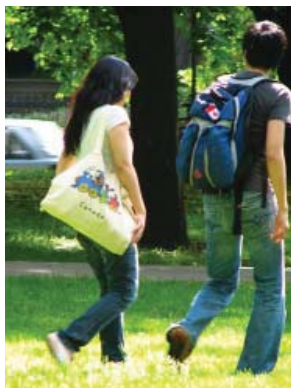


# Annual *Report*

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FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM

2007-08



**CHIEF EXECUTIVE OFFICER** • Joel Montero  
**ADMINISTRATIVE AGENT** • Larry E. Reider  
Office of Kern County Superintendent of Schools

<http://www.fcmat.org>

FISCAL CRISIS AND MANAGEMENT ASSISTANCE TEAM

# Annual *Report*

2007-08

Chief Executive Officer  
Joel D. Montero

Administrative Agent  
Larry E. Reider  
Office of Kern County Superintendent of Schools

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## Foreword

Thank you for your interest in the Fiscal Crisis and Management Assistance Team (FCMAT) and our 2007-08 Annual Report. For the past 10 years we have produced annual reports that were designed to be a chronicle of the past fiscal year's accomplishments and an analysis of the agency's job completion rates and schedules. Each annual report has highlighted the various FCMAT responsibilities and how our activities have been integrated at the local level.

This year we are changing the annual report both in content and structure. It is an important departure from past practice for us as we attempt to provide a broader and more realistic view of what FCMAT is, what it does, and how it is evolving. This information should be of critical importance to the FCMAT Board of Directors but also to the many organizational constituents who are consumers of the Team's services or are partners in the delivery of support to the local education agencies (LEAs).

The 2007-08 FCMAT Annual Report is a shorter and more succinct document. Rather than repeating the structure and content of past reports, with information that can easily be found on the FCMAT Web site ([www.fcmat.org](http://www.fcmat.org)), we have opted to allocate less space to restating our role and function. Instead we have attempted to more concisely describe the current status of the office, focus on our future challenges, more fully integrate the functions and planning for our California Schools Information Services (CSIS) division, and identify what we believe to be the most significant emerging fiscal issues facing school districts and county offices of education for the coming year.

Past annual reports have largely emphasized the FCMAT management assistance program. Certainly, management assistance for LEAs is among the core responsibilities of FCMAT. However, we have come to a point where the success of the organization can no longer be defined by the number of management assistance assignments we perform each year. FCMAT has evolved, and with that evolution has come the responsibility to determine how we can offer the best value to our clients and constituents. We will always have a significant management assistance function, but in the contemporary environment it is equally important to provide ongoing technical assistance to districts and county offices. Product development is as important as professional development as the level of expertise and experience in the field is reflected in smaller central offices and an aging workforce.

Notwithstanding the great need on the preventive side of AB 1200 financial oversight, the stark reality is that more and more districts will struggle with fiscal solvency in the near term. This report should provide a record of those failures and how they have been addressed by the Team.

In all areas, FCMAT must continue to change and improve to meet an ever-increasing level of demand for services and support that were not apparent in 1991 when the agency was created. To do less is to not keep up with the rapidly changing education industry.

FCMAT proudly presents this Annual Report as an accurate reflection of both our accomplishments and our desire to continue to do a better job to support the education of all children in California schools.

A handwritten signature in black ink, appearing to read "Joel D. Montero". The signature is stylized and cursive, with a long, sweeping underline that extends to the left.

Joel D. Montero  
Chief Executive Officer

## FCMAT Organization

In 1992, county offices of education were invited to apply to be the administrative agent for the Fiscal Crisis and Management Assistance Team. Four county offices submitted responses and the Kern County Superintendent of Schools was chosen to be the administrative agent of FCMAT. A 25-member Board of Directors has statutory responsibility for a variety of decisions related to the Team, and is an active, engaged and important component of FCMAT.

### Administrative Agent

The FCMAT Administrative and Fiscal Agent is the Kern County Superintendent of Schools, Larry E. Reider. Dr. Reider has worked in public education as a teacher and administrator for more than 40 years. He joined the office of the Kern County Superintendent of Schools in 1984. After holding several positions with the office, including Associate Kern County Superintendent of Schools, he was named Superintendent in 1999 and was elected to full terms in 2002 and 2006.



**Larry E. Reider**  
Administrative Agent

As Kern County's Advocate for Children, Dr. Reider manages an office of more than 1,100 employees and holds positions in state and community organizations. He served as the President of the California County Superintendents Educational Services Association during the 2004-05 year.

Under Dr. Reider's direction, Associate Superintendent Dr. Christine Frazier provides direct supervision of the FCMAT CEO. The role of the administrative agent is to ensure independent fiscal oversight including an independent/external audit of the FCMAT business operations.

### FCMAT Board

Assisting FCMAT is a 25-member Board of Directors, composed of county and district superintendents representing 11 county office of education service regions, two community college representatives, and an administrator from the Department of Education. The board members are listed on pages 5 and 6 of this report.



**Tim Foley**  
Board Chair

A Board Chairman is elected by the board to serve a two-year term. The current chair is Superintendent Tim Foley of the San Benito County Office of Education.

Mr. Foley was appointed as San Benito County Superintendent of Schools in 1996 to fill a two-year unexpired term. He ran in the 1998, 2002 and 2006 elections for his second, third, and fourth terms. Before becoming County Superintendent of Schools, he was the first principal of the Pinnacles Community and Court Schools operated by San Benito County Office of Education.

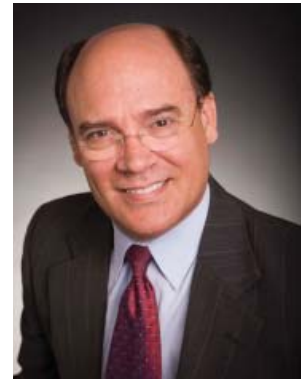
The FCMAT board meets quarterly and the Executive Board meets as needed. In the 2007-08 fiscal year, the FCMAT board accepted FCMAT's Annual Report for 2006-07, approved the CSIS Data Dictionary and FCMAT's professional development calendar, approved the filling of FCMAT and CSIS staff positions, and declared fiscal emergency status for the Gorman Elementary School District.

## ***FCMAT Agency***

The Team is headed by a Chief Executive Officer. All FCMAT staff members are employees of the Kern County Superintendent of Schools Office. FCMAT also provides oversight of the California School Information Services project, which is based in Sacramento.

In March 2006, the FCMAT board formally appointed Joel Montero as the Chief Executive Officer of FCMAT, replacing outgoing CEO Tom Henry.

Mr. Montero's experience spans more than 30 years in the field of education. Beginning in 1975 as a high school teacher, Mr. Montero has been a school principal, deputy superintendent, superintendent of a unified school district, and has worked for FCMAT for 10 years in a variety of roles. He was the Deputy CEO before his appointment to the position of FCMAT CEO.



**Joel Montero**  
Chief Executive Officer



# FCMAT Board of Directors

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## *Fiscal Issues in California Education*

Each year the Chief Executive Officer of the Fiscal Crisis and Management Assistance Team provides a status report to the education budget subcommittees of the state Legislature. The report focuses on the general fiscal health of school districts, the process and efficacy of financial oversight, and an analysis of the emerging economic issues that may impact school districts and county offices in the future.

The following is a list of issues that, over time, have been identified as areas that may significantly affect the fiscal viability of California's school agencies both now and in the future. Some of these items were recognized in prior years and are now noted as "continuing issues." A few newly emerging issues are added to this year's list along with some limited analysis as to their definition, potential impact on district budgets and the need for increased fiscal oversight.

The continuing and emerging fiscal issues list is a compilation based on FCMAT staff observation, conversations with other state agencies and analysis that is a result of fieldwork performed day in and day out by the team. The items are not intended to necessarily have a research base nor has extensive work been performed to quantify their fiscal impact. Rather, the items that appear on this list are a result of the recurring appearance of similar issues in multiple school districts, county offices of education, charter schools, and community colleges.

### *Continuing Issues*

#### **Declining Enrollment**

Over the past several years, declining enrollment has created a need for many school districts to rethink budget development, allocation and conservation of resources, and facilities management. More than half of the counties in the state report that at least 50% of their districts are experiencing declining enrollment. In recent years, the state's total student population also has declined. In fiscal year 2007-08 the state experienced a loss in student growth of approximately .52%. Projections for 2008-09 indicate that the state will lose another approximately .49% in the current fiscal year. It may be reasonable to assume that the state will continue to decline in enrollment through 2010-11. Declining enrollment will continue to put pressure on school districts to reduce staff, to consider programmatic impacts, and to assess future student housing needs.

#### **Other Post Employment Benefits (OPEB)**

Many public agencies continue to struggle with the annual debt service related to providing retiree health benefits to employees. In addition to issues related to the annual "pay as you go" requirements, school districts, community colleges and county offices of education also must show the future liability for post employment benefits on their annual financial statement. The state's Legislative Analyst has compiled information related to the extent of the public agency liability, and FCMAT is working with many education organizations that are attempting to mitigate their current and future liabilities. In short, if left unchecked, the state's OPEB obligations will tend to have an increasing impact on the allocation of revenues in annual budgets and a potential effect on the ability of districts to maintain healthy credit ratings and participate in the cash markets.



## **Regional Development Agency Revenue (RDA)**

FCMAT first identified potential problems with RDA allocations in 2006. As a consequence, a Fiscal Alert was published in May 2007 and again in June 2008. The issues related to RDA revenues are well documented in both of the FCMAT publications now resident on the organization's Web site. In fiscal year 2007-08 the State Controller performed a series of audits in local education agencies in an attempt to assess the impact of under reporting and/or miscalculations related to revenue limit offsets. The fiscal impact to school districts and county offices has not yet been quantified, and the state's approach to capturing lost revenues must be defined in the event the issue extends over multiple years. If a multiyear recovery of revenue is indicated, some LEAs may struggle maintaining fiscal solvency in the short term.

## **Debt**

FCMAT staff continue to have a concern that assumption of non-voter-approved debt by LEAs and the ratio of debt service payments to general fund unrestricted revenues is increasing in some districts. FCMAT has suggested that the overall debt position of school districts fall under more direct scrutiny by COEs as a part of their fiscal oversight responsibilities, particularly as it relates to the use of Certificates of Participation (COPs) to fund shortfalls in school facilities construction projects and the cash-out refinancing of those instruments for multiple purposes. To that end, AB 2197 (Mullin) was signed into law in 2008 to provide direction and add disclosure requirements to all education agencies.

## **Aging of the Business Office Workforce**

The crisis in human resources related to the aging of the chief business official (CBO) population in the state's school agencies was first identified in 2000. Since that time a handful of programs have been instituted to mitigate this gradual decline in both expertise and experience in this area. Still, the number of CBOs lost to retirement and attrition is increasing faster than training and continuing education programs can replace the exiting workforce. The California Association of School Business Officials predicts that the loss of qualified business officials, at or above the current rate, will continue at least into the next decade given the current age of the workforce. The impact on the efficient and effective operation of school district business offices, particularly in times of economic turmoil, may be significant.

## ***Emerging Issues***

### **Cash Management**

In the prior fiscal year, the issues related to school district cash and cash management took on new significance. The process of deferring cash apportionments to LEAs, the loss in interest income from cash balances, the need to increase the level of short-term financing options with an associated increase in the cost of issuance, and the erosion of organizational fund balances has created, in some organizations, a cash management crisis. FCMAT projects that issues related to cash flow and cash management will continue into subsequent fiscal years with a commensurate need to focus more carefully the process of fiscal oversight and budget certification.

### **Other Post Employment Benefit (OPEB) Bonds**

As more and more LEAs recognize the need to defeat their unfunded liability for retiree benefits, financial institutions will develop and offer products that are intended to assist in that effort. OPEB bonds are one mechanism by which LEAs may secure and sell non-tax exempt certificates to generate revenue that is reinvested. The concept is that bonds are sold and cash is obtained at an interest rate that is lower than the return after the revenues are invested. FCMAT believes that this may be a very speculative enterprise and that the risks associated with OPEB bonds may not warrant their use by education agencies. As with issues related to cash management, fiscal oversight for LEAs that utilize OPEB bonds should be strengthened and new disclosure requirements (not covered under AB 2197) should be considered.

### **Early Retirement Incentives**

Declining state revenues and the possibility of mid year budget reductions mean local school districts will be faced with difficult and challenging budget choices. Most school districts contribute 85% to 90% of their operating budget to salaries and benefits. This may cause many districts to review the cost savings of early retirement incentives. Retiring top-step personnel and hiring new employees at entry level pay is an option that proposes to save money for many districts. The incentive involves a dollar amount or years of service credit to employees from the district to supplement an employee's STRS or PERS pension.

