REPORT OF THE

OFFICE OF THE AUDITOR GENERAL

300

FISCAL IMPACT OF CALIFORNIA'S YEAR-ROUND SCHOOL PROGRAMS

SEPTEMBER 1977

Joint Legislative Audit Committee

OFFICE OF THE AUDITOR GENERAL

California Legislature

October 5, 1977

The Honorable Speaker of the Assembly
The Honorable President pro Tempore of the Senate
The Honorable Members of the Senate and the
Assembly of the Legislaure of California

Members of the Legislature:

Your Joint Legislative Audit Committee respectfully submits the Auditor General's report on the fiscal impact of Year-Round School (YRS) programs in California.

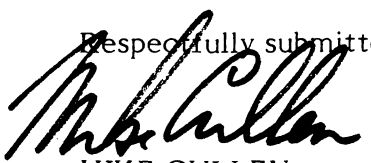
Noteworthy to lay lawmakers is the increase in year-round schools from 9 in 1971 to 200 in 1977. The Auditor General found that average daily attendance in the 11 school districts studied was higher in those schools with a YRS schedule, thus effecting an additional $1 million entitlement from the State School Fund. He recommends that future policy determinations by the Legislature also reflect comparative student achievement patterns which were not addressed in his report.

The effect of YRS on the vacation patterns of parents, upon transportation patterns and upon tourist destinations would also be of interest.

By copy of this letter, the Department is requested to advise the Joint Legislative Audit Committee within sixty days of the status of implementation of the recommendations of the Auditor General that are within the statutory authority of the Department.

The auditors are Thomas W. Hayes; Samuel D. Cochran, Patricia J. Nishi; and Eugene T. Potter.

Respectfully submitted,



MIKE CULLEN
Chairman

SUITE 750 • 925 L STREET • SACRAMENTO 95814 • (916) 445-0255

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SUMMARY

Fifty-six California public school districts operate about 200 schools on year-round programs. These year-round schools (YRS) have a combined enrollment of approximately 116,000 students. In most districts, only a portion of the schools and enrollment are on a YRS schedule.

The primary fiscal advantage to YRS is that under some YRS class schedules up to one-third more students can be accommodated at an existing school facility than is possible with a traditional nine-month class schedule. However, unless YRS schedules alleviate overcrowding and/or avoid capital investments in new facilities, the use of YRS will slightly increase the cost of education. Ten of the 11 school districts we analyzed did not use YRS primarily to increase student capacity and, as a result, YRS contributed to a slightly higher cost per ADA* in fiscal year 1975-76.

Compared to a traditional nine-month academic school calendar, year-round education in the 11 districts we reviewed generally has:

* State and local funding is based on average daily attendance (ADA); therefore, it is a critical financial variable. One ADA is equivalent to approximately 175 pupil days of instructional service, e.g., 175 students for 1 day = 1 ADA; 1 student for 175 days = 1 ADA.

- Been operated for educational rather than financial reasons
- Increased per-pupil operating costs by between 0.5 and 3.6 percent for state mandated education
- Increased overall district costs
- Increased the number of days that students attend classes
- Been implemented as a voluntary program with an optional nine-month traditional schedule at the same school or other schools.

The State of California provides funds to local school districts based upon student attendance. Since student attendance is normally higher under a YRS schedule, state costs are also higher because state support is based on student attendance. We estimate that the 11 school districts included in our analysis were reimbursed $1,000,500 more from the State School Fund during fiscal year 1975-76 than they would have been reimbursed had they operated totally traditional schedules. One district indicated that part of its motivation for implementing YRS was to increase its share of state support.

INTRODUCTION

In response to a resolution of the Joint Legislative Audit Committee, we reviewed the fiscal impact of the year-round school (YRS) programs in California. This examination was conducted under the authority vested in the Auditor General by Section 10527 of the Government Code.

This report (1) demonstrates the fiscal impact of year-round schools as an educational alternative, (2) provides statistical information indicating the extent to which districts are operating year-round programs, and (3) presents an analysis of the impact of YRS on the State School Fund. We did not attempt to measure any of the educational merits of year-round education; however, fiscal policy decisions which may result from this study should fully consider the qualitative aspects of YRS as well.

Characteristics of Year-Round Schools

Most of California's public elementary and secondary schools operate a school year of approximately 175 days. This schedule, referred to as a traditional school calendar, provides a nine-month school year and a three-month summer vacation period. Classes generally begin in September and continue until late May

or early June of the following year. As a result, except for summer school programs, the school facilities generally remain unused during the summer months.

Year-round schools provide primary educational services beyond the traditional nine-month schedule. YRS schedules do not require that students attend school continuously during the 12 months of the calendar year. Rather, the required 175 days of education are distributed throughout the year with varying vacation periods under a variety of schedules (Appendix A). Approximately 200 of California's 7,035 public schools operate some form of YRS. Enrollment in a YRS program is usually voluntary with an optional nine-month traditional schedule operated at the same school or other schools.

History and Growth of YRS in California

Year-round schools began in California in 1965 when the Legislature authorized a two-year experimental program to be conducted at Del Campo High School in Sacramento County. The program was concluded unsuccessfully after the third quarter of the first year because the voluntary enrollment was insufficient to support it. In 1968 special legislation (Education Code Sections 37500-37644*) enabled Hayward Unified School District to operate a

* All references to code sections are to sections of the Education Code as reorganized, effective April 30, 1977 unless otherwise specified.

year-round program. The Legislature subsequently broadened the definition of year-round schools and provided financial assistance to enable other districts to operate year-round programs.

Implementation of year-round education is often controversial and misunderstood. Proponents claim YRS could decrease costs by increasing utilization of facilities, improve education, decrease learning losses and provide other benefits because of flexible schedules. Opponents of the year-round concept claim YRS could increase operating costs, disrupt traditional social and family patterns, and create scheduling problems.

Despite the controversy, year-round education has been expanded. The following table illustrates the growth of YRS programs in California since 1968.

