

Folsom City Council Staff Report

MEETING DATE:	7/11/2023
AGENDA SECTION:	New Business
SUBJECT:	Consideration of Execution of a Memorandum of Understanding with Folsom Cordova Unified School District and the City of Rancho Cordova to Share the Cost of a Folsom Cordova Unified School District Reorganization Feasibility Study and Direction to Staff
FROM:	City Manager's Office

RECOMMENDATION / CITY COUNCIL ACTION

The City Manager recommends that the City Council provide direction to the City Manager as to whether the City Manager should execute a Memorandum of Understanding with Folsom Cordova Unified School District (FCUSD) and the City of Rancho Cordova to share the cost of an FCUSD Reorganization Feasibility Study to be conducted by School Services of California (SSC). The purpose of the study is to evaluate the potential reorganization of FCUSD into two separate unified school districts against the nine statutory criteria governing school district reorganizations. If this Memorandum of Understanding were executed, the City of Folsom would reimburse FCUSD for one-third of the costs of the SSC contract.

BACKGROUND / ISSUE

On June 8, 2023, the Folsom City Council, the Rancho Cordova City Council, and the FCUSD Board met in a special joint meeting with one discussion item: “Process of District Re-Organization and Feasibility Study Report.”

By way of background and quoting from the FCUSD staff report for the June 8, 2023 special joint meeting:

“At the January 19, 2023, Folsom Cordova Unified School District (FCUSD) Board Meeting, it was requested that staff report back on the cost and process of completing a study on the ability to reorganize Folsom Cordova Unified School District into two separate districts based upon the

communities of Rancho Cordova and Folsom.

“Staff contacted Schools Services of California (SSCAL) to present to the FCUSD Board an overview of the reorganization process and provide a cost estimate to complete a reorganization study.

“At the March 23, 2023, FCUSD Board meeting, Brianna García, Vice President of SSCAL, presented the nine statutory criteria governing district reorganizations, the process, and the proposed scope and cost for completing a Reorganization Feasibility Study.

“Additionally, staff provided a summary of the past reorganization activities that have taken place regarding FCUSD since 1994....

“The FCUSD Trustee consensus was to have a joint board meeting with both governing bodies, the City Councils of Rancho Cordova and Folsom, to review the re-organization presentation and discuss whether to move forward with the feasibility study.

“School Services of California's proposal for the re-organization feasibility study would be \$72,500 from the general fund.”

The June 8, 2023 special joint meeting was the result of consensus direction of the FCUSD Board to hold a joint meeting with the City Councils of Folsom and Rancho Cordova to review the reorganization presentation and discuss whether to move forward with the feasibility study.

At the June 8, 2023 special joint meeting, the Folsom City Council did provide consensus direction (as did the Rancho Cordova City Council) to move ahead with the reorganization feasibility study.

The FCUSD Board then discussed the item at its regular Board meeting on June 15, 2023. After that meeting, FCUSD Superintendent Sarah Koligian, Ed.D. followed up with the City Manager and shared that the Board tabled the action on moving forward with the feasibility study pending further information to be brought to the Board at a future meeting, including asking assistance “from City partners to assist with or cover the cost of the Feasibility Study (\$72,500).”

POLICY / RULE

All powers of the City shall be vested in the City Council except as otherwise provided by the City Charter. Section 2.02 of the City Charter.

ANALYSIS

As described earlier, the Folsom City Council already provided consensus direction to move ahead with the feasibility study at the joint special meeting. The Folsom City Council was not asked at the joint special meeting to share in the cost, however.

The City Manager understands from Superintendent Koligian that splitting the cost equally (i.e. one third from each of the partner jurisdictions – the City of Folsom, the City of Rancho Cordova, and FCUSD) would be ideal.

A draft Memorandum of Understanding has been presented to the City Manager from FCUSD and includes language as follows: “SSC proposes to perform the study...for \$72,500, plus expenses. ‘Expenses’ are defined as actual, out-of-pocket expenses, such as travel, meals, shipping, and duplication of materials. The cost of the study includes one presentation to the Committee. If additional meetings or presentations are required that are not described in this proposal (for example, an additional presentation), a charge of \$310 per hour, per consultant will be billed in addition to actual and reasonable expenses. SSC will submit monthly billings for services associated with the project.”

