

BUDGET STABILIZATION REVIEW

Findings & Recommendations

Morongo Unified School District

Board of Education Presentation | April 2026

Placeholder text



How to Read This Review

Conditions, Not Performance

This review assesses the current state of district systems and structures. It is not an evaluation of individuals, teams, or past decisions.

Context Before Conclusions

MUSD's fiscal pressures reflect statewide forces — declining enrollment, LCFF tied to attendance, rising retirement costs — that no local leadership team controls.

Geography Shapes the Numbers

Maintaining 17 campuses across a dispersed rural service area creates irreducible minimum staffing requirements. The District's cost structure reflects the fixed cost of rural presence, not administrative excess.

MUSD in Context

The conditions driving this review

17

School Sites

52%

Facility Utilization

-10%

Enrollment Decline
(10-Year)

26.6%

Chronic Absenteeism

FY30

Projected Reserve
Depletion

80%

Personnel Costs
vs. Total Spending

WHY THIS MATTERS

- Every student lost reduces LCFF revenue across base, supplemental, and concentration funding simultaneously.
- Personnel costs represent 80% of spending — but staffing structures were built for a larger district.
- The District's 17-campus geographic footprint creates minimum operational thresholds that cannot be resolved through headcount reduction alone.
- At the current trajectory, the District will deplete available reserves by FY 2029–30.

Seven Areas Reviewed



Human Resources



Technology



Maintenance & Operations



Business Services



Instructional Services



Special Education



Facilities Optimization



Human Resources

Staffing Efficiency & Organizational Review

AREAS OF STRENGTH

- Staff turnover has declined significantly — the department has stabilized following post-pandemic disruption
- A formal position authorization process exists with board approval required for new positions
- Budget accuracy has improved with reduced reliance on placeholder funding for vacancies
- Leadership demonstrates clear awareness of enrollment-driven fiscal constraints
- Districtwide non-instructional staffing density (20.7 students/FTE) is within the calibrated peer range

KEY METRICS

20.7

Students per Non-Instructional FTE
(within peer norm)

86.5

Students per Central Office FTE
(within norm)

1,102

Total Employees Served

**\$2,225,000 -
3,350,000/yr**
Annual Savings

-26 net FTE
FTE Adjustment

RECOMMENDATION	TYPE	IMPACT
Elementary staffing alignment to enrollment projection	FTE Reduction	\$1,750,000/yr
Middle school staffing adjustment (growth)	FTE Addition	(\$750,000)/yr
High school staffing alignment to enrollment projection	FTE Reduction	\$1,225,000/yr
Establish monthly HR-Fiscal position control reconciliation	Process	Reduces drift
Implement unified staffing dashboard (authorized vs. filled FTE)	Process	—
Strengthen absence management and substitute cost controls	Cost Savings	TBD
Feasibility study for Early Retirement Incentive Program	Process Study	TBD — FY27-28



Technology

Infrastructure, Systems & Ed Tech Review

AREAS OF STRENGTH

- Strong cybersecurity posture — active E-Rate pilot covering anti-virus, content filtering, and penetration testing
- \$1.8 million in annual E-Rate funding is being fully maximized
- Dual data centers with replication and UPS coverage across all network closets
- Average 2.3 open support tickets districtwide — an indicator of exceptional team efficiency
- IT proactively identified \$200,000+ in annual savings before this review was initiated

KEY METRICS

\$1.8M

Annual E-Rate Funding
(fully utilized)

2.3

Avg. Open Support Tickets
(exceptional benchmark)

170+

Active Third-Party Apps
(audit recommended)

\$633,000/yr

Annual Savings

RECOMMENDATION	TYPE	IMPACT
Audit 170+ third-party app licenses — implement usage monitoring before renewal	Cost Savings	\$280,000/yr
Replace VoIP system via RFP (exit Mitel/Windstream)	Cost Savings	\$70,000/yr
Align IT staffing to student enrollment (1 tech / 1,000 students)	FTE Reduction	\$108,000/yr
Smart irrigation integration across additional sites	Cost Savings	\$75,000/yr
Cybersecurity E-Rate Pilot — savings upon full implementation	Revenue Offset	\$100,000/yr
Interactive screen refresh — exclude OPS module	Capital Avoidance	\$345,000 one-time
Pursue STEAM Labs COOR Fund Grant	Revenue	\$2,000,000 one-time



Maintenance & Operations

Custodial, Maintenance & Grounds Staffing Study

AREAS OF STRENGTH

- Custodial staffing (48.0 FTE) is near the 20,000 SF per custodian benchmark — broadly aligned
- Grounds staffing is below the acreage benchmark — no reductions recommended in this area
- HR staffing at 107.51 employees per HR FTE falls within the defensible operational range
- Core operational functions are not the primary driver of districtwide staffing density
- The District's geographic configuration and minimum site thresholds appropriately shape operational staffing levels

KEY METRICS

897K SF

Total Facility Portfolio

285 ac

Total Grounds Acreage

52%

Overall Facility Utilization

\$992,000/yr

Annual Savings

-10 FTE

FTE Adjustment

RECOMMENDATION	TYPE	IMPACT
Reduce maintenance field staff: 13.0 → 9.0 FTE via attrition (APPA benchmark)	FTE Reduction	\$376,000/yr
Consolidate M&O management: 6 → 3 FTE (Director + Ops Manager + Night Lead)	FTE Reduction	\$447,000/yr
Reduce custodial 48 → 46 FTE via vacancy management and site redeployment	FTE Reduction	\$100,000/yr
Hold 1 vacant grounds position (do not fill)	FTE Reduction	\$69,000/yr
Establish on-call contract bench for specialty work (roofing, painting, locksmith)	Cost Savings	Offsets reduction
Implement work-order triage and preventive maintenance calendar	Process	Reduces reactive cost



Business Services

Budget Systems & Fiscal Operations Review

AREAS OF STRENGTH

- District consistently meets statutory requirements for budget adoption and interim reporting
- Positive certification maintained across all reporting periods
- Budget Preparation Guidelines are comprehensive and reflect a thoughtful planning approach
- Financial assumptions are conservative — step/column projections at 2% and 3.1%
- Leadership demonstrates awareness of key structural challenges and long-term pressures

KEY METRICS

81.2%

Unrestricted Salaries & Benefits
(controlled)

1.8%

Annual Rate of Encroachment
Increase (manageable)

3-4 wk

Current PO Processing Time
(target: < 1 week)

\$20,000/yr

Annual Revenue

RECOMMENDATION	TYPE	IMPACT
Establish formal HR–Fiscal position control reconciliation cadence	Process	Reduces budget drift
Redesign purchasing/requisition workflow — reduce PO processing to < 1 week	Process	Operational efficiency
Formalize facility use fee structure — implement Civic Center Act revenue program	Revenue	\$20,000/yr est.
Develop multi-year deficit spending reduction plan sequenced across 3 fiscal years	Process	Structural
Review transportation accounting — recode general transport from SpEd budget	Process	Compliance + accuracy
Develop long-term OPEB funding strategy (explore property sale proceeds)	Process	Reduces long-term liability



Instructional Services

Organizational Coherence, MTSS & Enrollment Review

AREAS OF STRENGTH

- Growing CTE and dual enrollment participation — expanding pathways for students
- Positive school climate perceptions from stakeholders districtwide
- Existing investment in MTSS and intervention staff provides a foundation to build on
- Community schools infrastructure is in place and operational
- Perception of large untapped homeschool and private school population exists within district boundaries