Table I

Growth of Year-Round Schools
In California

Fiscal Year	Number of Public School Districts Statewide	Number of School Districts With YRS Programs	Number of* Public Schools Statewide	Number of YRS Schools
1968-69	1,094	1	6,859	1
1969-70	1,082	1	6,884	1
1970-71	1,070	1	6,931	1
1971-72	1,067	4	6,981	9
1972-73	1,067	16	7,019	48
1973-74	1,054	30	7,037	100
1974-75	1,048	38	7,076	127
1975-76	1,046	45	7,045	159
1976-77	1,042	56	7,035	200

* This figure does not include schools reported under county office administration or special schools.

We conducted a statewide survey to determine why schools have implemented YRS programs. The most frequently mentioned reasons are listed below:

Reason For Implementing Yrs Programs	Most Important	Other
Increase classroom capacity	120	8
Provide educational advantage	39	52
Reduce learning loss	20	27
Provide additional programs	0	16
Increase flexibility	7	43
Miscellaneous	14	27
Total	200	173

Since 1968, five school districts have schools that terminated YRS programs. The programs were terminated for the following reasons:

- Milpitas Unified School District, Santa Clara County, discontinued its mandated YRS program in school year 1974-75 because of parent and teacher opposition and declining enrollment.

- San Diego Unified School District discontinued a YRS program at the Weinberger Elementary School in 1975 because a new school was constructed nearby.

- Manteca Unified School District, San Joaquin County, discontinued two of its three YRS programs after the school year 1976-77 because of unfavorable community attitude surveys.

- Calexio Unified School District, Imperial County, terminated its only year-round school in 1975 because of insufficient voluntary enrollment.

- Lakeside Union Elementary, Kings County, which terminated two year-round schools because of declining enrollment, staff opposition and costs.

Scope of Review

There are 56 California school districts with about 200 public schools operating some type of YRS program. Our sample included 11 of the 56 school districts. These 11 districts operated a total of 78 programs, or 39 percent of all year-round schools. While the sample size is not large enough to project findings to all YRS districts, it is sufficient to identify the variables which have a fiscal impact on such programs and serve as a basis for further study. The school districts in our fiscal review included:

- Berryessa Union Elementary, Santa Clara County
- Cabrillo Unified, San Mateo County
- Chino Unified, San Bernardino County
- Corona-Norco Unified, Riverside County

- Encinitas Union Elementary, San Diego County
- Escondido Union Elementary, San Diego County
- Fresno Unified, Fresno County
- Hayward Unified, Alameda County
- San Diego Unified, San Diego County
- Vallejo Unified, Solano County
- Yuba City Unified, Sutter County

We reviewed the financial aspects of year-round programs, but did not address the educational merits or other nonfiscal issues.

SRI International provided assistance and staff for the analysis at five of the school districts included in our sample.

STUDY RESULTS

FISCAL IMPACT OF YEAR-ROUND SCHOOL PROGRAMS

Unless implementing YRS alleviates overcrowding or avoids capital investments in new facilities, the use of YRS will slightly increase the cost of education. Ten of the 11 school districts we analyzed did not use YRS primarily to increase student capacity; and as a result, YRS contributed to a slightly higher cost per ADA* in fiscal year 1975-76.

Method Used to Determine Fiscal Impact

Our fiscal analysis of each school district was based on an evaluation model which compared actual fiscal year 1975-76 operating expenditures with simulated expenditures had the district operated on a traditional nine-month academic calendar. We isolated actual costs for certificated salaries, classified salaries, employee benefits, supplies and equipment, contracted services, capital outlay and other expenditures. These costs were segregated into distinct categories such as mandatory instruction, nonmandatory instruction (summer school or intersession) and unique costs

* State and local funding is based on average daily attendance (ADA); therefore, it is a critical financial variable. One ADA is equivalent to approximately 175 pupil days of instructional service, e.g., 175 students for 1 day = 1 ADA; 1 student for 175 days = 1 ADA.

associated with YRS. We also determined the capital and operating costs which would have been incurred had the district reverted to a totally traditional calendar. This fiscal evaluation technique provided a detailed comparison of each district's actual operation to a simulated traditional calendar operation. Because YRS programs generally have experienced a higher rate of student attendance during nonmandatory sessions, we conducted separate fiscal analyses of the impact of YRS on mandatory educational programs and nonmandatory educational programs. Our analysis included only those schools in the district which are on YRS schedules.

YRS Fiscal Impact on Mandatory Education

The fiscal review of the 11 school districts sampled disclosed that the cost of 175 days of student instruction (one ADA) was generally greater for YRS students than for traditional students during fiscal year 1975-76. However, only one of the districts used YRS primarily to avoid overcrowding, but two of the districts would have required construction of additional classroom facilities to accommodate 1975-76 enrollment under a traditional schedule. Table II illustrates the incremental cost or savings for mandatory educational services which were due to the year-round programs at only those schools in the district which were on YRS schedules. Mandatory instruction includes the educational programs offered to regular students for the 175 days required by state law and any special education or compensatory education.*

* Special and compensatory education programs are designed to provide additional educational assistance to groups of students requiring more individualized and/or special instruction.