FINANCIAL IMPACT

There are sufficient funds available in the General Fund (Fund 010) for the approved FY2023-24 Budget to cover reimbursement to FCUSD for one-third of the contract costs (as described above) should the Council wish to provide direction for the City Manager to execute a Memorandum of Understanding with FCUSD and the City of Rancho Cordova to share the cost of an FCUSD Reorganization Feasibility Study to be conducted by SSC.

ENVIRONMENTAL REVIEW

The recommended action of the City Council is not a project as defined by the California Environmental Quality Act (CEQA) and therefore does not require environmental review.

ATTACHMENTS

1. School Services of California Proposal to FCUSD, dated February 27, 2023
2. School Services of California Presentation to FCUSD Board, dated March 23, 2023

Submitted,

Elaine Andersen, City Manager

ATTACHMENT 1



Folsom Cordova Unified School District School District Reorganization

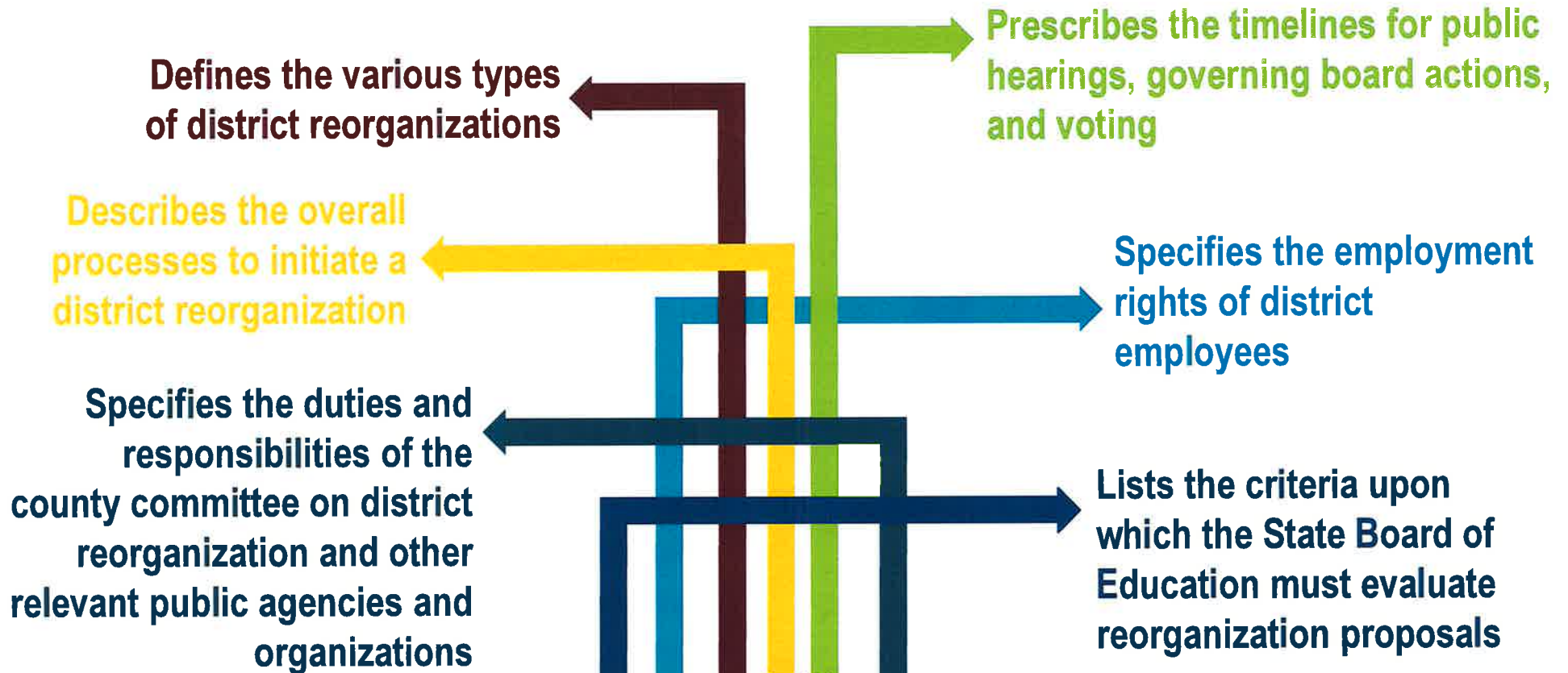
March 23, 2023

Presented By:

