, to shape the District's financial program in accord with a declared intention of the Board to offer the best attainable program of education. The Board expects to be informed whenever the curricular program conflicts with the financial ability of the District.

The Board of Trustees also desires to give close scrutiny and due consideration to the financial operation of the school district and expects the Superintendent, through/with his/her staff, to provide complete and accurate information so that it may fully discharge its legal responsibilities in regard to school finance.

Presented for second reading February 7, 1989
Summary

The literature clearly sets forth procedures in regard to governance, finance, and instructional goals. It is evident by the literature search that school management is a very complex issue. As seen from the previous discussions, a school district needs to develop a good budget process, an appropriate means to monitor the budget plan, and accurate and timely interim and year-end financial reports. In addition, the accounting system and the accounting organization must be structured to provide a system of internal controls that will safeguard the assets of the district. Cohen (1982) and Odden (1984) suggest that management of schools needs to be redefined. Boards need to be reconstructed into broad policy boards, prohibited from engaging in micro-administrative decision making. Central offices will need to be restricted to provide the information and support needed to help site professionals engage in effective decisions that will improve service delivery responsive school management.

Danzberger, Kirst, and Usdan (1992) suggest that elimination of school boards would not be particularly feasible. Boards should be restructured into local education policy boards. Danzberger, Kirst, and Usdan (1992) further recommend that states should repeal all laws on duties and functions of boards, including those on
finance, personnel and grievance and should hire outside authorities to perform these functions. Danzberger (1993) suggests that boards be elected at large, thereby representing the entire district. Kirst and Odden (1992) see the role of the board defined and operating under the following guidelines:

1. Develop specific local education goals consistent with State and Federal education goals.
   - At Val Verde there was very little goal setting either at the District or site level.
   This was a recommendation from the Management Team for self appraisal so Val Verde could develop educational goals.

2. Implement an assessment system that evaluates these goals.
   - There was no Mission Statement, goals or time tables. They were not being developed at Val Verde until 1990 after receivership.

3. Create policy coherence around local curriculum categorical program requirements, student testing, and teacher professional development.
   - Val Verde had been advised to adopt a resolution that separated the unrestricted general funds from categorical funds.

4. Design school-based management and organization
structures.

5. Implementation and creation of high performance schools throughout entire district.

6. Boards should engage in strategic planning.

The role and strategies of the superintendent have evolved rapidly during the past 100 years. Odden (1984) explains that often the superintendent assumed a moral even evangelic tone. Tyack and Hansat (1982) indicate that superintendents were first hired by urban districts. After World War II, with the growth, the role evolved into a business manager role as superintendents become the leaders of systems raising funds, passing the bond levies. This rapid two decade growth of the public school system required focused managerial attention and good business and fiscal skills. During this time professional administrators and superintendents enjoyed tremendous influence at both local and state levels. Policy at both state and local levels was made almost consensually. Bailey, Frost, Marsh, and Wood (1962) support that superintendents were deferred to for recommendations on state school finance and local fiscal policy. Campbell (1990) traces the change and transformation that caused strain on the "good 'ole boys" network. There were new political forces, with more demands for inclusion and involvement. Board decisions were nearly always split with majorities changing quickly and job tenure
became shorter. By the 1980's and early 1990's the role of the superintendent moved toward being a chief executive officer position.

As a participant observer it became evident that neither the Board nor the administration wholly fulfilled or had knowledge of their roles. The Val Verde community was in transition, emerging from as it was called, "sleepy hollow" to a suburban community. The lack of consistent checks and balances helped to foster the appearance of a solvent district.
CHAPTER III

METHODODOLOGY

This study was designed to research the financial records, policies, and management of the Val Verde School District from 1986-1990, in order to determine if mismanagement caused the District financial problems. It began with an analysis of the policies and budget procedures that led to the District's financial crisis. It expanded to include an investigation of the administrative and governance procedures used, especially the system of checks and balances. This also required a study of the State Management Review for both 1985 and 1989 which specified certain recommendations.

Procedure I was a literature review to look for similar problems in other districts. The search identified a number of cases where there had been the same type of financial crisis.

To accomplish Procedure I of this study, an ERIC search was conducted at Cal State San Bernardino Library and the University of California, Riverside Library. At first the information found in the search was relevant to the university system. A more in-depth search provided more relevant information concerning K-12 districts. An analysis of Val Verde's budget policies and procedures was also undertaken, including a careful examination of budget
information and policies prior to 1985, the most critical
time leading up to the financial crisis. Information and
data were taken from several sources: (1) A copy of the Val
Verde District Business Policies from 1981-to-1990 and (2)
the recommendations provided by the State of California,
Department of Education Management Review Team.
CHAPTER IV

IMPLICATIONS OF FINDINGS FOR CALIFORNIA SCHOOL DISTRICTS

The implications of the problems at Val Verde are more common than realized. Mayhew (1980) points out that institutions fail, not because of basic ideas and procedures, but because of gross and then continuous mismanagement. Drucker (1974) believed that the use of a centralized decision-making process which denies the checks and balances that are necessary for prudent decision is dangerous. Val Verde was not the first district to receive a state loan due to financial collapse. As early as 1969 this precedent began and, unfortunately, continues even now. The State Legislature is becoming concerned about the fiscal difficulties of school districts. What has to be examined is the pattern of financial mismanagement at Val Verde, then determine a system of checks and balances which can be "warning signs" of potential problems.

The review of the literature indicated that the problems at Val Verde are more common than originally believed. Benson (1975) agrees with the claim that institutions fail, not because of basic ideas and procedures, but because of continuous mismanagement. He further states that mismanagement usually follows a pattern. This includes consistently large expenditures that are not put into the budget, overestimation or no estimation of
future enrollments, unjustifiably high salaries, and a centralized decision making process which lacks or ignores basic checks and balances. Hanson (1979) indicates that a sound administrative foundation can be established. The key elements to sound and effective management are:

1. Identify the basic problems and focus resources on these problems.

2. Assign clear and full responsibility to major administrative offices in order to help them function.

3. Set goals for each major area of concern and develop a specific plan, including the funds to carry out these plans.

4. Set up reliable checks and balances to monitor progress towards these goals.

One of the basic and most critical problems with Val Verde was the failure to follow a prescribed budget format. Drucker (1974) indicates that management must adhere to an organizational structure that enables the district to be fiscally responsible. The positive side of the scenario for Val Verde is that for fiscal year 1986-87 there was a new superintendent, a new business manager, and an awareness on the part of the Board members concerning the fiscal condition of the District. The budget and supporting schedules now include narrative descriptions of income and expenditure items and explanations of changes from previous
actual expenditures. All significant assumptions used to develop the budget are documented and retained for review. The budget and supporting materials are in the hands of Board members well in advance of the budget meeting to allow items to be evaluated and questioned for clarification prior to required action.

