

CASCADE, COTTONWOOD, PACHECO CONSOLIDATION REPORT

South County Schools

The Cascade, Pacheco, and Cottonwood School Districts in Shasta County share common boundaries and the majority of their students attend high school in the Anderson Union High School District. In addition, each of the 4 districts are in or near the city of Anderson which creates its own culture of a small town feel. Each of these districts have declining enrollment and diminished funding and therefore are struggling to provide high quality services to students at a time when the State of California has reduced their budgets by 22%. Interested in providing the highest quality education possible for their students, the 4 districts agreed to pursue consolidation/unification and formed a study committee to investigate becoming a K-12 school district.

In August 2012 the Anderson Union High School District Board of Trustees decided to withdraw from the process. The South County Consolidation Commission met four times. They toured each of the four districts while also having in-depth

discussions on the following topics: governance, transportation, curriculum and programs, administration, maintenance and operations, business services, finance, personnel and facilities.

The purpose of this report is to provide the Cascade, Pacheco, Cottonwood and Anderson Union High School District communities a report discussing options and the process used to pursue consolidation. This report is meant as a pro-active step to create conversations about what is best for students within and between the school communities and provide a planning tool for the Shasta County Committee on School District Organization.

The South County Consolidation Commission has met in open public meetings over the past four months, discussing the variety of educational options. The Commission is comprised of individuals who represent specific segments of each community. Each district board of trustees appointed a school administrator, school staff member, school business manager and a fellow trustee.

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The Commission also appointed two public members from each community to serve on the Committee. The County Superintendent of Schools attended the Commission meetings, as well as members of the Shasta County Committee on School District Organization.

Commission members were:
Cottonwood Union: Bob Lowden, Superintendent; Jim Seale, Board Member; Laura Merrick, CBO; Tom Phillips, Maintenance & Facilities; Doug Geren, Principal
Pacheco Union: George Cole, Community Member; Sharon Hunter, Community Business Member; Larry Sohlberg, School Board President; Keta Asmus, Teacher; Gale Cook, CSEA: President; Jason Provence, Superintendent
 Cascade Union: Jeff Carr, School Board President; Michelle Henson, CBO; Harley North, Superintendent

Governance

Currently each of the four districts is governed by a five member elected board of trustees. Board members are currently elected at large to serve four-year terms. A board of trustees is essential to the management and fiscal affairs of the district. Each board hires the superintendent, is the legal employer of all district employees, approves and monitors the school district budget, and provides vision and guidance to the district.

The new Board would consist of one member from each current Board plus one trustee from the Happy Valley Board. The new Board would be appointed by the Shasta County Superintendent of Schools and would serve until the next regularly scheduled election.

In addition to one trustee from each current district represented, the commission agreed that Happy Valley should have one trustee seat as they are a feeder school to the high school district.

This report was generated prior to the withdrawal of the Anderson Union High School District from the process.

Commission Comment:

The Commission supports a single board with five members that represent five trustee areas based on current voting areas.

One board would streamline operations, governance and reduce some administrative and elections costs.

The statement above was written when Anderson Union High School District was still part of the study. The Governance was reviewed a second time with just the three elementary districts participating.

The Commission recommended a five member board made up of two at large members and the other three elected by a trustee area or zone. The three zones would match the present elementary district boundaries as close as possible. The areas would have to contain nearly the same number of voters.

The option is not part of the present laws defining trustee selection. A waiver would have to be filed in order to allow for this combined method of electing trustees.

Administration

The Committee met to discuss the possible administrative arrangement of the new district if it were to be created. The Committee looked at the current administrative structure in the four districts and the number of people in administrative roles and then at a possible administrative structure for the new district. The Committee found that it may be possible to administrate the new district with fewer administrators and believes that it also could be a more efficient delivery of services to students and to our community.

Currently the four districts discussing unification/consolidation each have their own administrative structure with a superintendent and a variety of other administrative positions within their respective districts. There is some sharing of services among the districts at this time. For example, some special education services are shared among the districts, a technology team is shared by three of the four districts, and some transportation services are shared. The projected size of the new district is 4,800 students enrolled at 13 school sites. Two of the four districts have closed a school site this past year. Three of the four districts have sponsored charter schools, two are independent charters and one is a dependent charter.