Brianna García
Vice President

1 School District Reorganization

- Commencing with Education Code Section (EC §) 35500, the code:



2 Basic Types of Reorganization

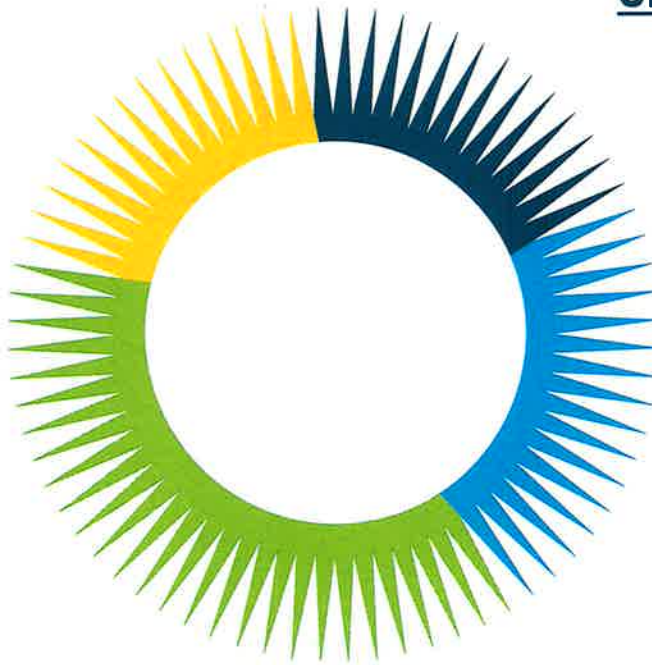
- Four most common types of reorganizations:

Territory transfers

Transfer of a portion(s) or all of one district to another

Formation of new school districts (unification)

Typically, unification of elementary and high school districts into a unified school district or splitting an existing unified school district into two or more unified school districts



Unifications with components

Unification of a high school district excluding one or more feeder elementary districts completely within the high school district

Lapsation

The dissolution of a school district to one or more adjacent districts

Petitions

- Under the law,¹ a reorganization petition should include:



Reasonable description of the territory covered by the proposed reorganization



List of the school districts affected



Reasons for a proposed reorganization



Designation of no more than three chief petitioners and an affidavit that all signatures on the petition are genuine

¹Per EC § 35700.3, 35701, and 35702, and The California Department of Education (CDE) School District Organization Handbook—chapter 5, pages 30-31

