

LAGUNITAS SCHOOL DISTRICT

Sir Francis Drake Boulevard and Meadow Way
P.O. Box 308, San Geronimo, California 94963

August 10, 2004

The Honorable Terrence R. Boren
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

Betty J. Matea, Foreperson
Marin County Civil Grand Jury
3501 Civic Center Drive, Room 303
San Rafael, CA 94903

Your Honor and Madam Foreperson:

The 2003-2004 Marin County Civil Grand Jury in the report entitled "School Administration—Is the Cost Too High?" raises a question that is a constant concern for school district trustees, parents, teachers, administrators and the general public. The recognition by the Grand Jury that in Marin County there are sound reasons, both educational and financial, for having smaller school districts is a reaffirmation of what the voters in our county have said over many years. You have noted a fundamental principle that unification and/or consolidation can only be successful where the two or more communities involved desire the change. Finally, the commendation of the efforts of our school districts and the county office to work with each other and with our city, town and county governments to seek ways to maximize resources and consolidate services is encouraging.

The Lagunitas Elementary School District has been a district where parent choice is a priority for the community. As a result, there are exciting programs that operate in the Lagunitas Elementary School District. Our district has three program choices for elementary parents: The Open Classroom Program, the Montessori program, and the Waldorf Inspired program. The Middle School Program serves students from all three programs. To be able to support the parent choice programs, the district operates two school sites. The Grand Jury report indicates that the Lagunitas Elementary School District has higher administrative expenses. When this item is analyzed, several variables become important to consider. The first variable is the district has faced declining enrollment for the past ten years and operates two schools serving approximately 270 students. The school choice programs require that two school sites be maintained. Reflected in the higher administrative costs are the costs to have two school secretaries, two custodians, and all the operational administrative costs to support the two schools. As a small district with around 270 students, the percentage of the budget directed to administration is higher but essential to continue to operate the school programs.

The Lagunitas Elementary School District reviewed the function codes that were the basis for the Grand Jury analysis. For a small school district, the function codes do not correspond directly across the county. For example, in a district of 270 students, the superintendent is also the principal, the special education director, a business official, a transportation coordinator, and a director of food nutrition programs and many other essential programs. In a larger district, these tasks would be assigned various function codes being assigned to different people in various divisions. In a small district like Lagunitas, they are all assigned to the same person and the same function code. An analysis was conducted by our district in collaboration with the Marin County

Office of Education business office and the percentage of costs dedicated to the administrative functions is actually 11.61%. Some costs assigned to administration could have been assigned to another function.

In summary, every effort will be made by the Lagunitas Elementary School District to accurately code expenses to the correct function codes. Thank you for your interest in finding methods to compare school districts in an effort to support the local community desires. As a result of the school choice programs in Lagunitas, many parents come to school on a daily basis to be participants in their child's education. It is difficult to put a price on the benefit of children, teachers, and parents working together for the support of a school choice.

Sincerely,

A handwritten signature in black ink, appearing to be 'Stephanie O'Brien', with a long horizontal flourish extending to the right.

Stephanie O' Brien, President
Lagunitas Elementary District Board of Trustees

RESPONSES FROM THE MARIN COUNTY SUPERINTENDENT OF SCHOOLS
TO THE FINDINGS AND RECOMMENDATION OF
THE 2003-2004 MARIN COUNTY CIVIL GRAND JURY

F1. Finding: The County Office of Education, while producing numerous statistical reports using object codes, has produced no statistical reports using the function codes even though this information is available for each district.

Response: The statistical bulletins produced by the Marin County Office of Education (MCOE) have evolved over the years. When the need for different kinds of information or data has been identified or is required by state or federal regulations, statistical bulletins have been designed on a countywide basis. This is an efficient, effective way to save time, effort and costs that would be incurred if every district produced its own information. The Lagunitas School District does not produce the statistical reports but would compare information if such a report was produced by the Marin County Office of Education.

F2. Finding: The number of students in a school district does not appear to affect the percentage of the budget spent on general administration because the Office of Education provides the administration for the smallest school districts.

Response: The Lagunitas School District contracts with the Marin County Office of Education for Business Services. The costs for the MCOE contract for business services are included in the administrative expenses for our district. The costs do not change by the number of students but by the number of reports required, regulations, audit requirements and tasks that must be done to comply with all the State and Federal guidelines.

F3. Finding: Although *consolidation* of smaller districts is unlikely to produce administrative savings, *unification* appears to offer up to a 3% savings of the combined budgets.

Response: The Grand Jury has noted that consolidation and unification are very difficult and time-consuming outcomes for communities to achieve. Because consolidation and unification are such complex and different processes, any resultant financial comparison such as the 3% savings cited by the Grand Jury needs to be approached with some caution. Meanwhile, the Marin County Office of Education and the local school districts have chosen to work together in an ongoing process as if we were one large district when that is more cost effective and, most importantly, when it is good for kids. Many areas such as staffing, printing, food service, maintenance, bulk purchasing, student programs and transportation are examples of where joint operations exist to promote efficiency.

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The Marin County School Boards Association and the Marin Association of Superintendents established a Task Force on Cost Effective Opportunities for Sharing Resources in 2003-2004 to not only examine what was being done, but to identify areas for future cooperation. The Lagunitas School District participated in the Task Force by taking leadership and chairing half of the committees. Examples of additional areas identified included supplies, telecommunications, legal and labor compliance services, administrative services, business services and audit contracts. The Task Force also met with the Marin County Council of Mayors and Council Members to examine any possibilities for cost savings by joining with city and county governments. We will continue to look for every possible way to achieve savings on a countywide basis.

F4. Finding: **In any reorganization, savings in administrative costs may be offset by other costs of reorganization such as averaging up salaries.**

Response: Results from the recent task force written report conclude the same thing.

RECOMMENDATIONS

R2. Recommendation: **Every School District should ensure that it accurately codes expenses to conform with the functional system.**

Response: The recommendation will be implemented. The Marin County Office of Education provides business services for our district.

R3. Recommendation: **Every School District should analyze its breakdown of expenses for all functional categories.**

Response: The recommendation will be implemented. The Marin County Office of Education provides business services for our district and will be making the reports available.

Respectfully submitted,



Stephanie O'Brien, President
Lagunitas Elementary School District