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The California State Auditor released the following report today:

Inglewood Unified School District

The State Superintendent of Public Instruction Needs to Better Communicate His Approach for Reforming the District

BACKGROUND

Serving nearly 11,000 students, the Inglewood Unified School District (district) has been under the control of the State Superintendent of Public Instruction (state superintendent) for three years. Prior to that, the district had been fiscally stressed for years due to cash-flow challenges, declining general fund revenue, and declining enrollment. The Los Angeles County Office of Education assigned a fiscal advisor to the district in 2010 when the Fiscal Crisis Management Assistance Team (FCMAT) reported that the district needed intervention and was facing fiscal insolvency. The State enacted Senate Bill 533 (SB 533) in September 2012 to provide the district an emergency loan and required the state superintendent to assign a state administrator to act on his behalf and work with district staff to manage the district's fiscal costs and improve student achievement.

KEY FINDINGS

During our review of the state superintendent's control of the district per SB 533, we noted the following:

- The district has continued to spend more than it earns in revenues despite being under the control of the state superintendent and despite a dramatic increase in revenue due to how the state determines funding amounts for school districts.
  - ✓ During the last three fiscal years, the district has not lowered overall spending from the district's general fund—in fact expenditures increased from $115.3 million to $125.5 million between fiscal years 2012-13 and 2014-15.
  - ✓ It has accessed over $29 million of its $55 million loan over the last three years.
- Although the district is forecasting greater spending reductions for fiscal year 2015-16 and beyond, declining enrollment may severely impact the district's fiscal health in future years. Further, the budget did not consider potential cost increases for salaries and benefits because labor contract negotiations for the year had not been settled.
- The prospect for returning the district to local governance in the near term appears limited—it has only fulfilled three of the seven required conditions established in state law for terminating state control and has not clearly articulated or communicated an action plan that prioritizes FCMAT's findings and recommendations.
  - ✓ The state superintendent is using FCMAT's comprehensive review report from July 2013 as the district's management review and recovery plan—a 400 plus page report with nearly 700 recommendations.
  - ✓ The state superintendent did not require the second state administrator to develop an action plan to improve the district based on FCMAT's assessments.
- Although the state superintendent appears to have appointed qualified individuals to lead the district, documentation was insufficient to allow us to evaluate or understand why a particular candidate was selected.
- Over the last three years, the state superintendent has appointed four different individuals to lead the district—such inconsistent leadership could affect the district's progress.

KEY RECOMMENDATIONS

We recommended to the Legislature that it require the state superintendent to document the selection and appointment process of a state administrator, and that it should define the county superintendent's role in the appointment process.

We also recommended that the state superintendent do the following:

- Require the state administrator to develop annual performance objectives and an action plan to address FCMAT's findings and recommendations. Such an action plan should describe priorities and steps the district must take to improve its FCMAT scores.
- Provide the public an opportunity to fully understand the requirements for and the progress toward restoring local control to the district's governing board by establishing a web page on the district's website with specific information about the status of the recovery plan and by establishing opportunities to answer the public's questions at board meetings.

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