Petitions

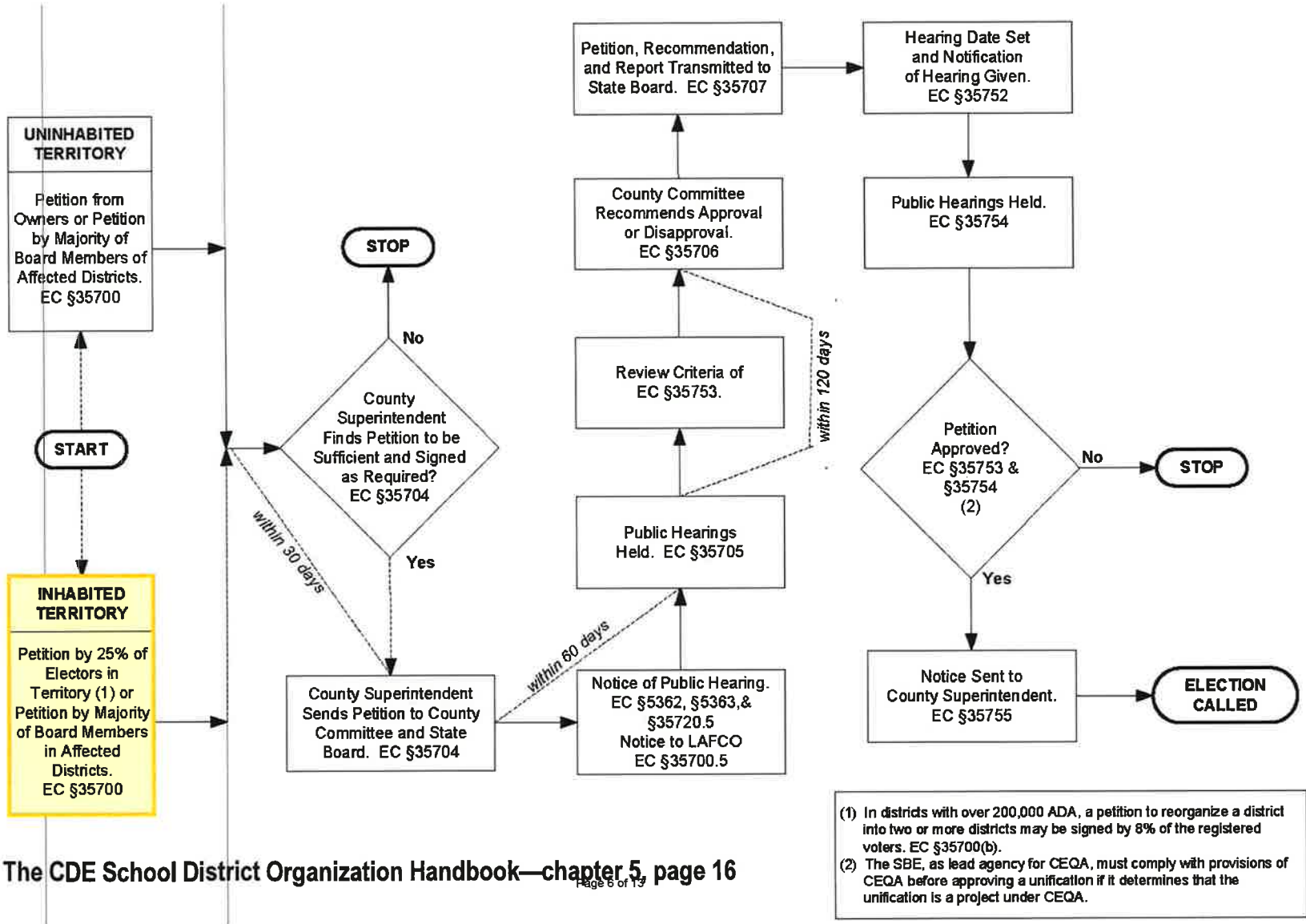
Owners of Uninhabited Territory, 25% Petition, or District Governing Boards

- **Petition signed by:**
 - ✦ **Owner(s) of uninhabited territory;**
 - ✦ **At least 25% of the registered voters in the inhabited territory proposed to be reorganized;**
 - ✦ **A majority of the members of the governing boards of all affected districts; or**
 - ✦ **At least 8% of registered voters who cast votes in the last gubernatorial election to reorganize a district with over 200,000 ADA¹ into two or more districts**