Table II

ADA Costs (Savings) for YRS Mandatory
Education Programs During Fiscal Year 1975-76
(Excludes Summer School and Intersession)

District	Total Expenditures F.Y. 1975-76	Total No. of Schools In District	Total No. of Students In District	No. of YRS Schools	No. of YRS Students	YRS Generated ADA (Mandatory)	Net Increase (Decrease) In Operating Costs Due To YRS	Incremental Operating Cost (Savings) Per ADA For YRS	Additional One-Time Expenditures Necessary to Revert To Traditional
Berryessa Union Elementary	$ 12,301,145	15	9,769	6	3,550	3,470	$147,200	42	-0-
Cabrillo Unified	5,141,219	6	3,173	5	1,675	1,670	38,300	23	-0-
Chino Unified	14,972,238	14	10 625	12	6,641	6,585	266,700	41	$ 433,500
Corona-Norco Unified	21,451,711	23	17,736	17	8,558	7,564	174,775	23	-0-
Encinitas Union Elementary	3,515,515	5	2,146	4	952	886	31,300	35	-0-
Escondido Union Elementary	12,805,825	13	9,731	13	9,731	9,455	(243,600)	(26)	3,181,000
Fresno Unified	77,421,337	83	59,100	6	2,935	2,862	20,100	7	31,500
Hayward Unified	34,709,086	46	22,439	2	679	674	18,200	27	-0-
San Diego Unified	179,271,460	161	119,245	8	7,201	7,027	87,900	13	94,500
Vallejo Unified	19,938,303	24	14,079	4	1,799	1,785	24,000	13	-0-
Yuba City Unified	9,366,254	13	7,579	1	605	590	26,900	46	-0-

YRS Fiscal Impact On
Nonmandatory Education

We compared YRS intersession* costs to simulated traditional summer school costs at each of the 11 districts in our sample. The cost per ADA was higher for YRS intersession programs than for traditional summer school programs in five of nine districts, one district did not offer summer school and one did not offer intersession. For most districts, intersession programs generated more student attendance days than traditional summer schools because (1) proportionally more YRS students attend intersession than would have attended summer school and (2) districts generally offered more days of intersession than days of summer school. The cost comparisons for intersession and summer school are shown in Table III. This table includes only those schools in the district which are on YRS schedules.

* Intersession refers to a broad range of special activities or enrichment classes which are offered during the vacation periods of year-round schools.

Table III

ADA Costs (Savings) For YRS Nonmandatory
Education Programs During Fiscal Year 1975-76
(Excludes Mandatory Education)

District	Cost Per ADA Summer School	Cost Per ADA Intersession	Incremental Cost (Savings) Per ADA of YRS Intersession
Berryessa Union Elementary	$547	$ 493	$ (54)
Cabrillo Unified	424	431	7
Chino Unified	365	376	11
Corona-Norco Unified	783	511	(272)
Encinitas Union Elementary	376	274	(102)
Escondido Union Elementary	N/A	870	-
Fresno Unified	330	831	501
Hayward Unified	268	1,539*	1,271
San Diego Unified	414	322	(92)
Vallejo Unified	453	934	481
Yuba City Unified	383	N/A	-

* Hayward's intersession program was actually an extension of the number of days in the mandatory school year. These were full days of instruction rather than the shorter days offered in most summer school and intersession programs.

Major Variables Which Affect Cost of Year-Round Operation

The cost of year-round operation is affected by many variables, some of which include:

- Type of YRS plan
- Deferred or eliminated construction costs
- Payments to teachers for additional services due to YRS
- Payments to classified employees for additional services due to YRS
- Methods used to compensate intersession teachers
- Types of programs offered during intersession
- Student-to-teacher staffing ratios
- Amount of student capacity and its use within the district
- Utility costs incurred to keep schools open longer.

Although many variables affect year-round operating expenditures, the major cost items are certificated salaries (teacher and administrators) and classified salaries (teachers' aides, clerical, transportation and maintenance).

Incremental costs or savings for certificated personnel salaries in year-round schools were usually related to intersession programs or contract extensions beyond the traditional 175 days. Our examination disclosed that certificated salary expenditures

were generally higher per ADA as a result of year-round programs. Table IV illustrates the incremental YRS costs and savings attributed to certificated personnel during fiscal year 1975-76.

Table IV

Incremental YRS Costs Per ADA
Attributed to Certificated Personnel

District	Incremental Cost Per ADA	Percentage Increase In ADA Cost
Berryessa Union Elementary	$21	1.7%
Cabrillo Unified	5	.3
Chino Unified	38	2.9
Corona-Norco Unified	9	.7
Encinitas Union Elementary	10	.6
Escondido Union Elementary	34	2.8
Fresno Unified	35	2.6
Hayward Unified	65	4.5
San Diego Unified	1	.1
Vallejo Unified	25	1.9
Yuba City Unified	23	1.8

Expenditures for classified employees' salaries were generally higher per ADA as a result of year-round programs because their services were needed for a longer period of time. The majority of the increased costs were related to clerical and transportation salaries. Table V summarizes the incremental costs per ADA incurred by classified personnel and attributed to year-round education.

Table V

Incremental YRS Costs Per ADA
Attributed to Classified Personnel

District	Incremental Cost Per ADA	Percentage Increase In ADA Cost
Berryessa Union Elementary	$14	1.1%
Cabrillo Unified	16	1.1
Chino Unified	8	.6
Corona-Norco Unified	12	1.0
Encinitas Union Elementary	25	1.5
Escondido Union Elementary	13	1.1
Fresno Unified	9	.7
Hayward Unified	10	.7
San Diego Unified	6	.4
Vallejo Unified	33	2.4
Yuba City Unified	8	.6

CONCLUSIONS

Year-round school programs slightly increase the cost of education unless they are used to alleviate overcrowding or avoid capital investments in new facilities. Ten of the 11 districts in our sample did not use YRS primarily for these purposes and as a result, incurred a slightly higher cost per ADA for mandatory education. The cost

per ADA for YRS nonmandatory education was also higher in five of the nine districts which offered intersession and/or summer school programs. The higher costs are primarily attributable to the additional variable costs incurred to keep the schools open for a longer period of time.

One of the two districts which needed YRS to alleviate overcrowding saved about 2.1 percent of its operating costs per ADA for mandatory education. The other district increased its costs by 3.1 percent because the overcrowding was not severe enough to maximize the financial benefits of YRS.

ADDITIONAL CLASSROOM CAPACITY RESULTING FROM YRS IS NORMALLY UNNEEDED

Interest in year-round education has been stimulated partially by the need for an alternative to costly school construction. However, only one of the 11 school districts we surveyed benefited financially in fiscal year 1975-76 from the additional classroom capacity generated by YRS. Since the space saved by using YRS was not always needed to support basic educational requirements, school districts have used the additional space for other purposes such as libraries, adult education classes, teachers lounges and special education classes.