This report was generated prior to the withdrawal of the Anderson Union High School District from the process.

Commission Comment: *A new consolidated/unified school district will have a variety of administrative scenarios to review which will include balancing cost savings with the desire to have more administrative support for students and teachers. It is important to note that a new district would include a new board and superintendent that would want to look closely at any new administrative structure.*

District Staffing Current Overview:

Business Services:

- ❖ Cottonwood
 - Business Manager 1.0 FTE
 - Business Services Accountant 1.0 FTE
- ❖ Cascade
 - Chief Business Official 1.0 FTE
 - Payroll & Benefits Account Clerk 1.0 FTE
 - Accounts Payable Clerk 1.0 FTE
 - Administrative Assistant .5 FTE
- ❖ Pacheco
 - Chief Business Official 0.6 FTE
 - Accounts Payable Clerk 0.5 FTE
 - Payroll Clerk 0.5 FTE

Staffing Considerations

- ❖ Overtime costs with existing personnel levels
- ❖ Contracted services for outside assistance
- ❖ No known retirements on horizon

Organizational Considerations

- ❖ Currently all cafeteria functions are separate from business services
- ❖ Cascade has overlap of CALPads and student data reporting
- ❖ Cottonwood has overlap of Human Resource functions

Essential Positions*

- ❖ Chief Business Official
 - ❖ Accountant (1-2)
 - ❖ Administrative Assistant
 - ❖ Accounts Payable Clerk
 - ❖ Accounts Receivable Clerk
 - ❖ Payroll Clerk
 - ❖ MAA Account Clerk
- *Identification of FTE to be determined*

Identified Advantages

- ❖ Varying expertise of individual staff complements one another
- ❖ Opportunity for shared services
- ❖ Ability to capitalize on economies of scale

To be Discussed

- ❖ Fixed Asset Inventory and Capital Asset Tracking
- ❖ State Attendance Reporting
- ❖ Facility Accounting
- ❖ CALPads/Student Data Reporting
- ❖ Technology



Commission Comment:

The Commission has concluded that opportunities exist through efforts of consolidation or shared business services. There could very well be savings in this area if consolidation were to take place.

Fiscal Impact

South County Elementary School District

This section of the report was supplied by School Services.

The proposed South County ESD would generate \$1.2 million in additional revenue limit income, based on the blended revenue limit for the new district and the statutory adjustment related to differences in average salary and benefit costs of the three districts. The marginal revenue would be in addition to the total blended revenue limit funding of \$15 million. The additional revenue would be sufficient to fund \$894,000 in higher salary and benefit costs, assuming the staff is moved to the highest salary schedule of the existing districts and the new district's contributions to health and welfare benefits are similarly at the highest level of current contribution. Figure 19 summarizes these findings.

**Figure 19: Revenues and Expense Summary
South County ESD**

Description	Amount
Revenues	\$1,162,361
Salary and Benefit Expenses:	
Certificated Salaries	\$379,000
Classified Salaries	\$430,064
Benefits – Certificated	\$58,773
Benefits – Classified	\$26,498
Total Expenses	\$894,335
Surplus/(Shortfall)	\$268,026

REVENUE ANALYSIS

Figure 20 displays the revenue impact of the newly proposed school districts of South County ESD, which is comprised of Cascade Union ESD, Cottonwood Union SD, and Pacheco Union SD.

**Figure 20: Revenue Limit Increase
South County ESD**

	District in Consolidation	Size/ADA	Blended Base Revenue Limit	State Funded Increase (after deficit)			New Base Revenue Limit
				Marginal Increase	Per ADA	% Change	
South County	PCO+CSD+CTW	2,849	\$4,992	\$1,162,361	\$407.95	8.17%	\$5,400

The figure shows that the new district yields an increase of \$1.2 million in new funds, which equates to a 8.17% increase in revenue limit funding. This translates to a \$408 per-ADA revenue limit adjustment, with this district serving 2,849 ADA.