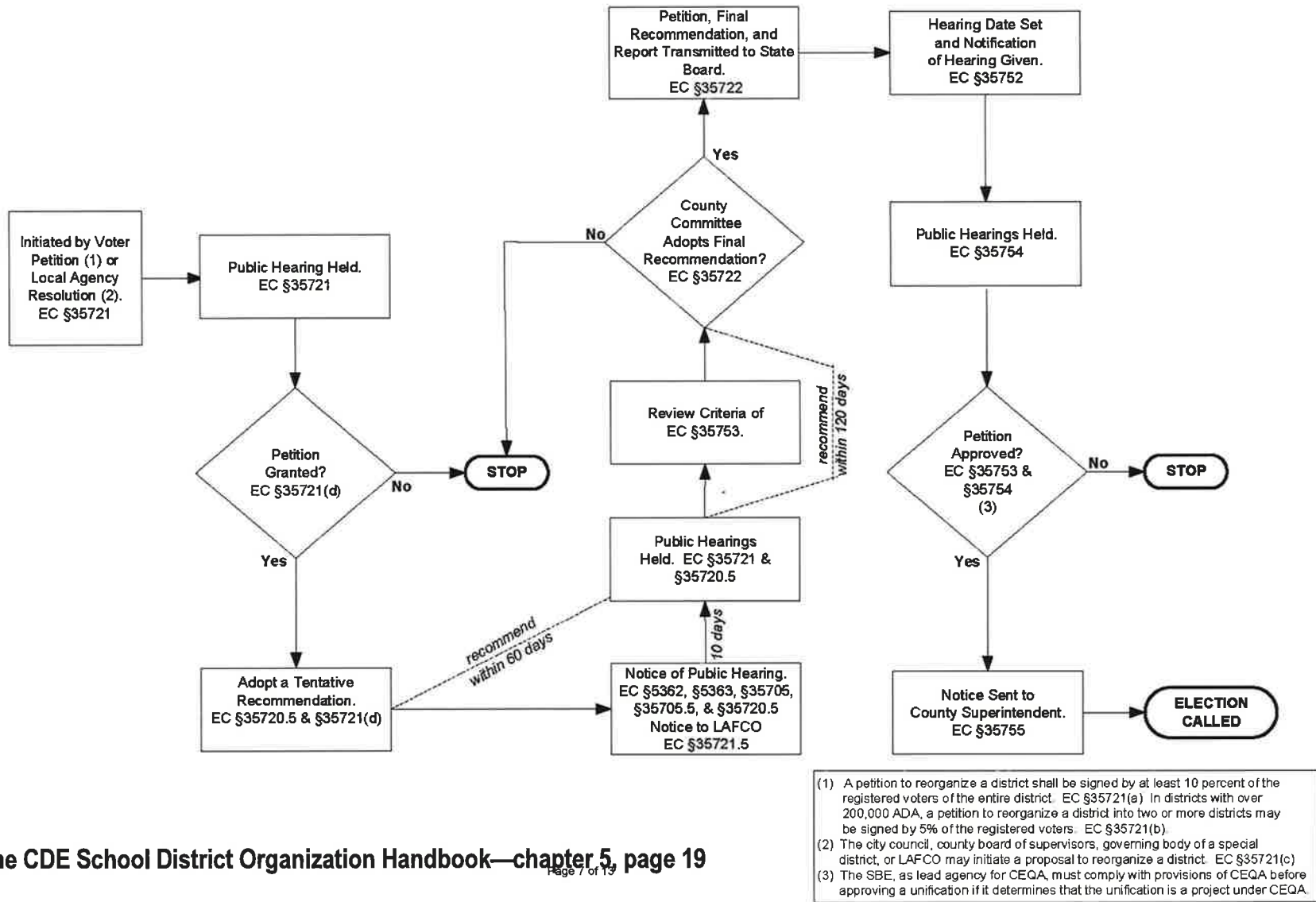
10% Petition or Local Agency

- **Petition signed by:**
 - ✦ **At least 10% of the registered voters of the entire school district;**
 - ✦ **At least 5% of the registered voters to reorganize a district with over 200,000 ADA into two or more districts; or**
 - ✦ **Resolution approved by a majority of the members of a city council, county board of supervisors, governing board of a special district, or local agency formation commission**