KEY METRICS

26.6%

Chronic Absenteeism
(above state average)

\$440K

LCFF Revenue per 1%
ADA Recovery

18%+

SpEd Identification Rate
(state avg: 13%)

\$350,000/yr

Annual Savings

\$2,840,000/yr

Annual Revenue

RECOMMENDATION	TYPE	IMPACT
Improve ADA by 1%/yr for 3 years — stabilize at 93% (attendance recovery system)	Revenue	\$440K → \$2.6M/yr
Departmental reorganization — eliminate 1 AS, restructure directors	FTE Reduction	\$350,000/yr
Special Ed program reduction 18% → 16% via MTSS (multi-year)	Cost Savings	\$2,000,000/yr
Launch fee-based pre-K program (3 sites, 60 students)	Revenue	\$400,000/yr net
Establish Community Wellness & Attendance department	FTE Addition	(\$500,000)/yr
Independent Study expansion — recover homeschool enrollment	Study/Revenue	TBD



Special Education

Program Review, Staffing & Compliance Analysis

AREAS OF STRENGTH

- Zero due process hearings in five consecutive years — collaborative dispute resolution culture
- Settlement costs have declined 60%+ since the post-COVID peak in 2021–22
- PLUS Program has eliminated all residential placements — down from avg. 5/year to zero
- SCIA assessment process is consistently implemented and aligns with industry standards
- Strong staff commitment and community connection observed throughout the review

KEY METRICS

18%

SpEd Identification Rate
vs. 13% county/state avg

2.1%

Section 504 Utilization
(below typical patterns)

\$800K

Annual OT Contract Cost
(in-house study warranted)

Special Education

Recommendations & Financial Impact

RECOMMENDATION	TYPE	IMPACT
Recode general transportation from SpEd budget — active SMA/SMB compliance risk	Compliance	Immediate
Develop multi-year MTSS/PBIS action plan to reduce over-identification	Process	Structural
SLP caseload compliance plan (avg. 64 students vs. 55 statutory max)	Compliance	Immediate
Cost-benefit analysis: OT services in-house vs. NPA contract (\$800K/yr)	Cost Savings	TBD — study req'd
Reduce IA/BT reliance on 3-hour positions; shift toward district-employed model	Cost Savings	Reduces agency costs
Realign SELPA Director scope — role breadth not sustainable long-term	Process	Structural



Facilities Optimization

Site Utilization, Consolidation & Revenue Opportunities

AREAS OF STRENGTH

- District proactively appointed a 7-11 Advisory Committee — formal process already underway
- Committee has met 6 times since January 2026 with final recommendations due June 2026
- Measure C bond language includes technology and facility improvements — capital alignment opportunity
- District has a long record of maintaining safe, functional facilities across a dispersed campus system
- Community engagement has been embedded throughout the 7-11 Committee process

KEY METRICS

52%

Current Facility Utilization
(14,000 seats, ~7,361 students)

17

Active School Sites
across service area

Jun 2026

7-11 Committee Recommendations
Due to Board

TBD pending Committee

Annual Savings

\$20,000/yr

Annual Revenue

RECOMMENDATION	TYPE	IMPACT
Receive and act on 7-11 Committee consolidation recommendations — June 2026 Board meeting	Cost Savings	Meaningful — TBD
Evaluate full range of pathways: consolidation, lease, sale, repurposing	Revenue / Savings	Mix — TBD
Implement facility use fee program for outside users	Revenue	\$20,000/yr
Coordinate facilities decisions with Measure C to protect bond investment alignment	Process	Capital protection
Commission secondary facilities utilization review following initial consolidation action	Process	Future savings
Embed annual facilities utilization review in budget development cycle	Process	Ongoing governance

Financial Impact Summary

Systems and Operations Savings — All Sections Combined



Department	Annual Savings	Annual Revenue	One-time	FTE
Human Resources	\$2,225,000 - 3,500,000	—	—	-26
Technology	\$633,000	—	\$2,345,000	—
Maintenance & Operations	\$992,000	—	—	-10
Business Services	Process	\$20,000	—	—
Instructional Services	\$350,000	\$2,840,000	—	—
Special Education	TBD	TBD	—	—
Facilities Optimization	TBD	\$20,000	—	—

Note: Figures marked TBD require further analysis or are pending committee recommendations. See Consolidated Recommendations Summary for full detail.

Path Forward: Three Primary Levers

01

Facilities Optimization

7-11 Committee — June 2026

Acting on the Committee's forthcoming consolidation and surplus property recommendations is the single most consequential near-term decision available to the District. Facility fixed costs cannot be resolved through operational efficiency alone.

02

Attendance Recovery

Stabilize LCFF Revenue

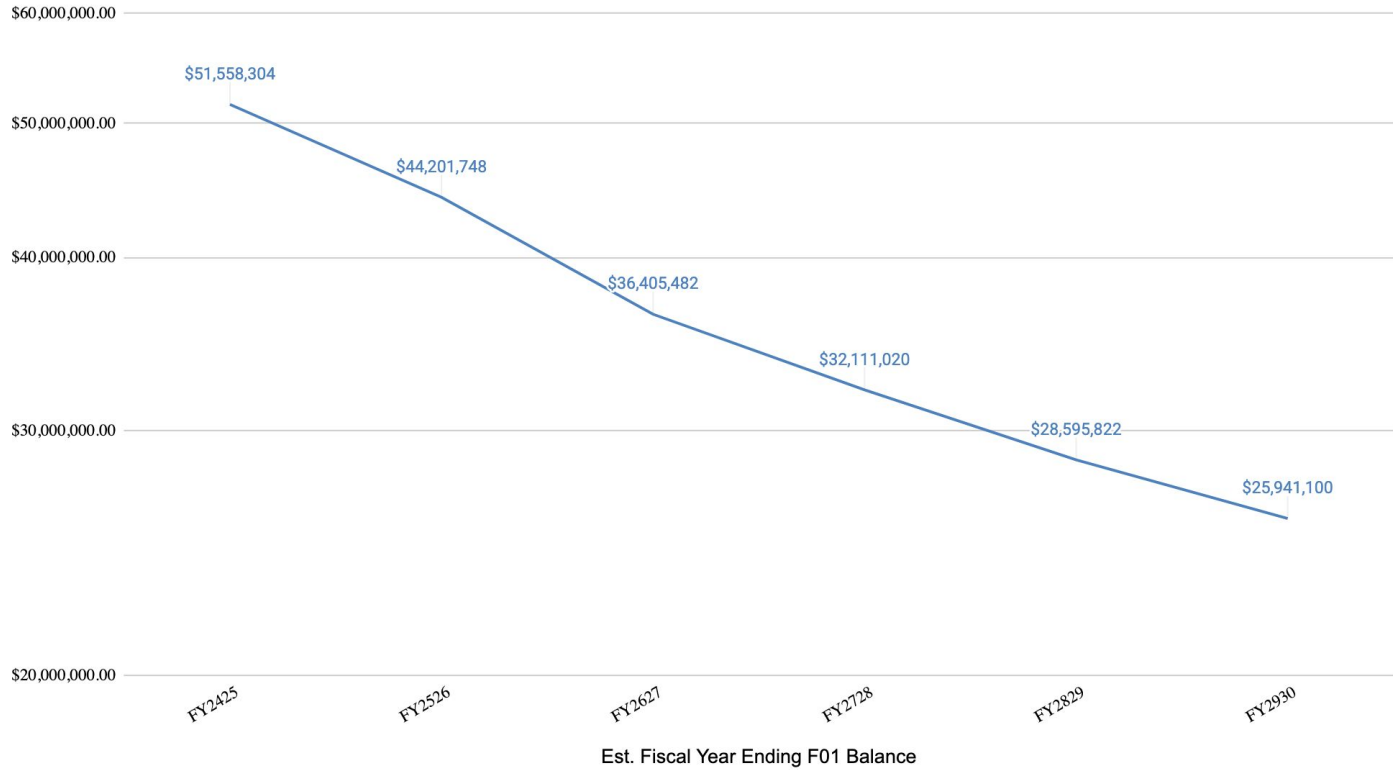
Each 1% improvement in ADA generates approximately \$440,000 in additional LCFF revenue. A systemic, tiered attendance recovery infrastructure targeting a 93% ADA over three years represents a cumulative multi-million dollar revenue opportunity.