Districts will need to review the process for opening the window for retirement under the PERS/ STRS Golden Handshake programs or options such as a Supplemental Employee Retirement Plan (SERP) or the Public Agency Retirement System (PARS). Districts will need to fully evaluate the cost and payback analysis under any of these models. Normally the cost for such programs, if calculated correctly, can be paid in full by replacement savings over multiple fiscal years.

The challenge for most districts is establishing the eligibility list for potential participants and calculating the projected savings. Districts will need to fully examine the type of staff that elects to participate in this type of program and provide a more realistic replacement cost on the district's salary schedule to fully evaluate the projected savings. Many times the added retirement cost is not included in the annual valuation reports to determine the actual savings, which can result in a much lower savings, if any, than what was originally projected.

### **Investment of District Funds**

The financial crisis on Wall Street has resulted in market conditions that have caused substantial investment losses throughout the country, including declining returns for some California county treasurers' portfolios. Some counties have reported that because their investment portfolios contained holdings in now-bankrupt financial institutions, they have experienced losses that will be redistributed to LEAs for the first quarter of the 2008-09 fiscal year. Safeguarding cash investments will be at the forefront of an LEA's fiduciary responsibilities and should be carried out using prudent investment standards in accordance with government code.

## *FCMAT Strategic Plan*

Financial solvency, once a given for nearly all of California's local educational agencies, has become increasingly difficult to maintain. Services to the state's K-14 student populations have become more complex and more costly. Fiscal expertise at the LEA level has been lost to retirements, attrition, and the need to operate with minimal staffing. These challenges have only intensified as our national, state and local economies experience difficult financial times.

As these issues confront LEAs daily, FCMAT is positioned to provide timely and relevant assistance. As recently as five years ago, that assistance mainly consisted of management reviews and written reports. Management assistance is a fundamental FCMAT responsibility and will remain an integral service. That said, FCMAT's clientele most urgently need the hands-on skills and tools to build a solid operational infrastructure and the best possible environment for student learning. FCMAT staff possess top-level skills in school finance and other specialized areas and provide that support to the field each day.

Public education continually changes and evolves. FCMAT endeavors to anticipate these changes and adjust its services accordingly. As of this writing, with fiscal year 2008-09 well under way, FCMAT is looking to 2009-10, positioning its resources and setting goals for what looks to be another highly challenging fiscal year.

As part of the Kern County Superintendent of Schools (KCSOS) organization, FCMAT also endeavors to support and enhance the KCSOS strategic goals. This is evidenced in FCMAT's efforts to address its primary mission of assisting K-14 public school agencies in identifying, preventing, and resolving their financial and operational problems while providing an array of core services. The leadership and guidance of the FCMAT board also helps to shape and define FCMAT's goals. Those goals are enumerated here:

### *Improve student growth and achievement*

FCMAT continues to work assisting LEAs to best utilize their resources to further their instructional programs. While direct classroom support is not part of FCMAT's everyday work, resources such as the Associated Student Body Manual, online Help Desk, software products and professional development help county offices and districts to provide the best possible learning experience for their students.

### *Maximize services to clients and improve access to resources*

Client services are provided either on the request of an LEA and/or at the direction of the state. FCMAT will continue to provide fiscal crisis and management assistance reviews to LEAs, charter schools and community colleges. A long-standing feature of FCMAT's Web site, the online Help Desk, endeavors to provide 24-hour turnaround in its responses to questions. This service is used heavily by LEAs across the state, with several questions submitted each day. FCMAT will continue its practice of prompt, detailed responses to users' questions.



FCMAT staff members receive phone calls for assistance from around the state each day. Utilizing both staff and consultant expertise, even the most urgent matters are addressed with short- and long-term solutions that the client can begin implementing immediately. The team will begin to track and monitor this and other types of technical assistance and support to maximize their effectiveness. The team will continue to be responsive to requests for assistance from LEAs, the Legislature, California Department of Education, Department of Finance, and other state agencies.

### *Maintain a cohesive, productive and stable workforce*

Effective staffing is of utmost importance in deploying services to the state's more than 1,000 LEAs. To ensure that services are professionally and seamlessly provided, FCMAT must continually evaluate its staffing and recruit top-notch candidates who possess the requisite skills in school finance and other specialized areas. As new employees are hired or existing employees depart, ongoing analysis of the agency's staffing needs must occur. To support FCMAT staff in management assistance reviews, consultants with expertise in LEA operations also are recruited.

To assist LEAs in their efforts to recruit and hire qualified chief business officials, FCMAT will continue to support the CBO Mentor training program.

### *Maintain fiscal stability, integrity and accountability*

Effective, easy-to-use tools are essential to the budgeting process. FCMAT will continue to refine and update its Budget Explorer multiyear projection software for school districts, and has completed Budget Explorer v.3.0 for county office multiyear projections. Staff will continue to conduct fiscal health analyses, cash flow analyses, and multiyear projections for LEAs.

Work continues on Fiscal Insight, a software tool to support the budget review and monitoring of facilities projects. Product enhancements will include a set of financial diagnostics to assist LEAs with historical trends and future revenue and expenditure projections.

All of FCMAT's professional development offerings will be reviewed, considered and revised in an effort to best focus this important service and maximize the dollars allotted to it.

Internally, FCMAT will utilize and/or develop budget tools as necessary to ensure its fiscal health.

### *Provide proactive leadership as a community partner*

The two major components of this goal are to: (1) Encourage professional staff development on a state-wide basis and (2) Encourage collaborations with other agencies.

FCMAT provides financial and staff support for professional development training in collaboration with other California educational agencies and entities such as the California School Boards Association, California Association of School Business Officials, School Services of California, MGT of America, and the California County Superintendents Educational Services Association.

In addition, the team works collaboratively with LEAs and California educational agencies to promote and support educational issues with state lawmakers. FCMAT will maintain and further develop liaisons with local educational agencies, state educational agencies, state legislators and local officials.

FCMAT will refine and refocus its professional development offerings and partnerships as appropriate.

## *CSIS Strategic Plan*

State and federal accountability systems, as well as the upcoming implementation of the California Longitudinal Pupil Achievement Data System (CALPADS) in fiscal year 2009-10, have increased the need for high quality data. As a result, the work of the California School Information Services (CSIS) is becoming increasingly visible and essential to state and local operations.

CSIS was created to build local capacity for data management and to enable accurate state reporting and records transfer. In its decade of existence, CSIS has grown to be the largest known student data system in the Western Hemisphere. CSIS supports all 1,300+ California local education agencies (LEAs) in assigning and maintaining a unique Statewide Student Identifier (SSID). The annual maintenance of the SSID is used to collect the official enrollment data for California's 6.2 million K-12 students, as well as the official dropout and high school graduation data. The SSID is the foundation for current and future state reporting, records transfer, and longitudinal analysis of student data in California as it provides the means to track students from LEA to LEA and from year to year. As they assign and maintain the SSIDs, LEAs use CSIS data cleansing and reporting functionalities to improve the quality of data they collect.

CSIS provides technical assistance and support to all 1,300+ LEAs in completing the required data submissions and also administers the Best Practices Cohort Project, a project designed to help LEAs improve their local data management practices and prepare for the California Longitudinal Pupil Achievement Data System (CALPADS). CSIS also supports LEAs in academic records transfer and in administrative transfer of records, such as the direct certification process that allows eligible students to be automatically certified for free school meals.

CSIS is an organization in transition, moving from support of its State Reporting Records Transfer System (SRRTS) to one that will provide support and maintenance for CALPADS. In fiscal year 2008-09, CSIS' work focuses on supporting four goals.

### *Transitional Support*

First, CSIS will continue to support SSID assignment and maintenance as well as state reporting until CALPADS is successfully implemented. Fiscal year 2008-09 is scheduled to be the final year CSIS supports SRRTS in SSID assignment and maintenance and state reporting. Once CALPADS is ready to assume these tasks in 2009-10, this SRRTS work will be discontinued. CSIS and CDE are working together to plan for a smooth transition from SRRTS to CALPADS early in 2009-10 – this planning will include contingency plans for how CSIS will continue to maintain SRRTS in the event CALPADS implementation is delayed.

In 2008-09 CSIS will complete the following projects using the SRRTS software: fall annual SSID maintenance, fall state reporting, spring state reporting, anomaly detection and anomaly resolution. Approximately 1,050 LEAs complete the annual SSID maintenance and through that submission report their official enrollment, graduation, dropout, and No Child Left Behind (NCLB)

program participation data to CDE. Fall state reporting allows 250 LEAs to submit required data to the California Department of Education for the three California Basic Educational Data System (CBEDS) reports, including the County District Information Form, the School Information Form, and the Professional Assignment Information Form. Spring state reporting includes the collection of the official language census data. LEAs participating in state reporting submit their Student National Origin Report data through CSIS as a part of either their fall state reporting submission or the spring submission. The anomaly detection and anomaly resolution project is ongoing, and this functionality helps maintain the integrity of the SSID by identifying when it appears there is an error in the assignment of a SSID and providing the LEA the means to resolve the anomaly. CSIS monitors the anomaly rate of each LEA and posts this data on its public Web site.

As a part of its work, CSIS assists student information system vendors in understanding state data submission requirements and implementing these requirements in ways that support the intended result. CSIS supports vendors in testing their software against CSIS edits. When testing is successfully complete, CSIS deems the vendor's software to be CSIS capable and communicates this status to LEAs.

## *Records Transfer*

A second goal for CSIS is to continue to support and expand its records transfer activities. Fiscal year 2008-09 will be the fourth year of production capability for electronic submission from California high schools to the University of California system of those students to consider within the Eligibility in the Local Context (ELC) process for UC admission. Direct certification of eligibility for free school meals also continues this year, with CSIS collaborating with the CDE, the Department of Health Care Services and the Department of Social Services. LEAs submit student names, addresses, and demographic data to CSIS and these data are matched through a secure and confidential process to eligibility data for Food Stamps and the CalWORKs program. Following the match, LEAs receive notification of students who are directly certified as eligible for free school meals without further application. This program results in increased access to meals for hungry students and decreased paperwork for LEAs. It has been recognized as an example of successful multi-agency data sharing and collaboration.

This year, CSIS has expanded its records transfer services by implementing Academic Records Transfer (ART) services that allow any public K12 organization in California to send electronic transcripts to any K12 organization or any post-secondary institution in the country. This service began in September 2008 and was funded in part by a grant from the Institute of Education Sciences (IES) federal grant, a grant that was jointly awarded to the California Department of Education, CSIS, and the Chancellor's Office of the California Community Colleges (CCC). CSIS' portion of the IES grant provides funds to (1) augment the current CSIS system to enable student requests for transcripts authenticated by their K-12 schools of attendance; and (2) simplify existing system's user interface to address the needs of less technically proficient, site-based staff. CSIS looks forward to gathering LEAs' responses to this service and evaluating the first year implementation so that lessons learned can be used to inform future support of ART services.

As part of its records transfer work, CSIS works collaboratively with post-secondary institutions in the development of standards for sharing data between secondary schools and post-secondary

institutions. This work supports successful matriculation of students from public secondary schools to higher education.

## *CALPADS Objectives*

Helping to ensure CALPADS meets all of its objectives is CSIS' third goal. SB 1453 authorized the creation of the CALPADS and called for this system to include statewide assessment data, student demographic and enrollment data, teacher assignment data, discipline data, and other elements required to meet state and federal NCLB reporting requirements.

CSIS provides subject matter expertise in the development of CALPADS and is working closely with both CDE and IBM in the design of the system. CSIS participates in design and policy meetings and in 2008-09 also will assist IBM in training LEAs for the pilot in spring 2009 and statewide implementation early in fiscal year 2009-10. CSIS informs CDE and IBM of LEAs' needs and challenges and assists them in developing policies for LEA data submission that can be implemented without unintended consequences or complications.

CSIS also continues to build local capacity of LEAs to effectively and efficiently manage, use and report data. CSIS helps LEAs understand state data requirements and reporting deadlines. CSIS assists LEAs with local procedures and processes for data collection, data audits to improve data quality, data submissions, and data verification and certification. CSIS also helps LEAs understand how data can be used locally to improve decision making.

In 2006-07, CSIS was authorized to begin the Best Practice Cohort Project. This project is designed to help eligible LEAs implement sustainable local data management practices that will prepare them to submit data to CALPADS and contribute to improved student achievement through better local data-driven decision making. Those participating in the project receive at least \$15,000, \$30,000, or \$8.51/student in one-time funding depending on the size of the LEA. Participating LEAs are required to:

- Complete a series of four best practices professional development sessions focused on examining local data management practices and determining how those practices can be improved to prepare for CALPADS.
- Implement a CSIS-capable student information system or use the web-based Extended Client provided by CSIS
- Submit the annual SSID maintenance within the required window and complete anomaly resolution
- Complete a periodic enrollment update
- Complete academic records transfer submissions

The professional development sessions are designed to help local education agencies improve their local practices related to:

- Establishing clear roles and responsibilities for data management
- Collecting data to meet business needs as part of regular operations
- Establishing and using data standards
- Implementing a process to ensure data quality
- Using and relying on data in the system of record
- Ensuring privacy and confidentiality of data

The professional development sessions each include a needs assessment taken in advance of the class that focuses LEAs on their own data management strengths and challenges. Following the sessions, LEAs develop and implement specific plans to improve their data management practices. CSIS provides LEAs specific examples of data management tools and resources used by other LEAs and mentors LEAs in the change process.