¹Average daily attendance

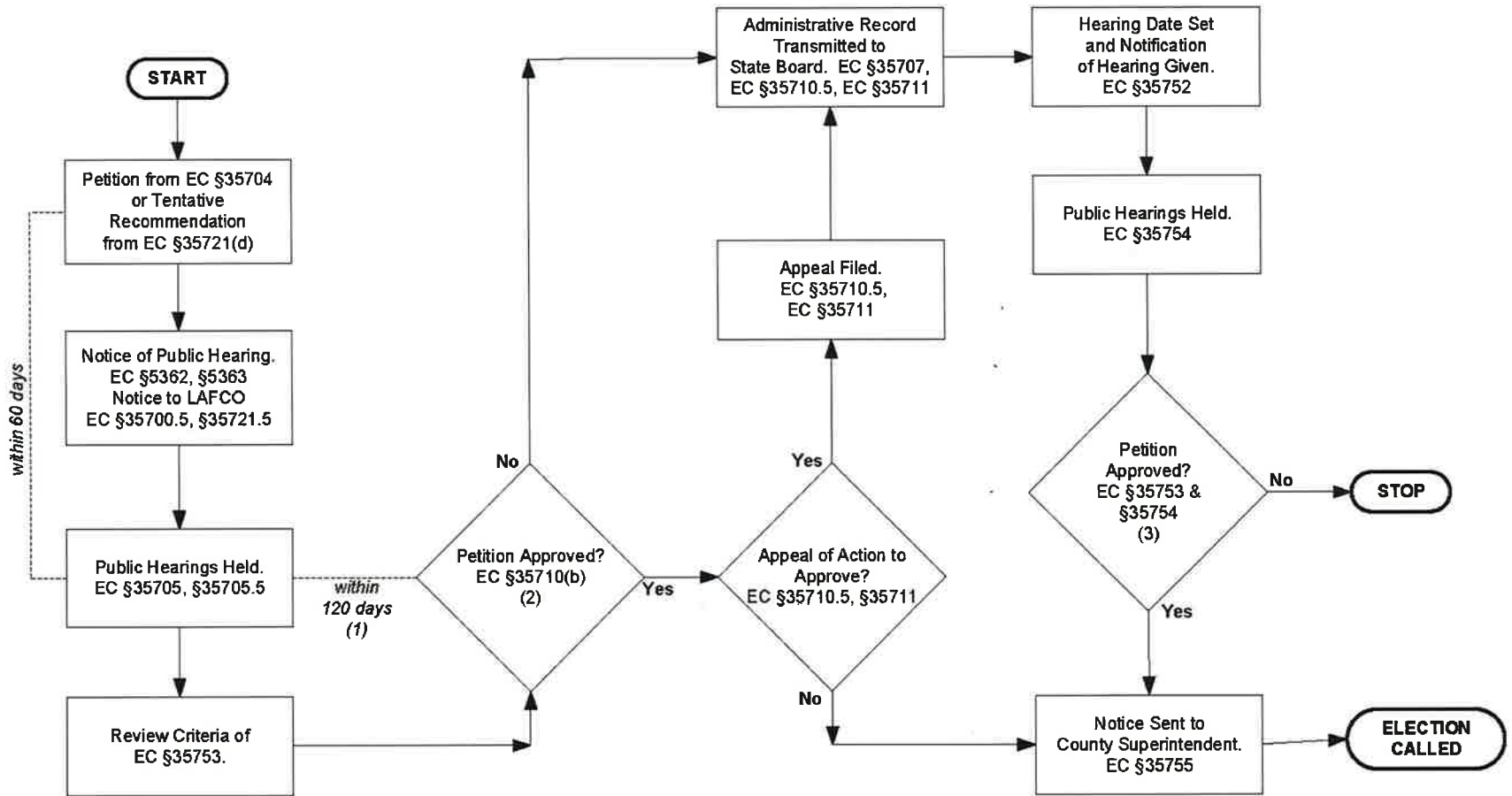


Source: The CDE School District Organization Handbook—chapter 5, page 16



(1) A petition to reorganize a district shall be signed by at least 10 percent of the registered voters of the entire district. EC §35721(a) In districts with over 200,000 ADA, a petition to reorganize a district into two or more districts may be signed by 5% of the registered voters. EC §35721(b)
 (2) The city council, county board of supervisors, governing body of a special district, or LAFCO may initiate a proposal to reorganize a district. EC §35721(c)
 (3) The SBE, as lead agency for CEQA, must comply with provisions of CEQA before approving a unification if it determines that the unification is a project under CEQA.

Source: The CDE School District Organization Handbook—chapter 5, page 19



- (1) If compliance with CEQA is required, the 120 day period commences after CEQA compliance (EC §35706(b)).
- (2) The County Committee must comply with CEQA requirements prior to approval of petition.
- (3) The State Board of Education must comply with CEQA requirements prior to approval of petition when petition was disapproved by the County Committee.

Source: The CDE School District Organization Handbook—chapter 5, page 26

8

Nine Statutory Criteria

- All the following conditions must be substantially met:

1 Adequate Number of Pupils

2 Community Identity

3 Equitable Division of Property and Facilities

4 Discrimination/Segregation

5 No Substantial Increase in State Costs

6 Sound Educational Program

7 No Substantial Increase in School Facilities Costs

8 Increased Property Values

9 Effect on Fiscal Status and Management

Reference: EC § 35753(a)

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Nine Statutory Criteria

Criterion 1

Adequate Number of Pupils

The reorganized districts will be adequate in terms of number of pupils enrolled

Criterion 2

Community Identity

The school districts are each organized on the basis of substantial community identity

Criterion 3

Equitable Division of Property and Facilities

The proposal will result in an equitable division of property and facilities of the original district or districts

Nine Statutory Criteria

Criterion 4

Discrimination/ Segregation

The reorganization will preserve each affected school district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation

Criterion 5

No Substantial Increase in State Costs

Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization

Criterion 6

Sound Educational Program

The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the affected school districts

Nine Statutory Criteria

Criterion 7

No Substantial Increase to School Facilities Costs

Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization

Criterion 8

Increased Property Values

The proposed reorganization is primarily designed for purposes other than to significantly increase property values

Criterion 9

Effect on Fiscal Status and Management

The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the affected district



Thank you!