Impact of YRS on Classroom Capacity

Theoretically, up to one-third more students can be accommodated in existing facilities by using a year-round plan which staggers student attendance over a 12-month period (Appendix A). However, only 2 of the 11 districts we studied had enrollments which exceeded their traditional district capacity in fiscal year 1975-76. Further, the State Superintendent of Public Instruction reported in August 1977 that enrollment in the California school system is decreasing.

Eight of the sample districts had at least one school which exceeded student capacity. Table VI illustrates the excess enrollment accommodated by 25 of the 78 schools in our sample which exceeded traditional capacity.

Table VI

Fiscal Year 1975-76 Impact of YRS on Those Schools Exceeding Student Capacity Under a Traditional Schedule
(Assumes Double Sessions at the Kindergarten Classes Only)

District, School Name	Capacity Under a Traditional Schedule	Actual Enrollment F.Y. 1975-76	Excess Enrollment Accommodated by YRS
Berryessa Union Elementary			
Cherrywood School	653	671	18
Chino Unified			
Gird Primary	845	892*	47
Walnut Avenue Elementary	830	891	61
Glenmeade Elementary	680	760*	80
Corona-Norco			
Washington Elementary	819	908	89
Auburndale Junior High	1,170	1,175	5
Escondido Union Elementary			
All 13 Schools in District	8,900	9,731	831
Fresno Unified			
Slater School	805	811	6
San Diego Unified			
Currie School	898	1,111	213
Miller	1,440	1,903	463
Tierrasanita	810	871	61
Yuba City Unified			
Tierra Buena	560	605*	45
Vallejo Unified			
Dan Mini	740	869	129

* Includes both YRS and traditional schedules at the same school.

Thirteen of these 25 schools were in the Escondido Union School District, which was the only district which realized cost savings per ADA by using year-round education. The following analysis of the fiscal impact in Escondido illustrates the capacity expansion advantages of year-round education.

In fiscal year 1975-76, Escondido Union School District had sufficient classroom capacity to accommodate approximately 86 percent of their enrollment on a traditional schedule without using double sessions or constructing additional facilities. They could have accommodated approximately 93 percent of their enrollment by using double sessions for kindergarten students. If the district had constructed the classroom facilities to accommodate their enrollment in excess of existing capacity, an additional 28 classrooms (equivalent to two schools) would have been needed. The total cost to construct these facilities was estimated at $5,722,000, including a capital outlay of $3,181,000, plus interest and issuance costs of $2,541,000 for a 20-year revenue bond issue. The first year's principal and interest cost would have been $286,000 which would have required an increase of $.13 per $100 assessed valuation in the district's tax rate for capital outlay and debt service. The operating cost for these additional facilities was estimated at approximately $203,500 for fiscal year 1975-76.

The Escondido Union School District illustrates the space-saving benefit of YRS. By avoiding construction costs, the district saved over five million dollars.

In some year-round schools the space saved was not needed for regular classrooms. Although they did not benefit financially from the space savings, the districts were able to use the additional space for other purposes. Districts used freed classroom space for reading rooms, special education classes, libraries, media centers, teachers' lounges and multi-purpose rooms.

Cost of Reverting to Traditional Calendar

Our simulation studies determined each district's cost had they converted to a totally traditional calendar at all schools during fiscal year 1975-76. This was done to determine the fiscal impact had they not opted for a year-round program. We found 4 of the 11 districts would have incurred either capital outlay costs for construction or special expenditures to provide additional classroom space. Table VII shows the eight districts in our sample with one or more schools which could not accommodate their fiscal year 1975-76 enrollments under a traditional schedule without adding classroom space or shifting students to other schools within their district. Two of the districts would have required construction of classrooms, two districts could have installed portable classrooms already available within the district, and four districts could have accommodated excess enrollment by reassigning students to other schools.

Table VII

Districts With Schools Exceeding Traditional
Student Capacity* During Fiscal Year 1975-76

District	Number YRS Schools	Number Schools Exceeding Traditional Student Capacity	Number of Additional Classrooms Required If Not YRS	Estimated Cost of Providing Classroom Space	
				Classroom Construction	Installation of Existing Portable Classrooms
Berryessa Union Elementary	6	1	-0-	-0-	-0-
Cabrillo Unified	5	-0-	-0-		
Chino Unified	12	3	8	$ 433,500	-0-
Corona-Norco Unified	17	2	3	-0-	-0-
Encinitas Union Elementary	4	-0-	-0-	-0-	
Escondido Union Elementary	13	13	28	3,181,000	-0-
Fresno Unified	6	1	1	-0-	$31,500**
Hayward Unified	2	-0-	-0-	-0-	-0-
San Diego Unified	8	3	21	-0-	94,500
Vallejo Unified	4	1	-0-	-0-	-0-
Yuba City Unified	1	1	-0-	-0-	-0-
Totals	78	25			

* Based on double session for kindergarten students.
** Based on installation of nine portable classrooms to maintain teacher-student staffing ratio.

Nine of the 25 year-round schools in which enrollment exceeded the traditional calendar capacity were in districts that had sufficient capacity at other schools. In some of these instances relocating the excess student attendance to other schools would have been quite simple; however, busing would have been necessary in others. For example, at Cherrywood Elementary School in Berryessa Union Elementary School District, excess students could have attended another school which was within walking distance; however, at Slater School in Fresno Unified School District, students would have been bused unless portable classrooms were used. Two of the districts which had capacity within their district to accommodate their enrollment without YRS informed us that they would have used existing portable classrooms rather than assign students and bus them to other schools.

CONCLUSIONS

Nine of the eleven school districts we surveyed have neither needed nor benefited financially from the additional classroom capacity generated by YRS. Only 2 of the 11 school districts had insufficient capacity to accommodate their district enrollment on a traditional nine-month academic calendar. Further, enrollment in the California school system is decreasing. YRS schedules have, however, allowed classroom space to be used for other educational purposes, such as libraries, special education classes and adult education classes.