In addition, each member has a check list that they use to understand the budget. The questions listed below help to clarify just what they are voting on:

- Is each type of income and expenditure budgeted on the basis of its unique characteristics?
- Is revenue limit income budgeted on the basis of average daily attendance considering history, graduation, economic development, and demographic factors?
- Do the budget and supporting schedules include narrative descriptions of income and expenditure items and explanations of changes from the prior year?
- Are the assumptions that are used to develop the budget documented and retained for review?

By using this format each group that is part of the governing process is well informed and able to make effective decisions.

The fiscal management and budget control continued to improve, resulting in a formalized effective document. Enrollment projection is now documented. The 1989-90 Adopted Budget Assumptions show sound fiscal management and policy. The Budget summary of 1989-90 also corresponds to those assumptions.
To complete the revised budget process the District was required to provide reserves in case of future economic uncertainty. Relevant to this goal, the Val Verde District Board of Trustees authorized the establishment of a reserve fund in the amount of $225,000 in the 1988-89 budget. The reserve amount of $1,666,563 has been set aside in the 1989-90 budget. The Val Verde School District continues to consider its reserve accounts primary in importance and critical to the financial integrity of the District. Again, the District's current reserve accounts are outlined below for reference purposes:

<table>
<thead>
<tr>
<th>Reserve Accounts</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional State Loan Payment</td>
<td>212,000.00</td>
</tr>
<tr>
<td>Unforeseen Emergencies</td>
<td>760,338.00</td>
</tr>
<tr>
<td>Growth, Slowing of Growth</td>
<td>300,000.00</td>
</tr>
<tr>
<td>Cost of Living Compensation</td>
<td>275,000.00</td>
</tr>
<tr>
<td>Proposition 98 Allocation</td>
<td>112,225.00</td>
</tr>
<tr>
<td>Revolving Cash</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Stores</td>
<td>5,000.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,666,653.00</strong></td>
</tr>
</tbody>
</table>

Accurate and timely financial reporting is necessary to aid the governing board and the administration in determining whether, and to what degree, the long-range programs of the district are feasible and can be accomplished in a cost effective manner. Budget status reports should be of the simplest design possible and yet in enough detail to provide information for management decisions. A summary statement highlighting the significant
features of the report should be included.

When we review the 1989-90 Adopted Budget Assumptions, we see a narrative explanation that finally allows the Board to certify the district's ability to meet its obligations. This narrative as well as other interim financial reports had not been previously submitted to the governing Board.
1989-90 ADOPTED BUDGET ASSUMPTIONS FOR THE GENERAL UNRESTRICTED FUND

1. The enrollment projection of 2770 for 1989-90 is based on the estimated enrollment of September 18, 1989.

2. Revenue limit is calculated on 2604 ADA and includes a 4.64% cost of living increase.

3. Base revenue limit per ADA for 1989-90 with the 4.64% COLA is $2,745.40 and includes the allotment for urban impact.

4. The teaching staff is based on the enrollment projection of 2770.

5. The average teacher salary used for vacant positions is $27,000 plus fringe benefits.

6. Step and column changes for current employees are included.

7. Current rates for fringe benefits are incorporated in budget calculations.

8. The costs of personnel, fringe benefits, supplies and utilities for the two new schools are included. The positions have been determined by the projected enrollment calculations.

9. In previous years, the District office allowances were budgeted in one account in each category. This year each department has a budget which will increase accountability for expenditures.
10. The school sites have been allocated $25 per student for instructional supplies and $15 per student for administrative supplies. Principals have determined the expenditure categories for their allocations. The expenditures for school sites in previous years were budgeted in one account. This year the amounts are budgeted in several accounts as determined by the site administration.

11. Major equipment cost for new locations is not budgeted in general fund and will be purchased through capital facilities funds.

12. Utilities are increased by 66% for new schools plus 10% for rate increases.

13. As income/expenditure summary is provided with a detail of the restricted amounts in the 1989-90 beginning balance.
CHAPTER V

RECOMMENDATIONS TO VAL VERDE SCHOOL DISTRICT BY STATE OF CALIFORNIA MANAGEMENT TEAM

During the 1986-87 school year, the State School District Management Team developed and disseminated recommendations to the Val Verde School District. Specifically, 45 recommendations were given to the District in the Team's efforts to provide technical assistance in strengthening Val Verde's financial status.

It should be noted that the recommendations were not listed in any priority order but in the sequence in which they appeared in the report. However, to assist the District, recommendations were identified as high priority with an (H). After the recommendations were listed, the final section shows the actions the School District took to implement the recommendations and actions taken to repay the state loan. The team recommended that:

1. the review and rewrite of policies continue.
2. the governing Board begin its review of the policy manual with the section on bylaws.
3. administrative regulations to implement Board policy be developed.
4. the State Trustee assist the District in revising and developing additional Board policies and administrative regulations in regard to budgeting and fiscal controls.
for the District.
5. the Val Verde Elementary School District organizational structure be organized as shown on Figure I.
6. the District develop a long range organizational plan based upon projected pupil enrollment.
7. business services be organized as shown on Figure II.
8. the District's management team conduct a self-appraisal of the organizational delivery system to develop the most effective vehicle for achieving the District's educational goals.
9. the superintendent continue his effort to strengthen the District's system of informational communication.
10. the budget be revised regularly during the year as conditions change in both revenues and expenditures. (H)
11. the business manager prepare a monthly average daily attendance report for the Trustee and the governing Board. (H)
12. conference attendance for Board members be detailed in the adopted budget.
13. the Board adopt a resolution which establishes an amount for a contingency fund. (H)
14. the governing Board adopt a resolution that unrestricted general funds will not be expended for categorical programs. (H)
15. every effort be made to reduce the cost of certificated substitutes. (H)
16. the District's business office be responsible for student body fund accounting.
17. student body funds and cafeteria funds be placed in interest bearing accounts. (H)
18. the District's verification of materials received be strengthened.
19. the food service program be charged for utilities it uses.
20. personnel folders be placed in fire resistant files.
21. well-defined plant management policies be developed and adopted by Board of Trustees.
22. the Superintendent develop administrative regulations to implement the Board's policies for maintenance functions.
23. the manager of maintenance keep a running master list of all maintenance tasks and repair jobs that are to be performed.
24. equipment repair costs be compared periodically with the costs of replacement.
25. the District develop policies for replacement of equipment.
26. the District establish and follow a documented preventive maintenance program. (H)
27. maintenance projects be scheduled as early in the fiscal year as possible.
28. deferred maintenance funds be expended each year.
29. one additional gardener be employed.
30. the District purchase additional labor saving equipment.
31. the District establish an inservice training program for maintenance, operations and ground personnel.
32. the custodians report to the site administrators.
33. the District employ additional custodians.
34. the position, Coordinator of Transportation be changed to Manager, Transportation.
35. a computer be purchased for the transportation department.
36. policies be developed for the transportation program and submitted to the Board for adoption.
37. administrative regulations be developed.
38. the administration develop a bus driver handbook.
39. coordinator of transportation develop a route map locating all students transported.
40. the manager, food services, provide for the development of procedural manuals to facilitate training and task analysis for the food services staff.
41. the administration include a central kitchen in the construction of one of its new schools.
42. the administration prove additional storage space.
43. the administration insure that the food services truck lift be adjusted so that it is flush with the ground.
44. a custodian or groundsman be used to load and unload the carts that are being transported.
45. the analysis and assumptions in the projected 1987-88 budget be considered in the development of the District's recovery plan. (H)

These recommendations show it is evident that Val Verde was in need of a more organized and systematic approach to administration. The State Management Team developed these recommendations after interviewing the Board of Trustees, Superintendent, other district personnel as well as employees at the various school sites. Examination of the recommendations present a clear road map to aid Val Verde in becoming responsible.

The State Management Review Team made thorough and far-reaching recommendations. In conjunction with these recommendations there has to be more training of Board members in order to understand the budget process. Board members must ask questions and be accountable for their decisions. If members of the Val Verde Board of Trustees had asked some of the following questions, the District would not have slid into financial chaos:

1. Are you aware of the future cost of maintaining the
current certificated and classified salary schedules?

2. Do you know the estimated increase in fringe benefit cost for the coming year?

3. Are you given statements of cash flow analysis on a quarterly basis?

4. Are the deferred maintenance budgets managed to insure no cost overruns?

5. Are you aware of expenditures that are made from reserves?

6. Have you seen the amount in reserve at the end of each year for the last three years?

7. Are you aware of the difference between enrollment projection and actual enrollment as of the October CBEDS date each year for the last three years?

8. Is there a system for the Board to be aware of purchases on a monthly basis?

According to the State Management Review Team, most of the Board members at Val Verde were not informed or knew the answer to many of the previous questions.

Actions to Repay State Loan

During the 1986-87 school year, the Val Verde School District received a $500,000 emergency advanced on its apportionment due to an unanticipated negative budget balance. On August 22, 198, the Val Verde School District approved Resolution Number 89-5, authorizing the payoff of
its advance apportionment on October 10, 1989—more than two years early! The actual loan payoff was not scheduled until June of 1992.

In reviewing the criteria which were established by the State School District Management Assistance Team during the 1986-87 school year, it was felt that a report should be provided regarding the progress which has been made in setting forth, implementing and completing recommendations which were developed and disseminated.

Specifically, for accounting purposes, a report is being provided in each of the following areas:

- Summary Recommendations (previously listed)
- Management Review
- Governance
- Organization
- Business
- Maintenance and Operations
- Transportation and Operations
- Food Service
- Repayment Plan
- Summary and Implementation

The District, through its administration, has addressed the previously mentioned areas. The following summary indicates actions which are ongoing and must continue if Val Verde is to be successful. The items are listed first by
(1) the State Management Team recommendations, (2) the Completed Items, (3) Incomplete Items, and (4) Strategies for Completion. Note that there are several crucial areas that must be ongoing, such as review and revision of policies and development of a fiscal policy team.
VAL VERDE SCHOOL DISTRICT MANAGEMENT PLAN (GOVERNANCE)

Item #1

State Recommendation: The review and rewrite of policies continue.

Completed Items: The review and rewrite of Board Policies has begun. All policies, Bylaws and regulations were reviewed during the 1988-89 school year. Some policies were revised and updated.

Incomplete Items:

Strategies for completion: Although the review and the revision of policies has begun, this is an ongoing process. Pursuant to California Ed. Code, policies will be reviewed on an annual basis.

Completion Date: Ongoing

Item #2

State Recommendation: The Governing Board began its review of the policy manual with the section on bylaws.

Completed Items: During the 1988-89 school
year, the Board reviewed the section on bylaws and all policies in the policy book.

Incomplete Items:

Strategies for completion:
The Board will, once again, review all policies in the policy book during the current school year. A Fiscal Policy Team has been established to assist in facilitating this process.

Completion Date: Ongoing

Item #3

State Recommendation: Administrative regulations to implement Board policy be developed.

Completed Items: Additional regulations have been developed to assist in the implementation of Board policies.

Incomplete Items:

Strategies for completion: The development of administrative regulations will continue throughout school year beginning with
Completion Date: Ongoing

Item #5

State Recommendation: The Val Verde School District organizational structure be reorganized.

Completed Items: The District structure has been reorganized and a chart was adopted by the Board during the 1989-90 school year.

Incomplete Items:

Strategies for completion: A District Function Chart has also been developed and has been placed in this report.

Completion Date: Ongoing

Item #6

State Recommendation: The District develop a long-range organizational plan based upon projected pupil enrollment.