Brianna García
briannag@sscal.com

ATTACHMENT 2



February 27, 2023

Sarah Koligian, EdD
Superintendent
Folsom Cordova USD
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Rancho Cordova, CA 95742

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Suite 1060

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Sacramento

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California 95814

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Dear Dr. Koligian:

School Services of California Inc. (SSC) is pleased to provide the Folsom Cordova Unified School District (District) with a proposal for a Reorganization Feasibility Study involving the potential reorganization of the District into two separate unified school districts. The primary purpose of the study is to evaluate the proposed reorganization against the nine statutory criteria governing school district reorganizations.

Study Objective and Scope

Nine Statutory Criteria Governing Reorganizations

The study will assess the proposed reorganization against the nine criteria governing district reorganizations specified in Education Code Section 35753(a), to be performed in accordance with the California Department of Education School District Organization Handbook, Chapter 6: Legal Criteria Governing Reorganization Proposals.

Financial Analysis

SSC will conduct analyses of the revenue impact of the reorganization under the Local Control Funding Formula (LCFF) model. The analyses will examine the average daily attendance, the resulting percentage of unduplicated students that would be eligible for supplemental/concentration grant funding under the LCFF, and the total funding available to the two proposed districts.

Study Methodology

SSC will rely on data provided by the District for its analyses. The procedures may include telephone or video interviews with District staff, including staff responsible for overall leadership and management, business services, facilities, educational services, etc.

This study will also rely on a review of key documents from the District, including district budgets, enrollment projections, property tax data, outstanding bonds, board policies, and other related documents.

At the conclusion of the study, the consultants will provide a written report, which presents findings and recommendations, if any, along with the analyses of each of the nine criteria. SSC will provide a copy of the report in draft to the District for review prior to finalizing the report.

Consultant's Report

The report will provide a comprehensive study of the proposed reorganization. The report will evaluate the fiscal and organizational issues that will likely impact the resulting two districts should reorganization occur. The report will highlight both the advantages and disadvantages of the proposed reorganization. Following the delivery of the final report, members of SSC's team will also be available to present our findings and recommendations at a District Governing Board meeting.

Study Timeline

SSC will commence work on the proposed services at a mutually arranged date. The final report is expected to be completed within eight to ten weeks following receipt of the required documents necessary to complete the project.

SSC's Consultants

Staff for this project will include at least two consultants from SSC. All persons who will be assigned are full-time career employees of SSC and as such are available for daily professional communication and attention, as required of a project of this scope.

Brianna García, Vice President, has worked with school districts to strengthen their organizations by conducting organizational reviews, comparative analyses of school district resources and staffing, facilities reviews, and charter petition reviews. She has provided guidance to and completed studies for school districts looking to reorganize and those seeking to consolidate

or surplus school sites through the 7–11 process. Brianna has extensive experience related to planning and development of public school facilities, including charter schools and Proposition 39 (2000). She has more than 15 years of professional experience in public K–12 education, has worked as a Facilities Development Manager for the Los Angeles Unified School District, and has completed the University of Southern California Rossier School of Education School Business Management Program earning designation as a certified Chief Business Official. Brianna graduated from the University of Southern California with a Bachelor of Architecture, a Master of Planning, and a Master of Real Estate Development.

Linette Hodson, Director, Management Consulting Services, has 32 years of experience in public education, including 18 years at an executive cabinet level. In each and every role, her focus has always been to improve educational outcomes for students. She has spent the past decade in a Chief Business Official (CBO) role; and as CBO, she had direct oversight of the human resources department, including serving as the lead negotiator for more than 15 years. Linette also spent more than 10 years as an Assistant Superintendent of Student Services/Special Education. Her career path includes being an elementary school teacher, curriculum resource teacher, and site administrator. Linette has extensive training and experience in collaboration and leadership building strategies, including: alternative dispute resolution, administrator coaching, facilitation, interest-based bargaining, and implementation strategies. Linette received a Bachelor of Arts degree in Elementary Education from Central College in Pella, Iowa, and a master’s degree in Education Administration from California State University, Bakersfield.