Commission Comment:

The Commission members were surprised by the amount of additional revenue the 3 elementary districts would generate. The assumption was that once the high school dropped out, the percent of revenue increase would be negatively affected. The percent change went up by a small amount. The total dollar increase went down because of the lost enrollment once the high school dropped out.

The consolidation of the 3 elementary districts would result in a net gain of \$268,026 after the “Level Up” of salary and benefits among the 3 districts. The net increase assumes that there would be a level up to the maximum amount. Anything less than the maximum amount would result in an increase in net dollars. The net gain does not include any savings that would result from the consolidation such as reduced district personnel.

The fiscal impact is a positive one and therefore not a deal killer as it was in some other consolidation study areas within Shasta County.

Salaries and Benefits Analysis

CERTIFICATED SALARIES

A review of the three districts’ certificated salary schedules find that the district’s schedule contains relatively the same number of columns and steps. Also, the districts’ salary schedule recognizes college units beyond a Bachelor of Arts degree, measured in increments of 15 units but Cascade Union ESD caps at 60 units, Pacheco Union SD and Cottonwood Union SD have higher maximum units of 75.

When we compared the relative compensation levels for comparable levels of education and years of service, Cottonwood Union SD had the highest of the three districts. Specifically, for steps one through five for a BA+30, Cottonwood Union SD’s salaries are higher than Cascade Union ESD and Pacheco Union SD by an average of 12.1% and 6.5%, respectively. For the same steps and a BA+45, Cottonwood Union SD’s salaries are higher than Cascade Union ESD and Pacheco Union SD by an average of 12.5% and 7.7%. A similar trend emerged for the same steps and a BA+60; Cottonwood Union SD’s salaries are higher than Cascade Union ESD and Pacheco Union SD by an average of 12.2% and 6.1%.

Figure 21: Salary Schedule Comparison
South County ESD
Target Salary Schedule: Cottonwood Union SD

South County ESD	BA + 30		BA + 45		BA + 60	
	Amount	Percent	Amount	Percent	Amount	Percent
Cascade Union ESD	\$4,741	12.1%	\$5,196	12.5%	\$4,944	12.2%
Pacheco Union SD	\$2,722	6.5%	\$3,416	7.7%	\$2,643	6.1%
Average	\$3,731	9.3%	\$4,306	10.1%	\$3,794	9.2%

Next, in order to estimate the cost of moving all of the Cascade Union ESD and Pacheco Union SD certificated staff to the higher salary schedule offered by Cottonwood Union SD, we placed the Cascade Union ESD staff (81.0 FTE) and Pacheco Union SD staff (28.80 FTE) onto the Cottonwood Union SD salary schedule.

**Figure 22: Certificated Staff to Single Salary Schedule
South County ESD
Target Salary Schedule: Cottonwood Union SD**

District	FTE	Total Additional Costs	% Increase
Cascade Union ESD	81	\$247,000	5.88%
Cottonwood Union SD	0	\$0	--
Pacheco Union SD	28.8	\$132,000	8.09%
Totals	109.8	\$379,000	6.50%

This analysis finds that the cost of moving the two districts' certificated staff to the Cottonwood Union SD salary schedule is not equal to the percentage change displayed in Figure 22 as would be suggested by the strict comparison of the schedules themselves. The cost increase would be 8.09% (\$132,000) for Pacheco Union SD and 5.88% (\$247,000) for Cascade Union ESD.

CLASSIFIED SALARIES

The cost of shifting classified employees to the higher schedule would be difficult to calculate because district job functions and responsibilities vary widely, and the positions may not be comparable. In order to address this lack of comparability, we used the hourly rates for seven positions to determine an estimate of the salary cost differences among the districts within the proposed consolidation.

**Figure 23: Classified Salaries to Highest Rates
South County ESD Salary Schedule Analysis
Target Salary Schedule: Cottonwood Union SD**

District	Classified Salaries	% Increase to Highest	Increased Cost
Cascade Union ESD	\$2,220,662	12.32%	\$273,640
Pacheco Union SD	\$819,957	19.08%	\$156,424
Cottonwood Union SD	\$1,115,421	0%	\$0
Total	\$4,156,040	10.35%	\$430,064

Figure 23 shows the classified salaries, percentage increase to the target salary schedule (Cottonwood Union SD), and the total increased cost. South County ESD incurs an increase of \$430,064 to increase the classified salaries to the target salary schedule.