Completed Items: A long-range organizational plan based upon projected pupil enrollment is partially in place. The District's
facilities manager provides projections of pupil enrollment. Staffing is based upon enrollment projections.

Incomplete Items:

Strategies for completion:
A staffing plan is partially in place in the District. For example, since our teacher-pupil ratio is 30-1, a teacher is hired when thirty (30) children enroll. It is felt that a complete plan will be in place soon. When additional staff are requested, a Personnel Requisition must be completed. The Business Manager must sign requisition, indicating that funds are available.

Completion Date: November 25, 1989

Item #7

State Recommendation: Business Services be reorganized.

Completed Items: Business Services were reorganized.
Incomplete Items:

Strategies for completion:

Completion Date: Ongoing

Item #8

State Recommendation: The District's Management Team conduct a self-appraisal of the organizational delivery system to develop the most effective vehicle for achieving the District's education goals.

Completed Items: The district's Management Team spent some time reviewing and analyzing its organization and delivery systems during the 1989-90 Management Retreat. The current organizational chart is one of the outcomes of the retreat. Organizational goals are an inherent part of the organization's structure.

Incomplete Items:

Strategies for completion:

Completion Date: Annual Goal

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Item #9

State Recommendation:

The Superintendent continue his/her effort to strengthen the District's system of informational communication.

In addition to staff bulletins, parent newsletters and written communiqués, the Val Verde Voice, a District Newsletter has been developed.

(Circulation is the entire Val Verde community.)

Additionally, Val Verde has been the subject of many articles in the Press Enterprise, the Butterfield Express, the Sacramento Bee, the Perris Progress, the CASBO Journal, and other publications recently.

Incomplete Items:

Strategies for completion:

Completion Date: Ongoing

Item #10

State Recommendation:

The team recommends that the
Completed Items:

- Riverside County's budget transfer document is prepared by Business Services and submitted for Superintendent and Board approval before the transfers are entered into the online system.

Incomplete Items:

- Business Services will design a budget transfer request form to be used by schools and department to request changes in their budgets. These transfers will be approved by Business Services and Superintendent before Board approval.

Strategies for completion:

Completion Date: In place

Item #11

State Recommendation: The team recommends that Business Services prepare a monthly average daily
Completed Items: The ADA report was submitted to the Board on a monthly basis during the 1988-89 school year and will continue to be submitted monthly.

Incomplete Items:

Strategies for completion: Business Services ensures that district-wide ADA report is submitted for Board information at every Board meeting.

Completion Date: Ongoing

Item #12

State Recommendation: The team recommends that conference attendance for Board members be detailed in the adopted budget.

Completed Items: The adopted budget has an account for Board members conferences.

Incomplete Items:

Strategies for completion: Business Manager reviews Board account as to availability.

Completion Date: Ongoing
| Item #13 | State Recommendation: | The team recommends that the Governing Board adopt a resolution to establish an amount for a contingency fund. The contingency fund for 1988-89 was established in the adopted budget and approved by the Board. This has been accomplished by the Board Policy establishing 3 to 7 percent of budget. Current fund is at 10%. |
| Completed Items: | | Business Manager monitors solvency of budget. Monthly financial reports reveal status of Fund for Unforeseen Emergencies. In place |
| Incomplete Items: | Strategies for completion: | |
| Item #14 | State Recommendation: | The team recommends that the Governing Board adopt a resolution that unrestricted general funds will not be |
expended for categorical programs.

Completed Items:
Incomplete Items:
Strategies for completion:
Completion Date: Ongoing

Item #15
State Recommendation: The team recommends that every effort be made to reduce the cost of certificated substitutes.

Completed Items: The Business Services submits report on the number of substitutes and cost spent in this area monthly.

Incomplete Items:
Strategies for completion:
Completion Date: Ongoing

Item #16
State Recommendation: The team recommends that Business Services be responsible for the student body fund accounting.

Completed Items: Business office is supervising.
Incomplete Items:

Strategies for completion: Schools are informed regarding policies of student body accounting. Business Services requests student body fund records on regular basis for review and reconciliation.

Completion Date: January 1990-Target Date

Item #17

State Recommendation: The team recommends that student body funds and cafeteria funds be placed in interest bearing account.

Completed Items: The cafeteria account is already in interest bearing account.

Incomplete Items: Steps will be taken to have the student body funds in interest bearing account.

Strategies for completion: Business Services will implement.

Completion Date: January 1990-Target Date

Item #18

State Recommendation: The team recommends that the District's verification of
materials received be strengthened.

Payments to vendors are made only when orders are received. Controlled by Business Manager.

Incomplete Items:

Strategies for completion: The Business Manager oversees proper verification of receiving materials before payment.

Completion Date: January 1900-Target Date

Item #19

State Recommendation: The Food Service Program be charged for utilities it uses.

Completed Items:

Inprocess:

Item #20

State Recommendation: Personnel folders be placed in fire resistant files.

Completed Items: Fire resistant files have been purchased. Personnel files
Incomplete Items: are being transferred.

Strategies for completion:

Completion Date: Ongoing

**Item #21**

State Recommendation: Well-defined plant management policies be developed and adopted by the Board of Trustees.

Completed Items: Some well-defined plant management policies have been developed and adopted by the Board. Others will be adopted, as needed.

Incomplete Items:

Strategies for completion: This is an area of change. The administration will work with the M & O staff, personnel and the Board in order to keep policies current.

Completion Date: Ongoing

**Item #22**

State Recommendation: The Superintendent develop administrative regulations to
implement the Board's policies for maintenance functions.

Completed Items:

Incomplete Items:

Some administrative regulations are on file.

Strategies for completion:

Regulations will be in place in support of Board Policies.

Completion Date:

Ongoing

Item #23

State Recommendation:

The manager of maintenance keep a running mater list of all maintenance tasks and repair jobs that are to be performed.

Completed Items:

In process

Incomplete Items:

Done on an on-going basis.

Strategies for completion:

Maintenance Supervisor is to assist in developing a document or form which identifies each task assigned to the maintenance persons for the day. This is to include details of each job request.