03

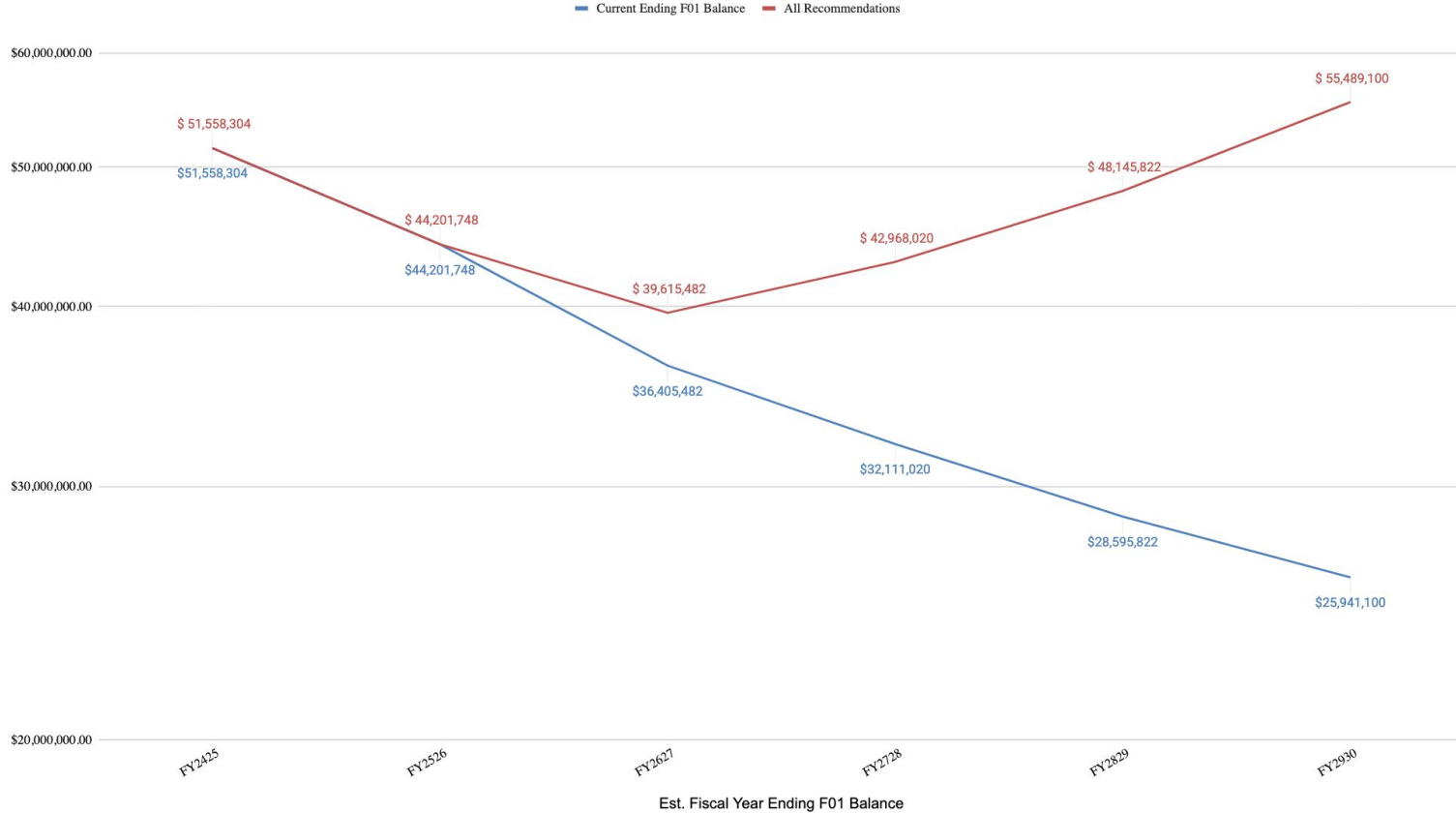
MTSS Implementation

Reduce SpEd Over-Identification

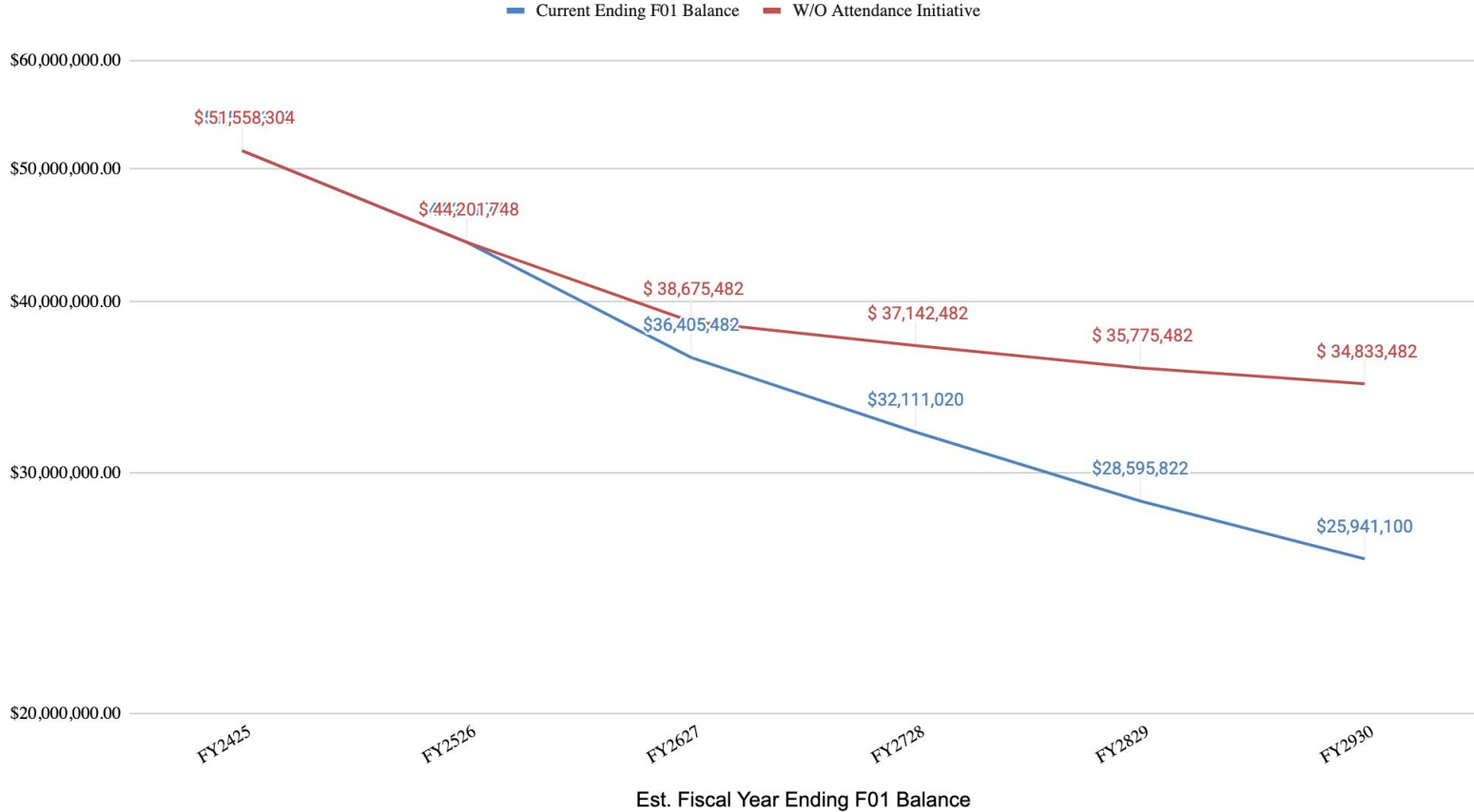
The District's 18% special education identification rate — above the 13% county and state average — is driven by underdeveloped pre-referral systems. A functioning MTSS framework is projected to reduce unnecessary expenditure by up to \$2,000,000 annually over time.