### *Effective Future Support*

CSIS' fourth goal for 2008-09 is to ensure it is fully prepared to deliver effective future support of CALPADS. CDE and CSIS have agreed that CSIS will support CALPADS once IBM's contractual obligation is complete. As a result, CSIS will assume responsibility for end-user support on approximately July 1, 2010 and CALPADS technical support on approximately July 1, 2011. CSIS has recently completed an in depth planning process for the transition to CALPADS. Based on the *Transition Policy for CSIS Support of CALPADS* approved by the FCMAT Board, CSIS prepared the *Transition Plan for CSIS Support of CALPADS*. CSIS and the California Department of Education (CDE) approved the plan and CDE submitted this document to the Office of the Chief Information Officer and the Department of Finance on CSIS' behalf. CSIS has developed a schedule for the transition work and is currently implementing that schedule.

Preparation activities include professional development for CSIS staff so that all staff have an in-depth understanding of CALPADS. Technical staff members will have the training necessary to become proficient in the tools used to develop CALPADS, and to develop a thorough understanding of its design and code. Technical staff will also gain familiarity with Department of Technology Services (DTS) policies and procedures so that they can maintain CALPADS within the DTS environment. Client services staff will become familiar with the CALPADS user interface and the new CDE policies regarding data submissions so that they can help more than 1,300 LEAs successfully submit and certify their data. LEAs will complete in three submissions per year that include: enrollment, graduates, dropouts, course enrollments, teacher assignments, English learner and immigrant status, course completion, student program participation, discipline data, truancy data. In addition, Pre-ID data used for test administration must be reconciled before each state assessment and the data used for AYP and API calculations must be reconciled each summer.

The data submitted to CALPADS will include data LEAs have submitted at the individual level prior to CALPADS and data submitted at the aggregate level via CBEDS or the Consolidated Application. For

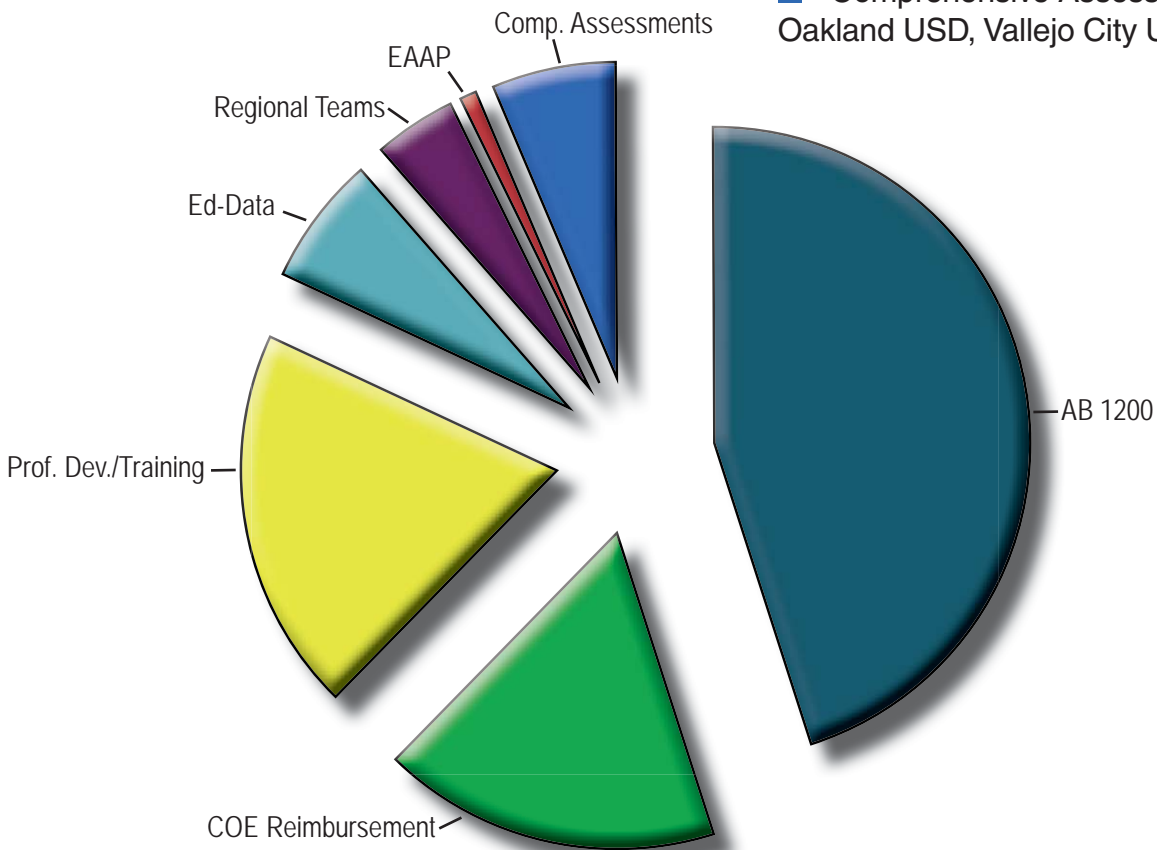


the 250 state reporting LEAs, the scope of data to be submitted to CALPADS will be very similar to that submitted to CSIS for CSIS state reporting, except that LEAs will also submit course completion, discipline data, and an expanded set of program participation data. The remaining LEAs will be required to submit far more individual-level data to CALPADS than was reported to CSIS prior to CALPADS implementation. These LEAs have been responsible for submitting student enrollment, demographic, program participation, graduate and dropout data at the individual level, but have not been required to submit to CSIS course enrollment, course completion, discipline, staff demographic, staff assignment, and instructional strategy data, as well as an expanded set of program participation data and other student information such as homeless data and interdistrict transfer information. LEAs will require both training and ongoing support to submit all of the required data to CALPADS.

# Appropriations for Fiscal Year 2007-08: FCMAT

FCMAT \$4,013,000  
 FCMAT Flow-Through \$1,698,000  
 FCMAT One-Time \* \$385,000

- FCMAT AB 1200 \$2,741,000
- COE Reimbursement (flow-through) \$900,000 for AB 139; \$150,000 for COE oversight
- Professional/Staff Development and Training \$1,197,000
- Ed-Data Partnership - CDE, Ed-Source, FCMAT \$418,000 (\$398,000 flow-through)
- Regional Teams (AB 2756) \$250,000 (flow-through)
- Audit Appeals - Educational Audit Appeals Panel \$55,000
- \*Comprehensive Assessments \$385,000 Oakland USD, Vallejo City USD, W. Fresno ESD





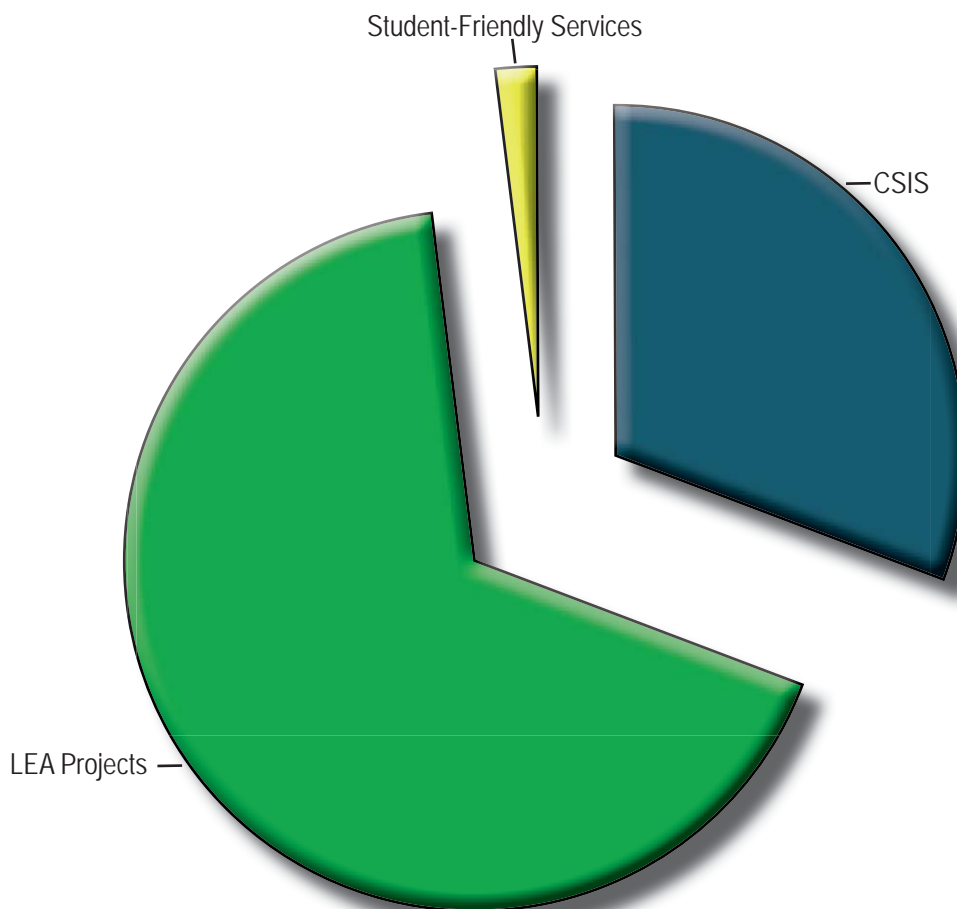
## Appropriations for Fiscal Year 2007-08: CSIS

CSIS	\$5,591,000
CSIS One-Time*	\$2,471,000
CSIS Flow-Through	\$18,050,000

■ California School Information Services  
\$8,062,000

■ \*CSIS - LEA Projects \$17,550,000  
(flow-through)

■ CSIS - Student Friendly Services  
\$500,000 (flow-through)





# Year in Review

## Partnership with the Educational Community

FCMAT provides proactive and preventative management assistance to districts and county offices in managing their operations. Management assistance requests from districts or county offices represent approximately 90% of FCMAT’s work. Additionally, the state Legislature and county superintendents of schools can assign FCMAT into a local educational agency. These assignments are typically for fiscal crisis intervention work and represent approximately 10% of FCMAT’s studies. FCMAT’s primary charge with these assignments is to avert emergency state loans. Legislation in 2006 made FCMAT services available to charter schools and community colleges, expanding FCMAT’s role in providing assistance to local educational agencies, K-14.

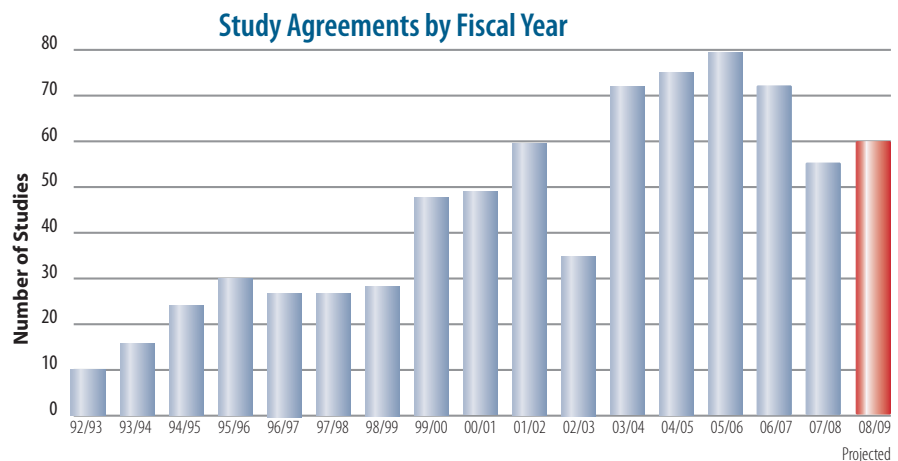
In addition to their primary work of educating students, school districts, county offices of education, and other LEAs handle business services, purchasing, technology, facilities, food services, transportation, and personnel.

These various functions or services all affect the delivery of educational programs and are essential for success. The challenge for districts, county offices and other LEAs is to minimize the cost of these services to maximize the resources available to support instruction. In 2007-08 and for the next several years, this challenge remains formidable, with districts declining in enrollment and needing to address increasing expenditures with limited resources.

During 2007-08 FCMAT completed 56 fiscal crisis intervention or management assistance reviews for districts, county offices, charter schools and community colleges throughout the state. The types of reviews performed in each of 12 major categories in the 2007-08 fiscal year is shown on page 31.