BENEFITS

**Figure 24: Total Health and Welfare Benefits (Certificated Staff)
South County ESD
Target: Cascade Union ESD**

Certificated Staff				
District	H&W Benefits/ FTE	FTE	Increased Costs/FTE	Total Additional Costs
Cascade Union ESD	\$10,383	88.10	\$0	\$0
Cottonwood Union SD	\$9,852	48.80	\$531	\$25,913
Pacheco Union SD	\$9,313	30.70	\$1,070	\$32,860
Totals	\$29,548	167.58	\$1,601	\$58,773

**Figure 25: Total Health and Welfare Benefits (Classified Staff)
South County ESD**

Classified Staff				
District	H&W Benefits/ FTE	FTE	Increased Costs/FTE	Total Additional Costs
Cascade Union ESD	\$10,047	83.5	\$0	\$0
Cottonwood Union SD	\$9,852	40.7	\$195	\$7,938
Pacheco Union SD	\$9,376	27.7	\$671	\$18,560
Totals	\$29,275	151.8	\$866	\$26,498

Figures 24 and 25 display the total health and welfare benefits per FTE, FTE, costs per FTE to reach the target district’s benefit level, and the total costs. South County ESD would incur additional costs of \$58,773 to raise the certificated staff’s health benefits to the target of Cascade Union ESD. The new elementary district would incur additional costs of \$26,498 to level up the health benefits of its classified staff to the target district.

Curriculum

Cascade Union School District Core Curriculum Programs K-8

K- 5 ELA program	Houghton Mifflin
K-5 Math Program	Envision
K-5 Science Program	Macmillan/McGraw-Hill Californian Science
K-5 Social Studies Program	Scott Foresman History-Social Science for California
6-8 ELA Program	Pearson/Prentice Hall California Literature, Reading & Language
6-8 Math Program	Pearson/Prentice Hall California Mathematics
6-8 Glencoe McGraw-	Hill Focus on Science Series
6-8 HOLT	California Social Studies

Cottonwood Union School District Core Curriculum Adoptions K-8

6 th -8 th English/Language Arts	Houghton Mifflin 1990
6 th -8 th History/Social Science	Glencoe/McGraw Hill 2006
6 th -8 th Mathematics	Glencoe/McGraw Hill 2008
6 th -8 th Science	Prentice Hall 2007
7 th History/Social Science	McDougal Littell 2006
3 rd -5 th English/Language Arts	Houghton Mifflin 1990
3 rd -5 th History/Social Science	Scott Foresman 2005
3 rd -5 th Mathematics	Saxon 2001
3 rd -5 th Science	Scott Foresman 2007
K-2 English/Language Arts	Houghton Mifflin 2002
K-2 History/Social Science	Scott Foresman 2005
K-2 Mathematics	Saxon 2001
K-2 Science	Scott Foresman 2006

Pacheco School - Curriculum

4 th - ELA	Macmillan/McGraw – Treasures 2010
5 th ELA	Houghton Mifflin 1990 - CA
6 th -8 th ELA	Glencoe – Literature Course 1-3 - CA
4 th -6 th Mathematics	Scott Foresman - EnVisions
7 th Mathematics	CPM–Making Connections/McDougell Course 2
8 th Mathematics	CPM - Algebra
4 th -5 th Science	Macmillan/McGraw Hill – CA
6 th – 8 th Science	Glencoe – Focus on Science – CA
4 th History/Social Science	Scott Foresman - Our California 2005
5 th History/Social Science	Harcourt – Reflections - CA 2007
6 th -8 th History/Social Science	Glencoe – Discovering Our Past - CA

Common Adoptions Across Districts

Math Envision K-5

Pacheco USD

Cascade USD

ELA Houghton Mifflin K & 5

Pacheco USD

Cottonwood USD

Science K-5 Macmillan/McGraw-Hill Californian Science

Pacheco USD

Cascade USD

Social Studies K-5 Scott Foresman History-Social Science for California

Pacheco USD

Cascade USD

Cottonwood USD

Commission Comment:

The report shows the adopted textbook programs per district and the last table shows the common adoptions. There are more common areas than the uncommon among the 3 districts.