Completion Date:

Ongoing
Item #24
State Recommendation: Equipment repair costs be compared periodically with the costs of replacement.
Completed Items: This is done periodically.
Incomplete Items:
Strategies for completion: It is recommended that a schedule be developed for systematic checking and assessment.
Completion Date: Ongoing

Item #25
State Recommendation: The District develop policies for replacement of equipment.
Completed Items:
Incomplete Items: In process
Strategies for completion: The Superintendent will work with M & O Managers to insure the completion of appropriate policies.
Completion Date:

Item #26
State Recommendation: The District establish and follow a documented preventive maintenance program.
Completed Items: Partially completed.

Incomplete Items:

Strategies for completion: The District's Maintenance Department is conducting an inventory in order to update its equipment list. A form has been developed to facilitate this process. Scheduling forms are in draft. The annual schedule will be put in place following the district-wide inventory.

Completion Date: 11/15/89

Item #27

State Recommendation: Maintenance projects to be scheduled as early in the fiscal year as possible.

Completed Items: Projects were developed in May and June of 1989-90 school year. This schedule will be repeated each year.

Incomplete Items:

Strategies for completion:

Completion Date: Annually

Item #28
State Recommendation: Deferred Maintenance funds be expended each year.

Completed Items: Deferred Maintenance funding has been expanded and expended each year. All District facilities have been upgraded.

Incomplete Items:
Strategies for completion:
Completion Date: Annual goal

Item #29
State Recommendation: One additional gardener be employed.

Completed Items: One additional gardener has been hired.

Incomplete Items:
Strategies for completion:
Completion Date: Ongoing check on needs.

Item #30
State Recommendation: The district purchase additional labor-saving equipment.

Completed Items: A number of equipment items have been purchased which provide labor-saving methods of addressing district's
Incomplete Items:

Strategies for completion:

Completion Date: Ongoing

Item #31

State Recommendation: The District establish an inservice training program for maintenance, operations and grounds personnel.

Completed Items: Inservice training for maintenance and facilities staff members was initiated in 1988 and is ongoing.

Incomplete Items:

Strategies for completion:

Completion Date: Ongoing

Item #32

State Recommendation: The custodians report to the site administrators.

Completed Items: Custodians were assigned to site administrators in 1987. This is ongoing. During periods when site administrators are on vacation - Winter recess, Spring Break
and summer months, custodians report to maintenance manager.

Incomplete Items:

Strategies for completion:

Completion Date: Ongoing

**Item #33**

State Recommendation: The District employ additional custodians.

Completed Items: Additional custodians have been hired and placed in each school site. Three and one half custodians have been hired for Mead Valley and Val Verde Schools.

Incomplete Items:

Strategies for completion:

Completion Date: Ongoing check on needs.

**Item #34**

State Recommendation: The team recommends that the position Coordinator of Transportation be changed to Manager, Transportation.

Completed Items: The 1989-90 district organization chart establishes position of Transportation
Incomplete Items:

Strategies for completion:

Completion Date: 1989-90

Item #35 and #39

State Recommendation: The team recommends that a computer be purchased for the Transportation Department.

Completed Items: Transportation Department is coordinating information with the Facilities Department and the Riverside County Office of Education to develop bus routes and route projections thru their Student Demographic Data System. The Data System also allows direct access to student information via the County Terminal to provide parent address and/or phone numbers.

Incomplete Items: A computer is on order to the Transportation Department to provide vehicle inventory and repair schedules.
Strategies for completion:

Completion Date: Completion in process

Item #36, #37 and #38

State Recommendation: The team recommends that policies be developed for the Transportation program and submitted to the Board for adoption, to include administrative regulations and handbooks.

Completed Items: The Administration had developed a bus driver handbook which contains the recommended information and includes detailed information in all areas necessary to perform the job safely and efficiently. Each driver employed by the District is issued a copy of the handbook.

Incomplete Items: Board Policies and Administrative regulations.

Strategies for completion: Updated Board policies and administrative regulations.
**Completion Date:** January 1995-Target Date

**Item #40**

**State Recommendation:**

The team recommends that the Manager, Food Services, provide for the development of procedural manuals to facilitate training and task analysis for the Food Services staff.

**Completed Items:**

The Food Services staff has been given an informational manual relating to general procedures.

**Incomplete Items:**

**Strategies for completion:**

A comprehensive manual will be developed during the 1989-90 school year.

**Completion Date:** January 1995

**Item #41**

**State Recommendation:**

The team recommends that the administration include a central kitchen in the construction of one of its new schools.

**Completed Items:**
Incomplete Items: The feasibility of a central kitchen in one of the new schools is under construction by the administration.

Strategies for completion:
Completion Date:

Item #42
State Recommendation: The team recommends that the administration provide additional storage space.

Completed Items: Additional storage and refrigeration space has been added to existing school sites.

Incomplete Items: New school sites are being developed with adequate storage space.

Strategies for completion:
Completion Date: In place and ongoing

Item #43
State Recommendation: The team recommends that the administration insure that the Food Services truck lift be adjusted so that it is flush
with the ground.

Completed Items: The Food Services truck lift
The Food Services truck lift has been adjusted. On 9/19/89
has been adjusted. On 9/19/89 the Board of Education
the Board of Education approved the request to begin
approved the request to begin the bid process.
the bid process.

Incomplete Items: The District is currently in
The District is currently in the process of purchasing a
the process of purchasing a new Food Services truck to
new Food Services truck to facilitate the distribution of
facilitate the distribution of lunches to the new schools.
lunches to the new schools.

Strategies for completion:
Strategies for completion:

Completion Date: In place
Completion Date: In place

Item #44
Item #44

State Recommendation: A custodian or groundsman be
A custodian or groundsman be used to load and unload the
carts that are being transported (for the Foods
transported (for the Foods Service Department).
Service Department).

Completed Items: Custodians assist with the
Custodians assist with the loading and unloading of food
loading and unloading of food carts, as needed.
carts, as needed.

Incomplete Items:
Incomplete Items:

Strategies for completion:
Summary

In summary Val Verde School District, after years of financial mismanagement, finally was able to resolve most of its fiscal problems. New policies were developed that reflected:

1. Accountability;
2. Improved budget procedures;
3. Implementation of a continual self-assessment guide;
4. On-going revision and implementation of Board policy;
5. Definition and understanding of rules of administration; and,
6. More effective training of the Board of Trustees, administrators and staff.