FCMAT also has been assigned to a number of school districts that required emergency state loans to continue to operate, and has been required to conduct comprehensive assessments of these districts in five operational areas: Community Relations and Governance, Pupil Achievement, Personnel Management, Financial Management and Facilities Management. FCMAT has developed recommendations and a recovery process to assist these districts in their return to local governance and fiscal solvency, and continues to be engaged with several of these districts in monitoring and reporting on the long-term recovery process.

Many monitoring agencies and the state Legislature continue to call on FCMAT as a statewide resource to assist in providing cost-effective services and products to California’s public schools.



FCMAT continues to develop and/or update a number of publications and software tools to assist and guide local educational agencies in conducting their operations more effectively, and provides numerous training workshops to assist them in fulfilling their oversight responsibilities.

### *Interim Financial Report Certifications*

Each LEA is required to file two reports during a fiscal year indicating the status of its financial health. The first interim report is due December 15 for the period ending October 31. The second interim report is due March 17 for the period ending January 31.

The interim reports must include a certification of whether or not the LEA is able to meet its financial obligations. These certifications are classified as positive, qualified, or negative. A positive certification indicates that the district will meet its financial obligations for the current and two subsequent fiscal years. A qualified certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years. A negative certification signifies that the district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year.

As indicated in the charts on the following four pages, qualified certifications increased dramatically in the second reporting period for 2007-08. Negative certifications doubled from the first reporting period. This can be attributed largely to the governor's January 2008 proposed state budget for 2008-09, which reflected the state's poor fiscal position and caused great concern among the state's LEAs.

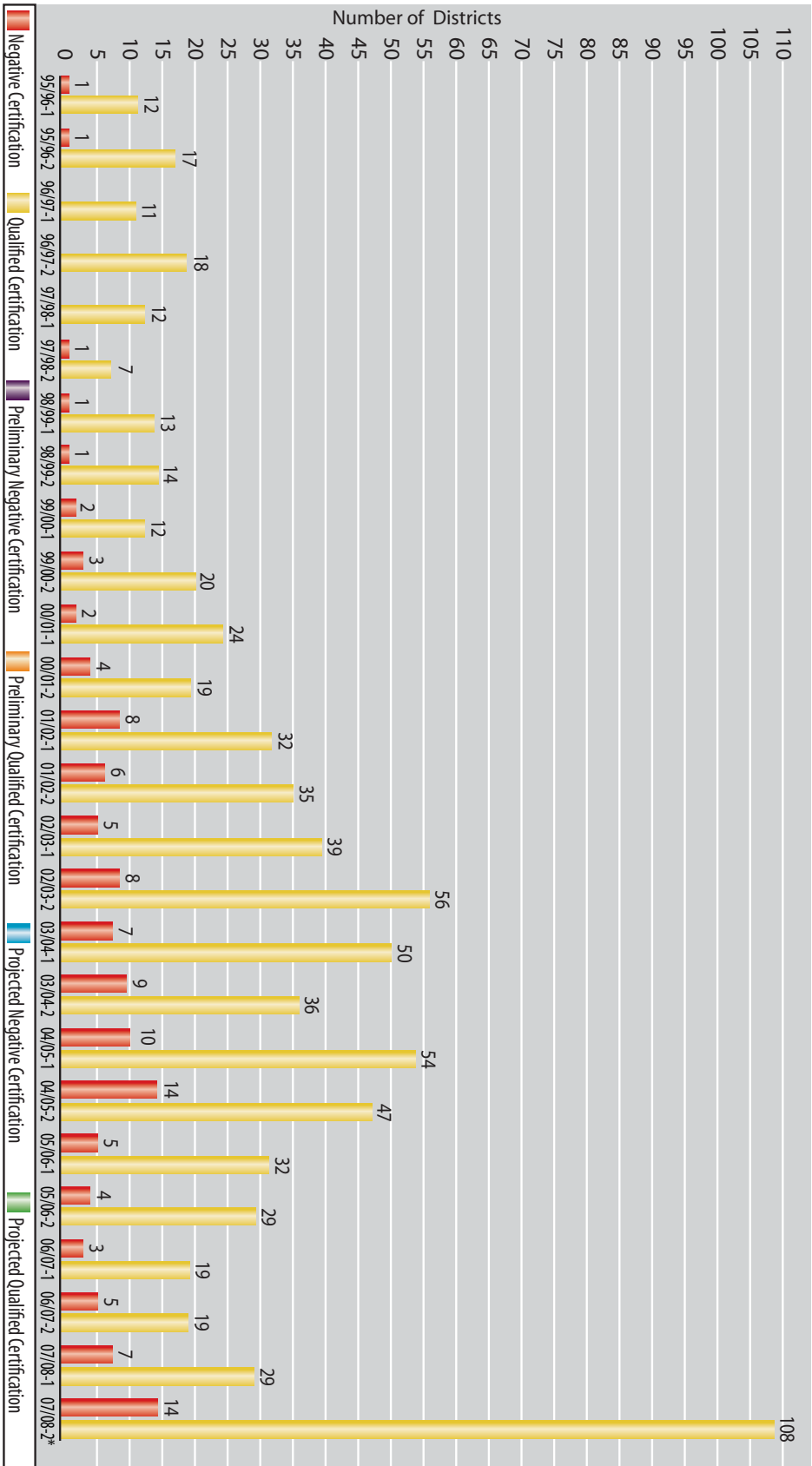
FCMAT has monitored interim certification status since its inception, and will continue to do so as an integral part of its efforts to assist LEAs in preserving their fiscal stability.

## Certifications of Financial Reports California School Districts – 1995 to Present

Education Code Section 42130 (Reports by District Superintendents)

1st Interim covers period ending October 31st and Board approved by December 15th • 2nd Interim covers period ending January 31st and Board approved by March 16th

3rd Interim covers period ending April 30th and filed by June 1st (required if 2nd Interim is Qualified or Negative)



**Negative Certification** (Red bar): Shall be assigned to any school district that, based upon current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

**Qualified Certification** (Yellow bar): Shall be assigned to any school district that, based upon current projections, may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

**Preliminary Negative Certification** (Purple bar): Shall be assigned to any school district that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

**Preliminary Qualified Certification** (Orange bar): Shall be assigned to any school district that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

**Projected Negative Certification** (Light Blue bar): Shall be assigned to any school district that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

**Projected Qualified Certification** (Green bar): Shall be assigned to any school district that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

\*Unofficial Projection: Total number of districts reported: 976. Total positive certifications: 861.

## Second Interim Budget Certifications 2007-08

County	District	Certification	County	District	Certification
Butte	Chico Unified	Negative	El Dorado	Camino Union Elementary	Qualified
Glenn	Willows Unified	Negative	Fresno	Golden Plains Unified	Qualified
Humboldt	Eureka City Unified	Negative	Fresno	Parlier Unified	Qualified
Los Angeles	Centinel Valley Union High	Negative	Fresno	Raisin City Elementary	Qualified
Los Angeles	El Rancho Unified	Negative	Fresno	Westside Elementary	Qualified
Los Angeles	Gorman Joint Elementary	Negative	Humboldt	Rohnerville Elementary	Qualified
Monterey	King City Joint Union High	Negative	Imperial	Brawley High	Qualified
Monterey	King City Union	Negative	Imperial	Calexico Unified	Qualified
San Benito	Aromas-San Juan Unified	Negative	Kern	El Tejon Unified	Qualified
Santa Barbara	Santa Barbara Elementary	Negative	Kern	Greenfield Union Elementary	Qualified
Santa Barbara	Santa Barbara High	Negative	Kern	Lakeside Union	Qualified
Santa Cruz	Pajaro Valley Unified	Negative	Kern	Lost Hills Union Elementary	Qualified
Solano	Dixon Unified	Negative	Kern	Muroc Joint Unified	Qualified
Solano	Vallejo City Unified	Negative	Lake	Konocti Unified	Qualified
			Lake	Lakeport Unified	Qualified
			Lake	Upper Lake Union High	Qualified
			Lake	Upper Lake Union Elementary	Qualified
			Lassen	Westwood Unified	Qualified
			Los Angeles	Antelope Valley Union High	Qualified
			Los Angeles	Castaic Union Elementary	Qualified
			Los Angeles	El Monte City Elementary	Qualified
			Los Angeles	Hawthorne Elementary	Qualified
			Los Angeles	Las Virgenes Unified	Qualified
			Los Angeles	Los Angeles County Office	Qualified
			Los Angeles	Los Angeles Unified	Qualified
			Los Angeles	Lowell Joint Elementary	Qualified
			Los Angeles	Monrovia Unified	Qualified
			Los Angeles	Paramount Unified	Qualified
			Los Angeles	Pomona Unified	Qualified
			Los Angeles	Saugus Union Elementary	Qualified
County	District	Certification			
Alameda	Alameda City Unified	Qualified			
Alameda	Oakland Unified	Qualified			
Alameda	Piedmont City Unified	Qualified			
Alameda	Sunol Glen Unified	Qualified			
Amador	Amador County Office	Qualified			
Amador	Amador County Unified	Qualified			
Butte	Biggs Unified	Qualified			
Butte	Durham Unified	Qualified			
Butte	Oroville City Elementary	Qualified			
Contra Costa	Martinez Unified	Qualified			
Contra Costa	Mt. Diablo Unified	Qualified			
Contra Costa	West Contra Costa Unified	Qualified			
Del Norte	Del Norte County Unified	Qualified			

## Second Interim Budget Certifications 2007-08

County	District	Certification	County	District	Certification
Los Angeles	South Whittier Elementary	Qualified	San Diego	Jamul-Dulzara Union Elementary	Qualified
Los Angeles	Whittier City Elementary	Qualified	San Diego	La Mesa-Spring Valley Elementary	Qualified
Mendocino	Anderson Valley Unified	Qualified	San Diego	San Ysidro Elementary	Qualified
Mendocino	Mendocino Unified	Qualified	San Diego	Vista Unified	Qualified
Mendocino	Porter Valley Community Unified	Qualified	San Joaquin	Tracy Unified	Qualified
Mendocino	Ukiah Unified	Qualified	San Luis Obispo	Atascadero Unified	Qualified
Mendocino	Willits Unified	Qualified	San Luis Obispo	Paso Robles Joint Unified	Qualified
Merced	Arwater Elementary	Qualified	San Luis Obispo	Lucia Mar Unified	Qualified
Merced	Salinas Union High	Qualified	San Luis Obispo	Shandon Joint Unified	Qualified
Orange	Garden Grove Unified	Qualified	San Luis Obispo	San Miguel Joint Unified	Qualified
Placer	Auburn Union Elementary	Qualified	Santa Barbara	Hope Elementary	Qualified
Placer	Colfax Elementary	Qualified	Santa Barbara	Guyama Joint Unified	Qualified
Placer	Eureka Union	Qualified	Santa Clara	Franklin-McKinley Elementary	Qualified
Placer	Placer Union High	Qualified	Santa Clara	Mt. Pleasant Elementary	Qualified
Placer	Placer Hills Union Elementary	Qualified	Santa Clara	Orchard Elementary	Qualified
Placer	Rocklin Unified	Qualified	Santa Cruz	Santa Cruz City Elementary	Qualified
Placer	Western Placer Unified	Qualified	Santa Cruz	Santa Cruz City High	Qualified
Riverside	Alvord Unified	Qualified	Shasta	Cascade Union Elementary	Qualified
Riverside	Moreno Valley Unified	Qualified	Shasta	Cottonwood Union Elementary	Qualified
Sacramento	Eik Grove Unified	Qualified	Shasta	Grant Elementary	Qualified
Sacramento	Natomas Unified	Qualified	Shasta	Pacheco Union Elementary	Qualified
Sacramento	Robla Elementary	Qualified	Siskiyou	McCloud Union Elementary	Qualified
Sacramento	Sacramento City Unified	Qualified	Solano	Travis Unified	Qualified
San Bernardino	San Juan Unified	Qualified	Sonoma	Forestville Union Elementary	Qualified
San Bernardino	Barstow Unified	Qualified	Sonoma	Healdsburg Unified	Qualified
San Bernardino	Hesperia Unified	Qualified	Sonoma	Piner-Olivet Union Elementary	Qualified
San Bernardino	Lucerne Valley Unified	Qualified	Stanislaus	Empire Union Elementary	Qualified
San Bernardino	Needles Unified	Qualified	Stanislaus	Hughson Unified	Qualified
San Bernardino	Rialto Unified	Qualified	Stanislaus	La Grange Elementary	Qualified
San Bernardino	Rim of the World Unified	Qualified	Stanislaus	Roberts Ferry Union Elementary	Qualified

**Second Interim Budget Certifications**  
2007-08

County	District	Certification
Stanislaus	Valley Home Joint Elementary	Qualified
Tuolumne	Chinese Camp Elementary	Qualified
Tuolumne	Curtis Creek Elementary	Qualified
Tuolumne	Sonora Union High	Qualified
Tuolumne	Twain Harte-Long Barn Union Elementary	Qualified
Yuba	Wheatland Elementary	Qualified



## Management Assistance 2007-08

### AB 1200 / AB 2756 in Action

Assembly Bill 1200 was created out of the need to ensure that local educational agencies throughout California adequately prepare to meet their financial obligations. The law was based on concerns arising from the bankruptcy of the Richmond School District and the fiscal collapse of other districts that were preparing to seek emergency loans from the state.