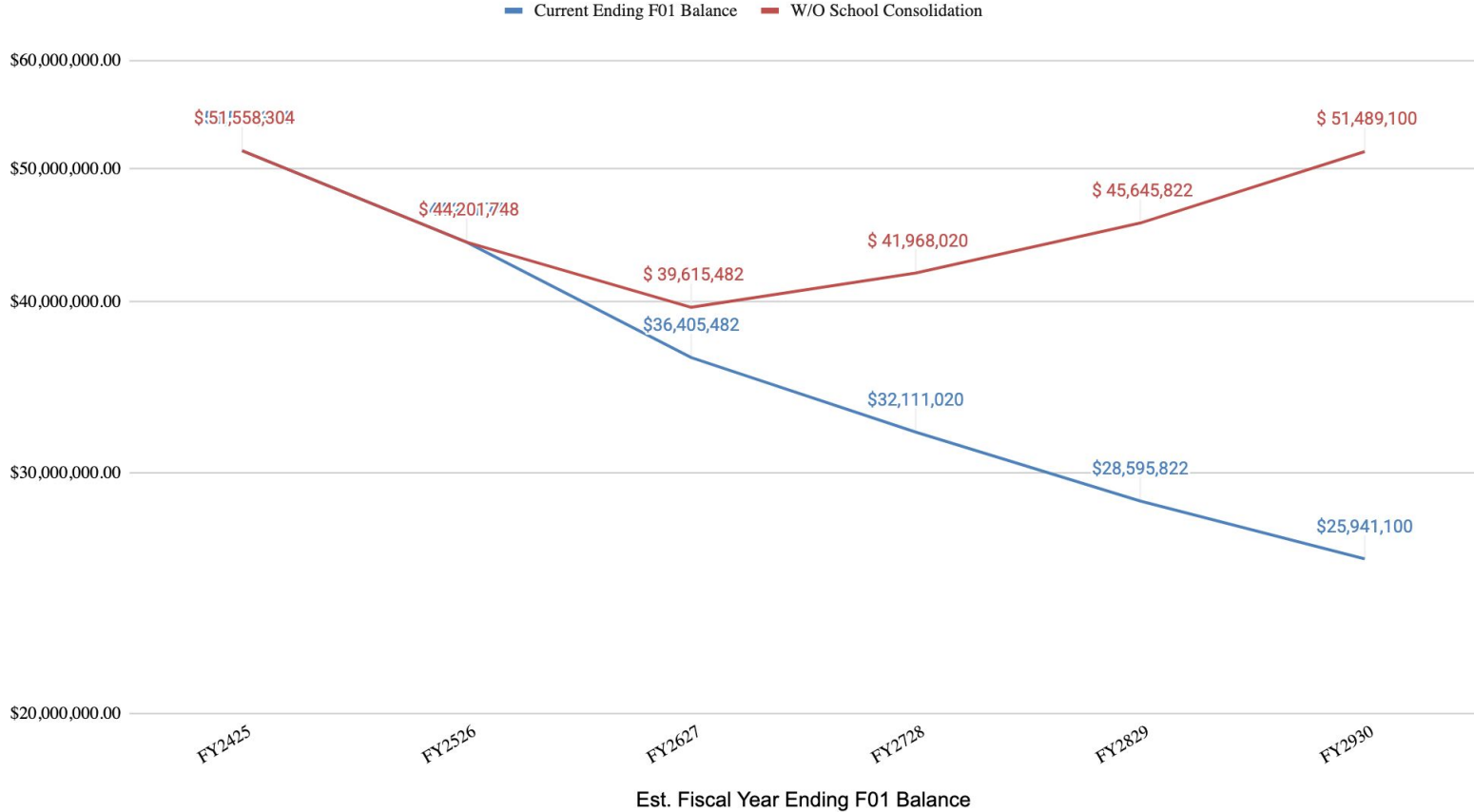
Morongo USD Recommendations Tracker



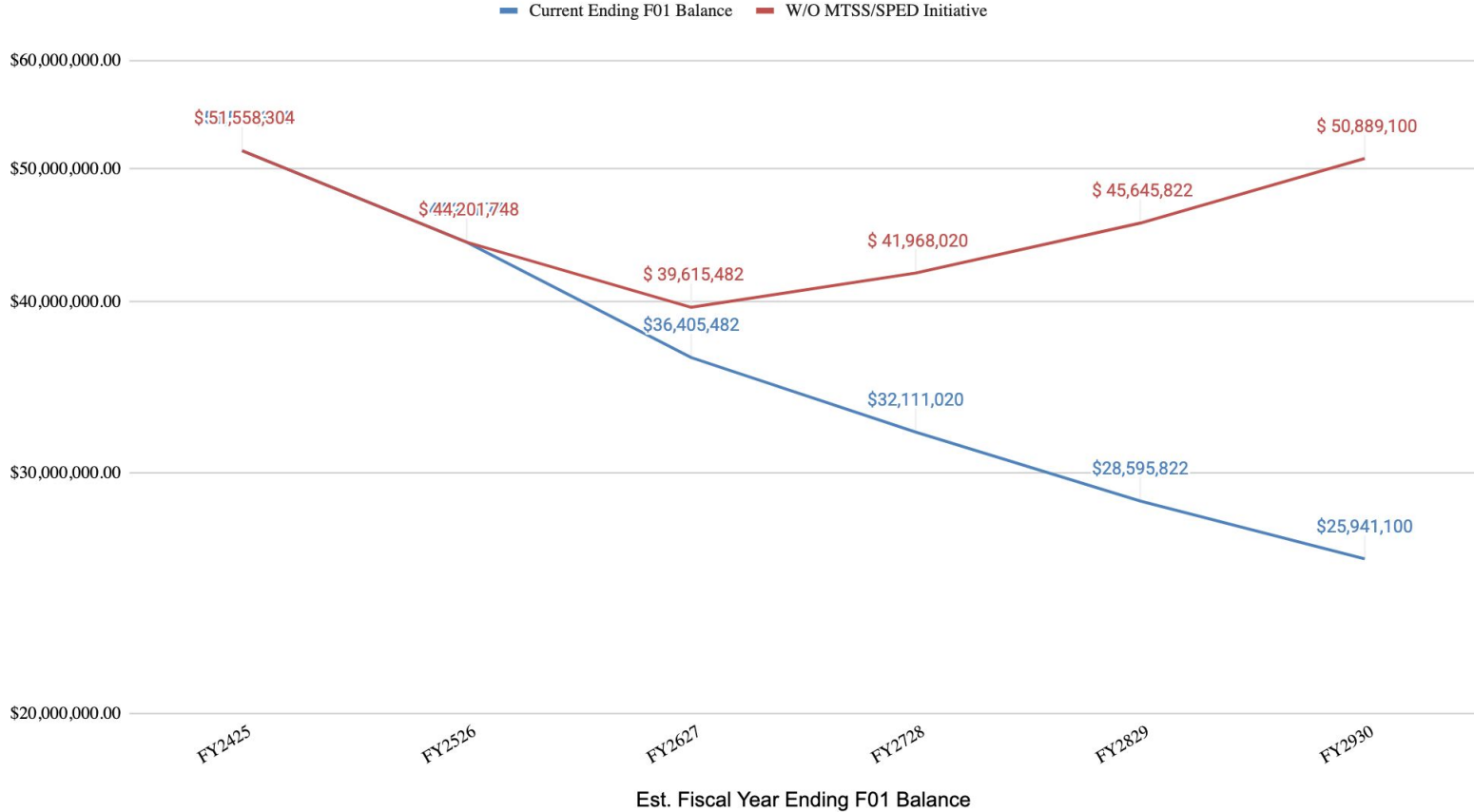
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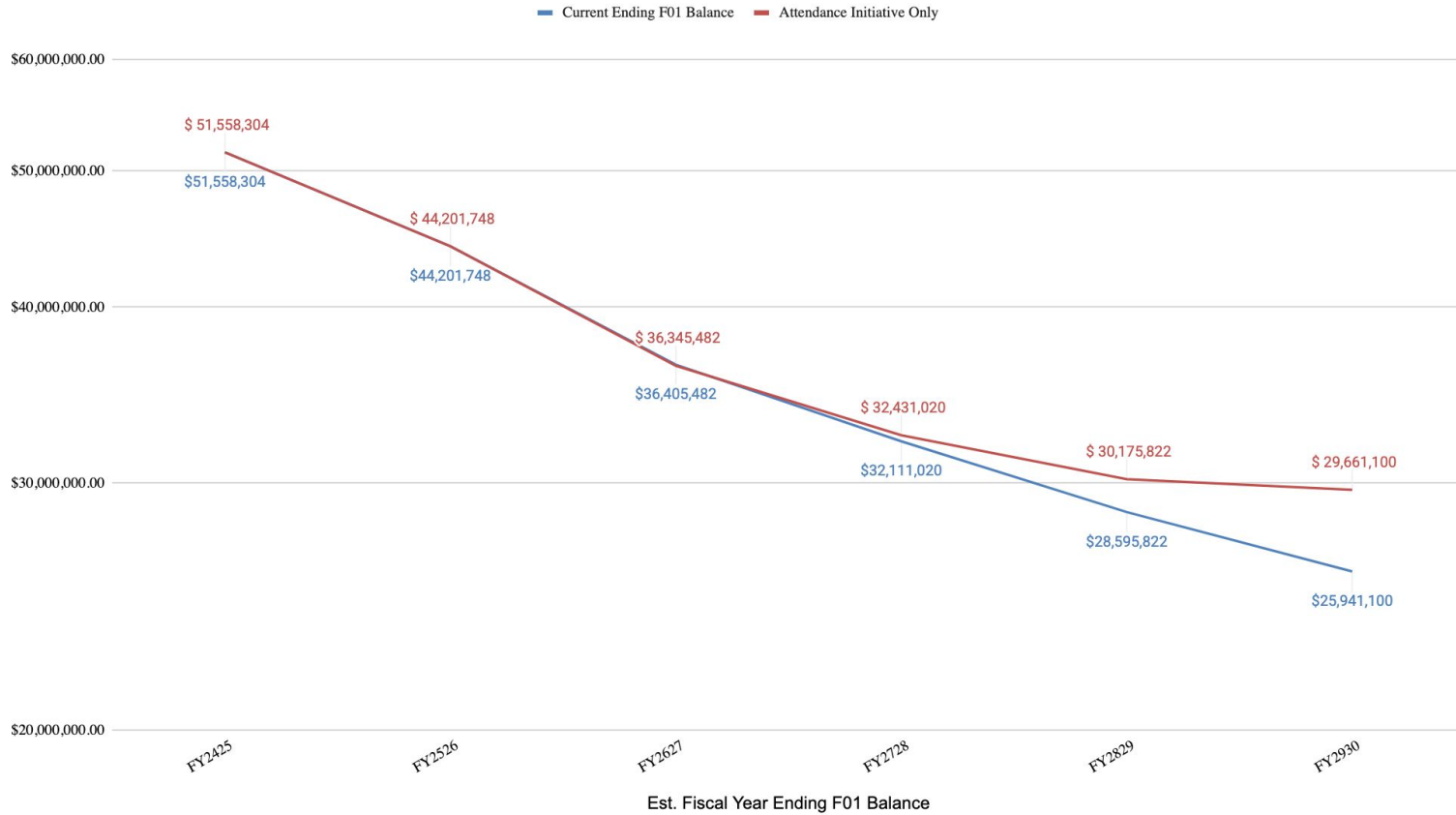
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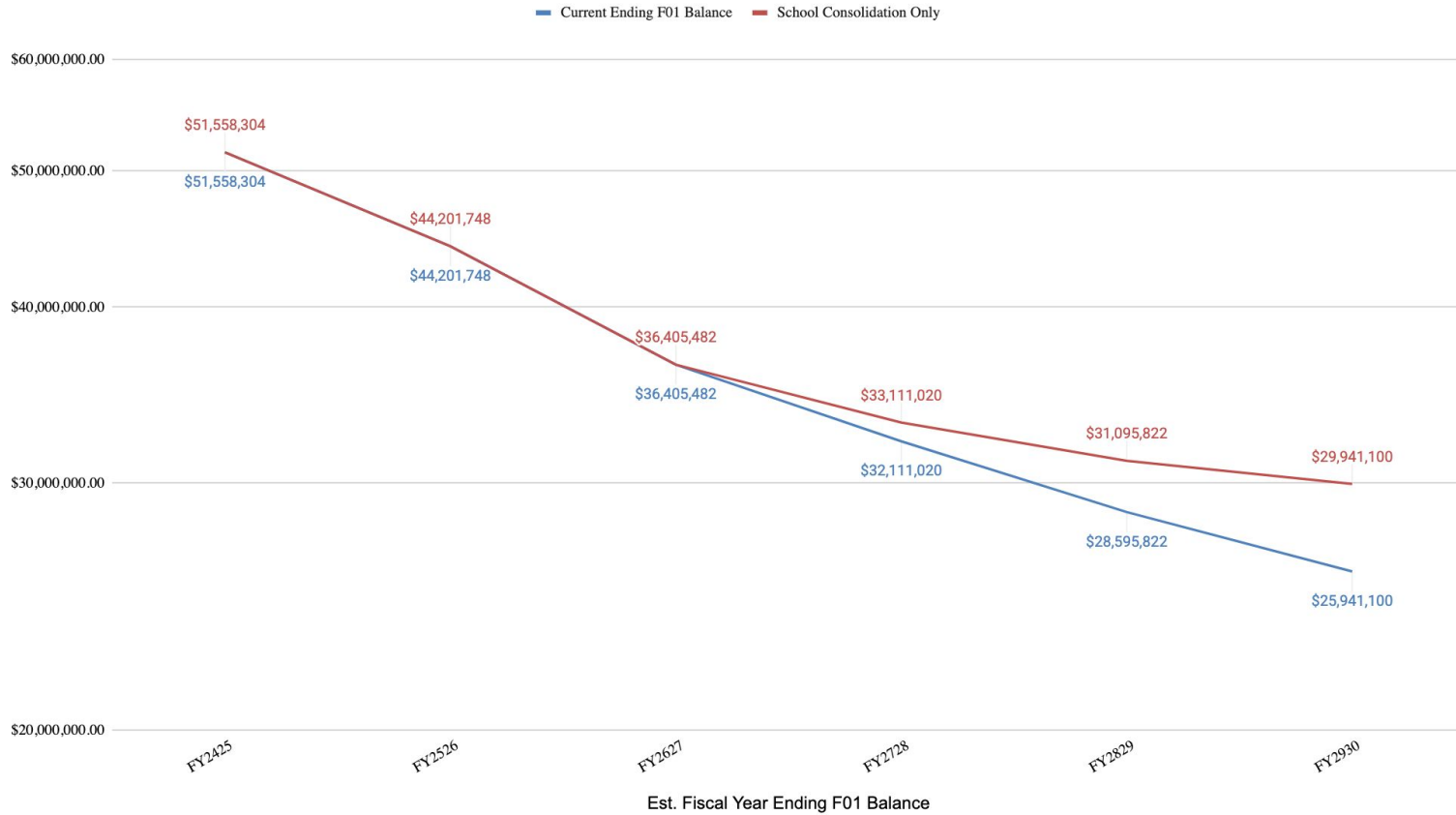