Wendi McCaskill, Director, Management Consulting Services, has two decades of broad experience in K-12 education finance and fiscal policy. Wendi is an expert in the attendance accounting and instructional time requirements of local educational agencies (LEAs), which play a critical role in independent study as well as the Local Control Funding Formula, other apportionments for LEAs, and the impacts of emergencies such as fires, floods, and the pandemic on LEA budgets. Immediately prior to joining School Services of California Inc. (SSC), she served as the Associate Director of the School Fiscal Services Division at the California Department of Education (CDE) where she oversaw the apportionment of over \$50 billion to LEAs through the Principal Apportionment and the CDE’s guidance on attendance accounting and instructional time. Wendi holds a Bachelor of Arts and a Master of Arts in Political Science, both from San Francisco State University.

Matt Phillips, CPA, Director, Management Consulting Services, provides support to school districts for fiscal-related matters such as budget reviews, salary schedule analyses, organizational reviews, and negotiations, including factfinding services. He also participates in presenting workshops across the state on a variety of topics including collective bargaining, district budgeting, federal compliance, and auditing. His accounting and auditing background, experience working in a school district, attainment of Certified Public Accountant license, and completion of the Fiscal

Crisis & Management Assistance Team Chief Business Official (CBO) Mentor Program resulting in the California Association of School Business Officials (CASBO) CBO certificate all provide the foundation for his expertise. Matt graduated from the California State University, Chico, with a Bachelor of Business Administration with emphasis in Accounting.

Cost of the Proposal

SSC proposes to perform the study, the terms of which are described above, for \$72,500, plus expenses. “Expenses” are defined as actual, out-of-pocket expenses, such as travel, meals, shipping, and duplication of materials. The cost of the study includes one presentation to the Committee.

If additional meetings or presentations are required that are not described in this proposal (for example, an additional presentation), a charge of \$310 per hour, per consultant will be billed in addition to actual and reasonable expenses. SSC will submit monthly billings for services associated with the project.

After reviewing the proposal, if you decide the proposed scope should be expanded or contracted, we would be happy to make modifications and provide a revised estimated fee. If the proposal meets with your approval, please let us know and we will send you the Agreement for Special Services via DocuSign for signature. Our proposal is valid for 60 days from the date of this letter.

We appreciate the confidence you have in our firm and would be pleased to discuss the proposal at more length. Please call if you have any questions.

Sincerely,



Kathleen Spencer
Vice President

Client Name: Folsom Cordova Unified School District
Client # 8100/S65W

P.O.# _____

AGREEMENT FOR SPECIAL SERVICES
Reorganization Feasibility Study

This is an Agreement between the **CLIENT**, as defined above, and **SCHOOL SERVICES OF CALIFORNIA INC.**, hereinafter referred to as “Consultant,” entered into as of February 27, 2023.

RECITALS

WHEREAS, the Client needs assistance regarding a Reorganization Feasibility Study involving the potential reorganization of the District into two separate unified school districts; and

WHEREAS, the Consultant is professionally and specially trained and competent to provide these services; and

WHEREAS, the authority for entering into this Agreement is contained in Section 53060 of the Government Code and such other provisions of California law as may be applicable;

NOW, THEREFORE, the parties to this Agreement do hereby mutually agree as follows:

1. The Consultant agrees to assist the Client by providing a Reorganization Feasibility Study for the proposed reorganization.
2. The Client agrees to pay the Consultant a fee of \$72,500, plus expenses, upon receipt of billing from Consultant.
 - a. The cost of the study includes one presentation at a District Governing Board meeting.
 - b. “Expenses” are defined as actual, out-of-pocket expenses, such as travel, meals, shipping, and duplication of materials.
 - c. If additional meetings or presentations are required that are not described in the proposal (for example, an additional presentation), a charge of \$310 per hour, per consultant, will be billed in addition to actual and reasonable expenses.
3. This Agreement shall be for the period commencing February 27, 2023, and terminating December 31, 2023. It may be terminated at any time prior to December 31, 2023, by either party on 30 days’ written notice. In case of cancellation, the Client shall be liable for any costs accrued to date of cancellation.

4. It is expressly understood and agreed to by both parties that the Consultant, while carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and is not an employee of the Client.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as indicated below:

By: **To be signed via DocuSign**

Sarah Koligian, EdD
Superintendent
Folsom Cordova USD

Date: _____

By: **To be signed via DocuSign**

Kathleen Spencer
Vice President
School Services of California Inc.

Date: _____