AB 1200 is a statewide plan for county offices of education and school districts to work together on the local level to improve fiscal procedures, standards, and accountability. AB 1200 expands the role of county offices of education in monitoring school districts and mandates intervention, under certain circumstances, to ensure that districts can meet their financial obligations. AB 1200 provisions also apply to the state in its role as monitor of county offices of education. Every publicly funded K-12 school operation has been affected by this innovative effort to ensure fiscal solvency throughout school systems in the state.

The Legislature, through AB 1200, created the Fiscal Crisis and Management Assistance Team (FCMAT). A statewide resource, FCMAT provides fiscal and management guidance to assist monitoring agencies in the performance of their tasks and assists educational agencies requesting help in school business management and related areas.

The procedures to form FCMAT were spelled out by the provisions of AB 1200. In spring 1992, all county offices of education were notified of the opportunity to apply to be the administrative agent for FCMAT. Four county offices submitted responses. As required by law, the decision of which county office would be selected was made by the Superintendent of Public Instruction and the Secretary of Child Development and Education. The Kern County Superintendent of Schools Office was chosen to administer FCMAT, and entered into a contract in June 1992 with the governor's office and the California Department of Education. The current Administrative Agent is the Kern County Superintendent of Schools, Dr. Larry Reider.

The Kern County Superintendent of Schools provides supervision to the team's chief executive officer. Assisting FCMAT in a variety of ways is a 25-member Board of Directors, comprised of county and district superintendents representing the 11 county office of education service regions, a community college representative and a community college board member, and an administrator from the Department of Education. An important function of the FCMAT board is the authority to declare that a fiscal emergency exists in a local educational agency.

FCMAT's services can be contracted under several different circumstances. For example, if a county office reviews and disapproves a school district's annual budget, that county office may ask FCMAT to examine the district's financial records, develop a budget and/or provide other recommendations to ensure fiscal stability. In addition, FCMAT can respond directly to the request of any school district, county office or charter school seeking advice to improve management.

Two emergency loans to the Oakland Unified School District (2003) and the Vallejo City Unified School District (2004) prompted the state Legislature to author additional fiscal oversight legislation in the form of AB 2756 (Daucher). The bill made substantive changes to the financial accountability and oversight process of a school district's fiscal condition, and clarified the process for the oversight and monitoring of districts that obtain emergency loans.













Various state and local agencies were assigned added responsibilities through AB 2756. The State Board of Education was charged with adopting and updating the state's standards and criteria. It also was required to adopt a comprehensive list of professional and legal standards to be used as a guide for good educational programs and fiscal and management practices. FCMAT's comprehensive assessment and monitoring role with emergency loan districts was clarified and enhanced. The role of the county superintendent of schools was clarified relative to the emergency loan districts. AB 2756 makes it clear that the appointment of a State Administrator to an emergency loan district does not remove any statutory rights, duties, or obligations from the county superintendent. A number of added responsibilities were assigned to local school districts relative to AB 2756. One key change was the requirement for the district superintendent and chief business official to certify in writing that the costs incurred by the school district under a contractual agreement can be met by the district during the term of the agreement.

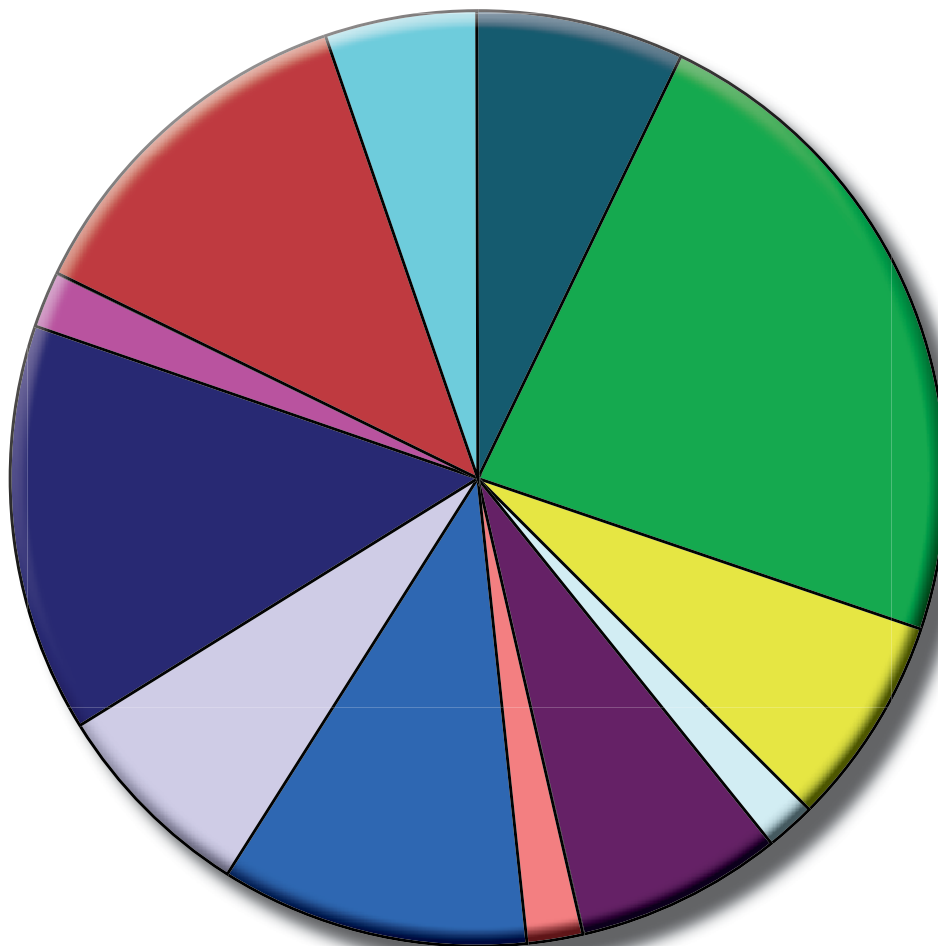
AB 2756 also provided for the development of regional teams to provide training and technical expertise to school districts and county offices of education facing fiscal difficulties. Four regional teams in 2004-05 were awarded funding to assist with the development and deployment of assistance. These four teams were awarded continued funding for 2005-06, 2006-07 and 2007-08.

A summary of the studies completed by FCMAT during the 2007-08 fiscal year is provided on the next several pages.

## Types of Reviews for Fiscal Year 2007-08

### 56 Total Studies

	AB 139 Extraordinary Audit	4		Food Service	6
	Business, Fiscal	13		Organization, Staffing	4
	Comprehensive	4		Special Education	8
	District Reorganization	1		Technology	1
	Facilities, Maintenance	4		Transportation	7
	Fiscal Crisis/Emergency	1		Other Services or Training	3



## Number and Types of Studies Annual Comparison

### Number of Studies by Fiscal Year

	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	Total
<b>Type of Study</b>																	
Fiscal Crisis/Emergency	6	3	4	3	2	1	1	2	2	4	2	1	1	1	2	1	36
Management Assistance																	
Comprehensive	0	0	0	0	0	0	0	0	0	2	2	5	0	0	1	4	14
Business, Fiscal	2	9	7	8	12	7	9	10	14	15	11	20	31	31	23	13	222
Transportation	0	2	6	4	5	4	7	5	7	11	6	6	9	6	4	7	89
Attendance	1	0	0	1	0	1	1	0	0	1	0	0	2	2	0	0	9
Technology	1	1	1	1	1	3	4	11	10	10	9	9	11	16	9	1	98
Organization, Staffing	0	1	3	0	4	7	3	8	7	4	4	14	7	7	11	4	84
Special Education, SELPA	0	0	0	2	1	0	1	2	1	3	1	2	3	7	11	8	42
Food Service	0	0	0	1	0	2	1	0	2	1	0	5	0	4	2	6	24
Facilities, Maintenance	0	0	0	0	1	0	1	5	3	4	0	4	4	2	4	4	32
Alternative Education, ROP	0	0	0	1	0	0	1	0	0	0	0	0	0	0	0	0	2
External Evaluator	0	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0	4
District Reorganization	0	0	2	3	1	2	0	0	0	0	0	0	0	0	1	1	11
Other Services or Training	0	0	0	6	0	0	0	3	1	1	0	3	1	0	0	3	18
AB139 Extraordinary Audits	0	0	0	0	0	0	0	0	0	4	0	3	7	2	4	4	24
<b>Total Studies</b>	<b>10</b>	<b>16</b>	<b>23</b>	<b>30</b>	<b>27</b>	<b>27</b>	<b>29</b>	<b>48</b>	<b>49</b>	<b>60</b>	<b>35</b>	<b>72</b>	<b>76</b>	<b>79</b>	<b>72</b>	<b>56</b>	<b>709</b>

Ongoing reports monitoring the progress of districts assigned a comprehensive review by the Legislature:

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	Total
Berkeley Unified SD	0	0	0	0	1	1	1	1	0	4
Compton Unified SD	0	2	2	2	2	2	2	2	2	16
Oakland Unified SD	0	0	0	0	0	2	1	1	1	5
Vallejo City USD	0	0	0	0	0	0	1	2	1	4
W. Contra Costa USD	0	0	0	1	2	1	0	0	0	4
West Fresno ESD	0	0	0	0	0	1	1	1	1	4
<b>Total</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>7</b>	<b>6</b>	<b>7</b>	<b>5</b>	<b>37</b>

## *Study Summaries 2007-08*

### **Atascadero Unified School District (No. 645)**

A significant decrease in student enrollment prompted a study that provided recommendations to ensure district facilities met short- and long-term student needs.

### **Belmont-Redwood Shores Elementary School District (No. 692)**

Focusing on the special education program, FCMAT offered recommendations to help the district streamline services at some reduced costs, while reviewing the requirements of maintenance of effort along with ensuring appropriate services for students with exceptional needs.

### **Bonsall Unified School District (No. 695)**

District office tasks and workloads appeared to need realignment. Routing and financial efficiencies were recommended for the transportation program.

### **Byron Unified School District (No. 693)**

A multiyear projection showed that the district might not be able to maintain the 3% required reserve in 2008-09 or 2009-10. A review of the 2007-08 budget showed good fiscal practices and controls in place.

### **Calexico Unified School District (No. 664)**

FCMAT reviewed the district's human resources department, performed a staffing comparison and provided recommendations to help correct a lack of procedures, organization, documentation, access to technology and data, and position control.

### **Caruthers Unified School District (Southwest JPA) (No. 673)**

Board policies, job descriptions, employee titles and responsibilities were in need of updating. Cash needs for the two JPAs required closer monitoring. JPA membership criteria merited ongoing review.

### **Clovis Unified School District (No. 658)**

FCMAT recommended restructuring of the position control system. More effective support of the Business and Human Resources by the technology support personnel was also recommended.

### **Cotati-Rohnert Park Unified School District (No. 642)**

A multiyear projection and facilities review were performed. A board policy to ensure a 5% reserve, an in-depth analysis of the cafeteria program, and proceeding with school closure plans were among the recommendations.

### **Edison School District (No. 682)**

FCMAT issued a management letter that centered on the district's credit card use and the policies and procedures governing that practice.

### **Fresno County Office of Education (No. 649)**

Aspects of the Fresno SELPA that were reviewed included the governance structure, operation and delivery of programs, funding formula, future facilities needs, and transportation.

**Glendale Community College District (No. 640)**

A multiyear financial forecast and a fiscal health analysis were conducted. Measures recommended to retain fiscal solvency included better control of employee benefit costs and purchasing procedures, and consideration of viable options for the college's \$16 million unfunded liability.

**Glenn County Office of Education (No. 661)**

FCMAT reviewed the Glenn County Special Education Local Plan Area, performed a fiscal review, and provided several recommendations in the areas of program position control, program analysis and duplication of services.

**Grossmont Union School District (No. 697)**

A special education report concluded that the district needed to gain more control over the process of identifying students as eligible for special education services.

**Hamilton Elementary School District (No. 650)**

A fiscal review and multiyear financial projection of this declining enrollment district found that the district would be able to meet its reserve requirement through 2008-09 and identified factors that would significantly affect the general fund balance in the projection years.

**Holtville Unified School District (No. 665)**

FCMAT reviewed district's M&O, facilities and transportation services and recommended adjustments to staffing and facility use policies, organizational changes in the transportation department, and the possible closure of one school site with declining enrollment.

**Ivy Academia K-12th Grade Entrepreneurial Charter School (No. 674)**

FCMAT reviewed financial statements and status, policies and procedures and provided the management with suggestions to incorporate best business practices.