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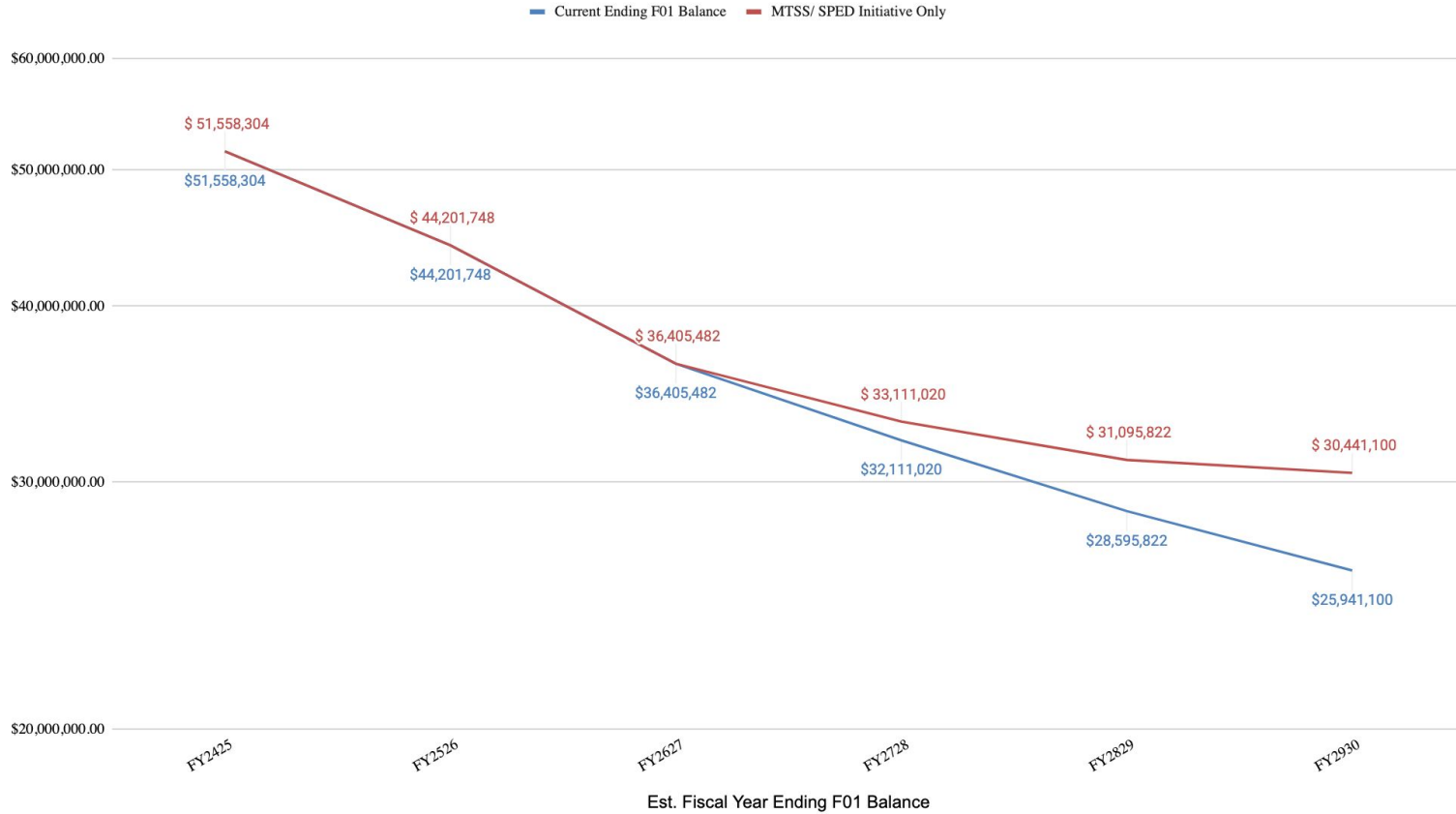
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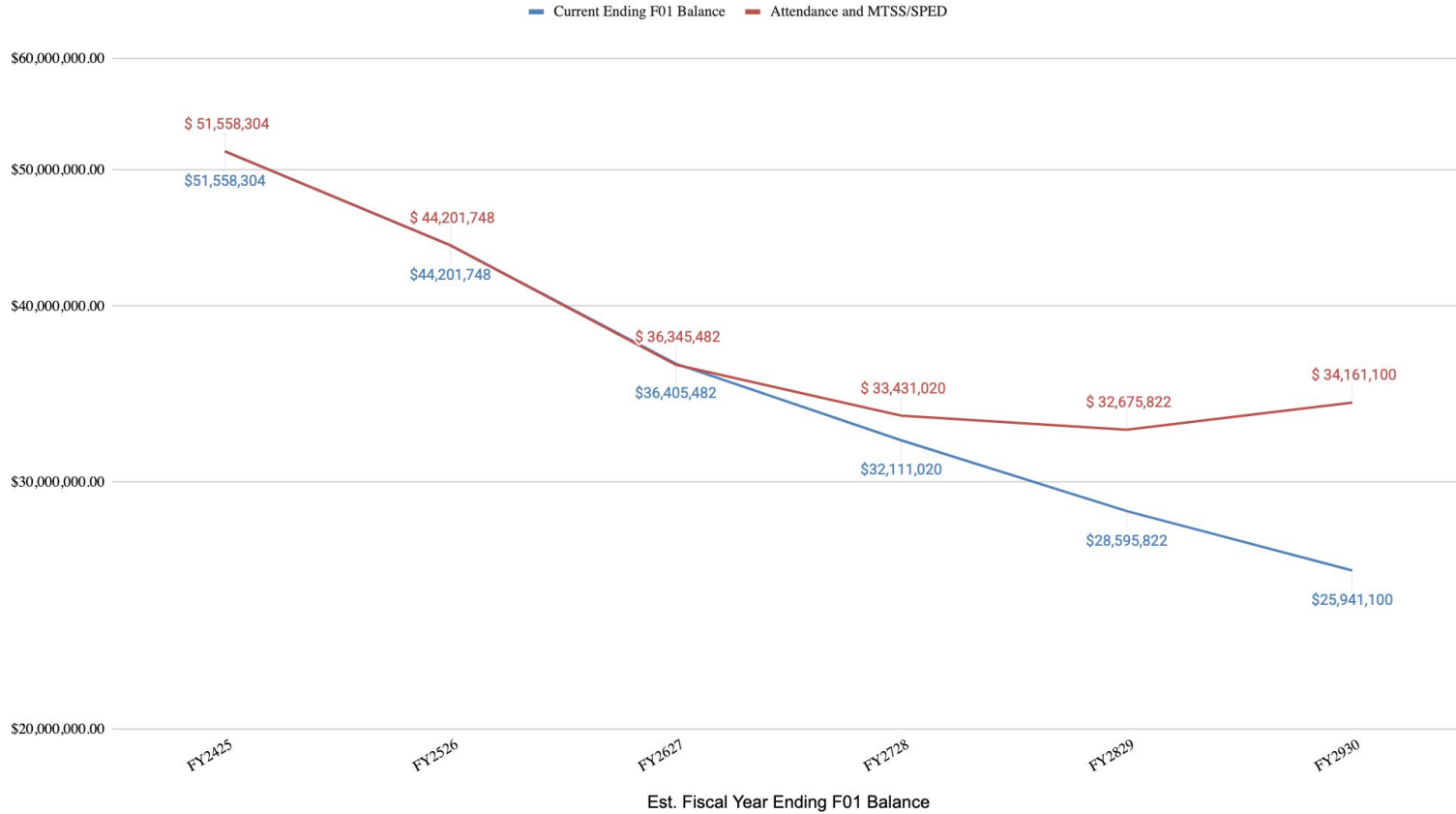
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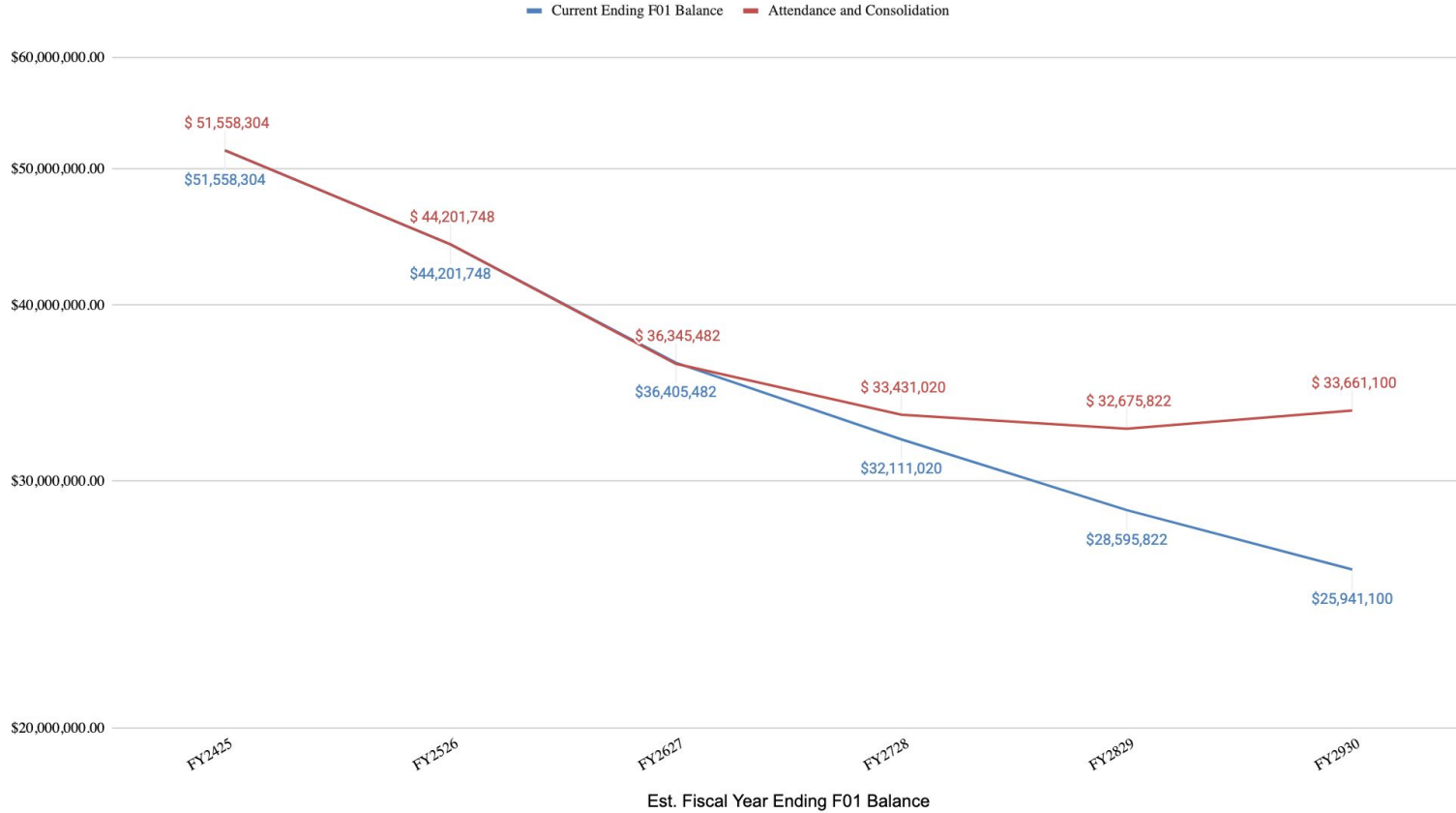