YEAR-ROUND SCHOOLS HAVE INCREASED STATE COSTS FOR SCHOOL SUPPORT

California school districts operating year-round programs generally receive more state aid reimbursement than they would have by operating under a traditional nine-month schedule. In our sample, 8 of the 11 districts generated more ADA than they would have under a traditional calendar. These extra attendance days resulted from intersession programs with higher attendance than summer school programs. We estimate that the 11 school districts included in our study were reimbursed $1,000,500 more from the State School Fund during 1975-76 than they would have been reimbursed had they operated totally traditional schedules.

Increase in State Aid

Pursuant to Section 41704 of the Education Code, the State of California provides funds to local school districts based upon student ADA. This funding is provided for both mandatory and non-mandatory (intersession and summer school) education. The amount of state aid generated by YRS was higher than it would have been under a traditional schedule in 7 of the 11 sample districts during fiscal year 1975-76 (Table VIII).

Table VIII

Impact of Year-Round Schools on State Aid
Fiscal Year 1975-76

District	Simulated Totally Traditional		Actual (Including YRS) (Rounded)		Simulated Increase (Decrease) In State Aid Due To YRS
	ADA Generated	State Aid Reimbursement	ADA Generated	State Aid Reimbursement	
Berryessa Union Elementary	9,966	$ 6,068,000	10,021	$ 6,118,000	$ 50,000
Cabrillo Unified	3,388	903,000	3,386	901,000	(2,000)
Chino Unified	11,527	6,334,000	11,564	6,369,500	35,500
Corona-Norco Unified	17,549	10,377,000	17,809	10,634,000	257,000
Encinitas Union Elementary	2,081	249,000	2,124	249,000	-0-*
Escondido Union Elementary	9,705	5,280,000	10,417	5,860,000	580,000
Fresno Unified	58,147	28,747,000	58,209	28,813,000	66,000
Hayward Unified	24,262	9,501,000	24,271	9,510,000	9,000
San Diego Unified	126,706	33,207,000	126,655	33,160,000	(47,000)
Vallejo Unified	14,711	8,370,000	14,790	8,433,000	63,000
Yuba City Unified	7,528	2,590,000	7,516	2,579,000	(11,000)
Total		$111,626,000		$112,626,500	$1,000,500

* Encinitas is a wealthy district and receives basic aid only. The difference between the foundation support level per ADA and the State's basic aid per ADA is made up from areawide funds.

This increase in state reimbursement was primarily due to the additional ADA generated during intersession programs. Further, the amount of state aid generated by intersession ADA exceeded the intersession costs in seven of the districts. The average intersession cost per ADA for the ten districts was $651 and the average amount of state aid per ADA was $922. Thus, school districts were able to generate income through YRS (Table IX). Under traditional schedules, the state reimbursement for summer school is also greater than the cost; however, because intersession programs are offered more days than traditional summer school programs and student attendance of intersession programs is higher, incremental income to the district is also normally higher for intersession than for summer school.

The Statutes of 1976, Chapter 769 (AB 2623) reduced by 20 percent the foundation program amount paid by the State for summer school and intersession programs. This legislation was not in effect during fiscal year 1975-76; however, the intersession costs incurred by the districts still would not have exceeded the state reimbursement related to the intersession in five of the ten districts which offered intersession programs. As a result, part of the cost of intersession programs is being switched from the taxpayers within the district to the taxpayers throughout the State.

Table IX

Analysis of Intersession Costs and State Aid
(Includes Extended Year Programs)
Fiscal Year 1975-76

District	Number Of Intersession ADA [a]	State Aid Reimbursement (Rounded)	Cost Of Intersession Programs (Rounded)	State Aid Reimbursement In Excess Of Cost	Simulated State Aid Reimbursement Under AB 2623 [b]	Simulated Reimbursement In Excess Of Cost Under AB 2623
Berryessa Union Elementary	204	$ 185,400	$ 100,700	$ 84,700	$ 148,300	$ 47,600
Cabrillo Unified	87	80,800	37,500	43,300	64,600	27,100
Chino Unified	325	308,700	122,300	186,400	247,000	124,700
Corona-Norco Unified	381	375,800	194,700	181,100	300,600	105,900
Encinitas Union Elementary	54	6,800	14,800	(8,000)	5,400	(9,400)
Escondido Union Elementary [c]	962	874,500	837,000	37,500	699,600	(137,400)
Fresno Unified	245	247,800	203,600	44,200	198,200	(5,400)
Hayward Unified [a]	32	29,700	49,200	(19,500)	23,800	(25,400)
San Diego Unified	300	278,700	96,500	182,200	223,000	126,500
Vallejo Unified	101	93,400	94,300	(900)	74,700	(19,600)
Yuba City Unified	-0-	-0-	-0-	-0-	-0-	-0-
Totals	2,691	$2,481,600	$1,750,600	$731,000	$1,985,200	$234,600

a/ Hayward's intersession was a full day, equivalent to regular education.
b/ This column is 80 percent of the state aid reimbursement columns, as provided by AB 2623. This bill went into effect in fiscal year 1976-77 and reduced the foundation program support level for nonmandatory education by 20 percent.
c/ Encinitas is a wealthy district and receives basic aid only. The difference between the foundation support level per ADA and the State's basic aid per ADA is made up from areawide funds.

Some of the districts we analyzed actually planned to generate additional state revenue by implementing YRS. In fact, at least one district partially justified implementing YRS on the basis of the projected increase in state revenue.

Student Achievement
Not Evaluated

Section 33403 of the Education Code requires the Department of Education to prepare a descriptive report of YRS programs. This report must describe the objectives and components of the program, the number of pupils involved, and contain general information. regarding the program's cost and the extent of the implementation. There is no requirement to evaluate the impact of YRS on student achievement.

The 11 districts in our sample had made only limited analysis of changes in student achievement attributable to YRS. According to the Department of Education, there have been no statewide analyses of the instructional aspects of YRS.