The tremendous financial and management problems encountered by Val Verde could and does occur in many if not most school districts in California, as well as nationwide. Changes in school finance for the 1990s require that the traditional definition of school finance equity stated in terms of dollar inputs at the district level must be dramatically transformed during the 1990s. Berne and Stufel (1984) developed a framework that helped to bring conceptual, intellectual and technical clarity to school finance equity.

Discussion developed these strategies for school
finance:

First: School finance equity analysis needs to link indicators of school finance equity to the developing work in educational indicators more general. Forgione (1990) shows that there is renewed interest in improving national goals and financial formulas that reflect national equity in school finance.

Second: School finance equity frameworks need to move beyond expenditures and revenue as indicators of educational resources and look at the curriculum and instructional educational resources into which dollars are transformed.

Third: School finance, and curriculum and instruction data need to be developed on a school basis, not just at the district level as is common practice today. Indeed the major thrust of education policy in the 1990s will be directed towards restructuring and site-based decision making. Odden (1990) identifies site-based budgeting, site-based performance incentives, site-based management and site-based data on student performance all require that detailed fiscal and resource information will be needed on a school-by-school basis.

Val Verde, then, was a classic example of a school system that while it was growing in numbers held on to a one room school philosophy. As a participant in this process I learned that there must be a desire to develop and follow
educational vision. There have to be well trained, competent individuals to perform, supervise and manage the District's assets.

Finally, those who would govern California's schools must put the children first. They must be willing to receive training and knowledge. They must work with and not around the administration. Time must be spent and questions asked not for political posturing, but to make sure that any and all students receive a competitive useful education.
§ 41320.2. Emergency apportionment requests by governing boards; legislative intent

The governing board of a school district that determines during a fiscal year that its revenues are less than the amount necessary to meet its current year expenditure obligations may request an emergency apportionment through the Superintendent of Public Instruction subject to the requirements and repayment provisions of this article.

It is not the intent of the Legislature that this section authorize emergency loans to school districts for the purpose of meeting cash flow requirements pending the receipt of local taxes and other funds.

It is further the intent of the Legislature that no emergency apportionments, as described in this section, occur unless funds have been specifically appropriated therefor by the Legislature.

(Formerly § 41310, enacted by Stats.1976, c. 1010, § 2, operative April 30, 1977. Renumbered § 41320.2 and amended by Stats.1992, c. 759 (A.B.1248), § 9, eff. Sept. 21, 1992.)
Appendix 2: Education Code § 41320.1.

§ 41320.1. Conditions of acceptance; trustee; expenses; audit

Acceptance by the district of the apportionments made pursuant to Section 41320 shall constitute agreement by the district to all of the following conditions:

(a) The Superintendent of the Public Instruction shall appoint a trustee who shall have recognized expertise in management and finance, and who shall be bonded. The expenses incurred by the trustee and the costs of the bonding shall be borne by the district. The superintendent shall establish the terms and conditions of the employment, including the remuneration of the trustee. The trustee shall serve at the pleasure of, and report directly to, the superintendent. The trustee shall serve until the loan called for by this section is repaid, the district has adequate fiscal systems and controls in place, and the superintendent has determined that the district's future compliance with the fiscal plan approved for the district under Section 41320 is probable. Before the district repays the loan, including interest, the recipient of the loan shall select an auditor from a list established by the superintendent and the Controller to conduct an audit of its fiscal systems. If the fiscal systems are deemed to be inadequate, the superintendent may retain the trustee until the deficiencies are corrected. The cost of this audit and any additional cost of the trustee shall be borne by the district.

Notwithstanding any other provision of law, all reports submitted to the trustee shall be public records.

(b) The trustee appointed by the superintendent shall monitor and review the operation of the district. During the period of his or her service, the trustee may stay or rescind any action of the local district governing board that, in the judgment of the trustee, may affect the financial condition of the district. The Superintendent of Public Instruction may establish timelines and prescribe formats for reports and other materials to be used by the trustee to monitor and review the operations of the district. The trustee shall approve or reject all reports and other materials required from the district as a condition of receiving the apportionment. The superintendent, upon the recommendation of the trustee, may reduce any apportionment to the district in an amount up to two hundred dollars ($200) per day for each late or unacceptable report or other material required under Part 24 (commencing with Section 41000) of the Education Code, and shall report to the Legislature any failure of the district to comply with the requirements of this section. If the Superintendent of Public Instruction determines, at any time, that the fiscal plan approved for the district under Section 41320 is unsatisfactory, he or she may modify the plan as necessary, and the district shall comply with the plan as modified.

(c) At the request of the Superintendent of Public Instruction, the Controller shall transfer to the State Department of Education, from any apportionment to which the district would otherwise have been entitled pursuant to Section 42238, the amount necessary to pay the expenses incurred by the trustee, the costs of the trustee's bonding, and any associated costs incurred by the county superintendent of schools.

Additions or changes indicated by underline; deletions by asterisks * * *
Appendix 3: Education Code § 41326.

§ 41326. Acceptance of apportionment as agreement to conditions; authority of superintendent of public instruction and administrator; employment contracts; duties of board; trustee

(a) Notwithstanding any other provision of this code, the acceptance by a school district of an apportionment made pursuant to Section 41320 that exceeds an amount equal to 200 percent of the amount of the reserve recommended for that district under the standards and criteria adopted pursuant to Section 33127 shall constitute agreement by the district to the conditions set forth in this article. Prior to applying for an emergency apportionment in the amount identified in this subdivision, a school district governing board shall discuss the need for that apportionment at a regular or special meeting of the governing board and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the district, and other members of the community. For purposes of this article, “qualifying school district” means a school district that accepts a loan as described in this subdivision.

(b) The Superintendent of Public Instruction shall assume all the legal rights, duties, and powers of the governing board of a qualifying school district. The Superintendent of Public Instruction may appoint an administrator to act on his or her behalf in exercising the authority described in this subdivision. The state-appointed administrator shall serve under the direction and supervision of the Superintendent of Public Instruction until terminated by the Superintendent of Public Instruction at his or her discretion. The state-appointed administrator shall have recognized expertise in management and finance, and shall be bonded.