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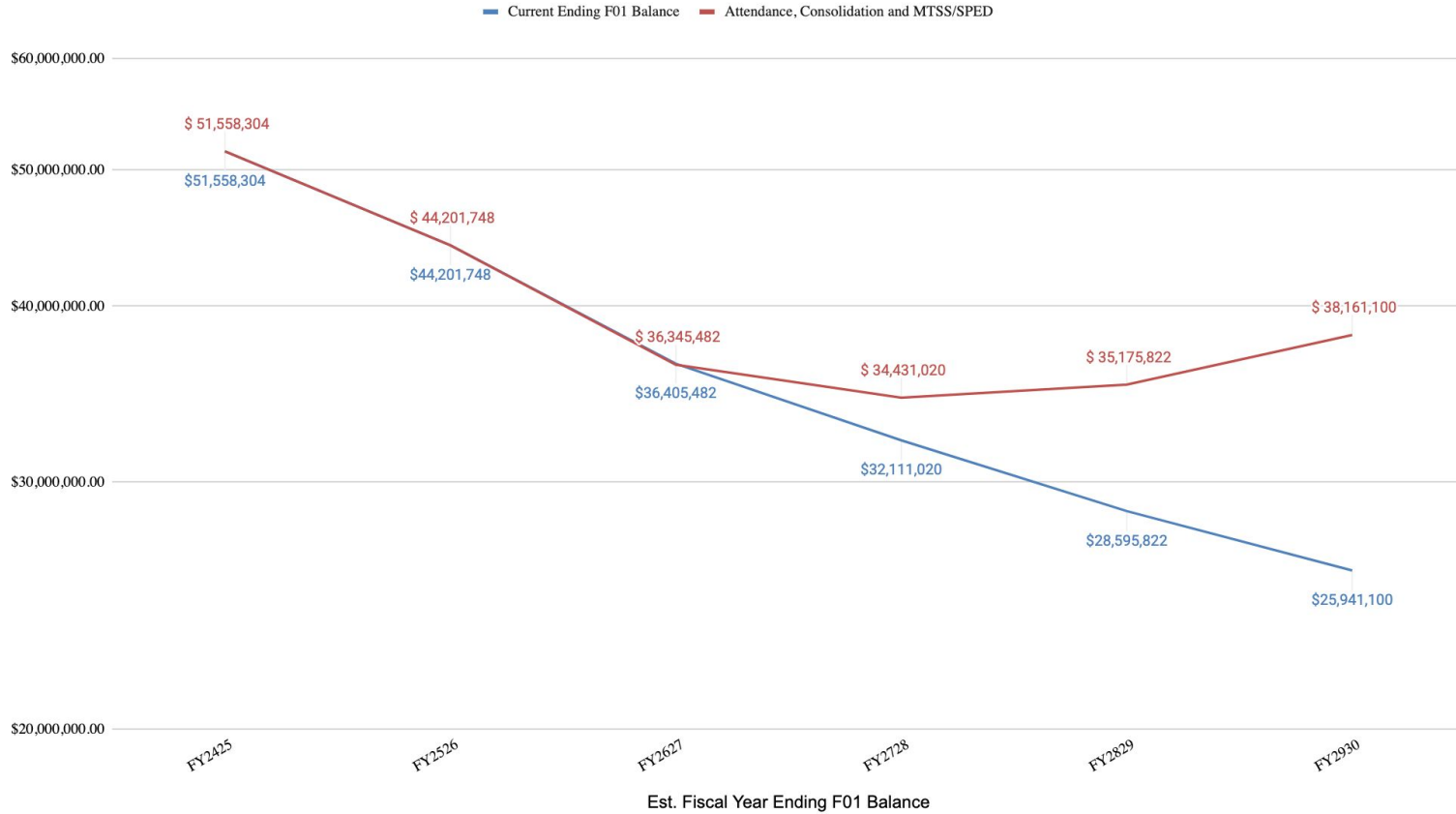
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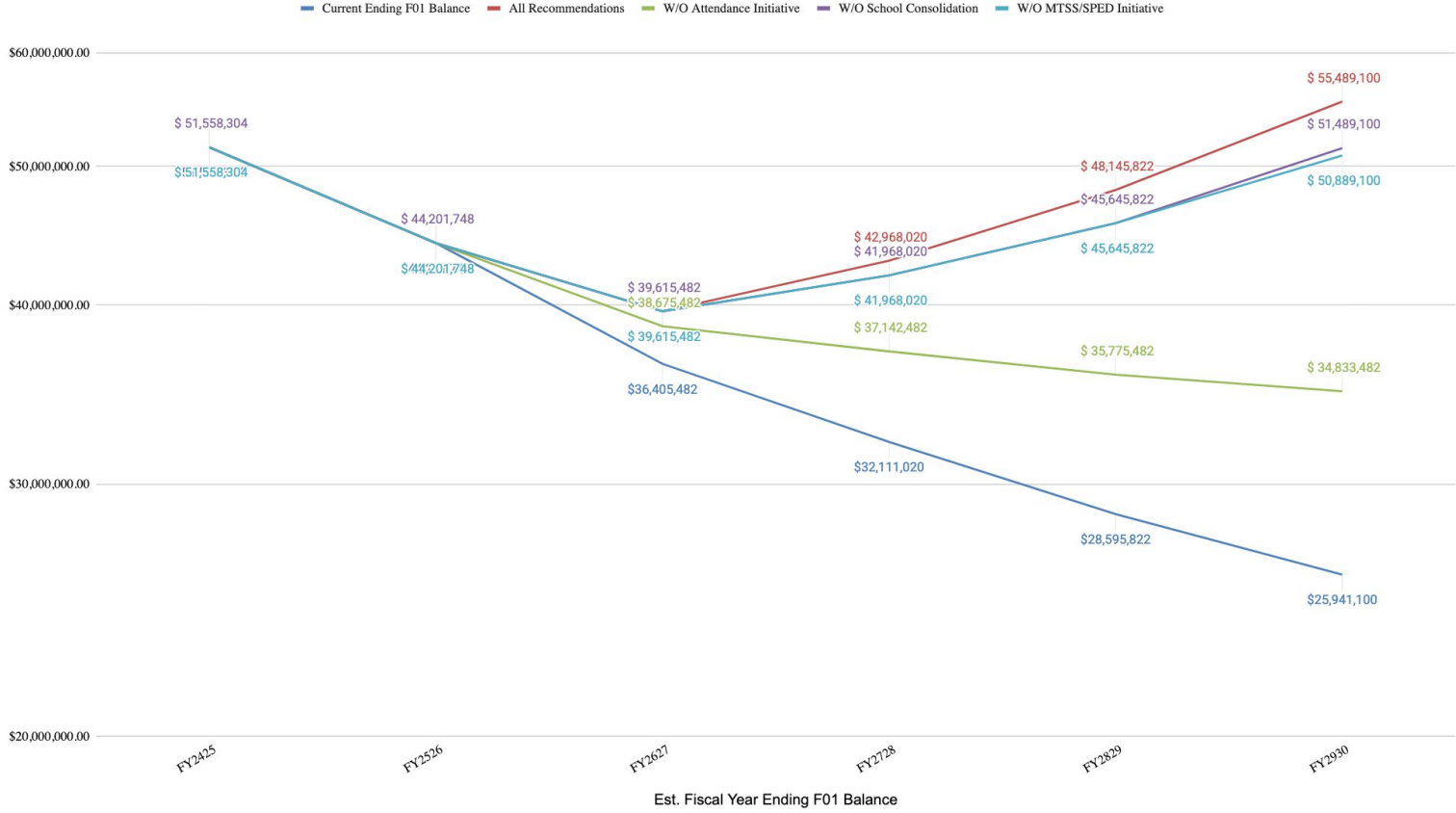
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Morongo USD Recommendations Tracker



A Foundation to Build On

- The District is not in crisis — it is at an inflection point. The decisions made in the next 12–18 months will determine the trajectory for the decade ahead.
- MUSD has the foundational elements required for long-term fiscal health: compliant reporting, engaged leadership, committed staff, and community trust.
- The work ahead is one of deliberate structural adjustment — facilities, attendance, and MTSS — not emergency response.

School Leaders remains committed to supporting MUSD through implementation.