The U.S. Department of Health, Education and Welfare has recently contracted with SRI International to assess the fiscal, educational and social impact of YRS at the Pajaro Valley Unified School District in California. While this analysis will provide additional information on YRS, its scope is not sufficiently broad to project the results to other school districts.

CONCLUSIONS

YRS programs in California have increased state support costs to districts because they have generated more ADA than traditional school programs and state reimbursements for education are based upon ADA.

The increases in state reimbursement are due to a higher rate of student attendance of YRS intersession programs compared to traditional summer school programs.

The state ADA reimbursement for both the YRS intersession and summer school programs we surveyed is usually greater than the district's cost to operate those programs. As a result, the programs generate revenue for the district. YRS intersession generates more revenue to the district than traditional summer school because of its increased ADA.

A portion of any additional cost incurred by a school district to operate a YRS program is recovered from increased state reimbursements. Thus, the burden of paying the additional cost of year-round operation is partially diverted from local taxpayers to taxpayers throughout the State.

While the State is incurring additional costs to support YRS, we found no comprehensive studies to determine if there are offsetting educational benefits. The U.S Department of Health, Education and Welfare study at Pajaro Valley Unified School District may, however, provide limited insight into the qualitative aspects of YRS.

RECOMMENDATIONS

We recommend that the Department of Education conduct a comprehensive study to compare patterns of achievement of students attending year-round schools to those of students attending traditional schools. The results of this study should be reported to the Legislature and examined in conjunction with the economic aspects presented in this report.

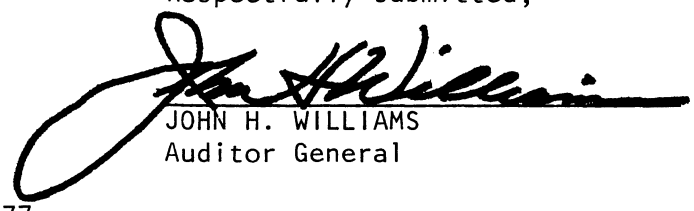
We also recommend that the Legislature not provide funds for the additional ADA generated as a result of YRS unless the Department of Education study identifies tangible educational benefits.

BENEFIT

The first recommendation would provide additional information on the impact of YRS programs to the California school districts, the Department of Education and the California State Legislature.

The second recommendation would reduce or justify the incremental state costs due to YRS.

Respectfully submitted,



JOHN H. WILLIAMS
Auditor General

Date: September 23, 1977

Staff: Thomas W. Hayes, Audit Manager
Sam Cochran
Particia Nishi
Eugene Potter

WILSON RILES
Superintendent of Public Instruction
and Director of Education

STATE OF CALIFORNIA
DEPARTMENT OF EDUCATION
STATE EDUCATION BUILDING, 721 CAPITOL MALL, SACRAMENTO 95814

September 23, 1977

Mr. John H. Williams
Auditor General
Joint Legislative Audit Committee
925 L Street, Suite 750
Sacramento, CA 95814

Dear Mr. Williams:

We appreciate the opportunity afforded this Department through the procedures of the Joint Legislative Audit Committee (JLAC) to review and respond to your draft report entitled A Study of the Fiscal Impact of California's Year-Round School Programs prior to its submission to the Legislature. This highly professional worthwhile practice aids in an early resolution of questions concerning fact or interpretation so that the issues of substance and policy can be the focus of attention in your reports.

I wish to commend your staff for their work on this project. I feel that this analysis will be extremely useful to local districts who are considering the establishment of a year-round school (YRS) program. In this context, I would like to make a few comments and observations which could strengthen the report or assist state and local decision makers in reviewing its findings.

Methodology of the Study

In the development of a report of this type which attempts to relate actual cost experience of year-round school operation to simulated costs of a traditional school program the JLAC staff was required to make a number of assumptions in the attribution and projection of costs. To be of the greatest utility to local districts considering a shift to the YRS system the report should include a methodology section or appendix. This will allow districts to use or build on your approach in assessing their local situation. In this context, I would strongly recommend that local policy makers pay particular attention to: (1) the methods used to estimate reassignment of

enrollments in the simulated traditional model, and (2) the comparison of YRS intersession with traditional summer school attendance.

Revenue and Expenditure Implications of the Report

To fully understand the findings and implications of this report requires some knowledge of both the system within which districts raise revenues and the system whereby those revenues are expended. To clarify this distinction, I would like to recast the report's findings and implications from these two different perspectives.

Revenue: Financial support to school district's on-going operations is generated through a complex formula involving both state and local funds. Each district has a revenue limit of a specific dollar amount per unit of average daily attendance which can be raised in any year. This individual revenue limit was developed for each district based on average expenditures in the district as of 1972-73.Thus it reflects an average of high and low cost programs within the district. From a revenue perspective, the report indicates:

- o School districts are not generating additional revenue from either state or local sources during the regular school year through the use of YRS.

- o Simulation techniques used tend to indicate that additional revenues are generated during a YRS intersession than would be the case in traditional summer school. This is the result of greater student participation than would have been in the case in traditional summer programs.

Expenditures: Based on revenues raised, school districts annually budget funds for expenditures on educational programs. Simply stated, this is a matter of balancing costs and priorities with available resources. From an expenditure perspective, the report indicates:

- o Regular year costs were slightly higher in a YRS system than a traditional program

- o YRS intersession costs are less than the revenue received. This, however, is an issue more appropriately addressed in the context of summer school in general, rather than YRS. It is important to note that the Legislature in 1975 (SB 220) modified state school support formulas to account for the difference between regular year vs. summer school intersession costs.

In general, however, the variation in cost reported are to be expected in the context of our state school support system and it is a matter of local district discretion whether to give priority to the YRS program. Local districts would be well advised to take cognizance of this report's findings in making their decisions.

Recommendations of the Report

Based on its revenue and expenditure conclusion the report recommends the following:

- That the Department of Education conduct a comprehensive study to compare patterns of achievement of students attending year-round schools and those students attending traditional schools

  Such a study which attempts to attribute student performance to various patterns of school year organization would be suspect since it is a wide variety of interrelated factors working together at the school site which ultimately determines student performance.