(c) For the period of time during which the Superintendent of Public Instruction exercises the authority described in subdivision (b), the governing board of the qualifying school district shall serve as an advisory body reporting to the state-appointed administrator, in which capacity no member of the governing board shall be paid or entitled to any stipend, benefits, or other compensation.

(d) Notwithstanding Section 35031 or any other provision of law, the employment of any district superintendent of schools, or deputy, associate, or assistant superintendent of schools, or other person employed in an equivalent capacity, whose duties include overseeing, managing, or otherwise directing the fiscal and budgetary operations of the school district, and who is employed by a school district under a contract of employment signed or renewed after the effective date of this article may be terminated by the state-appointed administrator, in accordance with appropriate notice and hearing procedures, if the employee fails to document, to the satisfaction of the state-appointed administrator, that prior to the date of that acceptance he or she either advised the governing board of the district, or his or her superior, that actions contemplated or taken by the governing board could result in the fiscal insolvency of the district, or took other appropriate action to avert that fiscal insolvency.

Additions or changes indicated by underline; deletions by asterisks * * *
(e) The authority of the Superintendent of Public Instruction, and the state-appointed administrator, under this section shall continue until all of the following occur:

1. Two complete fiscal years have elapsed following the district's acceptance of a loan as described in subdivision (a), or, at any time after one complete fiscal year has elapsed following that acceptance, the state-appointed administrator determines, and so notifies the Superintendent of Public Instruction, that future compliance by the school district with the recovery plans approved pursuant to paragraph (2) is probable.

2. The Superintendent of Public Instruction has approved all of the recovery plans referred to in subdivision (a) of Section 41327.

3. The state-appointed administrator certifies that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the recovery plans.

4. The district has completed all reports required by the Superintendent of Public Instruction.

5. The Superintendent of Public Instruction determines that future compliance by the school district with the recovery plans approved pursuant to paragraph (2) is probable.

(f) When the conditions stated in subdivision (e) have been met, the school district governing board shall regain all of its legal rights, duties, and powers, except for the powers held by the trustee provided for pursuant to Article 2 (commencing with Section 41320). The Superintendent of Public Instruction shall then appoint a trustee under Section 41320.1 to monitor and review the operations of the district until the conditions of subdivision (b) of that section have been met.

(g) Notwithstanding subdivision (f), in the event that the district violates any provision of the recovery plans approved by the Superintendent of Public Instruction pursuant to this article, the superintendent may reassume, either directly or through an administrator appointed in accordance with this section, all of the legal rights, duties, and powers of the governing board of the district. The Superintendent of Public Instruction shall return to the school district governing board all of its legal rights, duties, and powers reassumed under this subdivision when he or she determines that future compliance with the approved recovery plans is probable, or after a period of one year, whichever occurs later.¹

(h) Article 2 (commencing with Section 41320) shall apply except as otherwise specified in this article.

(i) It is the intent of the Legislature that the legislative budget subcommittees annually conduct a review of each qualifying school district that includes an evaluation of the financial condition of the district, the impact of the recovery plans upon the district's educational program, and the efforts made by the state-appointed administrator to obtain input from the community and the governing board of the district.

(Added by Stats.1991, c. 1213 (A.B.1200), § 10.)

¹ The enrolled bill did not contain a subd. (b).
Appea 4: Education Code § 41327.

§ 41327. Reports and plans by state-appointed administrator

(a) In accordance with timelines, instructions, and a format established by the Superintendent of Public Instruction, the state-appointed administrator shall prepare or obtain the following reports and plans:

(1) A management review and recovery plan.

(2) A financial recovery plan. The financial recovery plan shall include a plan to repay to the state any and all loans owed by the district. Pursuant to the financial recovery plan, the repayment by the district of any state loans shall comply with all of the following, notwithstanding any provision of Article 2 (commencing with Section 41320):

(A) The loan or loans shall be repaid over a period of no more than 10 years following the initial disbursement of moneys under a loan as described in subdivision (a) of Section 41326. The repayment of the loan or loans shall commence not later than the fiscal year following the year in which the loan described in that subdivision is made.

(B) Interest shall accrue on the loan or loans as of the date the funds are received, at the average annual investment rate of the pooled investment account.

(3) During the period of service by the state-appointed administrator, an annual report on the financial condition of the district, including, but not necessarily limited to, all of the following information:

Additions or changes indicated by underline; deletions by asterisks * * *
Appendix 5:

Poor Districts Get Emergency Funds From State, 1970

<table>
<thead>
<tr>
<th>School District</th>
<th>Assessed Valuation Per Pupil (dollars)</th>
<th>Dollars Per Pupil</th>
<th>Attendance</th>
<th>School Tax Rates (dollars)</th>
<th>State Aid Category</th>
<th>Emergency Funds Received (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livermore Valley (Alameda County)</td>
<td>7,995</td>
<td>748</td>
<td>11,249</td>
<td>5.20</td>
<td>Supplemental</td>
<td>500,000</td>
</tr>
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<td>Alum Rock (Santa Clara County)</td>
<td>4,996</td>
<td>600</td>
<td>15,225</td>
<td>4.12</td>
<td>Supplemental</td>
<td>100,000</td>
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<tr>
<td>Mountain View (L.A. County)</td>
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<td>6,076</td>
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<td>Supplemental</td>
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<td>Ravenswood (San Mateo County)</td>
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<td>894</td>
<td>5,644</td>
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<td>Supplemental</td>
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<tr>
<td>Lakeside (King County)</td>
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<td>559</td>
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<td>Supplemental</td>
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<td>1,654</td>
<td>1.76</td>
<td>Equalization</td>
<td>160,000</td>
</tr>
</tbody>
</table>

*1969.

Appendix 6: Memorandum from Superintendent of Val Verde Elementary School District

To: Members of the Governing Board
Date: 06-21-83
From: Charles R. Houser, Superintendent
Subject: 1983-84 Budget Reduction

Message: We need to cut $105,000 to balance 1983-84 school year budget.