Each district has areas that have not been adopted and new materials have been approved for adoption. A consolidated district could make future adoption in these areas that would further align the curricular materials.

The curriculum programs already adopted would not be a major road block in creating a uniform curriculum for a consolidated district.

Facilities

The review included Cascade, Cottonwood, and Pacheco. It did not include Anderson High School District as their board voted to withdraw from the unification study.

The Cascade Union School District has four (4) school sites. The four sites could accommodate approximately 2, 000 students. One site has been vacated because of declining enrollment. All sites are in good condition and many of the classrooms have been modernized in the past few years. The district also has a bus yard and a bus shop with support structures.

The Cottonwood Union School District has three (3) sites and is presently using two of the sites. The oldest site, East Cottonwood School, has been vacated and houses two charter schools at present. The district’s core facilities are in good condition and North Cottonwood Is a new facility with many attractive features. The Cottonwood District has been known for quality facilities. Cottonwood also has a bus yard and shop facility. The district also has covered structures that allow buses to be under cover.

The Pacheco Union School District has two (2) school sites with both being used. Both sites have room for expansion. The district’s facilities are in good condition and like Cottonwood and Cascade well maintained. The district does not have a bus facility of equal quality of the Cottonwood or Cascade facilities.

Commission Comment:

The 3 elementary districts have very well maintained and updated facilities. The 3 districts have had declining enrollment for several years which has resulted in 2 schools that have closed. One in the Cascade District and one in the Cottonwood District. The Pacheco District has space in both schools in the district.

The unused sites, or underused sites, allow for future growth and the potential for creative educational uses. One example would be to locate programs within the boundaries of the 3 present districts where students are now being bused to the Shasta Lake City area. This would reduce transportation costs and allow for local control of the programs.

Facilities would not be an issue for consolidation consideration. There are no money pits within the 3 districts and space is available for future growth.

Maintenance, Operations and Transportation

Pacheco has 3 buses that cannot be retrofitted with new emission requirements. Cottonwood has 2 buses in this category and Cascade has 6. Cascade and Cottonwood have a bus facility and employ mechanics on site. Cottonwood's mechanic is a part time driver as well. Cascade has a full time mechanic.

Cascade presently has an MOU with Happy Valley and Pacheco to perform bus maintenance and related services. The MOU with Happy Valley is in the second school year and the one with Pacheco has just begun.

The facilities at Cottonwood and Cascade could be used in a combined manner to support the consolidated bus maintenance requirement. Cascade facility and bus yard will need to be upgraded regardless of consolidation or not.

- The bus shop will need to increase in size and additional equipment will need to be purchased, i.e. a bus lift.
- The Community Day School will need to be relocated to free up needed space for busing.

Special education transportation is another area that could be made more efficient. Consolidation of programs and returning programs from SCOE to the South County could reduce special education transportation cost a great deal. Field trips and other extracurricular trips could be centrally scheduled and dispatched. Buses could be housed at the present sites or move to a central site whichever proved to be the most effective.

Areas of concern were:

1. The drivers in each district are represented by different unions or are non-union
2. Long term employment opportunities for the present drivers and support staff

Commission Comment:

The subcommittee agreed that consolidating busing could be very beneficial to all schools. Bus routes could be reviewed and modified to increase efficiency and decrease costs. Buses could be concentrated in one area of the new district to shorten routes and speed up home to school and school to home travel time. The buses could then move to a group of schools with a later start time and repeat the process. Efficiency could go up and cost could go down.

Concluding Remarks

This report addresses the areas identified as critical for consideration regarding consolidation. There is not one of these areas that could be considered a “Deal Killer.” There are many positive reasons to consolidate from increase in revenue to personnel savings.

Each district’s board of trustees will have to decide if consolidation is a positive move for the communities and the students within the boundary of those districts. The commission presents this report in hopes it supplies the necessary information in making this very important decision.