**Keppel Union School District (No. 663)**

Centralization of all department divisions, including custodial and grounds, was one of the key recommendations of this report, which reviewed the Maintenance and Operations Department.

**Kern County Superintendent of Schools – Pond Union Elementary School District (No. 638)**

After the district received a negative budget certification, FCMAT acted as fiscal advisor and recommended improved construction funding procedures, more accurate budget monitoring, and more frequent updates to financial projections.

**Lakeside Union Elementary School District (No. 676)**

A review of the district's finances, organization and staffing resulted in recommendations for more efficient administrative staffing, reduced categorical fund carryover, and the possible closure of one school site.

**Los Angeles County Office of Education – Gorman Elementary School District (No. 659)**

A fiscal review and multiyear financial projection indicated that this small semi-rural district would not meet the required reserve and resulted in recommendations for budget reductions and possible lapsation of the district.

**Merced Union High School District (No. 662)**

FCMAT recommended that the district begin planning for a central district transportation facility that would meet current and future growth needs.

**Montebello Unified School District (No. 671)**

A multiyear financial projection was prepared. The implementation of staffing formulas was recommended, along with measures to increase the ADA percentage. The need to hire an experienced chief business official was emphasized.

**Monterey County Office of Education (No. 668)**

A review of the county's special education services resulted in recommendations to improve the fiscal model to achieve more equitable allocations, increase data accuracy and improve the fiscal and operational efficiency of special education programs and services.

**Monterey County Office of Education – King City Joint Union High School District (No. 694)**

A fiscal review concluded that the district would not meet its reserve requirement in the current and two subsequent fiscal years without a detailed plan to increase revenue and/or reduce expenditures and cease deficit spending.

**Monterey County Office of Education – Lagunita Elementary School District (No. 689)**

FCMAT conducted an AB 139 extraordinary audit and found possible conflicts of interest and improper bidding practices in relation to a construction project, as well as significant material weaknesses in the district's internal control processes.

**Monterey Peninsula Unified School District (No. 661)**

Position control, budget development, budget monitoring, purchasing and long-term liabilities were the focuses of a fiscal review that included a Fiscal Health Risk Analysis.

**Napa Valley Unified School District (No. 672)**

Adjustments to the budgeting process were recommended. A multiyear financial projection showed that the district might not be able to maintain the state-required 3% reserve in 2008-09 or 2009-10.

**Nevada County Office of Education – Twin Ridges Elementary School District (No. 683)**

FCMAT prepared a reconciliation of revenues and expenditures related to a number of charter schools for which the district's sponsorship had recently ended because of legislation requiring that charters reside within a district's geographic boundaries.



**North Monterey County Unified School District (No. 690)**

A fiscal review and multiyear financial projection found that the district would be able to maintain the required reserve and provided recommendations for strengthening internal controls and creating formal budget development and monitoring processes.

**Oakland Unified School District (No. 651)**

FCMAT found that approximately 600 special education IEPs were out of compliance. Many IEPs were written by hand. The interaction between the Business, Human Resources and Special Education departments needed improvement.

**Orange County Department of Education (No. 677)**

A review of the child nutrition program found that the program should either increase participation or adjust staffing and food costs to reflect industry standards.

**Parlier Unified School District (No. 684)**

Custodial staffing appeared appropriate, but standardized cleaning methods, products, and staff development were needed. A regular mowing schedule for the grounds crew and better methods of graffiti removal were recommended.

**Perris Union High School District (No. 627)**

FCMAT provided effective strategies and processes to make optimal use of the district's assets and provide long-term support for the staff and students.

**Planada Elementary School District (No. 679)**

FCMAT produced a 2007-08 budget that was used as the basis for a multiyear projection. A reliable process for analyzing salary and benefits and regular budget updates were recommended.

**Reef-Sunset Unified School District (No. 670)**

The district's human resources and fiscal services departments were reviewed and recommendations were provided to help improve interdepartmental communication, implement a formal budget development process and maintain written personnel procedures.

**River Delta Unified School District (No. 699)**

FCMAT identified four areas in the accounts payable function of the Business Services Department that needed attention and/or improvement.

**Rowland Unified School District (No. 648)**

A review of the district's technology services found the need for consolidation and standardization of services and procedures as well as better communication and improved network operations.

**San Benito County Office of Education – Aromas-San Juan Unified School District (No. 686)**

A fiscal review projected that the district would not be able to meet its obligations in the projection years because of negative fund balances, lack of reserves, and insufficient cash.



**San Diego County Office of Education (No. 688)**

FCMAT recommended that the Special Education Local Plan Area (SELPA) fully evaluate the equitability of its funding model and identify the factors that affected the costs of providing special education services.

**San Lorenzo Valley Unified School District (No. 653)**

FCMAT provided budgetary assistance to the district's charter school.

**San Mateo Union High School District (No. 680)**

A review of the human resources department resulted in recommendations to help appropriately distribute and assign various duties, provide additional training, document procedures and policies, improve customer service and increase position control.

**San Ysidro Elementary School District (No. 632)**

A review of the district's technology services provided recommendations to help correct a lack of security procedures and policies, network monitoring and performance, backup procedures, system integration, and login banners.

**Santa Clara County Office of Education – Los Gatos Elementary School District (No. 629)**

An AB 139 extraordinary audit of the district included recommendations to help correct a lack of inventory controls, nonstandard bidding practices, conflicts of interest and payroll irregularities.

**Santee School District (No. 696)**

Collaborative models of teaching were recommended. More effective involvement of parents in the IEP process was needed. Specific eligibility and exit criteria for various disabilities needed to be developed.

**Simi Valley Unified School District (No. 681)**

FCMAT determined that several factors beyond the district's control placed increased demands on the general funds to support special education programs and offered suggestions to mitigate these demands.

**Tehama County Department of Education (No. 675)**

A fiscal and human resources review of the Red Bluff Union Elementary School District recommended the adoption of a formal, documented budget development process that would have the participation of all affected groups.

**Tulare Joint Union High School District (No. 687)**

Improvements were recommended in the planning, organization and notification of technology infrastructure and application changes. Technology project planning sessions were recommended for determining time lines, scope, resources needed and costs.

**Vallecito Union School District (No. 704)**

Several recommendations to help make the district's food services program self-supporting were provided.

**Victor Valley Union High School District (No. 606)**

FCMAT performed a fiscal review, assisted the district in understanding the impact of negotiations with bargaining units, and provided recommendations for improving position control, staffing assignments and scheduling.

**Victor Valley Union High School District (No. 626)**

A review of the district's organization and staffing resulted in recommendations to help improve communication, develop staffing formulas and structures to increase efficiency, monitor personnel and payroll costs, and update job descriptions.

**West Fresno Elementary School District (No. 667)**

FCMAT reviewed this growing district's food service program and provided recommendations to help improve operational efficiency, communication, supervisory procedures and allocation of staff to accommodate anticipated growth.

**Willows Unified School District (No. 685)**

FCMAT reviewed the district's food services program and provided recommendations against centralizing all food production and for cost reductions in purchasing and operations as well as adjustments to increase meal counts, meals per labor hour and menu options.

## Client Evaluation Results

Upon completion of each study, FCMAT sends the client a User Evaluation Form requesting feedback for the services provided. This evaluation helps FCMAT to meet its clients' needs and document areas of service that may need improvement.

For 2007-08, FCMAT received 26 completed evaluations. An analysis of the evaluations is submitted to the Kern County Superintendent of Schools as FCMAT's administrative agent, and to the FCMAT Board of Directors.

These are the responses from the User Evaluation forms received during 2007-08:

1. Did the FCMAT team complete the objective of the study as requested?

Yes	26
No	0

2. Was the time line satisfactory?

Yes	24
No	2

3. How would you rank FCMAT's overall assistance? (Scale of 1-5)

5	18
4	7
3	1
2	0
1	0

4. How would you rank your level of satisfaction with the entire process? (Scale of 1-5)

5	16
4	9
3	1
2	0
1	0

## 5. Type of local educational agencies that completed the User Evaluation Form:

K-12 School Districts	20
County Offices of Education	5
Community Colleges	1
Charter Schools	0

This client evaluation summary does not reflect FCMAT's ongoing fieldwork or legislative assignments to conduct comprehensive assessments.

FCMAT's Deputy Executive Officer makes personal contact with all clients who provide a performance evaluation score of 3 or lower. Written documentation is maintained as to the nature of the call, the contact, issues raised, and the ultimate resolution.

## Special Assignments

### AB 139 Extraordinary Audits

AB 139 was codified by Education Code Sections 1241.5 (b) and (c), and provides that the county superintendent of schools may review or audit the expenditures and internal controls of any school district or charter school in his or her county if he or she has reason to believe that fraud, misappropriation of funds, or other illegal fiscal practices may have occurred that merit examination.

During 2007-08, FCMAT completed these AB 139 audits:

District/Charter	Requested By
El Centro Elementary School District	Imperial County Office of Education
Lagunita Elementary School District	Monterey County Office of Education
Oak Hills Academy Charter School	Butte County Office of Education
Oasis Charter Academy School	San Bernardino County Office of Education

### Fiscal Advisor Assignments

FCMAT staff provides support to school districts and charter schools at the request of county offices of education or charter school governing boards. During 2007-08, Fiscal Advisor services were provided to the Lifeline, Ivy Academia, and Livermore Valley charter schools. Services also were provided to the Pond Union Elementary School District at the request of the Kern County Superintendent of Schools.

### Comprehensive Reviews

#### Oakland Unified School District

In January 2000, at the district's request, FCMAT issued a comprehensive assessment and recovery plan for the Oakland USD. In October 2002, the FCMAT Board declared the district a fiscal emergency and the Alameda County Superintendent assigned FCMAT as fiscal advisor. FCMAT determined that the district would require an emergency loan to continue operations.

In May 2003, Senate Bill 39 authorized a state loan of \$100 million and the appointment of a State Administrator. FCMAT was assigned to update its January 2000 report and issue two six-month progress reports. Subsequent legislation authorized further reports, the most recent of which was issued in November 2007.

An interim district superintendent began work with the district on July 1, 2008, and collaborates with the State Administrator. The Financial Management and Pupil Achievement operational areas are still under state control.

**Vallejo City Unified School District**

In June 2004, Senate Bill 1190 authorized a state loan of \$60 million and authorized the Superintendent of Public Instruction to appoint a state administrator to the district. FCMAT was required by the legislation to conduct a comprehensive assessment of the district, develop a recovery plan, and provide three six-month monitoring reports of the district's progress through May 2006.

FCMAT issued its Assessment and Recovery Plan on November 1, 2004. Six-month progress reports were issued in May and November 2005, May and November 2006, and July 2007.

In July 2007 the SPI returned the operational areas of Community Relations/Governance, Pupil Achievement, and Personnel Management to the local governance of the Vallejo board, with the State Administrator serving as State Trustee for the areas returned to the board, and as State Administrator for the areas remaining under state administration. The district has made good progress toward regaining fiscal solvency. The sixth and most recent progress report was issued in June 2008, which recommended the return of the Facilities Management operational area to local governance.

**West Fresno Elementary School District**

In March 2003, Assembly Bill 38 provided an emergency state loan of \$2 million to the district and authorized the appointment of a State Administrator. The legislation required FCMAT to conduct a comprehensive assessment of the district. The bill also required FCMAT to file status reports for two six-month periods through June 2004 on the school district's progress with regard to the improvement plans.

FCMAT issued six-month progress reports in January 2004 and July 2004. Subsequent legislation was required to authorize FCMAT to provide additional progress reports for the district. These progress reports were issued in July 2005, April 2007 and April 2008.

The April 2008 progress report recommended the return to local governance of four of the five operational areas: Community Relations/Governance, Personnel Management, Pupil Achievement, and Facilities Management. Three of the four areas recommended for local control were regained by the district, with Pupil Achievement remaining under state control, along with Financial Management.

**Compton Community College District**

In June 2006, the Compton Community College District required a \$30 million state emergency loan. AB 318 provided the emergency funds and appointed a State Trustee to administer the college district. The district also lost its accreditation in summer 2006, but is able to provide educational programs through its partnership with El Camino Community College as a satellite campus.

FCMAT conducted an extraordinary audit of the college district and issued its report in November 2006. The report called attention to a number of inappropriate operational practices and the lack of internal controls and procedures to guide operations effectively. In addition, FCMAT conducted a comprehensive assessment of the district's operations in the areas of Community Relations/Governance, Academic Achievement, Personnel, Facilities, Finance and Technology. FCMAT issued its comprehensive report and recovery plan in April 2007. Progress reports were issued in January and July 2008. Incremental progress has been made in each operational area.