1. Turn off at least ½ of outside light $2,500
2. Reduce watering of lawns by half $3,000
3. Reduce number of telephone lines $1,000
4. Eliminate board stipend $3,600
5. Eliminate one gardener position effective 9/83 $15,000
6. Leave position of administrative assistant vacant $27,000
7. Eliminate instructional aide substitutes $7,000
8. Eliminate all excess categorical funding subsidies from District general funds $8,500
9. Rewrite ECIA Chapter I and SIP to include savings from general funds
   a. Phone lines for computer terminals $2,000
   b. PE aide (½ SIP & ½ ECIA Chapter I) 15,500
   c. Return librarian to classroom 20,000
   d. Fund ½ nurse SIP 10,000
   47,500 $115,100
10. Reduce District general fund subsidy to Cafeteria $11,000
11. Eliminate TSAs for everyone $10,000
12. Eliminate "pool monies" $8,000

WMC/afs
Appendix 7:
VAL VERDE SCHOOL DISTRICT

EXPENDITURES - PURCHASING PROCEDURES (SOLICITING PRICES - BIDS AND QUOTATIONS)

The Business Manager shall solicit prices for supplies and equipment or work to be done in accordance with the following schedule:

a. Supplies and Equipment

When estimated cost of supplies or equipment is more than $2500 but less than $12,000 three written quotations will be required. When estimates cost of supplies and equipment exceeds $12,000 formal bidding procedure is to be followed, including advertising and calling for formal bids. Bid forms shall include: Notice to Bidder, Proposal Forms, Bid Conditions and Specifications.

b. Work to be Done

When estimated cost of work to be done is more than $2500 but less than $8000, three written quotations will be required. When estimate of the cost of work to be done exceeds $8000, formal bid procedure is to be followed including advertising and calling for formal bids.

When soliciting prices for goods or services which do not require written quotations or formal bids, the method that best serves the District will be used. In all cases, good purchasing practice will dictate the method to be used.

The Business Manager may at his discretion use written quotations or formal bids.

The Business Office will maintain a written record of all quotations solicited by telephone.

Formal bid advertising requirements publishing once a week for two consecutive weeks in a newspaper of general circulation within the District. A notice calling for bids, stating materials or service to be furnished and the time and place where bids will be opened must be included.

Policy
Adopted: May 14, 1981
Appendix 8:

VAL VERDE SCHOOL DISTRICT

Business

Budget as a Spending Plan

A system of fiscal control shall be established to govern the administration of the budget and the expenditure of funds.

The superintendent shall not permit expenditures of funds to exceed the major budget classification allowances against which the proposed expenditure is the proper charge. The superintendent shall set up and operate budget controls for all schools and departments and administer the budget in conformity with legal requirements and the actions of the governing board.

The superintendent shall check the legality of all expenditures and shall ascertain that all expenditures recommended for approval are legal expenditures.

Legal Reference: Education Code 35035 Powers and duties of superintendent

Policy
Adopted: February 16, 1984
Readopted: January 24, 1989
Role of the Board and Members (Powers, Purposes, Duties).

The Board of Trustees is the governing body of this School District and derives its power and exists under the Constitution and Acts of the Legislature of the State of California and the procedures of the California State Board of Education.

The Board of Trustees has the power and responsibility to discharge any duty imposed by law upon it or upon the District of which it is the Board of Trustees (Ed. Code 35161).

The Board of Trustees may initiate and carry on any program, activity, or may otherwise act in any manner which is not in conflict with or inconsistent with, or preempted by law, any law, and which is not in conflict with the purposes for which School Districts are established (Ed. Code 35160).

Legal Reference: Education Code
2600-2603 School District Boundaries
5304 Duties of the Board of Trustees
(Re: School District elections).
11000-11007 Powers to Contract with Other Agencies.
12400-12405 Participation in Federal Programs.
35000 District Name.
35010 Adoption of Rules by Board of Trustees.
35020-35046 Officers and Agents (Power of Board of Trustees to Appoint).
35100-35177 - Board of Trustees - esp.
... 35100-35177 - Powers and Duties.
... 35230-35240 - Corrupt Practices.
... 35291 - - - - Rules.
39013 Manner of Acquisition; School Site on Property Contiguous to District.
39600-39617 Property Maintenance and Control.

Bylaw: Number 9000
Adopted: March 26, 1981
Appendix 10:

VAL VERDE SCHOOL DISTRICT

Bylaws of the Board

Methods of Operation

The governing board has the power of establishing its own procedures.

The governing board shall concern itself primarily with broad questions of policy, rather than with administrative details. The application of policies is an administrative task to be performed by the superintendent and the superintendent's staff, who shall be held responsible for the effective administration and supervision of the entire school system.

All actions of the governing board shall be taken only in official governing board meetings called, scheduled and conducted according to these bylaws and the statutes of the state.

Legal Reference: Education Code

35014 Adoption of rules by governing board
35140 Time and place of meetings
35143 Annual organizational meetings - dates and notices
35144 Special meetings
35145 Public meetings
35146 Executive sessions
35160 Powers of governing board after January 1, 1976
35163 Official actions, minutes and journal
35164 Vote requirements

Bylaw adopted by the board: March 26, 1981
Appendix 11:

VAL VERDE SCHOOL DISTRICT

Bylaws of the Board

Formulation, Adoption, Amendment of Policies

Policy proposals and suggested amendments to or revisions of existing policies shall normally be submitted to all members of the governing board by the superintendent in writing prior to a regularly scheduled governing board meeting in which such proposed policies, amendments or revisions thereof shall be read and discussed.

Policies, will, barring emergencies, be adopted or amended after consideration at two meetings of the governing board. The agenda and minutes shall be marked to indicate policy matters.

The formal adoption of policies shall be by majority vote of all members of the governing board and the action shall be recorded in the minutes of the governing board. Only those written statements so adopted and so recorded shall be regarded as official policy.

Reference: Robert's Rules of Order, newly revised

Legal Reference: Education Code
35014 Adoption of rules by governing board
35163 Official actions, minutes and journal
35164 Vote requirements

Bylaw adopted by the Board: March 26, 1981
REFERENCES


California State Department of Finance. (1971). "How to get more out of your school dollars."


of school finance reform with contributions by Michael Kirst, Joel Berke and Michael Usdan, Denver, Colorado Education Commission of the States, December 1979, p. 87.


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Odden, Allan & Eleanor Odden (1984). *Education reform,


School Finance Reform.