  This is, in part, the reason that the Legislature, through SB 1698 of 1976 established a comprehensive framework for education evaluation and determined that the most effective approach to take with respect to year-round schools would be a descriptive report of local experience.

- That the Legislature not fund any of the additional cost which local school districts incur as a result of YRS unless the Department of Education study identifies tangible educational benefits.

  It is extremely important that the point made throughout this response regarding the differences between revenue and expenditure be reiterated here. The Legislature does not fund costs, it provides revenue to districts based on a revenue limit per ADA. The development in 1972-73 of a local district revenue limit is based on an average of district expenditure. Consequently, it is anticipated that variation in costs of the types reported here would exist at the local level.

In conclusion I again would like to thank you for your work on this project and hope that you will be able to distribute it to the districts of the state.

Sincerely,

William D. Whiteneck
Deputy Superintendent
for Administration
(916) 445-8950

WDW:ky

APPENDIX A

Description of Common YRS Schedules

YRS Plans Which Provide Additional Classroom Capacity

The following are common YRS schedules which can provide space savings when used with multiple student tracks.

- The Staggered 45-15 Plan
- The Staggered Quarter Plan
- The Quinmester Plan
- The Concept Six
- The Concept Eight

As pointed out in the text of this report, the primary financial benefit of YRS is the potential to increase classroom capacity and thereby alleviate overcrowding or prevent or delay classroom construction.

The Staggered 45-15 Plan

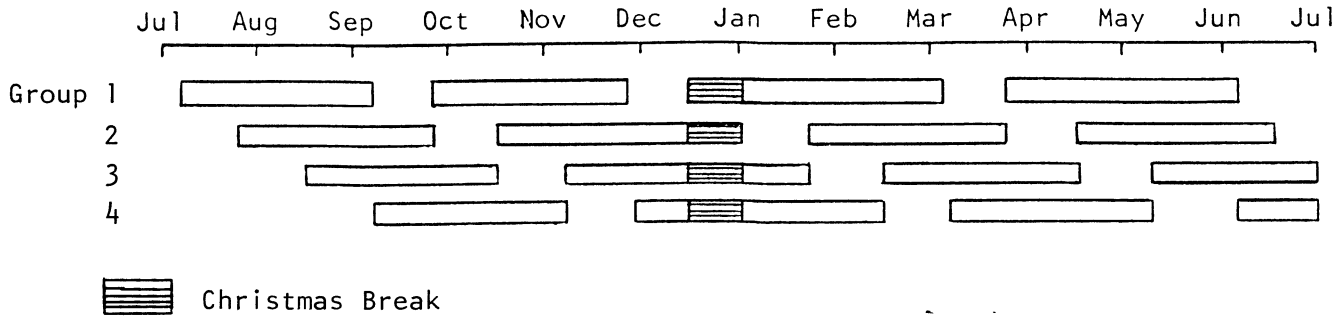
The 45-15 Plan is designed to increase use of classroom facilities. Students are divided into four groups with each group attending school for 45 instructional days followed by a 15-day vacation. Entrance dates are staggered so that each group begins attendance 15 days apart. As the fourth group begins attendance,

the first group finishes its 45-day instructional period and begins vacation. The process continues through four cycles with one group always on vacation and three groups in attendance. In the course of 12 months, each student will have attended four periods, totaling 180 attendance days. (See Diagram 1.)

The 45-15 staggered schedule provides a hypothetical 33 percent increase in utilization of facilities. It does not provide the opportunity to accelerate students toward earlier graduation.

Diagram 1

Staggered 45-15 Plan

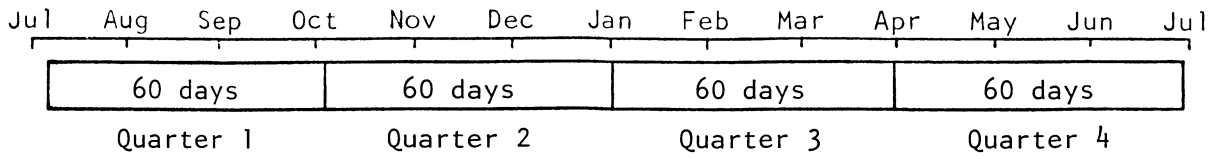


The Staggered Quarter Plans

There are two common variations of the staggered quarter system, the four quarter plan and the 45-15 staggered quarter plan. Under the four quarter plan, the curriculum consists of four 60-day sessions (quarters). (See Diagram 2.) Students are assigned to attend three of the four quarters. Attendance is staggered so that three-fourths of the students are in attendance and one-fourth are on vacation. Students may attend the fourth quarter to accelerate graduation.

Diagram 2

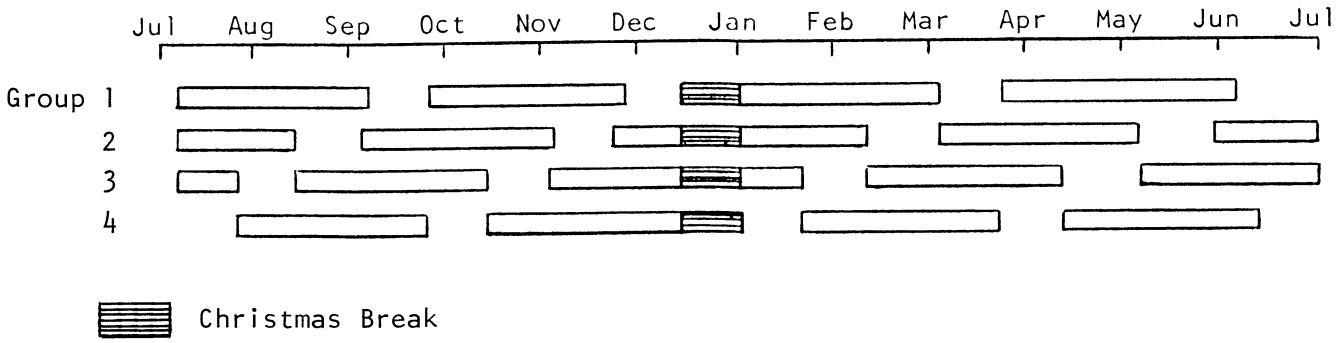
Staggered Quarter Plans



The 45-15 staggered quarter plan divides students into four groups, with each group attending school for 45 instructional days, followed by a 15-day vacation. This schedule differs from the 45-15 staggered plan in that the three groups begin simultaneously but continue varying periods until the first vacation. This plan does not afford the opportunity to accelerate graduation. (See Diagram 3.)