# Professional Development

## Training

Each year, FCMAT sponsors and partners with other agencies and the private sector to provide timely, pertinent training and information to California's local educational agencies. Those efforts include the following:

### Accounts Payable Workshop

*Target Audience: Chief business officials, county office and district business staff*

*Partner: CASBO (California Association of School Business Officials)*

Description: Participants receive information to help them understand the complexities that govern many of the internal procedures that exist in accounts payable. They learn the importance of accounts payable as it relates to budget, overall financial reporting, federal and state categorical compliance, and the annual audit of district funds. Each participant receives comprehensive materials that includes a copy of the California School Accounting Manual.

### Legal Aspects and Hands on Accounting for Student Body Organizations

*Target Audience: All those involved with student organizations, including CBOs, principals, ASB advisors, ASB bookkeepers, district office oversight staff, and student councils*

*Partner: CASBO*

Description: This workshop is six hours of pertinent information and valuable instruction on all aspects of ASB accounting and operations. Areas covered include: state requirements and regulations, internal controls, budget and budget management, fund-raisers and cash controls, expenditures and disbursement controls, student stores, accounting and financial management. Many sample forms, procedures and reference sources are shared.

### CBO Boot Camp

*Target Audience: New and aspiring CBOs and superintendents*

*Partner: CASBO*

Description: This intensive, three-and-a-half-day program is designed to assist aspiring chief business officials and superintendents. The program guides participants through the everyday battles and sometimes conflicting responsibilities CBOs face. Areas of focus include an overview of school finance, making budget presentations, special education issues, SACS accounting structures, working with oversight agencies, school facilities, risk management, the CBO and collective bargaining, and much more.



## **Beyond Boot Camp**

*Target Audience: CBOs and superintendents*

*Partner: CASBO*

Description: This program builds on the basics provided in the CBO Boot Camp program by focusing on the myriad legal issues that confront CBOs daily. It is presented by the top practitioners in the field. Participants are offered key strategies in areas ranging from liability to special education law, as well as model documents and case studies of legal challenges faced by other CBOs.

## **Understanding Debt Workshop**

*Target Audience: CBOs, superintendents, board members, and business office staff*

*Partner: Governmental Financial Strategies*

Description: Understanding Debt provides an in-depth overview of public debt financing, including all varieties of bond sales and their consideration. The eight-hour program covers long-term impacts and fees and corrects misinformation that is too often communicated to school district administrators.

## **Pupil Attendance Accounting for School Site Personnel**

*Target Audience: K-12 school districts, county offices of education, and CPA firms*

*Partner: CASBO*

Description: Attendees learn about state compliance requirements, how to prepare for an audit, and strategies to improve pupil attendance. Special emphasis is devoted to those areas targeted for audit by the independent auditors: attendance records and documents, statutory school day and year, partial-day absences, on-campus suspensions, class-size reduction programs, alternative education programs, and hourly programs.

## **SACS – The Standard Account Code Structure – Basic Concepts**

*Target Audience: School business staff*

*Partner: CASBO*

Description: SACS Basics is for school business staff at all levels who are new to the industry or are ready to expand their knowledge. It offers an introduction to school accounting and the Standardized Account Code Structure. It covers valid account combinations, changes to the California School Accounting Manual (CSAM), accounting issues unique to schools, and common problems and how to avoid them.

## **Budget Explorer Training**

*Target Audience: CBOs and other business office staff preparing multiyear projections*

Description: The training provides attendees with an in-depth understanding of Budget Explorer as a multiyear financial forecasting, planning and communication tool. Participants learn how to create a multiyear financial forecast, print reports, and export data to another file.

## **SACS – The Standard Account Code Structure – Advanced Concepts**

*Target Audience: Staff familiar with SACS accounting and independent auditors*

*Partner: CASBO*

Description: This workshop covers advanced SACS accounting concepts including current topics and issues, tips for presenting financial information, program cost accounting, and everyday examples involving the use of SACS.

## **Advanced Budgeting**

*Target Audience: Superintendents, CBOs and business office staff, site administrators and staff, instructional leaders*

*Partner: CASBO*

Description: Advanced Budgeting is designed to add an in-depth perspective to the budget development process. Attendees learn “tricks of the trade” to develop an outstanding budget process for any K-12 public school district or county office of education. Participants receive training in how to use FCMAT’s User-Friendly Budget Display and Budget Explorer Software.

## **Pupil Attendance Accounting for School Site Personnel**

*Target Audience: K-12 school districts, county offices of education, and CPA firms*

*Partner: CASBO*

Description: This workshop covers state compliance requirements, preparing for an audit, and improving pupil attendance. Special emphasis is devoted to areas targeted for audit by independent auditors: attendance documentation, statutory school day and year, partial day absences, on-campus suspension, class-size reduction, alternative education, and hourly programs.

## **We Built It – The Money and Muscle of Facilities Maintenance**

*Target Audience: CBOs, county office and district business staff, superintendents, board members, and construction management staff*

*Partner: CASBO*

Description: Focusing on facilities and maintenance programs funded by state and local resources, detailed information is provided regarding regulations, program requirements, budget development and monitoring, and project development and closeout. Also covered are policy, political and programmatic issues to consider in addressing declining, stable, or growing district enrollment.

## **Building a Better Budget**

*Target Audience: Site administrators, district fiscal administrators, and program directors*

*Partner: SSC*

Description: This workshop focuses on how to make the most of new and existing resources to improve student performance. The latest updates on categorical programs are provided, including tips on how to maximize funding while meeting compliance requirements.

## **Conquering District Budgets in These Tough Times**

*Target Audience: Superintendents, CBOs, cabinet members, and the entire budget team*

*Partner: SSC*

Description: With the serious economic and state budget issues facing California, increased county office oversight, and major changes in enrollment, grappling with the district's budget is more challenging than ever for school district administrators and the entire management team. Presenters provide hints, tips and methods for budget analysis, budget reductions, and budget communications as districts deal with the budget challenges of 2008-09.

## **Declining Enrollment**

*Target Audience: District and county office business officials, superintendents, board members, and interested personnel in declining enrollment districts*

*Partner: SSC*

Description: Major legislation sponsored by statewide coalitions and associations to address the problem of declining enrollment has been successful in raising awareness and providing an opportunity to educate legislators regarding the scope of the problem. This workshop offers a thorough discussion of the fiscal, management, and political issues that must be addressed in districts experiencing, or likely to experience, declining enrollment.

## **Management of Employee Benefits Workshop**

*Target Audience: Superintendents, assistant superintendents, board members, directors of fiscal services, and policymakers*

*Partner: SSC*

Description: This workshop focuses on the changing environment of employee benefits and the activities and events that affect those changes. The changes in regulations, new accounting standards, and the growing cost of benefits are addressed to provide school agencies with the information and tools to better manage employee benefits in an effective and beneficial manner.

## **Managing Charter Schools**

*Target Audience: District and county administrators and staff, charter school staff, attorneys and other legal staff, board members and other policy makers*

*Partner: SSC*

Description: Since 1994, the number of charter schools operating in California has increased by an average of 13% per year. All school agencies must be ready for the challenges related to liability issues, Proposition 39 facility requirements, and changes in state law. This workshop helps school agencies meet their oversight responsibilities, evaluate and improve proposals for new and renewal charter schools, and respond to requests for facilities.

## May Revision Workshop

*Target Audience: Education community, news media, and elected officials*

*Partners: SSC and the California County Superintendents Educational Services Association (CCSESA)*

Description: This workshop shares information about the financial implications of the Governor's May Revision, including updated state budget and Proposition 98 projections, up-to-the-minute status reports on categorical programs, and the potential impact of the Governor's proposed initiatives. Also included is information related to practical issues involved in closing the books and determining appropriate accruals; program rates, provisions, flexibility, and changes to program funding and operational requirements. Strategies for collective bargaining and proactive responses to financial problems are discussed along with how the statutory COLA was calculated and what it means for the budget and for collective bargaining.

## Fiscal Implications of School District Reorganization

*Target Audience: District and county office business officials, superintendents, board members, and interested personnel*

*Partner: SSC*

Description: School district reorganizations are considered by many districts each year, but typically occur infrequently. This workshop gives participants an understanding of the legal, operational, and fiscal implications of reorganization that are essential to inform sound decision making.

## Fiscal Oversight Conference

*Target Audience: County office business staff*

*Partners: CCSESA and the Business and Administration Steering Committee (BASC)*

Description: This annual event is co-sponsored by CCSESA, BASC, and FCMAT to provide up-to-date information and training related to the role of the county office of education cited in Education Code Sections 42127.6-8. Sessions relate to emerging oversight issues, new legislation, the utilization of tools and techniques, and general information related to the implementation of AB 1200 and AB 2456.

## Masters in Governance

*Target Audience: Board members, superintendents*

*Partner: CSBA (California School Boards Association)*

Description: CSBA developed the Masters of Governance training program to support board members and superintendents. The program contains seven separate training modules focusing on the board's role with respect to setting the direction, establishing structure, providing support, ensuring accountability and acting as a community leader. FCMAT continues to support CSBA in revising and presenting the finance module in an effort to better prepare board members for their important role in approving, monitoring and implementing the district budget.

## Professional Development Resource Guide

*Target Audience: Chief business officials, county office and district office staff*

Description: Under AB 3141, state funded school business training services are facilitated through FCMAT. This includes the development of a training calendar to be disseminated semiannually to each county service region, which publicizes all of the fiscal training services offered at the local, regional and state level. The Resource Guide is posted on FCMAT's Web site.

## Written Resources

### Associated Student Body Accounting Manual & Desk Reference

*Target Audience: All those involved with student organizations, including chief business officials, principals, ASB advisors, ASB bookkeepers, district office oversight staff, and student councils*

Description: Revised in 2007, the ASB Accounting Manual & Desk Reference is the standard used by educational entities throughout the state for ASB operations. Information is provided in a user-friendly format to guide all those responsible for student body activities. The manual responds to the increased demands on today's school leaders to augment funding for students and schools while still maintaining fiscal accountability and accuracy. The manual suggests the right questions to ask and how to assess the answers.

### Business Services Guide

*Target Audience: Chief business officials, county office and district business staff, superintendents, board members*

*Partner: San Diego County Office of Education*

Description: The San Diego COE provides the rights to publish and disseminate (electronically and otherwise) the Business Services Guide. The guide is a compendium of business-related information, processes and guidelines developed to support chief business officials and all other business-related staff and administration.

### County Office of Education Fiscal Procedural Manual

*Target Audience: Chief business officials, county office business staff, superintendents, board members*

*Partner: CCSESA and BASC*

Description: The manual assists COE business officials in performing their required duties related to evaluating the operation of school district finances. It outlines 26 procedures and adopted standards that are required by California Education and Government Codes and can assist county offices of education in developing consistent and common practices in reviewing and responding to school district fiscal requirements. FCMAT updates sections of the manual each year with the assistance of BASC.

## **Fiscal Oversight Guide**

*Target Audience: Chief business officials, county office and district business staff, superintendents, board members*

*Partner: CCSESA and BASC*

Description: The Fiscal Oversight Guide was issued in September 2006, adding the increased oversight requirements of AB 2756 to the information contained in the original AB 1200 Guide. The guide provides an additional resource for county offices to use in the oversight of school districts, outlining the responsibilities of the county offices of education in the budget adoption and approval process and review of interim reports. It also provides guidance and sample letters for various scenarios if budgets are disapproved or interim reports are qualified or negative.

## ***Other Products and Services***

### **Ed-Data**

*Partner: CDE, EdSource, and Alameda County Office of Education*

Description: The Ed-Data Partnership web site, found at [www.ed-data-k12.ca.us](http://www.ed-data-k12.ca.us), contains the most user-friendly and up to date data available in the demographic and assessment areas and is the only education web site that provides financial information in California. The Ed Data Partnership makes efficient use of the state's investment in data analysis by making school, district and county information readily available to a variety of users. A primary objective of the Ed-Data web site is to follow the Governor's data transparency initiatives by helping to make information available to all constituencies in a format that is usable and easily understood.

### **Ed-JOIN**

*Partner: CCSESA*

Description: Ed-JOIN is California's premier public education job search Web site. Created by CCSESA and supported by CalTRIP, Ed-JOIN offers a unique tool for school districts and county offices of education to utilize in their efforts to recruit quality staff. This project partners FCMAT and Ed-JOIN staff to train school district HR professionals in the use of Ed-JOIN.

### **User Friendly Budget Display Software**

*Partner: SSC*

Description: Standardized budget formats are designed and delivered by CD-ROM for school districts to use in providing quality information to their publics regarding district financial policies and practices. This software has proven to be very valuable over the years as local agencies can implement a user-friendly format in the manner that best meets their needs. Armed with this knowledge, education participants can have a better understanding of the budget policies and issues of the local agency.



## **Certificated Salaries and Benefits Project, J-90**

*Target Audience: Chief business officials, county office and district business staff, superintendents, negotiations staff.*

*Partner: SSC (School Services of California), CDE, California Federation of Teachers and the California Teachers Association*

Description: An annual survey is designed and collected to publish salary and benefits information for certificated employees. Improvements are continually made to enhance the quality of district information. Issues to be evaluated and reported include average salary schedule, amount and total salary expense, prior vs. current year, total health benefit expense as a ratio to total salary expense, total number of service days versus instructional days, and other appropriate and timely data.