Diagram 3

45-15 Staggered Quarter Plan

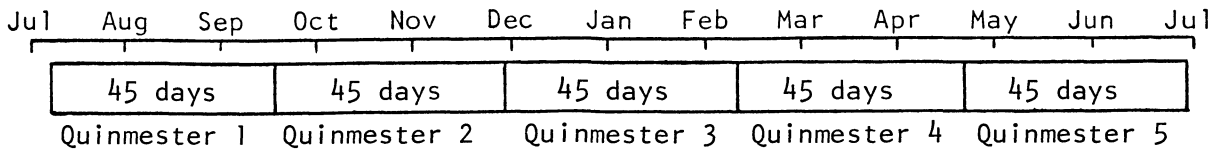


The Quinmester Plan

The quinmester plan reschedules the academic year into five 45-day sessions. Students may attend any four quinmester periods or all five. (See Diagram 4.) If the program were mandated, one-fifth of the students would always be on vacation.

Diagram 4

Quinmester Plan



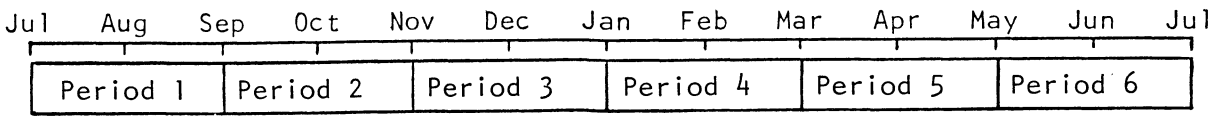
Students attend four of five quinmesters.

The Concept Six Plan

The concept six schedule divides the academic year into six instructional periods of approximately 43 days each. Students attend four of the six periods and are on vacation the other two. (See Diagram 5.) Students can attend extra periods to accelerate or do remedial work.

Diagram 5

Concept Six Plan



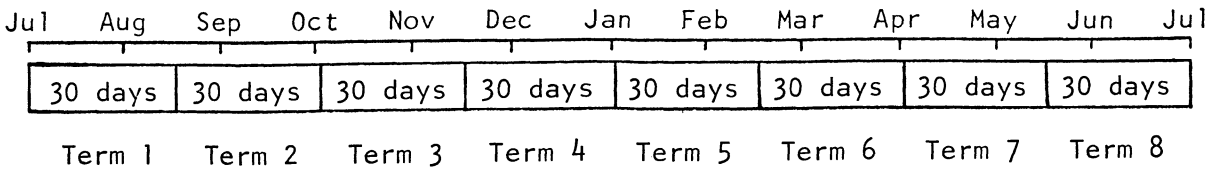
Students attend four of the six periods.

The Concept Eight Plan

The concept eight school year is divided into eight six-week blocks of time. Students attend six of the eight terms. (See Diagram 6.)

Diagram 6

Concept Eight Plan



YRS Plans Which Do Not Provide Additional Classroom Capacity

Certain year-round plans reschedule attendance days or extend the school year without increasing classroom capacity. These plans include: the extended year plan, the 45-15 block plan and any of the "space-saving plans which are not operated with multiple tracks. A description of the common year-round plans which do not save space follows:

The Extended Year Plan

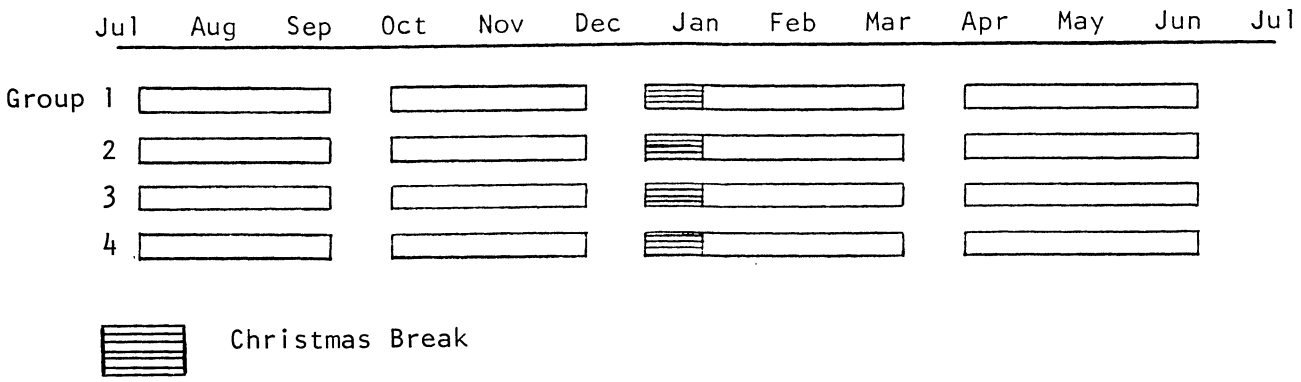
The extended year plan increases the minimum number of attendance days required of each student. The extension can be made to academic calendars composed of semesters, trimesters, or quarters. For example, a school semester could be extended from 90 to 105 days, resulting in 210 instructional days rather than 180.

The 45-15 Block Plan

The 45-15 block schedule divides the school year into four consecutive quarters with all students attending school at the same time and vacationing together. Students attend school for 45 instructional days and vacation for 15 days. This schedule is repeated four times during the calendar year. (See Diagram 7.)

Diagram 7

45-15 Block Plan



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