## **Teleconferencing**

### **Legislative Analyst Office Analysis of the Governor's Budget**

*Target Audience: County and district business officials, all administrators, board members, school leadership team members, news media, elected officials.*

*Presenter: Ron Bennett, SSC*

Description: This teleconference features the state Legislative Analyst in conversation with legislators and educators regarding the fiscal health of the state and the potential impact of future policy decisions on California's education system.

### **May Revision Teleconference**

*Target Audience: County and district business officials, all administrators, board members, school leadership team members, news media, elected officials.*

*Presenter: Ron Bennett, SSC*

Each year, the Governor publishes the May Revision of the annual state budget. For school district and county office staff, administration and boards, this revision is a critical indicator that affects budget development, organizational planning, and employee agreements. The May Revision Teleconference provides an analysis and discussion of this important budget document immediately upon its release.



## *Leadership Preparation*

### **CBO Mentor Project**

This exemplary one-year program is designed to produce qualified school district chief business officials. It is geared toward those who have a clear goal and experience in school business operations that will enable them to advance to the CBO level. Students attend nine Friday evening and Saturday sessions in Sacramento. A mentor who is a CBO is assigned to each participant and is available to help them as needed.

The fifth cohort of the project is under way and will conclude in March 2009. Applications for the sixth cohort were available on FCMAT's Web site as of mid-September 2008. That session will begin on April 3, 2009.

Surveys of each cohort indicate that 98% of the candidates who have completed the program either advance to a higher position in the business office and/or become an Assistant Superintendent of Business Services. One hundred candidates have completed the program and 26 are being trained in the fifth cohort.

Project partners are BASC, CASBO, CCSESA, FCMAT and SSC. FCMAT underwrites the project and the training is offered free to participants.

### **Chief Technology Officer (CTO) Mentor Project**

This project prepares individuals for senior leadership of K-12 technology and informational services and is completing its second successful year.

Partners in CTO Mentor are FCMAT, the California County Superintendents Educational Services Association (CCSESA) and as lead agency, the California Educational Technology Professionals Association (CETPA). Representatives of these agencies serve as the Steering Committee for CTO Mentor. This committee also reviews and adjusts materials as needed, working with the instructors to ensure an innovative and effective curriculum. The California Department of Education (CDE) is supportive and engaged in the project, providing expert guest instruction.

The 2008 cohort consists of 21 individuals from across the state. Candidates receive intensive instruction in eight 12-hour segments on Fridays and Saturdays, as well as monthly interactions with their mentors. Candidates must complete session assignments, a final thesis and oral examination. They also must engage with their mentor throughout the program. Instructors and mentors are current CTOs drawn from across California, each with extensive K-12 experience and expertise.

The curriculum was updated as a result of feedback from the 2007 cohort. A fictitious case study was developed and used by the instructors as a teaching tool. Scenarios were created to support the curriculum and create an environment where ideas and expertise could be applied. Plans for the 2009 cohort are beginning in September 2008, with the applications to be available in October 2008.

### **Facilities Leadership Academy**

The Coalition for Adequate School Housing (CASH) again partnered with FCMAT in 2007-08 to provide the School Facilities Leadership Academy, a 10-month, nine-session professional development program. The 26 members of the second cohort represented a cross-section of the professional disciplines that help design, build, and maintain the facilities serving California's public schools: superintendents, chief business officials, facility directors, planners, and maintenance and operations supervisors from both the public and private sectors.

Each participant was mentored by a school facilities expert, and attended two-day classes each month in Sacramento. The curriculum covered site selection, architectural design, facility financing, program management, maintenance and operations, and modernization. Classes were taught by core academy faculty and guest experts.

# Product Development

## Budget Explorer

Budget Explorer is FCMAT's Web-based multiyear financial forecasting and budget development application software that is designed to meet the planning and reporting needs of California's K-12 school districts and county offices. It is SACS and GASB compliant.

The software is available free of charge to authorized users. A unique account assigned by FCMAT provides the user access to the Budget Explorer Web site. Accounts are password-protected, ensuring that budget forecasts are safe, confidential, and cannot be accessed by unauthorized users. Approximately 1,000 accounts have been established since the software was launched.

This online resource makes it possible for school districts and county offices to access, create, and edit projections from any computer with an Internet connection. Because it enables school district and county office staff to create accurate multiyear forecasts of revenues and expenditures, Budget Explorer leads to more informed decision making and the ability to project the fiscal impact of current financial and strategic decisions. The software is simple to learn and user-friendly.

The software's capability is enhanced by modules for enrollment projection, revenue limit calculation, salary forecasting, automatic resource balancing, and audit logging.

### Budget Explorer Version 4.0 Release

FCMAT anticipates a new product release at the 2008-09 CASBO conference. Additional functions and enhancements in the new release will include the following:

#### Cash Flow Module

- Analyze cash flow for either base or projected years
- Determine revenues from each resource based on pre-established monthly rate proportions, based on district profile
- Track monthly revenues and expenditures

#### Export back to SACS

- To establish CDE data needs and extract reports for CDE or for import into SACS software

#### AB 1200 Reports

- Distribute salary data by bargaining unit with actual data drawn from the projections
- Customize text and data on these reports

### County Office of Education; COE Internal Business Services Uses

Funding for county offices is very different from that of K-12 school districts. Special enrollment categories specific to county offices receive uniquely calculated funding streams, requiring a software tool that offers the range of calculation formulas necessary to create projections. With Budget Explorer, county office internal business services users now have access to the revenue limit calculation form

(Form O), together with all the enrollment categories and associated revenue calculations that are unique to county offices. Budget Explorer 3.0 for county offices was released in spring 2008.

## Fiscal Insight

Fiscal Insight is a secure, Web-based budget and financial transaction reporting software that automates the extraction of financial transactions from any type of financial reporting software. FCMAT has co-developed this powerful software tool to include automated diagnostics that will create financial trends and analysis reporting. Using FCMAT's Fiscal Health and Risk Analysis and the SACS Criteria and Standards Review, users can generate a series of diagnostic reports and graphics to analyze revenue and expenditure trends and assist in decision-making and oversight. Reports include the following:

- CBEDS Historical and Projected Enrollment Report
- Revenue Trend Analysis
- Expenditure Trend Analysis by Object
- Salary and Benefits vs. Total Unrestricted Expenditures
- Deficit Spending Trends
- Year-to-Year Comparison and Trends for Fund Balance

Fiscal Insight can extract read-only data and report financial transactions to the lowest level of detail for all funds. The following is a sample view of the reporting capabilities of Fiscal Insight:

### Fiscal Insight™ - View by Object

Select Fund: 01 General Fund

Fund: 01 General Fund

Object	2004-2005				
	Budget	Expenditure	Encumbrance	Balance	Budget
8000 REVENUE	\$173,613,177.08	\$170,766,525.85	\$0.00	\$2,846,651.23	\$174,895,439.00
1000 Certificated Personnel Salaries	\$92,675,741.00	\$90,334,626.70	\$64,405.80	\$2,276,708.50	\$90,511,106.02
2000 Classified Personnel Salaries	\$27,556,563.00	\$27,336,216.99	\$0.00	\$220,346.01	\$28,686,880.89
3000 Employee Benefits	\$18,372,912.00	\$17,665,401.74	\$9,435.10	\$698,075.16	\$17,982,694.54
4000 Books and Supplies	\$7,803,024.00	\$5,215,115.82	\$27.24	\$2,587,880.94	\$9,858,090.73
5000 Services and Other Operating Expenditures	\$21,463,814.00	\$17,132,676.40	\$62,041.00	\$4,269,096.60	\$20,314,302.00
6000 Capital Outlay	\$377,298.00	\$283,819.25	\$0.00	\$93,478.75	\$1,499,797.00
7000 Financing Uses	\$4,598,556.00	\$5,558,058.57	\$0.00	(\$969,502.57)	\$7,450,266.00
<b>Expense Total</b>	<b>\$172,837,908.00</b>	<b>\$163,525,915.47</b>	<b>\$135,909.14</b>	<b>\$9,176,083.39</b>	<b>\$176,303,137.18</b>
<b>Revenue - Expenditure</b>	<b>\$775,269.08</b>	<b>\$7,240,610.38</b>	<b>(\$135,909.14)</b>	<b>(\$6,329,432.16)</b>	<b>(\$1,407,698.18)</b>

Summarized view of the entire expense areas

Summary and balance at every level

Side by side multiyear view

Proxient

FCMAT utilizes this product in fieldwork to view historical trends against the current or projected budget and can analyze the financial trends of an LEA by extracting data by fund, resource, object, or viewing specific financial transactions. Weekly, monthly or quarterly data extracts can be set up or customized by the user.

## *FCMAT Technical Support*

### *AB 1200 Reimbursements*

Education Code Sections 42127.3 and 42127.6 identify circumstances by which a county superintendent of schools may be reimbursed for a portion of the costs associated with actions related to the disapproval of a school district budget by the COE or SPI, and qualified or negative certifications of a school district budget. Eligible reimbursements include the appointment a fiscal advisor or fiscal expert, contracts with a CPA firm to investigate financial problems, and contracts for additional assistance to conduct a financial and budgetary study.

Claims for reimbursement are processed through FCMAT and are reviewed and approved by the Departments of Education and Finance.

### *Education Audit Appeals Panel*

Education Code Section 41344 provides an opportunity for a local education agency (LEA) to appeal a finding contained in a final audit report. This code section established an audit appeals panel consisting of the Superintendent of Public Instruction, the Director of the Department of Finance, and the Chief Executive Officer of FCMAT, or their designees. Diana L. Ducay represents the Director of Finance, Joel Montero serves in his capacity as CEO of FCMAT, and Susie Lange represents the Superintendent of Public Instruction. The panel usually meets each month; its meeting schedule and other information may be found on its Web site: [www.eaap.ca.gov](http://www.eaap.ca.gov).

### *Help Desk*

The FCMAT Help Desk is an online resource designed to answer questions related to school business throughout California. Questions cover a wide range of school business topics. The use of this resource continues to increase, with 92 questions answered in 2004-05, 180 in 2005-06, 369 in 2006-07, and 499 in 2007-08. FCMAT endeavors to answer all questions within 24 hours whenever possible. All questions receive answers, even if extensive research is required.

The responses provided by the Help Desk are intended to share the expertise of FCMAT staff and do not constitute legal advice. Each answer includes a statement that if the topic involves interpretation of laws, regulation or court precedent or otherwise calls for legal advice, the person asking the question should also consult legal counsel before acting on the FCMAT answer or any other information.

Over the past year, the following types of questions were received and answered:

Chief Business Official:	108
ASB Organizations:	325
Accounting/Budget:	18
Technology/CSIS:	4
Purchasing:	3

Human Resources:	7
Facilities:	17
Child Nutrition:	4
Miscellaneous*:	13

\*Miscellaneous consists of questions/requests where the individual was referred to another source, such as FCMAT's List Serves, EdData, copies of past FCMAT reports, or workshop schedules.

## *Mailing Lists*

FCMAT maintains confidential mail lists for various agencies. These mail lists are a vital communication link between professional colleagues and are a fast, free, and secure method for sharing information. Counties may link their CBOs, human resources administrators, or other professional specialists locally or county-wide.

Currently, FCMAT maintains 10 active mailing lists/listserves for various job-alike groups:

- Budget Explorer Test Group
- County Office CBOs
- County Office HR Administrators
- Credentials Analysts
- District Office CBOs
- District Office HR Administrators
- Facilities Professionals
- K-12 News Headlines
- Maintenance and Operations Professionals
- Purchasing Professionals

## *Regional Teams*

AB 2756, enacted by the Legislature and signed by Governor Schwarzenegger in 2004, established the formation of regional teams to provide fiscal or management assistance on a local level. County Office Service Regions 1, 4, 9, and 10 were selected through a competitive process to provide services to school districts in their respective areas.

During 2007-08, regional teams provided support to school districts and county offices of education, depending on the location, through activities including workshops on Associated Student Body, Understanding Debt: From Soup to Nuts, Attendance Accounting, Building Budgets, Maximizing Categorical Programs, Payroll Reporting and Compliance, Collective Bargaining, and Declining Enrollment. Locally developed CBO Forum and Special Education workshops and seminars were conducted, as well as several management assistance reviews for school districts.

## *Web Site*

Numerous services for the educational community are found on FCMAT's Web site, [www.fcmat.org](http://www.fcmat.org). The site is updated daily with the popular K-12 News Headlines, a service in which daily education news articles from major news sources are posted. Fiscal and legal alerts, as well as FCMAT's published reports, provide site visitors with the most current information available regarding laws and events affecting California's local educational agencies. The site is visited hundreds of thousands of times each year.